

Sify Technologies Limited
Unaudited Condensed Consolidated Interim Statement of Cash Flows

(In thousands of Rupees, except share data and as otherwise stated)	Six Months ended September 30		September 30, 2010
	2010 Rs.	2009 Rs.	Convenience translation into US\$
Cash flows from / (used in) operating activities			
Loss for the period	(315,768)	(247,116)	(7,029)
<i>Adjustments for:</i>			
Depreciation and amortization	347,745	297,139	7,741
Impairment loss on Intangibles including goodwill	1,857	47,269	41
Share of profit of equity accounted investee	(38,488)	(36,216)	(857)
Loss/ (gain) on sale of property, plant and equipment	1,178	(2,798)	26
Provision for doubtful receivables and advances	69,777	49,616	1,553
Stock compensation expense	7,021	13,174	156
Net finance expense / (income)	120,521	123,474	2,683
Loss on sale of Investments	-	373	-
Income tax expense / (benefit)	-	(81,479)	-
Unrealized (gain)/ loss on account of exchange differences	(9,668)	(15,808)	(215)
Other non-cash items	1,964	17,815	44
	186,139	165,443	4,143
Change in trade and other receivables	(251,487)	(535,492)	(5,598)
Change in inventories	(3,666)	11,515	(82)
Change in other assets	9,909	(132,632)	221
Change in trade and other payables	283,303	474,961	6,307
Change in employee benefits	11,595	8,665	258
Change in deferred revenue	61,690	126,891	1,373
	297,483	119,351	6,622
Income taxes paid	(13,130)	(126,388)	(292)
Net cash from / (used in) operating activities	284,353	(7,037)	6,330
Cash flows from / (used in) investing activities			
Acquisition of property, plant and equipment	(148,889)	(463,016)	(3,315)
Expenditure on intangible assets	(71,812)	(99,964)	(1,599)
Proceeds from sale of property, plant and equipment	1,549	4,141	34
Finance income received	35,898	68,194	799
Short term investments, net	-	19,942	-
Other investments	(150)	-	(3)
Net cash used in investing activities	(183,404)	(470,703)	(4,084)

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(In thousands of Rupees, except share data and as otherwise stated)			
Cash flows from / (used in) financing activities			
Proceeds from / (repayment of) borrowings, net	(142,372)	9,776	(3,170)
Finance expenses paid	(150,233)	(151,329)	(3,344)
Repayment of finance lease liabilities	(23,541)	(13,049)	(524)
Net cash from / (used) in financing activities	(316,146)	(154,602)	(7,038)
Net decrease in cash and cash equivalents	(215,197)	(632,342)	(4,791)
Cash and cash equivalents at April 1	(181,586)	312,715	(4,042)
Effect of exchange fluctuations on cash held	1,375	4,057	31
Cash and cash equivalents at period end	(395,408)	(315,570)	(8,802)
Supplementary information			
Additions to property plant and equipment represented by finance lease obligations	30,836	15,927	686

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements