

Part I. Financial Information

Item 1. Financial Statements

SIFY TECHNOLOGIES LIMITED and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data and as otherwise stated)

	As at March 31,	As at September	
	2007	2007	2007 Convenience Translation into US\$ (Note 2)
	Rs.	Rs.	\$
ASSETS			
Current assets:			
Cash and cash equivalents	Rs. 3,070,157	Rs. 2,002,024	\$ 50,365
Investment in short term mutual funds	-	20,379	513
Accounts receivable	1,188,406	1,678,722	42,232
Due from employees	7,726	6,508	165
Inventories	28,686	36,574	920
Prepaid expenses	118,207	95,257	2,396
Net investment in leases	16,560	11,449	288
Other current assets	289,673	304,388	7,658
Total current assets	4,719,415	4,155,301	104,537
Cash restricted	1,000	1,000	25
Deferred income taxes	66,104	41,740	1,050
Net investment in leases	12,032	8,554	215
Property, plant and equipment-net	1,644,564	1,842,461	46,351
Goodwill and other intangible assets	192,390	183,552	4,618
Investments in affiliated companies	302,956	368,598	9,273
Other assets	224,491	355,069	8,933
Total assets	Rs. 7,162,952	Rs. 6,956,275	\$ 175,002
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Borrowings from banks	800,000	29,643	746
Current instalments of capital lease obligations	2,476	3,161	80
Trade accounts payable	316,935	612,933	15,420
Accrued liabilities	737,284	873,876	21,984
Deferred revenue	450,030	549,143	13,815
Advances from customers	89,908	126,498	3,182
Other current liabilities	89,855	130,984	3,295
Total current liabilities	2,486,488	2,326,238	58,522
Capital lease obligations, Excluding current instalments	3,671	4,247	107
Other liabilities	121,938	137,436	3,458
Total liabilities	2,612,097	2,467,921	62,087
Minority interest	169,765	183,951	4,628
Stockholders' equity			
Common stock, Rs 10 par value; 50,000,000 equity shares authorized (as of March 31, 2007 : 50,000,000) ; Issued and outstanding: 42,820,082 shares as of September 30,2007 and 42,800,265 shares as of March 31, 2007	428,003	428,201	10,772
Additional paid-in capital	16,325,960	16,359,749	411,566
Accumulated deficit	(12,378,114)	(12,489,160)	(314,193)
Accumulated other comprehensive income	5,241	5,613	142
Total stockholders' equity	4,381,090	4,304,403	108,287
Total liabilities and stockholders' equity	Rs. 7,162,952	Rs. 6,956,275	\$ 175,002

See accompanying notes to unaudited condensed consolidated financial statements