



R Systems International Limited
Consolidated Cash Flow Statement (as per Indian GAAP) for the year ended

	December 31, 2009		December 31, 2008		December 31, 2007	
	INR 000's	US\$ 000's	INR 000's	US\$ 000's	INR 000's	US\$ 000's
A. Cash flow from operating activities						
Net profit before taxation	105,273	2,181	300,176	6,851	231,015	5,586
Adjustments for:						
Depreciation	134,818	2,793	115,690	2,640	70,411	1,703
Goodwill impairment	208,714	4,324	-	-	-	-
Loss on impairment of investment	-	-	13,345	305	-	-
Debts and advances provided /written off	54,122	1,121	39,636	905	29,680	718
Loss on sale/discard of fixed assets	2,109	44	6,035	138	2,552	62
Unrealised foreign exchange loss / (gain)	(42,839)	(888)	10,346	236	-8,580	-207
Interest income	(51,722)	(1,072)	-36,639	-836	-37,288	-902
Write back of provision for doubtful debts	(26,333)	(546)	(10,703)	(244)	(4,307)	(104)
Deferred payment compensation to erstwhile shareholders of ECnet Limited written back	-	-	-	-	(14,452)	(349)
Excess provisions written back	(406)	(8)	(412)	(9)	(438)	(11)
Interest expense	2,799	58	5,329	122	3,441	83
Operating profit before working capital changes	386,535	8,007	442,803	10,108	272,034	6,579
Movements in working capital :						
Decrease / (Increase) in sundry debtors	252,705	5,235	(63,136)	(1,441)	(179,744)	(4,346)
Decrease / (Increase) in other current assets	(38,271)	(793)	(12,970)	(296)	48,471	1,172
Decrease / (Increase) in loans and advances	(18,812)	(390)	22,243	508	5,672	137
Decrease / (Increase) in margin money deposit	(25,312)	(524)	(45,313)	(1,034)	(63,547)	(1,537)
Increase / (Decrease) in current liabilities and provisions	(80,239)	(1,662)	(11,285)	(258)	26,176	633
Cash generated from operations	476,606	9,873	332,342	7,587	109,062	2,638
Direct taxes paid net of refund	(43,958)	(911)	(38,989)	(890)	(22,130)	(535)
Interest on income-tax refund	-	-	-	-	87	2
Net cash from operating activities	432,648	8,962	293,353	6,697	87,019	2,105
B. Cash flows used in investing activities						
Purchase of fixed assets	(95,194)	(1,972)	(104,236)	(2,379)	(121,651)	(2,941)
Proceeds from sale of fixed assets	4,549	94	1,538	35	3,847	93
Investment in R Systems Europe B.V., Netherlands	-	-	(27,745)	(633)	-	-
Investment in R Systems, S.A.S. France	-	-	(27,103)	(619)	-	-
Deferred payment compensation to erstwhile shareholders of R System Solutions, Inc	(7,584)	(157)	(23,469)	(536)	(38,699)	(936)
Deferred payment compensation to erstwhile shareholders of ECnet Limited	-	-	-	-	(5,466)	(132)
Interest received	30,566	633	31,054	709	32,789	793
Investment in long term fixed deposits with scheduled banks	(547,427)	(11,341)	(468,767)	(10,699)	(403,951)	(9,767)
Proceeds from long term fixed deposits with scheduled banks	478,361	9,910	432,579	9,873	490,100	11,850
Net cash used in investing activities	(136,729)	(2,833)	(186,149)	(4,249)	(43,031)	(1,040)
C. Cash flows from/(used in) financing activities						
Proceeds from borrowings	2,268	47	1,647	38	2,502	60
Repayment of borrowings	(19,061)	(395)	(51,307)	(1,171)	(19,806)	(479)
Margin money deposit against borrowings	(62,250)	(1,290)	-	-	-	-
Buyback of equity shares	(72,969)	(1,512)	(7,031)	(160)	-	-
Interest paid	(2,799)	(58)	(5,329)	(122)	(3,441)	(83)
Dividends paid	(30,928)	(641)	(24,289)	(554)	(16,201)	(392)
Tax on dividend paid	(5,265)	(109)	(4,155)	(95)	(2,770)	(67)
Net cash from / (used in) financing activities	(191,004)	(3,958)	(90,464)	(2,064)	(39,716)	(961)
Net increase in cash and cash equivalents (A + B + C)	104,915	2,174	16,740	382	4,272	104
Cash and cash equivalents at the beginning of the year	204,389	4,234	187,649	4,282	183,377	4,434
Cash and cash equivalents at the end of the year	309,304	6,408	204,389	4,664	187,649	4,538

Components of cash and cash equivalents as at	December 31,2008		December 31,2008		December 31,2007	
	INR 000's	US\$ 000's	INR 000's	US\$ 000's	INR 000's	US\$ 000's
Cash and cheques on hand	419	9	349	8	351	8
Balances with scheduled banks						
on current accounts	10,206	211	12,958	296	13,477	326
on cash credit / overdraft accounts	10,059	208	7,644	174	9,260	224
on EEFC accounts	63,894	1,324	25,389	579	24,363	589
on deposit accounts	587,132	12,164	472,053	10,775	355,243	8,590
on unclaimed dividend/IPO refund accounts	384	8	334	8	167	4
Balances with other banks						
on current accounts	183,850	3,809	112,667	2,571	109,256	2,642
on cash credit / overdraft accounts	11,112	230	-	-	-	-
on deposit accounts	4,920	102	5,044	115	197	5
	871,975	18,065	636,438	14,526	512,314	12,388
Less:-						
Margin money deposit	(207,626)	(4,301)	(120,064)	(2,740)	(74,751)	(1,807)
Long term deposits	(359,657)	(7,451)	(290,590)	(6,632)	(254,402)	(6,151)
Unclaimed dividend/IPO refund accounts	(384)	(8)	(334)	(8)	(167)	(4)
Unrealised loss/ (gain) on foreign currency cash and cash equivalents	4,995	103	(21,061)	(482)	4,655	112
Net cash and cash equivalents	309,304	6,408	204,389	4,664	187,649	4,538

Note: US\$ equivalent figures are derived by converting the Rupee figures using average currency rate.