

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 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

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Sr. No.	Particulars	Rs. in Lacs (except per share data)			Particulars	Rs. in Lacs (except per share data)		
		Quarter ended		Year ended		Quarter ended		Year ended
		June 30, 2008	June 30, 2007	March 31, 2008 (Audited)		June 30, 2008	June 30, 2007	March 31, 2008 (Audited)
11	Sales	17,368.55	13,523.17	60,054.05	17,368.55	13,523.17	60,054.05	
21	Software Development Expenses	10,644.56	8,418.10	37,302.59	10,644.56	8,418.10	37,302.59	
31	Gross Profit	6,723.99	5,111.07	22,751.46	6,723.99	5,111.07	22,751.46	
41	Selling and Marketing Expenses	1,641.21	1,349.92	5,771.42	1,641.21	1,349.92	5,771.42	
51	General and Administration Expenses	2,821.00	1,615.15	7,751.76	2,821.00	1,615.15	7,751.76	
61	Operating Profit Before Depreciation, Interest, Exceptional Items and Minority Interest	2,361.58	2,146.90	9,228.88	2,361.58	2,146.90	9,228.88	
71	Depreciation / Amortisation	601.12	536.27	2,546.84	601.12	536.27	2,546.84	
81	Operating Profit Before Interest, Exceptional Items and Minority Interest	1,600.46	1,609.73	6,682.04	1,600.46	1,609.73	6,682.04	
91	Interest and Financial Expenses, net	102.50	199.36	754.70	102.50	199.36	754.70	
101	Operating Profit Before Exceptional Items and Minority Interest	1,497.96	1,410.37	5,927.34	1,497.96	1,410.37	5,927.34	
111	Other Income	(5.83)	4.53	89.03	(5.83)	4.53	89.03	
121	Profit Before Tax, Exceptional Items and Minority Interest	1,492.13	1,414.90	6,016.37	1,492.13	1,414.90	6,016.37	
131	Tax Expense (Refer note no. 5)	203.00	150.58	760.53	203.00	150.58	760.53	
141	Net Profit After Tax before Exceptional Items and Minority Interest	1,289.13	1,264.32	5,255.84	1,289.13	1,264.32	5,255.84	
151	Exceptional Items (Net of Tax)	-	-	(137.20)	-	-	(137.20)	
161	Net Profit For The Period Before Minority Interest	1,289.13	1,264.32	5,118.64	1,289.13	1,264.32	5,118.64	
171	Add -Minority losses to the extent of minority interest(Net)	8.12	4.14	9.51	8.12	4.14	9.51	
181	Net Profit for the period after minority interest	1,297.78	1,268.46	5,128.15	1,297.78	1,268.46	5,128.15	
191	Paid up Equity Capital (Face Value Rs. 2/- per share)	1,560.72	1,524.95	1,567.66	1,560.72	1,524.95	1,567.66	
201	Reserves Excluding Revaluation Reserves	21,353.25	21,288.61	24,541.54	21,353.25	21,288.61	24,541.54	
211	Earning per Share (on par value of Rs. 2/-)							
	Basic	1.66	1.66	6.67	1.66	1.66	6.67	
	Diluted	1.65	1.61	6.55	1.65	1.61	6.55	
221	Dividend per Share (on par value of Rs. 2/-)	-	-	0.70	-	-	0.70	
	Final Dividend (proposed)	-	-	95.00	-	-	95.00	
	Dividend percentage	-	-	95.00	-	-	95.00	
231	Total Public Shareholding							
	- Number of shares	58,850,701	57,664,599	58,706,681	58,850,701	57,664,599	58,706,681	
	- Percentage of shareholding	75.43%	75.63%	75.36%	75.43%	75.63%	75.36%	

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 July 17, 2008.
- The Statutory auditors of the Company have reviewed the above financial results of the Company for the quarter ended June 30, 2008.
- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard on consolidated financial statements mandated by Rule 3 of the Companies (Accounting standards) Rules, 2006, the provision of the Companies Act, 1956 & the guidelines issued by the Securities and Exchange Board of India.
- The Company believes that presenting consolidated financial results has greater value, since it reflects the total financial position and results of operations of the parent company and its subsidiaries. Clause 41 of the Listing Agreement requires companies to either publish standalone or consolidated financial results in the newspapers and this choice is to be exercised during the first quarter of the financial year. The Company, in compliance with this provision, has opted to publish the consolidated financial results. The standalone financial results will, however, be made available to the Stock Exchanges where the company's securities are listed and will also be posted on the Company's website.
- 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 687.49 lacs has been carried forward and shown under "Loans and Advances" in the Balance Sheet as of June 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 Industrial Verticals.
- The Company has designated the outstanding forward exchange contracts relating to certain firm commitments and forecasted transactions as at June 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 4774.43 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 42.60 Million for hedging its US\$EUR revenues and is linked to EUR-USD cross rate movement for next four years and three months. The MTM valuation of these options as provided by the bank as of June 30, 2008 indicates a loss of Rs 8,153.00 lacs. There is material uncertainty arising from future events mentioned in the option contract and rate over the period of four years and three months. The Company is not able to estimate the liability, if any, on these option contracts as on June 30, 2008 and therefore, no provision for the liability and loss on account of option contracts have been made in the books as on June 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.
- The Company has received 1 investor complaint during the quarter ended June 30, 2008. This complaint has been resolved. There were no unresolved investor complaints at the beginning or at the end of the quarter.
- The previous periods figures have been regrouped wherever necessary to confirm with current period presentation.

Matters relating to Subsidiaries

- The Company granted an additional loan of PLN 665,910/- (Rs.132.30 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 June 30, 2008 the Company has allotted 153,020 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:

Note:

- 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.

Particulars	Quarter ended		Year ended
	June 30, 2008	June 30, 2007	March 31, 2008 (Audited)
1) Employee Costs	10,255.82	7,453.40	34,397.99

On behalf of the Board of Directors
For KPIT Cummins Infosystems Limited

Place : Pune
Date : July 17, 2008

Kishor Patil
CEO & Managing Director

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

Place : Pune
Date : July 17, 2008

Kishor Patil
CEO & Managing Director

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