

Sify Technologies Limited**Consolidated Statements of Cash Flows****For the fiscal years ended March 31,**

(In thousands of Rupees, except share data and as otherwise stated)

	Year ended March 31,			2010 Convenience translation into US\$ thousands (Unaudited) Note 2(c)
	2010 Rs	2009 Rs	2008 Rs	
Profit/(loss) for the year	26,813	(851,633)	25,446	595
<i>Adjustments for:</i>				
Depreciation and amortization	656,797	498,872	394,337	14,550
Impairment loss on intangibles including goodwill	47,269	15,200	-	1,047
Share of profit of equity accounted investee	(91,135)	(64,091)	(181,127)	(2,019)
(Gain) / loss on sale of property, plant and equipment	(2,414)	(828)	107	(53)
Provision for doubtful receivables	121,987	84,346	131,954	2,702
Provision for finance lease receivables	-	6,929	-	-
Realized loss on sale of investments	373	-	-	8
Stock compensation expense	30,589	61,380	56,410	678
Net finance (income) / expense	265,879	129,095	(104,101)	5,890
Income tax expense/(benefit)	(81,479)	97,049	63,975	(1,805)
Unrealized (gain)/ loss on account of exchange differences	703	455	496	16
Amortization of leasehold prepayments	3,917	8,403	-	87
Provision for infrastructure costs	-	10,000	-	-
	979,299	(4,823)	387,497	21,696
Change in trade and other receivables	(585,805)	(314,349)	(678,051)	(12,980)
Change in inventories	17,600	(1,337)	(9,066)	390
Change in other assets	(64,112)	224,625	(757,472)	(1,420)
Change in trade and other payables	517,497	(171,261)	460,211	11,464
Change in employee benefits	(3,984)	17,704	7,111	(88)
Change in deferred income	63,762	(13,555)	(81,673)	1,413
	924,257	(262,996)	(671,443)	20,475
Income taxes paid	(164,455)	(108,560)	(168,426)	(3,643)
Net cash from / (used in) operating activities	759,802	(371,556)	(839,869)	16,832

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(In thousands of Rupees, except share data and as otherwise stated)

	Year ended March 31,			
	2010	2009	2008	2010
	Rs	Rs	Rs	Convenience translation into US\$ thousands (Unaudited) Note 2(c)
Cash flows from / (used in) investing activities				
Acquisition of property, plant and equipment	(759,435)	(1,170,905)	(849,091)	(16,824)
Expenditure on intangible assets	(220,299)	(165,247)	(30,238)	(4,880)
Proceeds from sale of property, plant and equipment	5,979	2,393	5,630	132
Net investment in leases	-	5,111	16,552	-
Finance income received	57,130	154,492	121,162	1,266
Short term investments (net)	19,942	-	(20,315)	442
Net cash from / (used in) investing activities	(896,683)	(1,174,156)	(756,300)	(19,864)
Cash flows from / (used in) financing activities				
Proceeds from issue of share capital (including share premium)	84	-	116,809	2
Proceeds from / (repayment) of borrowings (net)	8,409	1,227,733	(643,574)	186
Finance expenses paid	(318,723)	(249,908)	(57,679)	(7,061)
Repayment of finance lease liabilities	(44,256)	(9,028)	(756)	(980)
Net cash from / (used in) financing activities	(354,486)	968,797	(585,200)	(7,853)
Net increase / (decrease) in cash and cash equivalents	(491,367)	(576,920)	(2,181,369)	(10,885)
Cash and cash equivalents at April 1	312,715	888,690	3,070,157	6,927
Effect of exchange fluctuations on cash held	(2,934)	945	(98)	(65)
Cash and cash equivalents at March 31	(181,586)	312,715	888,690	(4,023)

Refer note 3 (c) and note 8 for the composition of cash and cash equivalents.

Supplementary information

Additions to property, plant and equipment represented by finance lease obligations	99,950	158,962	8,166	2,214
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The accompanying notes form an integral part of these consolidated financial statements