



RAMCO SYSTEMS LIMITED

Regd Office : 47, PSK Nagar, Rajapalayam - 626 108

Corporate Office : No. 64, Sardar Patel Road, Taramani, Chennai 600 113.

Unaudited Financial Results (Provisional) for the Quarter ended September 30, 2004 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Six Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		30.09.2004	30.09.2003	30.09.2004	30.09.2003	
1	Net Sales / Income from Operations	3,266.31	1,884.26	5,367.39	3,495.56	8,230.93
2	Other Income	373.68	59.11	513.63	114.91	360.87
3	Total Income	3,639.99	1,943.37	5,881.02	3,610.47	8,591.80
4	Expenditure:					
a)	Cost of Resale Materials	994.74	775.72	1,588.63	1,428.57	2,532.22
b)	Staff Cost	1,132.75	903.64	2,464.73	1,889.11	3,415.57
c)	Other Expenditure					
	Selling & Marketing Expenses	68.86	228.11	140.04	418.71	705.11
	Administration & Other Expenses	473.55	578.65	875.05	1,269.50	2,484.28
	Total Expenditure	2,669.90	2,486.12	5,068.45	5,005.89	9,137.18
5	EBIDTA	970.09	(542.75)	812.57	(1,395.42)	(545.38)
6	Interest	291.76	287.97	632.36	548.80	1,195.09
7	Profit / (Loss) before Depreciation, Amortisation & Tax	678.33	(830.72)	180.21	(1,944.22)	(1,740.47)
8a	Depreciation - Technology Platform & Product Software	287.17	121.34	574.35	242.68	485.35
8b	Depreciation - Others	158.75	135.10	302.27	259.44	532.92
9	Amortisation of Product Research and Development Expenditure	-	142.00	-	284.00	568.00
10	Profit/(Loss) before Tax	232.41	(1,229.16)	(696.41)	(2,730.34)	(3,326.74)
11	Provision for Taxation					
	Current Taxation	Nil	Nil	Nil	Nil	Nil
	Deferred Taxation	Nil	Nil	Nil	Nil	Nil
12	Net Profit / (Loss)	232.41	(1,229.16)	(696.41)	(2,730.34)	(3,326.74)
13	Paid-up Equity Share Capital - Face value of Rs. 10/- each	1,165.23	777.98	1,165.23	777.98	1,165.23
14	Reserves excluding revaluation reserves	-	-	-	-	24,222.81
15	Earnings per Share Basic & Diluted - in Rs.	2.00	(15.87)	(5.99)	(35.25)	(38.35)
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
16	Aggregate of non-promoter shareholding					
a)	Number of Shares			4,477,099	3,091,153	4,477,099
b)	Percentage of Shareholding			38.54%	39.91%	38.54%

- Notes:**
- The above results have been approved and taken on record at the Board Meeting held on October 27, 2004.
 - Other Income for the current quarter includes rental income of Rs. 47.79 lacs (previous quarter Rs. 23.11 lacs) and interest of Rs. 91.08 lacs (previous quarter Rs. 36.00 lacs), dividend income of Rs. 77.70 Lacs received from the Malaysian subsidiary, Ramco Systems Sdn.Bhd., and Rs.156.09 Lacs on account of Foreign Exchange gain (Previous quarter foreign exchange loss of Rs.83.81 Lacs, grouped under Administration and other Expenses).
 - Administration & other expenses for the current quarter includes Rs. 21.84 lacs (previous quarter Rs. 85.88 lacs) on account of provision for diminution in the value of stock and debtors.
 - During the previous year, costs incurred in the development of ERP Product, together with repository of new business components and development of Technology Platform framework were classified and grouped as "Product Software" and "Technology Platform" under Fixed Assets, on which depreciation has been charged in the current quarter and consequently, there is no charge under head "Amortisation of Product Research & Development Expenditure".
 - In the perception of the company, the provisioning for deferred tax assets / liability does not arise.
 - Status of Investor grievances:

Description	Pending as on 01.07.04	Received during the current quarter	Redressed during the current quarter	Pending as on 30.09.04
Number of Complaints	Nil	19	15	4

- Figures for the previous periods have been regrouped / restated wherever necessary to make them comparable with the figures for the current period.

Segment Reporting for the Quarter ended September 30, 2004 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Six Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		30.09.2004	30.09.2003	30.09.2004	30.09.2003	
1	Segment Revenue					
	a. Product Software and Related Services	1,423.49	356.47	2,372.99	792.67	3,019.33
	b. Other Software Services	505.77	327.20	828.88	516.77	1,434.12
	c. Network Solutions	1,337.05	1,200.59	2,165.52	2,186.12	3,777.48
	Total Revenue	3,266.31	1,884.26	5,367.39	3,495.56	8,230.93
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	3,266.31	1,884.26	5,367.39	3,495.56	8,230.93
2	Segment Profit / (Loss) before tax and interest					
	a. Product Software and Related Services	877.09	(348.39)	885.73	(537.93)	668.01
	b. Other Software Services	(17.80)	42.31	(7.32)	(203.44)	34.49
	c. Network Solutions	68.24	98.76	60.89	127.63	75.54
	Total	927.53	(207.32)	939.30	(613.74)	778.04
	Less: Interest	291.76	287.97	632.36	548.80	1,195.09
	Less: Other unallocable expenditure net of unallocable income	403.36	733.87	1,003.35	1,567.80	2,909.69
3	Profit / (Loss) before Tax	232.41	(1,229.16)	(696.41)	(2,730.34)	(3,326.74)

- Notes on Segment Reporting:** Fixed assets used in the operations of the company interchangeably (other than those that are used for its R&D purposes and those located in its Software Technology Park Units) and liabilities contracted (other than those contracted for the respective segments) are not directly identifiable to any of the reportable segments.

Unaudited Global Consolidated Financial Results (under AS 21) for the Quarter ended September 30, 2004 (In US\$ Mn)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Six Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		30.09.2004	30.09.2003	30.09.2004	30.09.2003	
1	Net Sales / Income from Operations	13.38	8.43	23.28	15.87	37.22
2	Other Income	0.47	0.09	0.60	0.16	0.36
3	Total Income	13.85	8.52	23.88	16.03	37.58
4	Expenditure:					
a)	Cost of Resale Materials	2.44	1.81	3.91	3.23	5.25
b)	Staff Cost	6.70	5.84	14.05	11.78	23.44
c)	Other Expenditure					
	Selling & Marketing Expenses	0.72	0.69	1.18	1.32	2.61
	Administration & Other Expenses	2.33	2.75	4.32	5.70	10.12
	Total Expenditure	12.19	11.09	23.46	22.03	41.42
5	EBIDTA	1.66	(2.57)	0.42	(6.00)	(3.84)
6	Interest	0.65	0.65	1.40	1.31	2.75
7	Profit / (Loss) before Depreciation, Amortisation & Tax	1.01	(3.22)	(0.98)	(7.31)	(6.59)
8a	Depreciation - Technology Platform & Product Software	0.63	0.26	1.27	0.52	1.05
8b	Depreciation - Others	0.39	0.32	0.75	0.62	1.32
9	Amortisation of Product Research and Development Expenditure	0.12	0.43	0.25	0.86	1.75
10	Profit/(Loss) before Tax	(0.13)	(4.23)	(3.25)	(9.31)	(10.71)
11	Provision for Taxation	-	-	-	-	-
12	Equity in earnings / (Losses) of affiliates	-	-	-	-	-
13	Net Profit / (Loss)	(0.13)	(4.23)	(3.25)	(9.31)	(10.71)

- Note: Figures for the previous periods have been regrouped / restated wherever necessary to make them comparable with the figures for the current period.

By Order of the Board
For Ramco Systems Limited

Place : Chennai
Date : October 27, 2004

P.R. Venketrama Raja
Vice Chairman, Managing Director & CEO