



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 31st March, 2005						(In Rs. Lacs)
Sl. No.	Particulars	Unaudited for the nine months ended	Unaudited for the quarter ended		Unaudited for the year ended	Audited for the year ended
		31.12.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004
1	Net Sales / Income from Operations	8,088.27	3,459.83	3,303.81	11,548.10	8,230.93
2	Other Income	699.52	30.55	136.99	730.07	360.87
3	Total Income	8,787.79	3,490.38	3,440.80	12,278.17	8,591.80
4	Expenditure:					
a)	Cost of Resale Materials	2,255.84	893.21	750.89	3,149.05	2,532.22
b)	Staff Cost	3,836.78	1,594.50	455.13	5,431.28	3,415.57
c)	Other Expenditure					
	Selling & Marketing Expenses	177.04	127.56	175.33	304.60	705.11
	Administration & Other Expenses	1,359.68	483.40	946.00	1,843.08	2,484.28
	Total Expenditure	7,629.34	3,098.67	2,327.35	10,728.01	9,137.18
5	EBIDTA	1,158.45	391.71	1,113.45	1,550.16	(545.38)
6	Interest	866.01	272.12	290.99	1,138.13	1,195.09
7	Profit / (Loss) before Depreciation, Amortisation, Tax & Extraordinary Items	292.44	119.59	822.46	412.03	(1,740.47)
8a	Depreciation - Technology Platform & Product software	861.53	287.17	121.34	1,148.70	485.35
8b	Depreciation - Others	463.41	86.16	138.56	549.57	532.92
9	Amortisation of Product Research and Development Expenditure	-	-	142.00	-	568.00
10	Profit/(Loss) before Tax and Extraordinary Items	(1,032.50)	(253.74)	420.56	(1,286.24)	(3,326.74)
11	Extraordinary Items (See Note No.7 below)	-	2,749.79	-	2,749.79	-
12	Profit/(Loss) before Tax	(1,032.50)	(3,003.53)	420.56	(4,036.03)	(3,326.74)
13	Provision for Taxation					
	Current Taxation	Nil	Nil	Nil	Nil	Nil
	Deferred Taxation	Nil	Nil	Nil	Nil	Nil
14	Net Profit / (Loss)	(1,032.50)	(3,003.53)	420.56	(4,036.03)	(3,326.74)
15	Paid-up Equity Share Capital - Face value of Rs. 10/- each	1,165.23	1,228.36	1,165.23	1,228.36	1,165.23
16	Reserves excluding revaluation reserves (See Note No.3 below)	-	-	-	22,146.67	24,222.81
17	Earnings per Share Basic & Diluted - in Rs.	(8.89)	(24.52)	4.85	(32.95)	(38.35)
18	Aggregate of non-promoter share holding	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)
a)	Number of Shares				4,560,440	4,477,099
b)	Percentage of Share Holding				37.23%	38.54%

Notes:

- The above results have been approved and taken on record at the Board Meeting held on 29th April, 2005.
- The Board of Directors of the Company has not recommended any dividend for the year 2004 - 2005.
- The Company has filed a Scheme of Arrangement with the High Court of Judicature at Madras in April, 2005 to adjust an amount not exceeding Rs.200 crores out of the balance standing in the Share Premium Account of the Company in respect of the aggregate of (i) trade receivables due from the Subsidiaries amounting to Rs.88.02 crores and (ii) accumulated losses as on 31st March, 2005. A Court convened general meeting of the shareholders of the Company is scheduled to be held on 6th June, 2005 to consider and approve the Scheme. Necessary adjustments will be carried out upon receipt of the approval of the High Court and other regulatory authorities, as may be applicable.
- Other Income for the current quarter includes rental income of Rs.47.10 lacs (corresponding quarter previous year Rs.40.42 lacs) and interest of Rs.36.23 lacs (corresponding quarter previous year Rs.93.87 lacs).
- Selling & marketing expenses for the current quarter includes Rs. Nil (corresponding quarter previous year Rs.70.08 lacs) amortised from out of Deferred Revenue Expenditure.
- Administration & other expenses for the current quarter includes Rs.64.17 lacs (corresponding quarter previous year Rs.114.13 lacs) on account of provision for diminution in the value of stock and debtors and Rs.Nil towards foreign exchange loss (corresponding quarter previous year Rs.375.63 lacs).
- Expenses for the current quarter under the head "Extraordinary Items" represent the value of asset impairment, which in the opinion of the Company, need to be provided in accordance with Accounting Standard-28 and diminution in the value of the investment in accordance with Accounting Standard-13, issued by The Institute of Chartered Accountants of India.
- During the current quarter, the Company had allotted 611,449 equity shares to Promoters / Promoter Group on 6th January, 2005 on preferential basis and 20,400 equity shares under ESOP 2000 & ESOS 2003 Schemes on 28th March, 2005 and forfeited 1,288 equity shares on 23rd February, 2005 due to non-payment of call money in respect of shares issued on Rights basis. Consequent to the said allotments and forfeiture, the paid-up capital has increased from Rs.1,165.23 lacs to Rs.1,228.36 lacs and the share premium has increased from Rs.31,103.75 lacs to Rs.33,223.36 lacs.
- 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.
- Status of Investor grievances:

Description	Pending as on 01.01.05	Received during the current quarter	Redressed during the current quarter	Pending as on 31.03.05
Number of Complaints	8	3	11	-

- 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 31st March, 2005						(In Rs. Lacs)
Sl. No.	Particulars	Unaudited for the nine months ended	Unaudited for the quarter ended		Unaudited for the year ended	Audited for the year ended
		31.12.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004
1	Segment Revenue					
	a. Product Software and Related Services	3,710.04	1,194.12	1,557.76	4,904.16	3,019.33
	b. Other Software Services	1,163.59	1,110.41	683.68	2,274.00	1,434.12
	c. Network Solutions	3,214.64	1,155.30	1,062.37	4,369.94	3,777.48
	Total Revenue	8,088.27	3,459.83	3,303.81	11,548.10	8,230.93
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	8,088.27	3,459.83	3,303.81	11,548.10	8,230.93
2	Segment Profit / (Loss) before tax, interest & Extraordinary Items					
	a. Product Software and Related Services	1,258.17	96.21	1,384.13	1,354.38	668.01
	b. Other Software Services	58.39	680.68	263.08	739.07	34.49
	c. Network Solutions	155.08	(36.78)	62.45	118.30	75.54
	Total	1,471.64	740.11	1,709.66	2,211.75	778.04
	Less: Interest	866.01	272.12	290.99	1,138.13	1,195.09
	Less: Extraordinary Items	-	2,749.79	-	2,749.79	-
	Less: Other unallocable expenditure net of unallocable income	1,638.13	721.73	998.11	2,359.86	2,909.69
3	Profit / (Loss) before Tax	(1,032.50)	(3,003.53)	420.56	(4,036.03)	(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 31st March, 2005							
Sl. No.	Particulars	Unaudited for the quarter ended		Unaudited for the year ended		Audited for the year ended	
		31.03.2005 (In US\$ Mln.)	31.03.2004 (In US\$ Mln.)	31.03.2005 (In US\$ Mln.)	31.03.2005 (In Rs. Lacs)	31.03.2004 (In US\$ Mln.)	31.03.2004 (In Rs. Lacs)
1	Net Sales / Income from Operations	13.76	11.93	49.11	22,051.44	37.22	17,092.48
2	Other Income	0.07	0.11	0.91	409.92	0.36	165.40
3	Total Income	13.83	12.04	50.02	22,461.36	37.58	17,257.88
4	Expenditure:						
a)	Cost of Resale Materials	2.83	1.23	8.36	3,755.64	5.25	2,412.54
b)	Staff Cost	8.26	5.52	29.91	13,429.72	23.44	10,764.07
c)	Other Expenditure						
	Selling & Marketing Expenses	1.14	0.85	3.04	1,366.63	2.61	1,197.88
	Administration & Other Expenses	2.87	2.48	9.40	4,222.32	10.12	4,645.71
	Total Expenditure	15.10	10.08	50.71	22,774.31	41.42	19,020.20
5	EBIDTA	(1.27)	1.96	(0.69)	(312.95)	(3.84)	(1,762.32)
6	Interest	0.66	0.71	2.59	1,161.76	2.75	1,261.96
7	Profit / (Loss) before Depreciation, Amortisation, Tax & Extraordinary Items	(1.93)	1.25	(3.28)	(1,474.71)	(6.59)	(3,024.28)
8a	Depreciation - Technology Platform & Product software	0.66	0.26	2.56	1,148.70	1.05	485.35
8b	Depreciation - Others	0.25	0.37	1.42	636.35	1.32	606.98
9	Amortisation of Product Research and Development Expenditure	(0.40)	0.44	-	0.91	1.75	801.88
10	Profit/(Loss) before Tax & Extraordinary Items	(2.44)	0.18	(7.26)	(3,260.67)	(10.71)	(4,918.49)
11	Extraordinary Items	7.79	-	7.79	3,499.21	-	-
12	Profit/(Loss) before Tax	(10.23)	0.18	(15.05)	(6,759.88)	(10.71)	(4,918.49)
13	Provision for Taxation						
	Current Taxation	0.14	-	0.14	63.02	-	2.75
	Deferred Taxation	-	-	-	-	-	-
14	Equity in earnings/(losses) of affiliates	0.06	-	0.06	30.29	-	1.34
15	Net Profit / (Loss)	(10.31)	0.18	(15.13)	(6,792.61)	(10.71)	(4,919.90)

- 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 : 29th April, 2005

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