

Sify Technologies Limited
Unaudited Condensed Consolidated Interim Statements of Cash Flows

(In thousands, except share data and as otherwise stated)	Quarter ended June 30,		June 30,
	2008 Rs	2007 Rs	2008 Convenience translation into US\$ (Note 2(b))
Cash flows from / (used in) operating activities			
Profit for the period	(124,485)	(39,644)	(2,900)
<i>Adjustments for:</i>			
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)
	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	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			
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 investing activities	(619,237)	(232,033)	(14,425)

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(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)	-	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