

Sify Technologies Limited
Unaudited Condensed Consolidated Interim Statement of Cash Flows

(In thousands, except share data and as otherwise stated)	Half year ended September		September 30, 2008
	2008 Rs.	2007 Rs.	Convenience translation into US\$ (Note 2(b))
Cash flows from / (used in) operating activities			
Profit for the period	(400,027)	(80,446)	(8,613)
<i>Adjustments for:</i>			
Depreciation and amortization	233,368	247,725	5,024
Share of profit of equity accounted investee	(37,097)	(65,172)	(799)
Gain on sale of property, plant and equipment	(46)	194	(1)
Provision for doubtful receivables and advances	94,354	80,668	2,031
Stock compensation expense	31,377	29,323	676
Net finance expenditure / (income)	20,546	(67,931)	442
Income tax expense	40,330	35,764	869
Unrealized (gain)/ loss on account of exchange differences	(1,720)	5,072	(37)
	(18,915)	185,197	(408)
Change in trade and other receivables	(411,612)	(634,609)	(8,861)
Change in inventories	(24,197)	(7,889)	(521)
Change in other assets	(128,627)	(27,626)	(2,770)
Change in trade and other payables	359,735	530,163	7,745
Change in employee benefits	19,905	11,175	429
Change in deferred revenue	118,679	99,113	2,555
	(85,032)	155,524	(1,831)
Income taxes paid	(44,235)	(65,041)	(952)
Net cash (used in) / from operating activities	(129,267)	90,483	(2,783)
Cash flows from / (used in) investing activities			
Acquisition of property, plant and equipment	(864,988)	(407,426)	(18,621)
Expenditure on intangible assets	(71,325)	(7,439)	(1,536)
Proceeds from sale of property, plant and equipment	623	172	13
Net investment in leases	3,486	8,589	75
Finance income received	126,945	53,711	2,733
Short term investments	-	(20,315)	-
Net cash used in investing activities	(805,259)	(372,708)	(17,336)

Sify Technologies Limited
Unaudited Condensed Consolidated Interim Statement of Cash Flows

	Half year ended September		September 30, 2008
	2008 Rs	2007 Rs	Convenience translation into US\$ (Note 2(b))
(In thousands, except share data and as otherwise stated)			
Cash flows from / (used in) financing activities			
Proceeds from issue of share capital (including share premium)	-	4,664	-
Proceeds from / (repayment) of borrowings	369,888	(770,357)	7,963
Finance expenses paid	(85,563)	(16,578)	(1,842)
Repayment of finance lease liabilities	(1,587)	(1,572)	(34)
Net cash from / (used) in financing activities	282,738	(783,843)	6,087
Net decrease in cash and cash equivalents	(651,788)	(1,066,068)	(14,032)
Cash and cash equivalents at April 1	888,690	3,070,157	19,132
Effect of exchange fluctuations on cash held	1,125	(2,065)	24
Cash and cash equivalents at period/year end	238,027	2,002,024	5,124
Supplementary information			
Additions to property plant and equipment represented by finance lease obligations	-	2,832	-

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