



Unaudited Financial Results (Provisional) for the Quarter ended June 30, 2004 (In Rs. Lacs)

| Sl. No. | Particulars | Unaudited for the Quarter Ended | | Previous Financial Year ended 31.03.2004 (Audited) |
|---------|--|---------------------------------|-------------------|--|
| | | 30.06.2004 | 30.06.2003 | |
| 1 | Net Sales / Income from Operations | 2,101.08 | 1,611.30 | 8,230.93 |
| 2 | Other Income | 139.95 | 55.80 | 360.87 |
| 3 | Total Income | 2,241.03 | 1,667.10 | 8,591.80 |
| 4 | Expenditure: | | | |
| a) | Cost of Resale Materials | 593.89 | 652.85 | 2,532.22 |
| b) | Staff Cost | 1,331.98 | 985.47 | 3,415.57 |
| c) | Other Expenditure | | | |
| | Selling & Marketing Expenses | 71.18 | 190.60 | 705.11 |
| | Administration & Other Expenses | 401.50 | 690.85 | 2,484.28 |
| | Total Expenditure | 2,398.55 | 2,519.77 | 9,137.18 |
| 5 | EBIDTA | (157.52) | (852.67) | (545.38) |
| 6 | Interest | 340.60 | 260.83 | 1,195.09 |
| 7 | Profit / (Loss) before Depreciation, Amortisation & Tax | (498.12) | (1,113.50) | (1,740.47) |
| 8a | Depreciation - Technology Platform & Product Software | 287.18 | 121.34 | 485.35 |
| 8b | Depreciation - Others | 143.52 | 124.34 | 532.92 |
| 9 | Amortisation of Product Research & Development Expenditure | - | 142.00 | 568.00 |
| 10 | Profit / (Loss) before Tax | (928.82) | (1,501.18) | (3,326.74) |
| 11 | Provision for Taxation | | | |
| | Current Taxation | Nil | Nil | Nil |
| | Deferred Taxation | Nil | Nil | Nil |
| 12 | Net Profit / (Loss) | (928.82) | (1,501.18) | (3,326.74) |
| 13 | Paid-up Equity Share Capital - Face value of Rs. 10/- each | 1,165.23 | 777.98 | 1,165.23 |
| 14 | Reserves excluding revaluation reserves | - | - | 24,222.81 |
| 15 | Earnings per Share - Basic & Diluted - in Rs. | (7.99) | (19.38) | (38.35) |
| | | (Not annualised) | (Not annualised) | (Annualised) |

Notes:

- The above results have been approved and taken on record at the Board Meeting held on July 27, 2004.
- Other Income for the current quarter includes rental income of Rs. 47.42 lacs (previous quarter Rs. 22.89 lacs) and interest of Rs. 90.68 lacs (previous quarter Rs. 32.90 lacs).
- Administration and other expenses for the current quarter includes Rs. Nil (previous quarter Rs. 160.60 lacs) on account of foreign exchange loss and Rs. Nil (previous quarter Rs. 139.05 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 the head "Amortisation of Product Research & Development Expenditure".
- In the perception of the Company, the provisioning for deferred tax asset / liability does not arise.
- Status of Investor grievances:

| Description | Pending as on 01.04.04 | Received during the current quarter | Redressed during the current quarter | Pending as on 30.06.04 |
|----------------------|------------------------|-------------------------------------|--------------------------------------|------------------------|
| Number of Complaints | Nil | 62 | 62 | 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 June 30, 2004 (In Rs. Lacs)

| Sl. No. | Particulars | Unaudited for the Quarter Ended | | Previous Financial Year ended 31.03.2004 (Audited) |
|---------|---|---------------------------------|-------------------|--|
| | | 30.06.2004 | 30.06.2003 | |
| 1 | Segment Revenue | | | |
| a. | Product Software and Related Services | 949.50 | 436.20 | 3,019.33 |
| b. | Other Software Services | 323.11 | 189.57 | 1,434.12 |
| c. | Network Solutions | 828.47 | 985.53 | 3,777.48 |
| | Total Revenue | 2,101.08 | 1,611.30 | 8,230.93 |
| | Less: Inter Segment Revenue | - | - | - |
| | Net Sales / Income from Operations | 2,101.08 | 1,611.30 | 8,230.93 |
| 2 | Segment Profit / (Loss) before tax and interest | | | |
| a. | Product Software and Related Services | 8.64 | (189.54) | 668.01 |
| b. | Other Software Services | 10.48 | (245.75) | 34.49 |
| c. | Network Solutions | (7.35) | 28.87 | 75.54 |
| | Total | 11.77 | (406.42) | 778.04 |
| | Less: Interest | 340.60 | 260.83 | 1,195.09 |
| | Less: Other unallocable expenditure net of unallocable income | 599.99 | 833.93 | 2,909.69 |
| 3 | Profit / (Loss) before Tax | (928.82) | (1,501.18) | (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 June 30, 2004 (In US\$ Mn)

| Sl. No. | Particulars | Unaudited for the Quarter Ended | | Previous Financial Year ended 31.03.2004 (Audited) |
|---------|--|---------------------------------|---------------|--|
| | | 30.06.2004 | 30.06.2003 | |
| 1 | Net Sales / Income from Operations | 9.90 | 7.44 | 37.22 |
| 2 | Other Income | 0.13 | 0.07 | 0.36 |
| 3 | Total Income | 10.03 | 7.51 | 37.58 |
| 4 | Expenditure: | | | |
| a) | Cost of Resale Materials | 1.47 | 1.42 | 5.25 |
| b) | Staff Cost | 7.35 | 5.94 | 23.44 |
| c) | Other Expenditure | | | |
| | Selling & Marketing Expenses | 0.46 | 0.63 | 2.61 |
| | Administration & Other Expenses | 1.99 | 2.95 | 10.12 |
| | Total Expenditure | 11.27 | 10.94 | 41.42 |
| 5 | EBIDTA | (1.24) | (3.43) | (3.84) |
| 6 | Interest | 0.75 | 0.66 | 2.75 |
| 7 | Profit / (Loss) before Depreciation, Amortisation & Tax | (1.99) | (4.09) | (6.59) |
| 8a | Depreciation - Technology Platform & Product Software | 0.64 | 0.26 | 1.05 |
| 8b | Depreciation - Others | 0.36 | 0.30 | 1.32 |
| 9 | Amortisation of Product Research and Development Expenditure | 0.13 | 0.43 | 1.75 |
| 10 | Profit / (Loss) before Tax | (3.12) | (5.08) | (10.71) |
| 11 | Provision for Taxation | - | - | - |
| 12 | Equity in earnings / (Losses) of affiliates | - | - | - |
| 13 | Net Profit / (Loss) | (3.12) | (5.08) | (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

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

Place : Rajapalayam
Date : July 27, 2004