

Sify Technologies Limited
Unaudited Condensed Consolidated Interim Statement of Cash Flows

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

	Three months ended June 30		June 30, 2009
	2009 Rs.	2008 Rs.	Convenience translation into US\$ (Note 2(b))
Cash flows from / (used in) operating activities			
Loss for the period	(129,291)	(124,485)	(2,699)
<i>Adjustments for:</i>			
Depreciation and amortization	147,270	111,795	3,076
Impairment loss on intangibles including goodwill	47,269	-	987
Share of profit of equity accounted investee	(15,933)	(12,810)	(334)
Loss/ (gain) on sale of property, plant and equipment	(163)	(157)	(3)
Provision for doubtful receivables and advances	25,915	53,752	541
Stock compensation expense	7,888	17,506	165
Net finance expense / (income)	54,526	474	1,139
Loss on sale of Investments	373	-	8
Income tax expense / (benefit)	(81,479)	18,236	(1,702)
Unrealized (gain)/ loss on account of exchange differences	(14,242)	(6,717)	(298)
Other non-cash items	16,773	-	350
	58,906	57,594	1,230
Change in trade and other receivables	(288,148)	(427,014)	(6,019)
Change in inventories	(57,562)	5,158	(1,202)
Change in other assets	(81,376)	(309,967)	(1,700)
Change in trade and other payables	257,377	133,275	5,377
Change in employee benefits	6,931	15,566	145
Change in deferred revenue	4,142	176,210	87
	(99,730)	(349,178)	(2,082)
Income taxes paid	(36,676)	(23,844)	(766)
Net cash (used in) / from operating activities	(136,406)	(373,022)	(2,848)
Cash flows from / (used in) investing activities			
Acquisition of property, plant and equipment	(151,353)	(346,316)	(3,162)
Expenditure on intangible assets	(60,145)	(56,919)	(1,256)
Proceeds from sale of property, plant and equipment	441	200	9
Net investment in leases	-	1,694	-
Finance income received	63,627	64,929	1,329
Short term investments, net	19,942	-	417
Net cash used in investing activities	(127,488)	(336,412)	(2,663)

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Cash flows from / (used in) financing activities			
Proceeds from / (repayment of) borrowings, net	(223,095)	626,204	(4,660)
Finance expenses paid	(73,949)	(30,227)	(1,545)
Repayment of finance lease liabilities	(5,576)	(697)	(116)
Net cash from / (used) in financing activities	(302,620)	595,280	(6,321)
Net decrease in cash and cash equivalents	(566,514)	(114,154)	(11,832)
Cash and cash equivalents at April 1	312,715	888,690	6,533
Effect of exchange fluctuations on cash held	1,964	(176)	37
Cash and cash equivalents at period end	(251,835)	774,360	(5,262)
Supplementary information			
Additions to property plant and equipment represented by finance lease obligations	5,088	-	106

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