



# 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, 2005 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the Quarter Ended		Unaudited for the Nine Months Ended		Audited for the year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	Net Sales / Income from Operations	3,199.29	2,720.88	9,711.79	8,088.27	11,548.10
2	Other Income	190.01	185.89	293.30	699.52	730.07
3	<b>Total Income</b>	<b>3,389.30</b>	<b>2,906.77</b>	<b>10,005.09</b>	<b>8,787.79</b>	<b>12,278.17</b>
4	Expenditure:					
a)	Cost of Resale Materials	788.89	667.21	2,853.65	2,255.84	3,149.05
b)	Staff Cost	1,470.88	1,372.05	4,732.55	3,836.78	5,431.28
c)	Other Expenditure					
	Selling & Marketing Expenses	50.56	37.00	114.37	177.04	304.60
	Administration & Other Expenses	601.71	484.63	1,604.42	1,359.68	1,843.08
	<b>Total Expenditure</b>	<b>2,912.04</b>	<b>2,560.89</b>	<b>9,304.99</b>	<b>7,629.34</b>	<b>10,728.01</b>
5	<b>EBIDTA</b>	<b>477.26</b>	<b>345.88</b>	<b>700.10</b>	<b>1,158.45</b>	<b>1,550.16</b>
6	Interest	366.25	233.65	975.94	866.01	1,138.13
7	<b>Profit / (Loss) before Depreciation, Amortisation, Tax &amp; Extraordinary Items</b>	<b>111.01</b>	<b>112.23</b>	<b>(275.84)</b>	<b>292.44</b>	<b>412.03</b>
8a	Depreciation - Technology Platform & Product Software	297.93	287.18	893.77	861.53	1,148.70
8b	Depreciation - Others	161.33	161.14	454.55	463.41	549.57
9	Profit / (Loss) before Tax & Extraordinary items	(348.25)	(336.09)	(1,624.16)	(1,032.50)	(1,286.24)
10	Extraordinary items	-	-	-	-	2,749.79
11	Profit/(Loss) before tax	(348.25)	(336.09)	(1,624.16)	(1,032.50)	(4,036.03)
12	Provision for Taxation					
	Current Taxation	Nil	Nil	Nil	Nil	Nil
	Deferred Taxation	Nil	Nil	Nil	Nil	Nil
	Fringe Benefit Tax	20.00	Nil	58.00	Nil	Nil
13	<b>Net Profit / (Loss)</b>	<b>(368.25)</b>	<b>(336.09)</b>	<b>(1,682.16)</b>	<b>(1,032.50)</b>	<b>(4,036.03)</b>
14	Paid-up Equity Share Capital - Face value of Rs. 10/- each	1,231.82	1,165.23	1,231.82	1,165.23	1,228.36
15	Reserves excluding revaluation reserves	-	-	-	-	13,344.63
16	Earnings per Share Basic & Diluted - in Rs.	(3.00)	(2.89)	(13.70)	(8.89)	(32.95)
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)

## Notes:

- The above results have been approved and taken on record at the Board Meeting held on January 30, 2006.
- Consequent to recognition of revenue based on percentage of completion method of accounting in respect of certain contracts for software development services under execution by the Company, the revenue for the quarter has gone up by Rs. 34.66 lacs (corresponding quarter previous year Rs.Nil)
- Other Income for the current quarter includes rental income of Rs. 47.01 lacs (corresponding quarter previous year Rs. 46.10 lacs), interest of Rs. 13.52 lacs (corresponding quarter previous year Rs. 89.84 lacs), dividend income of Rs.62.00 lacs received from the Malaysian subsidiary, Ramco Systems Sdn.Bhd., (corresponding quarter previous year Rs.Nil) and Rs.67.47 lacs on account of Foreign Exchange gain (corresponding quarter previous year Rs.9.25 lacs).
- In the perception of the company, the provisioning for deferred tax asset / liability does not arise.
- The Company has come out with a Rights Issue of 30,70,757 equity shares of Rs. 10/- each at a premium of Rs. 200/- aggregating to Rs. 6,448.59 lacs in the ratio of 1 share for every 4 shares held. The issue which opened on December 19, 2005 closed on January 18, 2006. The issue has been subscribed to the extent of 1.06 times.
- Status of Investor grievances:

Description	Pending as on 01.10.05	Received during the current quarter	Redressed during the current quarter	Pending as on 31.12.05
Number 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 December 31, 2005 (In Rs. Lacs)						
Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the Nine months ended		Audited for the year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	<b>Segment Revenue</b>					
	a. Product Software and Related Services	1,403.01	1,337.05	3,900.98	3,710.04	4,904.16
	b. Other Software Services	651.38	334.71	1,773.53	1,163.59	2,274.00
	c. Network Solutions	1,144.90	1,049.12	4,037.28	3,214.64	4,369.94
	<b>Total Revenue</b>	<b>3,199.29</b>	<b>2,720.88</b>	<b>9,711.79</b>	<b>8,088.27</b>	<b>11,548.10</b>
	Less: Inter Segment Revenue	-	-	-	-	-
	<b>Net Sales / Income from Operations</b>	<b>3,199.29</b>	<b>2,720.88</b>	<b>9,711.79</b>	<b>8,088.27</b>	<b>11,548.10</b>
2	<b>Segment Profit / (Loss) before tax, interest &amp; Extraordinary Items</b>					
	a. Product Software and Related Services	756.95	372.44	970.22	1,258.17	1,354.38
	b. Other Software Services	(39.19)	65.71	376.01	58.39	739.07
	c. Network Solutions	(7.62)	94.19	167.04	155.08	118.30
	<b>Total</b>	<b>710.14</b>	<b>532.34</b>	<b>1,513.27</b>	<b>1,471.64</b>	<b>2,211.75</b>
	Less: Interest	366.25	233.65	975.94	866.01	1,138.13
	Less: Extraordinary Items	-	-	-	-	2,749.79
	Less: Other unallocable expenditure net of unallocable income	692.14	634.78	2,161.49	1,638.13	2,359.86
3	<b>Profit / (Loss) before Tax</b>	<b>(348.25)</b>	<b>(336.09)</b>	<b>(1,624.16)</b>	<b>(1,032.50)</b>	<b>(4,036.03)</b>
4	Fringe Benefit Tax	20.00	-	58.00	-	-
5	<b>Profit / (Loss) after Tax</b>	<b>(368.25)</b>	<b>(336.09)</b>	<b>(1,682.16)</b>	<b>(1,032.50)</b>	<b>(4,036.03)</b>

- 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, 2005 (In USD Mn.)						
Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the Nine months ended		Audited for the year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	Net Sales / Income from Operations	13.44	12.07	41.89	35.35	49.11
2	Other Income	0.29	0.24	0.57	0.84	0.91
3	<b>Total Income</b>	<b>13.73</b>	<b>12.31</b>	<b>42.46</b>	<b>36.19</b>	<b>50.02</b>
4	Expenditure:					
a)	Cost of Resale Materials	2.06	1.62	7.32	5.53	8.36
b)	Staff Cost	7.83	7.60	24.88	21.65	29.91
c)	Other Expenditure					
	Selling & Marketing Expenses	0.66	0.72	2.05	1.90	3.04
	Administration & Other Expenses	3.12	2.21	8.48	6.53	9.40
	<b>Total Expenditure</b>	<b>13.67</b>	<b>12.15</b>	<b>42.73</b>	<b>35.61</b>	<b>50.71</b>
5	<b>EBIDTA</b>	<b>0.06</b>	<b>0.16</b>	<b>(0.27)</b>	<b>0.58</b>	<b>(0.69)</b>
6	Interest	0.84	0.53	2.29	1.93	2.59
7	<b>Profit / (Loss) before Depreciation, Amortisation, Tax &amp; Extraordinary Items</b>	<b>(0.78)</b>	<b>(0.37)</b>	<b>(2.56)</b>	<b>(1.35)</b>	<b>(3.28)</b>
8a	Depreciation - Technology Platform & Product software	0.66	0.63	2.03	1.90	2.56
8b	Depreciation - Others	0.41	0.42	1.17	1.17	1.42
9	Amortisation of Product Research and Development Expenditure	-	0.15	-	0.40	-
10	<b>Profit / (Loss) before Tax &amp; Extraordinary Items</b>	<b>(1.85)</b>	<b>(1.57)</b>	<b>(5.76)</b>	<b>(4.82)</b>	<b>(7.26)</b>
11	Extraordinary Items	-	-	-	-	7.79
12	<b>Profit / (Loss) before Tax</b>	<b>(1.85)</b>	<b>(1.57)</b>	<b>(5.76)</b>	<b>(4.82)</b>	<b>(15.05)</b>
13	Provision for Taxation					
	Current Taxation	-	-	0.06	-	0.14
	Deferred Taxation	-	-	-	-	-
	Fringe Benefit Tax	0.04	-	0.13	-	-
14	Equity in earnings / (losses) of affiliates	-	-	-	-	0.06
15	<b>Net Profit / (Loss)</b>	<b>(1.89)</b>	<b>(1.57)</b>	<b>(5.95)</b>	<b>(4.82)</b>	<b>(15.13)</b>
16	Earnings per Share - Basic & Diluted - in USD	(0.15)	(0.14)	(0.48)	(0.41)	(1.29)
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)

## Note:

- Figures for the previous periods have been regrouped / restated wherever necessary to make them comparable with the figures for the current period.
- Consequent to recognition of revenue based on percentage of completion method of accounting in respect of certain contracts for software development services under execution by the Company, the revenue for the quarter has gone up by USD 0.33 Mln. (corresponding quarter previous year USD Nil)

By Order of the Board  
For Ramco Systems Limited

Place : Chennai  
Date : 30th January, 2006

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