

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

KPT Cummins Infosystems Limited Registered & Corporate Office - Plot No. 35/36, Phase I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune - 411057 Website: www.kptcummins.com						KPT Cummins Infosystems Limited Registered & Corporate Office - Plot No. 35/36, Phase I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune - 411057 Website: www.kptcummins.com							
SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED													
Sr. No.	Particulars	Rs. in Lacs (except per share data)											
		Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended		Year ended	
		September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008 (Audited)	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008 (Audited)	March 31, 2008 (Audited)	
11	Sales	19,472.18	14,924.18	36,840.53	28,453.35	80,054.85	11	Segment Revenue	19,472.18	14,924.18	36,840.53	28,453.35	80,054.85
21	Software Development Expenses	11,845.55	9,395.47	22,290.12	17,813.57	37,302.59	11.1	U.S.A.	4,490.47	3,223.31	8,573.13	6,275.85	13,526.10
31	Gross Profit	7,626.63	5,528.71	14,550.41	10,639.78	22,752.26	11.2	UK & Europe	3,180.29	2,047.77	5,655.45	3,833.67	8,234.07
41	Selling and Marketing Expenses	1,858.40	1,425.74	3,299.61	2,775.86	5,771.42	11.3	Rest of the World	179.95	257.63	321.83	530.26	991.89
51	General and Administration Expenses	3,323.87	1,754.42	6,144.87	3,360.67	7,751.78	11.4	Total	7,826.63	5,528.71	14,550.41	10,639.78	22,752.26
61	Operating Profit Before Depreciation, Interest, Exceptional Items and Minority Interest	2,844.36	2,348.55	5,105.93	4,494.55	8,228.88	11.5	Net sales / income from operations	19,472.18	14,924.18	36,840.53	28,453.35	60,054.85
71	Depreciation / Amortisation	780.13	571.74	1,421.25	1,108.01	2,546.84	11.6	Segment Results Profit / (loss)	1,992.00	1,592.93	3,484.12	3,007.84	5,879.17
81	Operating Profit Before Interest, Exceptional Items and Minority Interest	2,064.23	1,776.81	3,684.68	3,386.54	5,682.04	11.7	U.S.A.	4,490.47	3,223.31	8,573.13	6,275.85	13,526.10
91	Interest and Financial Expenses, net	101.18	188.16	203.66	387.51	754.70	11.8	UK & Europe	3,180.29	2,047.77	5,655.45	3,833.67	8,234.07
101	Exceptional Item (Net of Tax)	-	-	-	-	(137.20)	11.9	Rest of the World	179.95	257.63	321.83	530.26	991.89
111	Operating Profit Before Tax and Minority Interest	1,963.07	1,588.65	3,481.02	2,999.03	5,790.14	12.0	Total	7,826.63	5,528.71	14,550.41	10,639.78	22,752.06
121	Other Income	8.93	4.28	3.10	6.81	89.03	12.1	Less:	-	-	-	-	-
131	Profit Before Tax and Minority Interest	1,972.00	1,592.93	3,484.12	3,007.84	5,879.17	12.2	- Interest	101.18	188.16	203.66	387.51	754.70
141	Tax Expense (Refer note no. 3)	209.17	184.83	512.66	335.20	780.53	12.3	- Other unallocable expenditure	5,733.47	3,747.62	10,882.83	7,244.43	15,980.99
151	Net Profit After Tax before Minority Interest	1,862.83	1,408.10	2,971.46	2,672.64	5,118.64	12.4	- Inlet of unallocable income	-	-	-	-	-
161	Less / Add - Minority (profits) / losses to the extent of minority interest(s)	(12.74)	(1.06)	(4.63)	3.08	9.51	12.5	- Exceptional Item (Net of Tax)	-	-	-	-	137.20
171	Net Profit for the period after minority interest	1,870.09	1,407.24	2,966.83	2,675.72	5,128.15	12.6	Profit before tax, minority interest	1,992.00	1,592.93	3,484.12	3,007.84	5,879.17
181	Paid up Equity Capital / Face Value Rs. 2/- per share	1,560.86	1,525.51	1,560.86	1,525.51	1,567.86	12.7	Total Public Shareholding	-	-	-	-	-
191	Reserves Excluding Revaluation Reserves	21,626.35	22,896.18	21,626.35	22,896.18	24,541.54	12.8	- Number of shares	58,872,951	57,099,354	58,872,951	57,099,354	58,706,681
201	Earnings per Share (on par value of Rs. 2/-)						12.9	- Percentage of shareholding	75.44%	74.86%	75.44%	74.86%	75.38%
	Basic	2.18	1.84	3.81	3.51	6.67							
	Diluted	2.15	1.79	3.79	3.40	6.55							
211	Dividend per Share (on par value of Rs. 2/-)	-	-	-	-	0.70							
	Final Dividend	-	-	-	-	35.00							
	Dividend percentage	-	-	-	-	-							
221	Total Public Shareholding												

Notes:

General

- The above unaudited financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on October 20, 2008.
 - The Statutory auditors of the Company have reviewed the above financial results of the Company for the quarter ended September 30, 2008.
 - The Consolidated Financial Statements have been prepared in accordance with Accounting Standard on consolidated financial statements mandated by Rule 3 of Companies (Accounting standards) Rules, 2006, the provision of Companies Act, 1956 & the guidelines issued by the Securities and Exchange Board of India.
 - The Company has received 5 investor complaints during the quarter ended September 30, 2008. This complaints have been resolved. There were no unresolved investor complaints at the beginning or at the end of the quarter.
 - Pursuant to the changes in the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). This has not resulted in an additional tax expense, the MAT can be carried forward and set off against the future tax liabilities. Accordingly a sum of Rs 772.79 lacs has been carried forward and shown under "Loans and Advances" in the Balance Sheet as of September 30, 2008.
 - The Company has taken over substantial part of the Mechanical Design Services business of Harita TVS Technologies (known as TVS-ETechnologies Ltd in India). With the addition of the high end Mechanical Design Engineering capability from Harita the Company strengthens its existing portfolio of Automotive Embedded and Mechanical Engineering Services. The Company will now also offer integrated Mechanical Product Design, Development and Validation Services to existing and new global clients in the Automotive and Industrials Verticals. The goodwill of Rs 568.88 lacs arising out of this acquisition has been amortised over a period of five years with effect from July 01, 2008.
 - The Company has designated the outstanding forward exchange contracts relating to certain firm commitments and forecasted transactions as at September 30, 2008 as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS-30). Changes in fair value of such forward exchange contracts if effective are recognized directly in Reserves (Loss of Rs 6,160.81 Lacs) and ineffective portion is recognized immediately in Profit and Loss Account (Rs Nil).
The Company has also entered into options contracts to the tune of USD 42.80 Million for hedging its USD/EUR revenues and is linked to EUR-USD cross rate movement for next four years. The MTM valuation of these options as provided by the bank as of September 30, 2008 indicates a loss of Rs. 4,724.25 lacs. There is material uncertainty arising from future events mentioned in the option contract and rate over the period of four years.
The liability under the option contracts is dependent on the Euro / USD exchange rate. The Company has significant exports in Euros and therefore the Company is not able to estimate the actual liability on these contracts, if any, as on September 30, 2008 and therefore, no provision for the liability and loss on account of option contracts have been made in the books as on September 30, 2008. In view of the above uncertainty the auditors have expressed inability to opine on this matter and accordingly qualified the limited review report and the same was qualified for year ended March 31, 2008.
Subsequently, out of the above option contracts, one option contract of USD 12 Million has been knocked out on 10th October 2008 due to Euro cross rate reaching the knock out level and accordingly loss of Rs.804.83 lacs included above has been reduced to this extent.
 - General and Administration expenses includes Rs 709.50 Lacs loss on account of restatement of US Dollar denominated foreign currency loans.
 - The previous periods figures have been regrouped wherever necessary to conform with current period presentation.
- Change in Board of Directors**
- Mr. Bruce Carver has been appointed as an 'Additional Director' of the Company with effect from August 29, 2008.
 - Mr. Floyd Rutan has been appointed as an 'Alternate Director' to Mr. Bruce Carver, Additional Director of the Company with effect from August 29, 2008.
- Matters relating to Subsidiaries**
- The Company granted an additional loan of PLN 215,000 (Rs.43 lacs) to KPIT Poland during the quarter to meet its working capital requirements. This loan is repayable by December, 31, 2009.
- Others**
- During the quarter ended September 30, 2008 the Company has allotted 7,000 equity shares pursuant to the exercise of stock options by certain employees of the Company under ESOP 2004 scheme.
 - Details of expenses exceeding 10% of the total expenditure:

Notes:

- The Company's operations predominantly relate to providing technology services globally. The revenues shown above have been classified into geographies to comprise the primary basis of the segment information. In representing segment results as required under circular dated September 14, 2001 from the Stock Exchange, Mumbai, the expenses on common facilities in India inclusive of expenses of common staff used interchangeably for all geographies is shown as unallocable expenditure and the same has not been apportioned across the geographies.
- Segmental Capital Employed-The fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable geographies as the fixed assets and support services are common for all reportable segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made. Further, the consolidated segment information given above includes the company's sales and marketing costs incurred in the reportable geographies.

Sr. No.	Particulars	Quarter ended		Half year ended		Year ended	
		September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008 (Audited)	March 31, 2008 (Audited)
		11	Employee Costs	11,172.37	7,529.81	21,428.18	13,896.21

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

KPIT Cummins Infosystems Limited

Registered & Corporate Office - Plot No. 35/36, Phase I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune - 411057

Website - www.kpitcummins.com

Rs. in Lacs (except per share data)

Sr. No.	Particulars	Standalone Results				
		Quarter ended		Half year ended		Year ended
		September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008 (Audited)
11	Sales	15,721.53	11,627.07	30,053.33	21,888.42	48,043.94
21	Software Development Expenses	10,386.27	7,394.29	18,818.00	14,052.87	31,428.12
31	Gross Profit	5,335.26	4,232.78	10,234.73	7,835.55	16,615.82
41	Selling and Marketing Expenses	183.46	112.84	323.19	195.81	544.26
51	General and Administration Expenses	3,332.82	1,321.26	6,184.12	2,507.09	6,496.32
	Operating Profit Before Depreciation and Interest	1,838.88	2,798.88	3,747.42	5,132.88	9,574.24
61	Depreciation / Amortisation	593.58	491.91	1,089.97	950.14	2,037.73
	Operating Profit Before Interest	1,245.30	2,306.77	2,657.45	4,182.51	7,536.51
91	Interest and Financial Expenses, net	72.20	194.80	146.42	394.71	674.44
	Operating Profit before Tax	1,173.10	2,111.97	2,511.03	3,787.80	6,862.07
111	Other Income	52.83	34.86	98.43	57.83	207.68
121	Profit Before Tax	1,226.02	2,146.83	2,609.46	3,845.63	7,069.75
131	Tax Expense (Refer note no. 8)	154.23	158.10	281.94	285.51	661.32
141	Net Profit After Tax	1,071.79	1,978.73	2,327.52	3,560.12	6,408.42
151	Paid up Equity Capital (Face Value Rs. 2/- per share)	1,560.86	1,525.51	1,960.86	1,525.51	1,557.86
161	Reserves Excluding Revaluation Reserves	22,153.07	23,001.68	22,153.07	23,001.68	25,893.46
171	Earnings per Share (on par value of Rs. 2/-)					
	Basic	1.37	2.59	2.98	4.67	8.33
	Diluted	1.37	2.52	2.97	4.53	8.19
181	Dividend per Share (on par value of Rs. 2/-)					
	Final Dividend	-	-	-	-	0.70
	Dividend percentage	-	-	-	-	35.00
191	Total Public Shareholding					
	- Number of shares	58,872,951	57,099,354	58,872,951	57,099,354	58,706,681
	- Percentage of shareholding	75.44%	74.86%	75.44%	74.86%	75.38%

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 - The Statutory auditors of the Company have reviewed the above financial results of the Company for the quarter ended September 30, 2008.
 - The Financial Statements are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India.
 - The Company has received 5 investor complaints during the quarter ended September 30, 2008. This complaints have been resolved. There were no unresolved investor complaints at the beginning or at the end of the quarter.
 - Pursuant to the changes in the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). This has not resulted in an additional tax expense, the MAT can be carried forward and set off against the future tax liabilities. Accordingly a sum of Rs 754.16 lacs has been carried forward and shown under "Loans and Advances" in the Balance Sheet as of September 30, 2008.
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 - Details of expenses exceeding 10% of the total expenditure:

Sr. No.	Particulars	Quarter ended		Half year ended		Year ended
		September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008 (Audited)
		11	Employee Costs	9,198.49	5,712.19	17,560.82

Place: Pune

Date: October 20, 2008

S.B. (Ravi) Purohit
Chairman & Group CEO