KPIT Cummins
Second quarter Results FY 2013

KPIT Cummins

Investor Release | BSE: 532400 | NSE: KPIT

KPIT Cummins' quarterly USD revenue crosses 100 million mark registering Y-o-Y growth of 53%
EBITDA Margin for the quarter improved by 157 bps to reach 16.6%
Net profit for H1FY13 grew by 61% Y-o-Y to INR 974 million

Pune, October 25, 2012: KPIT Cummins (BSE: 532400; NSE: KPIT), a leading product engineering and IT consulting partner to automotive & transportation, manufacturing and energy & utilities companies, today reported its consolidated financial results for the quarter and six months ending September 30, 2012.

Highlights for the quarter ended September 30, 2012

- USD Revenue for Q2FY13 stood at USD 103.43 million a Y-o-Y growth of 53%* and Q-o-Q growth of 5.5%.
- INR revenue up 81%* Y-o-Y and 5% Q-o-Q to reach INR 5,672.05 million.
- EBITDA Margin for the quarter improved by 157 bps to reach 16.6%.
- Net profits stood at INR 461.23 million, a Y-o-Y growth of 26%.
- Diluted EPS for H1FY13 increased by 58% Y-o-Y to INR 5.32.
- SYSTIME continued to show significant growth, both in terms of revenue and profits.
- Top 5 and 10 accounts including Cummins register 50%+ Y-o-Y growth.

* *adjusting for SSG & DFS revenue in Q2FY12*

Management comments

Commenting on the performance of Q2 FY13, **Ravi Pandit, Chairman & Group CEO, KPIT Cummins said,** "We are happy with the revenue performance that we have delivered this quarter with an EBITDA margin that has improved in line with our projections. During this quarter we saw significant growth coming from the APAC region and we expect the geography to continue a healthy growth through H2." He added, "The global economic uncertainties have continued, resulting in delayed business decision making. However we believe our sharp focus and investments in select verticals should keep us in good stead to achieve our annual guidance."

Kishor Patil, Managing Director & Chief Executive Officer, KPIT Cummins said, "We are pleased with the successful integration of SYSTIME operations. We registered second consecutive quarter of double digit sequential growth and 28% Y-o-Y growth in SYSTIME revenues with improved margins. This reiterates our competence in successful integration of merged/ acquired entities." Adding further he mentioned, "On the back of a good H1 performance and a strong pipeline we maintain our annual guidance, however we believe that lesser number of working days in Q3 FY2013 might impact revenue performance in Q3."

Corporate Update

Even though the economic environment continues to be volatile, our strategy to stay focused on key verticals has helped us deliver another quarter of good growth. During the Quarter we witnessed overall positive business traction with IES and Automotive SBU leading the growth. We are preparing ourselves for the next level of growth by focusing on deeper engagements with our customers and offerings which can give us larger penetration.

GROWTH UPDATE

USD Revenue (in million)	Q2 FY13	Q1 FY13	Q-o-Q Growth	Q2 FY12	Y-o-Y Growth
Reported Revenue	103.43	98.05	5.48%	70.38	46.96%
Adjustment for SSG	-	-	-	2.35	-
Adjustment for DFS	-	-	-	0.22	-
Comparable Revenue	**103.43**	**98.05**	5.48%	**67.81**	**52.52%**

The organic revenue growth for the quarter was 28% Y-o-Y. In constant currency terms, the sequential growth was 6%+.

IES SBU grew 9% Q-o-Q and A&E SBU grew by 8.45%. SAP SBU marginally declined by 1.94% Q-o-Q.

Cummins account grew by 52% Y-o-Y as their revenue share stood at 19.7% in Q2 FY13. We have registered good growth in other top customer accounts as our top 5 and top 10 accounts grew by 58% respectively on a Y-o-Y basis. On a Q-o-Q basis, this growth stood at 2.36% and 4.59% respectively.

Amongst geographies, we continue to see good traction in US across all the SBUs while in APAC we are seeing better growth opportunities for our Automotive and SAP offerings. China is emerging as a key growth market, both for SAP and Automotive & Engineering SBUs whereas Brazil remains a strong growth area mainly for the JD Edwards offerings. The pace of business continues to be slow in Europe.

PROFITABILITY

The realized rate for the quarter was INR 54.84/USD against INR 54.90/ USD in Q1 FY13.

Our EBITDA margins improved to 16.66% as against 15.09% in Q1FY13, an increase of 157 bps. The increase in EBITDA Margins is on account of operational efficiencies and leverage due to growth. Automotive SBU has led the growth during the quarter, which has helped the improvement in profitability. SYSTIME as a standalone business has also registered continuous quarter on quarter improvement in EBITDA margins. SYSTIME EBITDA margins stood at 14% for the quarter.

At a company level, when we had released our guidance at the beginning of the year, we had a target of around 50 bps to 100 bps improvement in operating profit. With 2 quarters behind us, we believe we are in a position to show the target improvement in the yearly numbers.

The other income includes forex loss of INR 213.45 million against INR 18.64 million of forex gain in Q1 FY13. Thus the total Q-o-Q impact of forex loss was INR 232.09 million. The closing rate was Rs. 52.69 INR / USD as compared to Rs. 56.31 in Q1FY13. The net impact of translation of foreign currency denominated assets and liabilities resulted in forex loss during the quarter. As a result, on a Q-o-Q basis, net profit declined by 10%, while the net profit Margin stood at 8.13%.Our Net profit increased by 26.44% Y-o-Y to INR 461.23 million.

CASH FLOW

Our Cash Profit for the quarter was INR 576 million. The cash flow from operations was INR 597 million. The dividend outflow during the quarter was INR 145 million and the fixed asset investment stood at INR 78 million. Thus the surplus after dividend payout and fixed asset investment was INR 374 million.
During the quarter we acquired additional 17.5% stake in SYSTIME for which the consideration was INR 386 million. The net loan repayments during the quarter were INR 83 million.

BOARD UPDATE

Ms. Manisha Girotra has been appointed as an independent director on the board of KPIT Cummins. She is currently the head of Moelis investment bank in India
Prior to joining Moelis India, Ms. Girotra, was the Chairperson & Country Head of UBS India from 1998 to 2012. A gold medallist in Economics from the University of Delhi, she has extensive expertise in the areas of large corporate deals and mergers & acquisitions. During her career of over 20 years Ms. Girotra has played a key role in several large corporate deals including the IPCL - Reliance merger, the privatization of VSNL and the largest cross-border deal in Indian corporate history - the USD 13 billion acquisition of HITL's interest in Hutchison Essar by Vodafone. She has also led the North America listing process for Infosys, Genpact and WNS, along with the respective follow-on offerings. She has successfully executed India IPOs of several companies including Reliance Petroleum, Reliance Power, DLF, Idea, Bharti, Adani Power as well as the GDR issue of Tata Steel and GMR Group's QIP.

OTHER CORPORATE HIGHLIGHTS

During this period, four new patents were filed in the areas of alternative fuel technologies, Image processing and Driver Assistance Safety systems.

EXECUTIVE APPOINTMENTS

Former General Manager of Technical Planning Department at Nissan Technology Development Division Mr. Yamanoi Toshimi San has been appointed as the Vice President- Automotive technology. Based in Tokyo, Japan, he will focus on strengthening and streamlining KPIT Cummins' offerings for automotive Original Equipment Manufacturers (OEMs). Mr. Yamanoi San brings in more than 30 years of experience in the automotive industry and has vehicle safety technology as his core area of expertise. He is well known in the industry for his contribution in developing projects such as occupant protection systems, pedestrian protection test method and frontal & side crash test methods. He serves as the Chairman of the Vehicle Safety committee of JAMA (Japanese Auto Manufacturers' Association) and has been awarded the Special Safety Award by the National Highway Traffic Safety Administration (NHTSA) in US DOT (Department of Transportation) at the Enhanced Safety Vehicle Conference in Japan.

Mr. Guven Kivran has been appointed as the Managing Director (Geschäftsführer) responsible for KPIT Cummins' Automotive Operations in Germany. Based in Munich, he will be responsible for enhancing KPIT Cummins' brand and presence in Germany by building local delivery capability, recruiting talent and strengthening collaboration with the automotive manufacturers. Mr. Kivran joined KPIT Cummins through the company's acquisition of In2Soft GmbH, a high-end automotive software provider specializing in vehicle diagnostics, where he was the founder and Managing Director. He brings in over 20 years of experience in the automotive industry and has been successfully driving the vehicle diagnostics practice of KPIT Cummins, globally.

SBU Update

INTEGRATED ENTERPRISE SOLUTIONS (IES) SBU

We were awarded the **2012 Oracle Excellence Award for Specialized partner of the year- North America in the Regional System Integrator/ Reseller Applications momentum category**. This award recognizes KPIT's excellence in the areas of solution development, customer satisfaction and sales. We also received an **honorable mention in the 2012 Oracle Excellence Award for Specialized Partner of the Year - North America in the SCM & Manufacturing Category**. During FY12 we achieved the milestone of 22 Oracle specializations, 5 advanced specializations, 14 OIM certified solutions with more than 700 specialized consultants trained globally. Oracle Initiative Management (OIM) certified solutions are Diamond Level partnership Qualified Solution Offerings that are jointly agreed go-to-market solutions and drive revenue for both parties. This is an important pre-requisite for attaining the highest partnership level with Oracle - The Diamond Level.

SYSTIME's revenue in Q2FY13 grew by 15.7% Q-o-Q to USD 17.01 million. This is the second successive double digit growth for SYSTIME post consolidation. SYSTIME revenues were $ 13.30 million in Q4FY12 when we consolidated the numbers for

SYSTIME, the first time. When we acquired the initial 50% stake in SYSTIME, the EBITDA was 5.5%. We have been able to successfully bring in operational efficiencies and leverage growth in SYSTIME. This has resulted in the sharp rise in SYSTIME EBITDA. We will further continue to improve on this. SYSTIME was a large acquisition for us and the growth recorded both in terms of topline and bottomline depicts our ability to integrate large acquisitions well.
The SYSTIME integration is almost complete with the integration of functional and practice teams and streamlining of business processes and best practices across the board. We initiated the Information systems roll out and integration, at the beginning of this quarter and it is progressing as per the defined objectives.

In the IES SBU, we witnessed more traction in large deals for ERP (E-Business suite and JD Edwards) upgrades, particularly in North America across all our focus verticals. We won a large deal from an industrial manufacturing company encompassing multiple technology areas in Oracle and JD Edwards. We are seeing number of opportunities emerging for our offerings in Master Data Management (MDM) and middleware. We are working on leveraging our partnership with Oracle and associating with some strategic service providers in Europe.
In Emerging markets, customers are showing significant inclination towards evaluating and adopting Cloud, Analytics, Mobility and Social Media solutions. Continuing with our work in enterprise mobility space we have got our next gen solutions iStratosCRM and iSUNAS CE certified on the Apple Store. In line with our roadmap for cloud-based offerings we have taken a key step by becoming Microsoft's "Azure Circle Partner", thereby joining a group of select System Integrators that have competencies on Windows Azure – Microsoft's Cloud platform.
Our front end investments in consulting practice have started giving results in terms of traction across our focus verticals.

The IES EBITDA, including SYSTIME, stood at 17%+ for Q2FY13.

DEAL WINS

- A very large North American medical equipment manufacturer is leveraging KPIT Cummins' deep domain expertise in Master Data Management & Product Information Management (PIM) to upgrade and globalize its Product Information Management systems as well as reduce cycle times for New Product Introduction (NPI).
- A global leader in energy and industrial equipment manufacturing space selected KPIT Cummins to design and engineer a fully automated mobile supply chain application system integrating locations across Europe, North America and APAC.

AUTOMOTIVE & ENGINEERING (A&E) SBU

Globally, despite overcapacity, the OEMs are investing in new technologies, products and markets. The innovation and product differentiation is primarily driven by electronics. Technological innovation is transforming the automotive industry and driving the auto companies to become more flexible in their business and technology strategies to continuously adapt to the changing market dynamics and the competitive requirements. Currently there is a lot of focus on developing alternate powertrain technologies and integrating consumer digitization into vehicles. This focus is being driven by legislative requirements, competitive innovation, demand for cost efficiency, changing consumer behavior and new demand centers.

In the A&E SBU the overall business momentum was good during the quarter with higher traction in Powertrain and Infotainment practices. Amongst geographies we have won projects in US as well as in Europe despite a sluggish business decision making process in the case of the latter. In India, we progressed further in the defense technology space with the successful completion of our first major milestone towards joint product development for the Indian defense labs.

R&D is a major focus area for A&E SBU and to strengthen the efforts in promoting IP and new product development we have established a dedicated team to package, market and sell our non-linear solutions. The response has been positive in terms of both traction and revenues. Currently we are working towards developing new solutions and fostering innovation in the areas of AUTOSAR, Powertrain, Vision Systems and Infotainment to develop non-linear solutions.

We are now a member of the prestigious Open Alliance Special Interest Group that extensively works on Ethernet based automotive connectivity. We can now contribute and benefit from the goals of this group:

- To enable wide scale adoption of Ethernet-based automotive connectivity
- Establish industry standard for Ethernet connectivity over single pair, unshielded cable
- Enable migration from closed application to open, scalable Ethernet-based network

The A&E SBU EBITA was around 23%+ during Q2FY13. The increase in EBITDA was contributed mainly by leverage on account of revenue growth and productivity improvements.

DEAL WINS

- A large North American automotive manufacturer has selected KPIT Cummins as an HMI modeling partner in the development of advanced Infotainment/Telematics features.
- A well-known European Automotive Tier 1 has chosen KPIT Cummins as a strategic partner in the area of infotainment and clusters demonstrating the increasing traction in demand for KPIT Cummins' capabilities in innovative infotainment platform and technologies.

SAP SBU

Sparta Consulting was positioned in the “**Niche Players**” Quadrant of the 2012 “**Magic Quadrant for SAP Implementation Service Providers, North America” by Gartner*.** Sparta, the 2012 SAP Impact Award Winner for Momentum and ranked as one of the fastest growing SAP Services Partners in North America, has been investing significantly in developing preconfigured solutions for its focus industries namely automotive & transportation, manufacturing and energy & utilities.

In SAP SBU, there has been significant growth in opportunities that we are seeing within our focus industry verticals namely Automotive and Utilities. We are executing a few large Application Management and Support (AMS) deals out of India and China markets. We see a very strong pipeline in China as more businesses are expanding their supply chain and operations in APAC, specifically in China thus opening up opportunities for new business. Mobility, Analytics, Customer Relationship Management (CRM) and SuccessFactors are the other practice areas of focus.

There is a big technology reset happening within SAP. We have started investing in HANA, Mobility and Success Factors and as a result see pressure on our operating margins. Another area of focus and investment is developing annuity revenue capabilities. Due to demand shifts in terms of technology, the bench has gone up in SAP during the quarter. We have initiated cross training already but will probably need another 4-5 months to return to the normal utilization levels.

With large ERP product vendors making a push towards greater interaction with their customers’ customers, we are also leveraging our expertise and the SAP certified automotive industry solution to enhance the user experience for automotive customers’ customers.

For the utilities industry, we recently launched Customer Online Solution (COS) which is part of the Sparta Utilities North America Solution (SUNAS) business technology suite. Certified by SAP, COS is delivered as a website component for utility companies, deployed in a Sparta-hosted cloud or client data center environment. It was architected to deliver a comprehensive set of ‘customer portal 2.0’ features out-of-the-box, including personalized content delivery, profile and account management, service order management, online bill presentment and bill payment, consumption usage reporting, mobile connectivity and social media interaction.

The EBITDA margins have been in the range of 7%+ for the quarter for SAP SBU.

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DEAL WINS

- A large North American electronic equipment manufacturer has selected KPIT Cummins for comprehensive technical development and implementation of next generation ERP and Business Intelligence systems for its operations across North America.
- Another North American high tech manufacturer is leveraging KPIT Cummins’ capabilities in developing industry specific solutions to streamline its contract manufacturing and logistics processes & systems across a large footprint in Asia Pacific.

BUSINESS TRANSFORMATION UNIT (BTU)

Global manufacturers are continuously looking at ways to expand efficiently into profitable new markets, differentiate their offerings through innovation and streamline operations to reduce time to market. To enable this business

transformation using technology, they are closely collaborating with KPIT Cummins and leveraging its domain expertise & industry specific solutions.
Though BTU is still at its formative stage, we are witnessing good initial traction. By partnering with KPIT Cummins' Business Transformation Unit (BTU) customers are getting access to best-in-class capabilities in niche areas like Enterprise Manufacturing Management (EMM), Business Process Management (BPM) and Supply Chain Execution (SCE) that enable optimization of shop floor operations and transportation & logistics processes.

A large North American manufacturer of industrial components has engaged KPIT Cummins to design a global integrated Logistics platform and further implement it across EMEA, India, China, North America and Latin America. As part of this program KPIT Cummins will develop a global template that is built with agility, flexibility and responsiveness.

Recognition and thought leadership

- KPIT Cummins has been mentioned in **Forbes list of 200 high performing Asia Pacific companies with revenues under a Billion**.
- International Journal of Computer Application (IJCA) featured our two technical papers titled "**A Generic Non-Linear Method for Fisheye Correction**" and "**A Generic Transfer Function based Technique for Estimating Noise from Images**" in their August 2012 edition.
- A paper titled "**Multi-Camera Based Surveillance System**" has been accepted in World Congress on Information and Communication Technologies (WICT 2012), for publication.
- Kishor Patil, MD & CEO, KPIT Cummins contributed as a panelist at **World Economic Forum's Annual Meeting** of the New Champions 2012 in Tianjin, People's Republic of China on the topic 'Creating Competitive Service Economies'.
- KPIT Cummins was the **Gold Sponsor at the 2012 Oracle Transportation Management (OTM) User Conference**.
- Mr. Ravi Pandit, Chairman and Group CEO, KPIT Cummins was part of an **Executive Panel at 5th Environmentally Friendly Vehicle Conference held at Baltimore, USA**. Mr. Pandit brought in interesting perspectives on how Alternate Powertrains and Retrofits can bring about sustainable solutions in the future.
- KPIT Cummins was the **Co-Sponsor of Automotive Megatrends India 2012, hosted by AutomotiveWorld.com** in Chennai. Our team made presentations on "How alternate Powertrains are a need for a sustainable future" and "the changing dynamics of Infotainment platforms".
- KPIT Cummins was the **Associate Sponsor for the HEV EV Workshop 2 hosted by ICAT at the India Habitat Center, New Delhi**. Our team made presentation on the Challenges and Solutions for BMS Development which was very well received among OEM's and Tier 1 community.

REVOLO update

- Government recently announced National Electric Mobility Mission for which approximately INR 23,000 crore funds are being set aside. These funds will be used for demand creation, infrastructure creation and Research & Development. We believe such strong encouragement from the government will go a long way to create and support the new industry. KPIT Cummins is participating in various working groups as a part of this National Mission.
- We have received consistent and positive feedback on the performance of REVOLO from the volunteers of mass vehicle trial program. We are on track to achieve the successful launch of these vehicle trials by the end of this calendar year.

Next Quarter update

As we move into Q3, our pipeline continues to be strong and we reiterate our confidence in the annual targets that we had set for ourselves at the beginning of the year. Having said that, we believe there will be an adverse effect on our revenues in Q3 only due to the cyclical nature of the quarter. We anticipate at least 3-4 lesser billing days in Q3 as compared to Q2.
Even though the average realized rate for Q3 may be lower than that for Q2, if the rupee is range bound in Q3 and closes around the same range, then the forex losses will be lower in Q3 as compared to Q2.

Income statement for quarter ended September 30th, 2012 (Revised Format)

INR million	Q2 FY 13	Q1 FY13	Q-o-Q Growth	Q2 FY12	Y-o-Y Growth
Adjusted Sales*	**5,672.05**	**5,382.65**	**5.38%**	**3,131.69**	**81.12%**
Sales	**5,672.05**	**5,382.65**	**5.38%**	**3,250.19**	**74.51%**
Employee Benefit Expenses	2,902.60	2,724.43	6.54%	1,706.21	70.12%
Depreciation & Amortization Expenses	114.38	113.46	0.82%	115.54	(1.00%)
Other Expenses	1,826.64	1,851.75	(1.36%)	1,101.88	65.77%
Total Expenses	**4,843.62**	**4,689.64**	**3.28%**	**2,923.64**	**65.67%**
Profit before Other Income, Finance costs & Exceptional Item	**828.43**	**693.01**	**19.54%**	**326.55**	**153.69%**
Other Income	(190.98)	30.30	-	109.44	-
Profit before Finance costs & exceptional Items	**637.45**	**723.32**	**(11.87%)**	**435.99**	**46.21%**
Finance costs	32.21	29.76	8.22%	10.74	199.83%
Profit after Finance costs & exceptional Items	**605.24**	**693.55**	**(12.73%)**	**425.25**	**42.33%**
Exceptional Items	54.70	26.73	104.65%	-	-
Profit Before Tax	**659.94**	**720.28**	**(8.38%)**	**425.25**	**55.19%**
Tax Expenses	191.48	184.77	3.63%	87.73	118.25%
Net Profit from ordinary activities after Tax	**468.46**	**535.51**	**(12.52%)**	**337.52**	**38.80%**
Extraordinary Items	-	-	-	-	-
Net Profit for the Period	**468.46**	**535.51**	**(12.52%)**	**337.52**	**38.80%**
Share of profit from associate	5.00	(10.43)	(147.92%)	28.44	**(82.42%)**
Minority Interest	12.23	12.28	-	1.18	-
PAT	**461.23**	**512.80**	**(10.06%)**	**364.77**	**26.44%**
Paid up Capital	356.80	356.62	-	176.93	-
EPS (INR 2/-Face Value each)					
- Basic	2.59	2.88	(10.17%)	2.06	25.50%
- Fully Diluted	2.50	2.81	(10.97%)	2.03	23.39%
Common Size Analysis:					
EBITDA Margin	16.66%	15.09%	1.57%	13.65%	3.01%
Net Profit Margin	8.13%	9.53%	(1.40%)	11.22%	(3.09%)

*Previous quarter's figures have been adjusted for SSG & DFS business transfer.

- *Q-o-Q or 'sequential' growth refers to growth during the quarter compared to the immediately preceding quarter.*
- *Y-o-Y growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year.*

Income statement for six months ended September 30th , 2012 (Revised Format)

INR million	SEP-12	SEP-11	Y-o-Y Growth
Adjusted Sales*	**11,054.70**	**6,079.55**	**81.83%**
Sales	**11,054.70**	**6,411.49**	**72.42%**
Employee Benefit Expenses	5,627.03	3,438.50	63.65%
Depreciation & Amortization Expenses	227.84	209.91	8.54%
Other Expenses	3,678.39	2,136.32	72.18%
Total Expenses	**9,533.26**	**5,784.72**	**64.80%**
Profit before Other Income, Finance costs & Exceptional Item	**1,521.44**	**626.76**	**142.75%**
Other Income	(160.68)	132.48	(221.28%)
Profit before Finance costs & exceptional Items	**1,360.76**	**759.24**	**79.23%**
Finance costs	61.97	19.11	224.23%
Profit after Finance costs & exceptional Items	**1,298.79**	**740.13**	**75.48%**
Exceptional Items	81.43	-	-
Profit Before Tax	**1,380.22**	**740.13**	**86.48%**
Tax Expenses	376.24	158.68	137.12%
Net Profit from ordinary activities after Tax	**1,003.98**	**581.46**	**72.67%**
Extraordinary Items	-	-	-
Net Profit for the Period	**1,003.98**	**581.46**	**72.67%**
Share of profit from associate	(5.43)	28.44	(119.10%)
Minority Interest	24.51	4.21	-
PAT	**974.03**	**605.69**	**60.81%**
Paid up Capital	356.80	176.93	-
EPS (INR 2/-Face Value each)			
- Basic	5.46	3.42	59.75%
- Fully Diluted	5.32	3.37	57.77%
Common Size Analysis:			
EBITDA Margin	15.90%	13.11%	2.78%
Net Profit Margin	8.81%	9.45%	(0.64%)

*Previous quarter's figures have been adjusted for SSG & DFS business transfer.

Income statement for quarter ended September 30th , 2012 (Old Format)

INR million	Q2 FY 13	Q1 FY13	Q-o-Q Growth	Q2 FY12	Y-o-Y Growth
Adjusted Sales*	**5,672.05**	**5,382.65**	**5.38%**	**3,131.69**	**81.12%**
Sales	**5,672.05**	**5,382.65**	**5.38%**	**3,250.19**	**74.51%**
Software Development Expenses	3,702.52	3,505.90	5.61%	2,132.22	73.65%
Gross Profit	**1,969.53**	**1,876.75**	**4.94%**	**1,117.98**	**76.17%**
Selling & Marketing Expenses	390.75	381.88	2.32%	255.80	52.76%
General & Admin Expenses	633.74	682.73	(7.18%)	418.57	51.41%
EBITDA	**945.04**	**812.14**	**16.36%**	**443.61**	**113.04%**
Interest	34.44	35.44	(2.83%)	12.85	167.99%
Depreciation	114.38	113.46	0.82%	115.54	(1.00%)
Profit After Depn. & Interest	**796.22**	**663.25**	**20.05%**	**315.22**	**152.60%**
Other Income	(190.98)	30.30	-	110.03	-
Exceptional Item	54.70	26.73	104.65%	-	-
Profit Before Tax	**659.94**	**720.28**	**(8.38%)**	**425.25**	**55.19%**
Provision for Taxation	191.48	184.77	3.63%	87.73	118.26%
Profit After Tax	**468.46**	**535.51**	**(12.52%)**	**337.52**	**38.80%**
Minority Interest	12.23	12.28	-	1.18	-
Share of profit from associate	5.00	(10.43)	(147.92%)	28.44	(82.42%)
Net Profit for the period	**461.23**	**512.80**	**(10.06%)**	**364.78**	**26.44%**
Paid up Capital	**356.80**	**356.62**	**-**	**176.93**	**-**
EPS (INR 2/-Face Value each)					
- Basic	2.59	2.88	(10.17%)	2.06	25.50%
- Fully Diluted	2.50	2.81	(10.97%)	2.03	23.39%
Common Size Analysis:					
Gross Profit Margin	34.72%	34.87%	(0.14%)	34.40%	0.33%
Sales & Marketing Exp/ Revenue	6.89%	7.09%	(0.21%)	7.87%	(0.98%)
General & Admin Exp/ Revenue	11.18%	12.68%	(1.50%)	12.88%	(1.70%)
EBITDA Margin	16.66%	15.09%	1.57%	13.65%	3.01%
Net Profit Margin	8.13%	9.53%	(1.40%)	11.22%	(3.09%)

*Previous quarter’s figures have been adjusted for SSG & DFS business transfer.

- *Q-o-Q or ‘sequential’ growth refers to growth during the quarter compared to the immediately preceding quarter.*
- *Y-o-Y growth refers to the growth during the quarter as compared to the corresponding quarter of the previous*
- *year.*

Income statement for six months ended September 30th , 2012 (Old Format)

INR million	SEP-12	SEP-11	Y-o-Y Growth
Adjusted Sales*	**11,054.70**	**6,079.55**	**81.83%**
Sales	**11,054.70**	**6,411.49**	**72.42%**
Software Development Expenses	7,208.41	4,256.20	69.36%
Gross Profit	**3,846.29**	**2,155.28**	**78.46%**
Selling & Marketing Expenses	772.63	515.04	50.01%
General & Admin Expenses	1,316.48	799.49	64.66%
EBITDA	**1,757.18**	**840.75**	**109.00%**
Interest	69.87	23.20	201.22%
Depreciation	227.84	209.91	8.54%
Profit After Depn. & Interest	**1,459.47**	**607.65**	**140.18%**
Other Income	**(160.68)**	132.48	(221.29%)
Exceptional Item	81.43	-	**-**
Profit Before Tax	**1,380.22**	**740.13**	**86.48%**
Provision for Taxation	376.24	158.67	137.12%
Profit After Tax	**1,003.98**	**581.45**	**72.67%**
Minority Interest	24.51	4.21	-
Share of profit from associate	(5.43)	28.44	(119.11%)
Net Profit for the period	**974.03**	**605.69**	60.81%
Paid up Capital	356.80	176.93	**-**
EPS (INR 2/-Face Value each)			
- Basic	5.46	3.42	59.75%
- Fully Diluted	5.32	3.37	57.77%
Common Size Analysis:			
Gross Profit Margin	34.79%	33.62%	1.18%
Sales & Marketing Exp/ Revenue	6.99%	8.03%	(1.04%)
General & Admin Exp/ Revenue	11.91%	12.47%	(0.56%)
EBITDA Margin	15.90%	13.11%	2.78%
Net Profit Margin	8.81%	9.45%	(0.64%)

Performance Metrics for quarter ended September 30th, 2012

	Q2 FY13	Q1 FY13	Q-o-Q Growth	Q2 FY12	Y-o-Y Growth
Revenue Spread - Geography					
USA	76.37%	76.22%	5.57%	68.14%	95.58%
Europe	12.08%	14.58%	(12.69%)	20.12%	4.80%
Rest of World	11.55%	9.19%	32.40%	11.74%	71.70%
Revenue Spread - Verticals					
Automotive & Transportation	38.80%	39.64%	3.16%	41.20%	64.38%
Manufacturing	32.44%	32.85%	4.04%	30.95%	82.90%
Energy & Utilities	15.31%	13.74%	17.43%	10.17%	162.84%
Others	13.45%	13.77%	2.93%	17.69%	32.68%
Revenue Spread - by SBU					
Integrated Enterprise Solutions	45.92%	44.39%	9.00%	38.49%	108.19%
Auto & Engineering	24.40%	23.71%	8.45%	27.57%	54.25%
SAP	29.68%	31.90%	(1.94%)	30.61%	69.22%
Semiconductor Solutions Group	-	-	-	3.33%	-
Customer details					
No. of Customers Added	4	3	-	4	-
No. of Active Customers	176	172	-	163	-
Customers with run rate of >$1Mn	69	65	-	51	-
Top Client – Cummins	19.70%	20.58%	0.83%	22.58%	52.23%
Top 5 Clients	35.21%	36.25%	2.36%	38.86%	58.11%
Top 10 Clients	43.69%	44.02%	4.59%	48.39%	57.57%
Onsite / Offshore Split					
Onsite Revenues	53.83%	52.73%	7.58%	46.95%	100.11%
Offshore Revenue	46.17%	47.27%	2.91%	53.05%	51.87%
Revenue by Contract Type					
Time and Material Basis	72.68%	71.95%	6.46%	71.72%	76.86%
Fixed Price / Time Basis	27.32%	28.05%	2.61%	28.28%	68.56%
Debtors (days)	75	75	-	66	-

Human Resources - Details	Q2 FY 13	Q1 FY13	Q-o-Q Growth	Q2 FY12	Y-o-Y Growth
Development Team - Onsite (Avg)	1,126	1,031	-	757	-
Development Team - Offshore(Avg)	6,207	6,074	-	5,297	-
Onsite FTE	1,064	977	8.93%	691	53.98%
Offshore FTE	4,638	4,501	3.04%	3,857	20.27%
Total FTE	5,702	5,478	4.09%	4,548	25.39%
Development (at Quarter end)	7,447	7,218	-	6,018	-
Gen Management / Support (at Quarter end)	536	530	-	418	-
Marketing (Subsidiaries) (at Quarter end)	128	125	-	108	-
Total (at Quarter end)	8,111	7,873	-	6,544	-
Onsite utilization	94.47%	94.72%	-	91.26%	-
Offshore utilization	74.73%	74.11%	-	72.81%	-

Hedging details

The currency market has been extremely volatile in the recent period and the company has major exposure in 3 currencies- USD, Euro and GBP. As per our hedging policy, we cover 75% of the net exposure through forward contracts for the next two quarters.

Total Outstanding Hedges:

- Total amount of USD hedges as on 30th September 2012 : $ 110.48 million
- Maturing in FY2013 : $ 40.72 million
- Maturing in FY2014 : $ 69.76 million

The average rates for these hedges are INR 51.92 (FY13) and INR 52.07 (FY14).

Balance sheet details

- The Cash Balance as at September 30, 2012 stood at INR 1,851.02 million as compared to INR 1,951.39 million as on June 30, 2012.
- Capital expenditure for the quarter stood at INR 78.38 million including CWIP.
- As on September 30, 2012 our total debt was INR 2,385.55 million (INR 2,430.70 million as of June 30, 2012) comprising of INR 670.61 million of Term Loan, INR 1,714.93 million of Working Capital Loan.
- Forex Hedging instruments with maturity of more than 3 months and considered effective hedges in accounting terms are provided for as adjustment to the Reserves and Surplus in the Balance Sheet (OCI). As on September 30, 2012 these Hedging Reserves were INR 366.36 million as compared to INR 721.54 million as of Q1 FY13 end. As a result of rupee appreciation there was a decrease in the debit balance in hedging reserve during this quarter.

Balance Sheet Summary: As at (INR million)	Sep 30, 2012	Jun 30, 2012
Equity & Liabilities:		
Shareholders' Funds	7,919.74	7,385.45
Share Application Money pending allotment	2.21	0.55
Minority Interest	208.75	340.70
Non-Current Liabilities:	1,067.55	1,190.61
Long Term Borrowings	670.61	766.65
Deferred Tax Liabilities	-	2.68
Other Long Term Liabilities	288.27	305.85
Long Term Provisions	108.67	115.43
Current Liabilities:	5,217.73	5,336.73
Short term borrowings	1,714.93	1,664.05
Trade Payables	2,110.31	1,782.26
Other Current Liabilities	1,392.48	1,890.42
Total Equity & Liabilities	**14,415.98**	**14,254.04**
Assets:		
Non-Current Assets:	6,778.79	6,774.57
Fixed Assets	1,940.23	1,976.23
Goodwill on consolidation	3,686.51	3,812.51
Other Non-Current Assets	1,152.05	985.83
Current Assets:	7,637.19	7,479.48
Current Investments	377.91	371.70
Trade Receivables	4,748.18	4,390.19
Cash & Cash equivalents	1,473.11	1,579.69
Other Current Assets	1,037.99	1,137.89
Total Assets	**14,415.98**	**14,254.04**

Conference Call Details

Conference name : **KPIT Cummins Q2 FY2013 Conference Call**
Date : **Thursday, 25th October, 2012**
Time : **1700 Hours (IST)**
Dial-in Numbers
Primary number : +91 22 3065 2503
Secondary number : +91 22 6629 5850
Local access : 6000 1221
Available in - Ahmedabad, Bangalore, Chennai, Cochin, Delhi (NCR), Hyderabad, Kolkata, Lucknow Accessible from all major carriers except BSNL/MTNL.
3940 3977
Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Gurgaon (NCR), Hyderabad, Kolkata, Lucknow, Pune Accessible from all carriers.

Toll Free Number	:	USA- 1 866 746 2133 UK- 0 808 101 1573 Singapore- 800 101 2045 Hongkong- 800 964 448

The playback of the conference call would be available until October 28, 2012 at:

India	:	+91 22 3065 1212
Playback ID	:	70821

About KPIT Cummins

KPIT Cummins Infosystems Limited (BSE: 532400; NSE: KPIT), a global IT consulting and product engineering partner, is focused on co-innovating domain intensive technology solutions for corporations specializing in automotive & transportation, manufacturing and energy & utilities. A leader in technology solutions and services, KPIT Cummins currently partners with 165+ global corporations including Original Equipment Manufacturers (OEMs), semiconductor companies and automotive Tier 1 companies. For more information, visit www.kpitcummins.com.

Forward Looking Statements

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Contact Details

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