Sify Technologies Limited Unaudited Condensed Consolidated Interim Statements of Cash Flows

Cash flows from / (used in) operating activities Profit for the period (124,485) (39,644) (2,900)		Quarter ended June 30,		June 30, 2008
Cash flows from / (used in) operating activities (124,485) (39,644) (2,900) Adjustments for:	(In thousands, except share data and as otherwise stated)			Convenience translation into US\$ (Note
Depreciation and amortization 111,795 120,416 2,604	Cash flows from / (used in) operating activities			
Depreciation and amortization 111,795 120,416 2,604 Share of profit of equity accounted investees (12,810) (24,703) (298) Gain on sale of property, plant and equipment (157) 205 (4) Provision for doubtful receivables and advances 53,752 51,030 1,252 Stock compensation expense 17,506 13,965 408 Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue (66,353) (94,154) (1,545) Income taxes paid (23	Profit for the period	(124,485)	(39,644)	(2,900)
Share of profit of equity accounted investees (12,810) (24,703) (298) Gain on sale of property, plant and equipment (157) 205 (4) Provision for doubtful receivables and advances 53,752 51,030 1,252 Stock compensation expense 17,506 13,965 408 Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash flows used in investing activities	Adjustments for:			
Gain on sale of property, plant and equipment (157) 205 (4) Provision for doubtful receivables and advances 53,752 51,030 1,252 Stock compensation expense 17,506 13,965 408 Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash flows used in investing activities (66,353) (94,154) (1,545) Expenditure on intangible assets <td>Depreciation and amortization</td> <td>111,795</td> <td>120,416</td> <td>2,604</td>	Depreciation and amortization	111,795	120,416	2,604
Provision for doubtful receivables and advances 53,752 51,030 1,232 Stock compensation expense 17,506 13,965 408 Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (lused in) / from operating activities (30,197) (111,748) (2,100) Cash flows used in investing activities Acquisition of property, plant and equipment (629,141) (264,546)	Share of profit of equity accounted investees	(12,810)	(24,703)	(298)
Stock compensation expense 17,506 13,965 408 Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities Acquisition of property, plant and equipment (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1	Gain on sale of property, plant and equipment	(157)	205	(4)
Income tax expense 18,236 15,062 425 Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) 57,594 135,290 1,342 Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue (66,353) (94,154) (1,545) Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities Acquisition of property, plant and equipment (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326)	Provision for doubtful receivables and advances	53,752	51,030	1,252
Net finance expenditure / (income) 474 (33,537) 11 Unrealized (gain) / loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received	Stock compensation expense	17,506	13,965	408
Unrealized (gain)/ loss on account of exchange differences (6,717) 32,496 (156) Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Income tax expense	18,236	15,062	425
Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Net finance expenditure / (income)	474	(33,537)	11
Change in trade and other receivables (427,014) (368,125) (9,947) Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Unrealized (gain)/ loss on account of exchange differences	(6,717)	32,496	(156)
Change in inventories 5,158 392 120 Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512		57,594	135,290	1,342
Change in other assets (27,142) (83,807) (632) Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Change in trade and other receivables	(427,014)	(368,125)	(9,947)
Change in trade and other payables 133,275 207,462 3,104 Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Change in inventories	5,158	392	120
Change in employee benefits 15,566 5,571 363 Change in deferred revenue 176,210 9,063 4,105 (66,353) (94,154) (1,545) Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Change in other assets	(27,142)	(83,807)	(632)
Change in deferred revenue 176,210 9,063 4,105 Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Change in trade and other payables	133,275	207,462	3,104
(66,353) (94,154) (1,545) Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities Acquisition of property, plant and equipment (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment (200 84 5 5 1,694 4,270 39 6) Finance income received (64,929 34,836 1,512 1) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (2,100) Cash flows used in investing activities (25,100) (11,748) (264,546) (14,655) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) (1,326) Proceeds from sale of property, plant and equipment (200 84 5) (1,326) Cash flows used in investing activities (25,100) (1,326)	Change in employee benefits	15,566	5,571	363
Income taxes paid (23,844) (17,594) (555) Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities 4 (629,141) (264,546) (14,655) Acquisition of property, plant and equipment (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Change in deferred revenue	176,210	9,063	4,105
Net cash (used in) / from operating activities (90,197) (111,748) (2,100) Cash flows used in investing activities (629,141) (264,546) (14,655) Acquisition of property, plant and equipment (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512		(66,353)	(94,154)	(1,545)
Cash flows used in investing activities Acquisition of property, plant and equipment (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Income taxes paid	(23,844)	(17,594)	(555)
Acquisition of property, plant and equipment (629,141) (264,546) (14,655) Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Net cash (used in) / from operating activities	(90,197)	(111,748)	(2,100)
Expenditure on intangible assets (56,919) (6,677) (1,326) Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment Net investment in leases Finance income received 200 84 4,270 39 64,929 34,836 1,512	Acquisition of property, plant and equipment	(629,141)	(264,546)	(14,655)
Proceeds from sale of property, plant and equipment 200 84 5 Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512	Expenditure on intangible assets	(56,919)	(6,677)	(1,326)
Net investment in leases 1,694 4,270 39 Finance income received 64,929 34,836 1,512		200	84	5
		1,694	4,270	39
Net cash used in investing activities (619,237) (232,033) (14,425)	Finance income received	64,929	34,836	1,512
	Net cash used in investing activities	(619,237)	(232,033)	(14,425)

Sify Technologies Limited Unaudited Condensed Consolidated Interim Statements of Cash Flows

	Quarter ended June,		June 30, 2008
(In thousands, except share data and as otherwise stated)	2008 Rs	2007 Rs	Convenience translation into US\$ (Note 2(b))
Cash flows from /(used in) financing activities			
Proceeds from issue of share capital (including share premium)	-	2,047	-
Proceeds from / (repayment) of borrowings	626,204	(800,000)	14,587
Finance expenses paid	(30,227)	(9,380)	(704)
Repayment of finance lease liabilities	(697)	(711)	(16)
Net cash from / (used in) financing activities	595,280	(808,044)	13,867
Net decrease in cash and cash equivalents	(114,154)	(1,151,825)	(2,658)
Cash and cash equivalents at April 1	888,690	3,070,157	20,701
Effect of exchange fluctuations on cash held	(176)	(24,847)	(4)
Cash and cash equivalents at period/ year end	774,360	1,893,485	18,039
Supplementary information Additions to property plant and equipment represented by finance lease obligations	-	1,915	-

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