



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 December 31, 2004 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Nine Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		31.12.2004	31.12.2003	31.12.2004	31.12.2003	
1	Net Sales / Income from Operations	2,720.88	1,431.56	8,088.27	4,927.12	8,230.93
2	Other Income	185.89	108.97	699.52	223.88	360.87
3	Total Income	2,906.77	1,540.53	8,787.79	5,151.00	8,591.80
4	Expenditure:					
a)	Cost of Resale Materials	667.21	352.76	2,255.84	1,781.33	2,532.22
b)	Staff Cost	1,372.05	1,071.33	3,836.78	2,960.44	3,415.57
c)	Other Expenditure					
	Selling & Marketing Expenses	37.00	111.07	177.04	529.78	705.11
	Administration & Other Expenses	484.63	268.78	1,359.68	1,538.28	2,484.28
	Total Expenditure	2,560.89	1,803.94	7,629.34	6,809.83	9,137.18
5	EBIDTA	345.88	(263.41)	1,158.45	(1,658.83)	(545.38)
6	Interest	233.65	355.30	866.01	904.10	1,195.09
7	Profit / (Loss) before Depreciation, Amortisation & Tax	112.23	(618.71)	292.44	(2,562.93)	(1,740.47)
8a	Depreciation - Technology Platform & Product Software	287.18	121.33	861.53	364.01	485.35
8b	Depreciation - Others	161.14	134.92	463.41	394.36	532.92
9	Amortisation of Product Research and Development Expenditure	-	142.00	-	426.00	568.00
10	Profit/(Loss) before Tax	(336.09)	(1,016.96)	(1,032.50)	(3,747.30)	(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)	(336.09)	(1,016.96)	(1,032.50)	(3,747.30)	(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.)	(2.89)	(13.13)	(8.89)	(48.38)	(38.35)

Notes:

- The above results have been approved and taken on record at the Board Meeting held on January 28, 2005.
- Other income for the current quarter includes rental income of Rs.46.10 lacs (corresponding quarter previous year Rs.23.92 lacs) and interest of Rs.89.84 lacs (corresponding quarter previous year Rs.82.37 lacs).
- Administration & other expenses for the corresponding quarter previous year includes Rs.59.45 lacs (current quarter Rs.Nil) towards provision for diminution in the value of stock and debtors and Rs.185.00 lacs towards foreign exchange gain (current quarter Rs.9.25 lacs grouped under other income).
- 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 the head "Amortisation of Product Research & Development Expenditure".
- In the perception of the company, the provisioning for deferred tax assets / liability does not arise.
- Pursuant to the approval of the shareholders' in the Extra Ordinary General Meeting held on December 24, 2004 and after obtaining necessary approvals from The Stock Exchange, Mumbai and National Stock Exchange of India Limited, the company completed allotment of 6,11,449 equity shares @ Rs.331/- per share to the named entities of the promoter group on January 6, 2005. The Company did not proceed with the allotment of 2,49,571 warrants convertible into equity shares of the company to M/s. Halcyon Resources and Management Consulting Private Limited. Consequent to this, the share capital and share premium accounts have increased by Rs.61.14 lacs and Rs.1,962.75 lacs respectively. The increased share capital and share premium stand at Rs.1,226.37 lacs and Rs.33,172.42 lacs respectively.
- Status of Investor grievances:

Description	Pending as on 01.10.04	Received during the current quarter	Redressed during the current quarter	Pending as on 31.12.04
Number of Complaints	4	31	27	8

- 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 December 31, 2004 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Nine Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		31.12.2004	31.12.2003	31.12.2004	31.12.2003	
1	Segment Revenue					
	a. Product Software and Related Services	1,337.05	668.90	3,710.04	1,461.57	3,019.33
	b. Other Software Services	334.71	233.67	1,163.59	750.44	1,434.12
	c. Network Solutions	1,049.12	528.99	3,214.64	2,715.11	3,777.48
	Total Revenue	2,720.88	1,431.56	8,088.27	4,927.12	8,230.93
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	2,720.88	1,431.56	8,088.27	4,927.12	8,230.93
2	Segment Profit / (Loss) before tax and interest					
	a. Product Software and Related Services	372.44	(178.19)	1,258.17	(716.12)	668.01
	b. Other Software Services	65.71	(25.15)	58.39	(228.59)	34.49
	c. Network Solutions	94.19	(114.54)	155.08	13.09	75.54
	Total	532.34	(317.88)	1,471.64	(931.62)	778.04
	Less: Interest	233.65	355.30	866.01	904.10	1,195.09
	Less: Other unallocable expenditure net of unallocable income	634.78	343.78	1,638.13	1,911.58	2,909.69
3	Profit / (Loss) before Tax	(336.09)	(1,016.96)	(1,032.50)	(3,747.30)	(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 December 31, 2004 (In US\$ Mn)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Nine Months Ended		Previous Financial Year Ended March 31, 2004 (Audited)
		31.12.2004	31.12.2003	31.12.2004	31.12.2003	
1	Net Sales / Income from Operations	12.07	9.42	35.35	25.29	37.22
2	Other Income	0.24	0.09	0.84	0.25	0.36
3	Total Income	12.31	9.51	36.19	25.54	37.58
4	Expenditure:					
a)	Cost of Resale Materials	1.62	0.79	5.53	4.02	5.25
b)	Staff Cost	7.60	6.14	21.65	17.92	23.44
c)	Other Expenditure					
	Selling & Marketing Expenses	0.72	0.44	1.90	1.76	2.61
	Administration & Other Expenses	2.21	1.94	6.53	7.64	10.12
	Total Expenditure	12.15	9.31	35.61	31.34	41.42
5	EBIDTA	0.16	0.20	0.58	(5.80)	(3.84)
6	Interest	0.53	0.73	1.93	2.04	2.75
7	Profit / (Loss) before Depreciation, Amortisation & Tax	(0.37)	(0.53)	(1.35)	(7.84)	(6.59)
8a	Depreciation - Technology Platform & Product Software	0.63	0.27	1.90	0.79	1.05
8b	Depreciation - Others	0.42	0.33	1.17	0.95	1.32
9	Amortisation of Product Research and Development Expenditure	0.15	0.45	0.40	1.31	1.75
10	Profit/(Loss) before Tax	(1.57)	(1.58)	(4.82)	(10.89)	(10.71)
11	Provision for Taxation	-	-	-	-	-
12	Equity in earnings / (Losses) of affiliates	-	-	-	-	-
13	Net Profit / (Loss)	(1.57)	(1.58)	(4.82)	(10.89)	(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 : January 28, 2005

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