



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 June 30, 2006

(In Rs. Lacs)

Sl. No.	Particulars	Unaudited for the Quarter Ended		Audited for the Year ended 31.03.2006
		30.06.2006	30.06.2005	
1	Net Sales / Income from Operations	3,322.36	3,126.61	11,746.78
2	Other Income	53.09	43.06	433.30
3	Total Income	3,375.45	3,169.67	12,180.08
4	Expenditure:			
a)	Cost of Resale Materials	864.25	954.68	3,863.24
b)	Staff Cost	1,707.87	1,620.48	6,043.68
c)	Other Expenditure			
	Selling & Marketing Expenses	38.16	26.10	176.61
	Administration & Other Expenses	598.39	413.62	2,336.38
	Total Expenditure	3,208.67	3,014.88	12,419.91
5	EBIDTA	166.78	154.79	(239.83)
6	Interest	290.61	301.25	1,254.31
7	Profit / (Loss) before Depreciation and Tax	(123.83)	(146.46)	(1,494.14)
8a	Depreciation - Technology Platform & Product Software	358.90	297.92	1,191.70
8b	Depreciation - Others	184.01	140.22	638.98
9	Profit / (Loss) before Tax	(666.74)	(584.60)	(3,324.82)
10	Provision for Taxation			
	Current Taxation	Nil	Nil	Nil
	Deferred Taxation	Nil	Nil	Nil
	Fringe Benefit Tax	12.00	18.00	82.00
11	Net Profit / (Loss)	(678.74)	(602.60)	(3,406.82)
12	Paid-up Equity Share Capital - Face value of Rs. 10/- each	1,539.19	1,230.68	1,539.19
13	Reserves excluding revaluation reserves	-	-	19,424.93
14	Earnings per Share - Basic & Diluted - in Rs.	(4.42)	(4.91)	(26.74)
		(Not annualised)	(Not annualised)	(Annualised)

Notes: (The figures in brackets in the notes denote 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 July 27, 2006.
- Other Income for the current quarter includes rental income of Rs. 47.10 lacs (Rs. 46.82 lacs) and interest of Rs. 2.03 lacs (Rs. 7.00 lacs).
- Administration & Other Expenses for the current quarter includes Rs. 6.00 lacs (Rs. Nil) towards provisioning for doubtful debts and foreign exchange loss of Rs. 67.80 lacs (Rs. 10.82 lacs).
- In the perception of the Company, the provisioning for deferred tax asset / liability does not arise.
- Consequent to the decision of the Board of Directors in their meeting held on May 27, 2006 to transfer the Secure Converged Networking (SCN) division of the Company to its wholly owned subsidiary, Ramco Infotech Solutions Limited, approval of the shareholders has been sought through postal ballot, the result of which will be declared on July 27, 2006. The Board will thereafter determine the effective date of transfer, the purchase consideration, the mode of settlement and decide on the other related formalities. Pending these activities, the operating results of the SCN division for the quarter has been considered in the above results. For details, kindly refer to "Network Solutions" under "Segment Reporting" below.
- The Board of Directors of the Company in its meeting held on May 27, 2006 have approved the annulment of forfeiture in respect of 25 equity shares issued under Rights Issue-2003. Consequent to the said allotment, the paid up capital of the company has increased from Rs. 153,918,625 to Rs. 153,918,750.
- Status of Investor grievances:

Description	Pending as on 01.04.06	Received during the current quarter	Redressed during the current quarter	Pending as on 30.06.06
Number of Complaints	1	6	7	-

- 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, 2006

(In Rs. Lacs)

Sl. No.	Particulars	Unaudited for the Quarter Ended		Audited for the Year ended 31.03.2006
		30.06.2006	30.06.2005	
1	Segment Revenue			
a.	Product Software and Related Services	1,765.76	1,314.29	4,730.23
b.	Other Software Services	345.91	499.25	1,590.20
c.	Network Solutions	1,210.69	1,313.07	5,426.35
	Total Revenue	3,322.36	3,126.61	11,746.78
	Less: Inter Segment Revenue	-	-	-
	Net Sales / Income from Operations	3,322.36	3,126.61	11,746.78
2	Segment Profit / (Loss) before interest and tax			
a.	Product Software and Related Services	533.71	212.44	1,157.45
b.	Other Software Services	11.80	171.36	(339.71)
c.	Network Solutions	0.32	65.41	155.20
	Total	545.83	449.21	972.94
	Less: Interest	290.61	301.25	1,254.31
	Less: Other unallocable expenditure net of unallocable income	921.96	732.56	3,043.45
3	Profit / (Loss) before Tax	(666.74)	(584.60)	(3,324.82)
4	Fringe Benefit Tax	12.00	18.00	82.00
5	Profit / (Loss) after Tax	(678.74)	(602.60)	(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 June 30, 2006

(In US\$ Mn)

Sl. No.	Particulars	Unaudited for the Quarter Ended		Audited for the Year ended 31.03.2006
		30.06.2006	30.06.2005	
1	Net Sales / Income from Operations	15.34	12.20	59.24
2	Other Income	0.13	0.12	0.84
3	Total Income	15.47	12.32	60.08
4	Expenditure:			
a)	Cost of Resale Materials	2.28	2.52	10.33
b)	Staff Cost	8.95	8.62	32.69
c)	Other Expenditure			
	Selling & Marketing Expenses	0.77	0.69	3.20
	Administration & Other Expenses	2.77	2.33	11.45
	Total Expenditure	14.77	14.16	57.67
5	EBIDTA	0.70	(1.84)	2.41
6	Interest	0.67	0.72	2.94
7	Profit / (Loss) before Depreciation and Tax	0.03	(2.56)	(0.53)
8a	Depreciation - Technology Platform & Product Software	0.80	0.68	2.71
8b	Depreciation - Others	0.45	0.37	1.63
9	Profit / (Loss) before Tax	(1.22)	(3.61)	(4.87)
10	Provision for Taxation			
	Current Taxation	-	-	0.55
	Deferred Taxation	-	-	-
	Fringe Benefit Tax	0.02	0.04	0.19
11	Minority Interest	-	-	0.01
12	Equity in earnings / (Losses) of affiliates	-	-	0.25
13	Net Profit / (Loss)	(1.24)	(3.65)	(5.37)
14	Earnings per Share - Basic & Diluted - in USD	(0.08)	(0.03)	(0.42)
		(Not annualised)	(Not annualised)	(Annualised)

Notes: 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 : Rajapalayam
Date : July 27, 2006

P.R. Ramasubrahmaneya Rajha
Chairman