



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, 2006 (In Rs. Lacs)

Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the six months ended		Audited for the year ended
		30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
1	Net Sales / Income from Operations	1,945.64	3,385.89	4,057.32	6,512.50	11,746.78
2	Other Income	592.57	60.23	641.41	103.29	433.30
3	Total Income	2,538.21	3,446.12	4,698.73	6,615.79	12,180.08
4	Expenditure:					
a)	Cost of Resale Materials	32.41	1,110.08	36.18	2,064.76	3,863.24
b)	Staff Cost	1,515.74	1,641.19	2,977.13	3,261.67	6,043.68
c)	Other Expenditure					
	Selling & Marketing Expenses	65.49	37.71	98.41	63.81	176.61
	Administration & Other Expenses	431.82	589.09	934.47	1,002.71	2,336.38
	Total Expenditure	2,045.46	3,378.07	4,046.19	6,392.95	12,419.91
5	EBIDTA	492.75	68.05	652.54	222.84	(239.83)
6	Interest	302.92	308.44	586.03	609.69	1,254.31
7	Profit/(Loss) before Depreciation&Tax	189.83	(240.39)	66.51	(386.85)	(1,494.14)
8a	Depreciation - Technology Platform & Product Software	358.90	297.92	717.80	595.84	1,191.70
8b	Depreciation - Others	181.09	153.00	362.52	293.22	638.98
9	Profit/(Loss) before Tax	(350.16)	(691.31)	(1,013.81)	(1,275.91)	(3,324.82)
10	Provision for Taxation					
	Current Taxation	Nil	Nil	Nil	Nil	Nil
	Deferred Taxation	Nil	Nil	Nil	Nil	Nil
	Fringe Benefit Tax	9.00	20.00	18.00	38.00	82.00
11	Net Profit / (Loss)	(359.16)	(711.31)	(1,031.81)	(1,313.91)	(3,406.82)
12	Paid-up Equity Share Capital - Face value of Rs. 10/- each	1,539.16	1,231.84	1,539.16	1,231.84	1,539.19
13	Reserves excluding revaluation reserves	-	-	-	-	19,424.93
14	Earnings per Share - Basic & Diluted in Rs.	(2.34)	(5.80)	(6.72)	(10.71)	(26.74)
15	Aggregate of non-promoter shareholding					
a)	Number of Shares			5,746,834	4,595,290	5,746,809
b)	Percentage of Shareholding			37.42%	37.41%	37.42%

Notes: (The figures in brackets in the notes denotes the amounts for the corresponding quarter in the previous year).

- The above results have been approved and taken on record at the Board Meeting held on 30th October, 2006.
- Other Income for the current quarter includes rental income of Rs.47.10 lacs (Rs.47.48 lacs), interest of Rs.67.61 lacs (Rs.10.00 lacs) and dividend from RSL Enterprise Solutions (Pty) Limited, South Africa (a wholly owned subsidiary) Rs.466.40 lacs (Rs.Nil).
- Administration & other expenses for the current quarter includes foreign exchange gain of Rs.53.75 lacs (Rs.2.51 lacs) and Rs.Nil (Rs.26.71 lacs) towards provisioning for doubtful debts.
- In the perception of the company, the provisioning for deferred tax asset / liability does not arise.
- Pursuant to the receipt of the consent from the shareholders for the sale of Secure Converged Networking (SCN) division of the Company to its wholly owned subsidiary Ramco Infotech Solutions Limited (RITS), the SCN division has been transferred to RITS with effect from 1st April, 2006 for a consideration of Rs.11.88 crores, being the book value of the net assets of the division as at the commencement of 1st April, 2006, to be settled by the issue of 3,839,122 equity shares of Rs.10/- each at a premium of Rs.13/- each aggregating to Rs.8.83 crores and by way of cash to the extent of Rs.3.05 crores. Accordingly, the above results as well as the segment reporting results given below, for the quarter and for the six months ended 30th september 2006, reflect the performance of the Company, excluding the SCN division. In view of this, the said results for the previous period/year are not comparable with the figures for the current period/year.
- Status of Investor grievances:

Description	Pending as on 01.07.2006	Received during the current quarter	Redressed during the current quarter	Pending as on 30.09.2006
No. of Complaints	Nil	Nil	Nil	Nil

- 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, 2006 (In Rs. Lacs)

Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the six months ended		Audited for the year ended
		30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
1	Segment Revenue					
a.	Product Software and Related Services	1,414.64	1,183.68	3,180.40	2,497.97	4,730.23
b.	Other Software Services	531.00	622.90	876.92	1,122.15	1,590.20
c.	Network Solutions	-	1,579.31	-	2,892.38	5,426.35
	Total Revenue	1,945.64	3,385.89	4,057.32	6,512.50	11,746.78
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	1,945.64	3,385.89	4,057.32	6,512.50	11,746.78
2	Segment Profit / (Loss) before tax & interest					
a.	Product Software and Related Services	72.99	0.83	606.70	213.27	1,157.45
b.	Other Software Services	168.77	243.84	180.57	415.20	(339.71)
c.	Network Solutions	-	109.25	-	174.66	155.20
	Total	241.76	353.92	787.27	803.13	972.94
	Less: Interest	302.92	308.44	586.03	609.69	1,254.31
	Less: Other unallocable expenditure net of unallocable income	289.00	736.79	1,215.05	1,469.35	3,043.45
3	Profit / (Loss) before Tax	(350.16)	(691.31)	(1,013.81)	(1,275.91)	(3,324.82)
4	Fringe Benefit Tax	9.00	20.00	18.00	38.00	82.00
5	Profit / (Loss) after Tax	(359.16)	(711.31)	(1,031.81)	(1,313.91)	(3,406.82)

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, 2006 (In US\$ mln.)

Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the six months ended		Audited for the year ended
		30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
1	Net Sales / Income from Operations					
a.	Product Software and Related Services	8.57	8.58	16.89	14.21	30.71
b.	Other Software Services	3.95	4.01	7.91	7.50	15.68
c.	Network Solutions	2.53	3.66	5.59	6.74	12.85
	Total Sales	15.05	16.25	30.39	28.45	59.24
2	Other Income	0.50	0.16	0.63	0.28	0.84
3	Total Income	15.55	16.41	31.02	28.73	60.08
4	Expenditure:					
a)	Cost of Resale Materials	2.02	2.74	4.30	5.26	10.33
b)	Staff Cost	9.12	8.43	18.07	17.05	32.69
c)	Other Expenditure					
	Selling & Marketing Expenses	0.56	0.70	1.33	1.39	3.20
	Administration & Other Expenses	2.80	3.03	5.57	5.36	11.45
	Total Expenditure	14.50	14.90	29.27	29.06	57.67
5	EBIDTA	1.05	1.51	1.75	(0.33)	2.41
6	Interest	0.65	0.73	1.32	1.45	2.94
7	Profit / (Loss) before Depreciation & Tax	0.40	0.78	0.43	(1.78)	(0.53)
8a	Depreciation - Technology Platform & Product Software	0.78	0.69	1.58	1.37	2.71
8b	Depreciation - Others	0.44	0.39	0.89	0.76	1.63
9	Profit/(Loss) before Tax	(0.82)	(0.30)	(2.04)	(3.91)	(4.87)
10	Provision for Taxation					
	Current Taxation	0.15	-	0.15	-	0.55
	Deferred Taxation	-	-	-	-	-
	Fringe Benefit Tax	0.04	0.11	0.06	0.15	0.19
11	Minority Interest	-	-	-	-	0.01
12	Equity in earnings/(losses) of affiliates	-	-	-	-	0.25
13	Net Profit / (Loss)	(1.01)	(0.41)	(2.25)	(4.06)	(5.37)
14	Earnings per Share - Basic & Diluted - in USD	(0.07)	(0.03)	(0.15)	(0.33)	(0.42)

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 : 30th October, 2006

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