



INVESTOR UPDATE

FOR

Q4FY07 AND FY07 ENDED 31ST March, 2007

KEY HIGHLIGHTS

- Profit for the year FY07 grew by 55.01% to Rs. 504.76 million. Offshore revenues grew by 81.92% over the previous year. Total Revenue for the year FY07 grew by 45.72% to Rs. 4637.02 million.
- Total Revenue for the quarter, Q4 FY07, grew by 44.52% y-o-y to Rs. 1303.04 Mn, while offshore revenues during the quarter grew by 66.61% y-o-y. Profits for the quarter grew by 36.75% y-o-y.
- Company crossed the \$100 Million milestone during the year
- 2 new Star customers added - total of 17 Star customers
- 4 new customers added during the quarter, total 90 active customers
- 19 customers reach revenue run rate of over \$ 1 Million

FINANCIAL HIGHLIGHTS

ACTUALS VS GUIDANCE

FY07	Guidance	Actuals
Revenue (Rs. Million)	4,361 to 4,539	4,637
PAT (Rs. Million)	501 to 534	504
Revenue (\$ Million)	98 - 102	102.52
PAT (\$ Million)	11.25 - 12.00	11.27

HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2007 (Q4FY07)

- Revenues grew sequentially by 11.27% and by 44.52% over the previous year.
- Offshore revenue growth was 66.61% y-o-y.
- Offshore FTEs have grown by 70.69% y-o-y and by 15.52% q-o-q.
- Utilization rates have also become stronger - from 89% in Q3FY07 to 93.08% in Q4FY07 for onsite, and from 69.75% in Q3FY07 to 74.38% in Q4FY07 for offshore.
- Share of revenue from Cummins declined to 37.53% as compared 45.28% in the corresponding quarter of the previous year. However revenue from Cummins grew by 4.41% sequentially and by 19.79% y-o-y.
- Gross profit margin for the quarter was 39.08%, an increase of 2.47% over Q4FY06 and 1.77% over Q3FY07.
- Growth has been broadbased with strong growth from both Star and non-Star customers.
- 4 new customers were added during the quarter.
- During the quarter 2 customers were reclassified as Star customers, taking the total number of Star customers to 17.

HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2007 (FY07)

- Revenues for the fiscal grew by 45.72% over the previous fiscal.
- Offshore revenue grew by 81.92% during the year.
- Offshore FTEs have grown by 85.88% over the previous year.
- Share of revenue from Cummins was 40.75% for the year as compared 46.67% in the previous year.
- Gross profit margin during the year grew by 2.58% to 37.81%.

BALANCE SHEET DETAILS

As on March 31, 2007	FY07	FY06
Shareholders Equity	1990.36	1417.37
Total Debt	1222.96	874.51
Total current assets	2070.20	1721.31
Cash balance	625.35	411.35
Receivables	1101.72	867.74
Fixed Assets	1772.05	953.38
Total Assets	3228.05	2304.02

GUIDANCE FOR FY08

- Revenues for FY08 are expected to be in the range of Rs. 6,150 Million (\$ 143.02 million) to Rs. 6,180 million (\$ 143.72 million).
- Net profits for FY08 are expected to be in the range of Rs. 700 million (\$ 16.28 million) and Rs. 730 million (\$ 16.98 million).

The numbers have been calculated assuming an exchange rate of Rs. 43 / \$.

INCOME STATEMENT FOR THE QUARTER ENDED 31st March 2007

Rs. Million	Q4FY07	Q3FY07	Q-o-Q Growth	Q4FY06	Y-o-Y Growth
Sales	1303.03	1171.07	11.27%	901.62	44.52%
Software Development Expenses	793.80	734.17	8.12%	571.49	38.90%
Gross Profit	509.24	436.90	16.56%	330.13	54.25%
Selling and Marketing Expenses	153.28	129.78	18.11%	71.71	113.75%
General and Admin Expenses	150.43	128.64	16.94%	105.75	42.25%
EBITDA	205.53	178.48	15.16%	152.67	34.62%
Interest	16.98	9.38	80.92%	9.01	88.41%
Depreciation	35.30	30.34	16.36%	25.14	40.42%
Profit After Depn. & Int.	153.25	138.76	10.45%	118.52	29.30%
Other Income	3.81	0.89		0.02	
Profit Before Tax	157.02	139.65	12.47%	118.54	32.50%
Provision for Taxation	16.55	4.40	275.78%	15.79	4.83%
Minority Interest	0.07	1.99		-0.03	
Net Profit	140.58	137.23	2.44%	102.72	36.85%
Paid up Capital	149.55	74.46		72.80	
Free Reserves	1756.84	1690.55		1306.51	
EPS (Rs. 2/-Face Value each)					
- Basic	2.52	1.84	36.96%	1.27	98.43%
- Fully Diluted	2.01	1.49	34.90%	1.03	95.14%
Common Size Analysis:					
Gross Profit Margin	39.08%	37.31%		36.62%	
Sales & Marketing Exp / Revenue	11.76%	11.08%		7.95%	
General & Admin Exp / Revenue	11.54%	10.98%		11.73%	
EBITDA Margin	15.77%	15.24%		16.93%	
Net Profit Margin	10.79%	11.72%		11.39%	

1. 'q-o-q' or 'sequential' growth refers to growth during the quarter compared to the immediately preceding quarter
2. 'y-o-y' growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year

INCOME STATEMENT FOR THE YEAR ENDED 31st March 2007

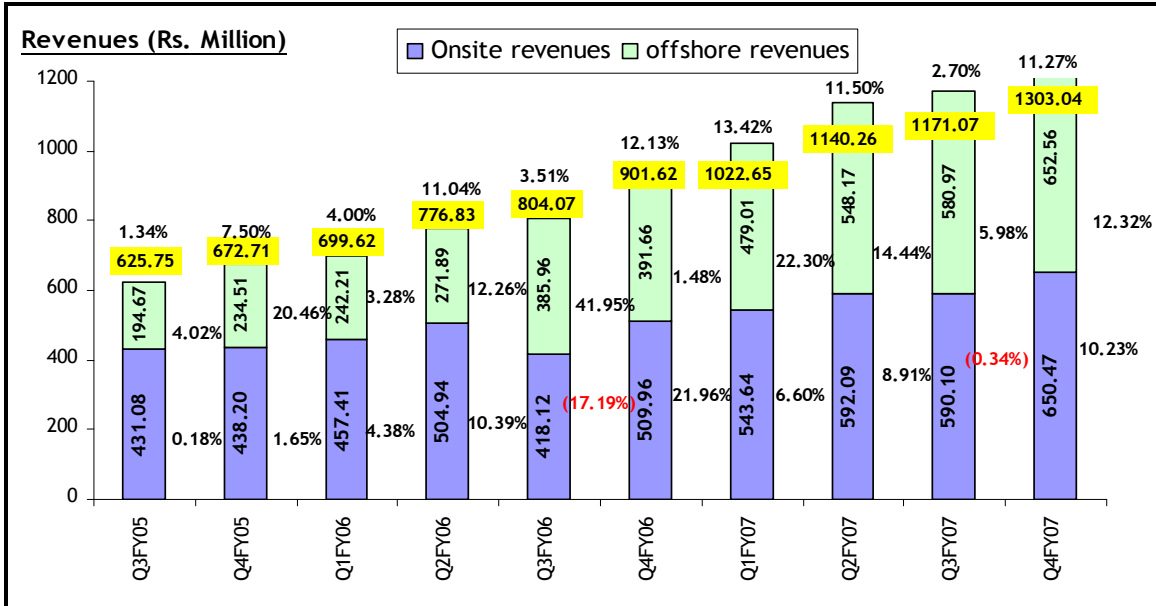
Rs. Million	FY 2007	FY 2006	% Chg
Sales	4637.02	3182.15	45.72%
Software Development Expenses	2883.68	2061.13	39.91%
Gross Profit	1753.34	1121.01	56.41%
Selling and Marketing Expenses	512.37	317.86	61.19%
General and Administration Expenses	533.17	341.25	56.24%
EBITDA	707.81	461.90	53.24%
Interest	44.64	19.18	132.76%
Depreciation ¹	121.21	84.20	43.96%
Profit After Depreciation & Interest	541.96	358.52	51.17%
Other Income	12.90	0.13	
Profit Before Tax	554.86	358.65	54.71%
Provision for Taxation	51.76	32.98	56.94%
Minority Interest	1.66	-0.03	
Profit After Tax	504.76	325.64	55.01%
Paid up Capital	149.55	72.80	
Free Reserves	1756.84	1306.51	
EPS (Rs. 2/-Face Value each)			
- Basic	6.83	4.54	50.44%
- Fully Diluted	5.47	3.66	49.45%
Common Size Analysis:			
Gross Profit Margin	37.81%	35.23%	
Sales & Marketing Exp / Revenue	11.05%	9.99%	
General & Admin Exp / Revenue	11.50%	10.72%	
EBITDA Margin	15.26%	14.52%	
Net Profit Margin	10.89%	10.23%	

1. Depreciation includes a credit on the realignment of the depreciation policies of erstwhile CG Smith with that of KPIT Cummins. Credits related to this realignment expired in FY07.

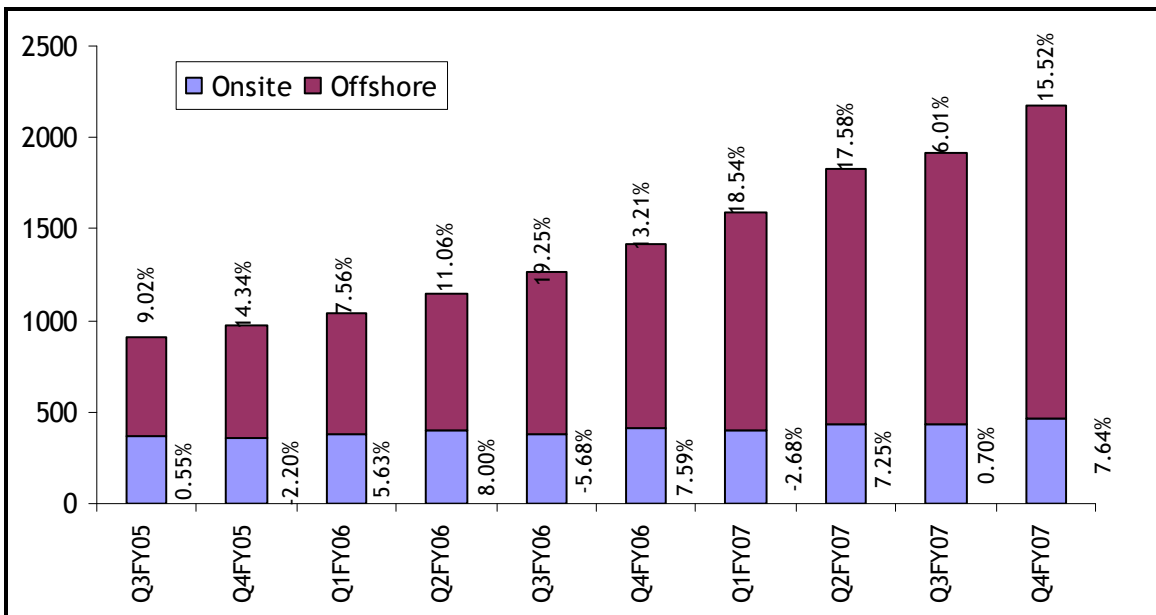
PERFORMANCE METRICS (Q4 FY07)

	Q4FY07	Q3FY07	Q-o-Q	Q4FY06	Y-o-Y
Revenue Spread - Geography					
USA	58.77%	62.25%	5.05%	66.42%	27.88%
Europe	29.68%	29.45%	12.14%	26.68%	60.77%
Rest of World	11.56%	8.30%	54.97%	6.90%	142.12%
Revenue Spread - Verticals					
Manufacturing	78.03%	77.50%	12.03%	80.61%	39.90%
BFSI	10.44%	10.63%	9.32%	9.48%	59.16%
Others	11.53%	11.87%	8.08%	9.91%	68.15%
Customer details					
No. of Customer Added ²	4	4		4	
No. of STAR Customers ³	17	15		10	
No. of Active Customers	90	86		72	
Customers with run rate of >\$1Mn	19	17		NA	
Top Customer - Cummins	37.53%	40.00%	4.41%	45.28%	19.79%
Star Customers - Non Cummins ³	43.02%	41.78%	25.61%	36.07%	72.37%
Top 10 Customer Billing	74.15%	75.75%	8.92%	83.75%	27.95%
Repeat Business	90%	90%		91%	
Onsite / Offshore Split ⁴					
Onsite Revenues	49.92%	50.39%	10.23%	56.56%	27.55%
Offshore Revenue	50.08%	49.61%	12.32%	43.44%	66.61%
Revenue by Contract Type					
Time and Material Basis	91%	91%		89%	
Fixed Price / Time Basis	9%	9%		11%	
Debtors (days)	74	78		86	
Human Resources - Details					
Development Team - Onsite (Avg)	500	485		442	
Development Team - Offshore (Avg)	2302	2125		1412	
Onsite FTE ⁵	465	432	7.64%	411	13.14%
Offshore FTE ⁵	1712	1482	15.52%	1003	70.69%
Development (at Qtr end)	2900	2787		1906	
Gen Mgmt / Support (at Qtr end)	318	298		190	
Marketing (Subsidiaries) (at Qtr end)	38	34		26	
Total (at Qtr end)	3256	3119		2122	
Onsite utilization	93.08%	89.00%		93.00%	
Offshore utilization	74.38%	69.75%		71.00%	

2. Of the 4 new customers added, 2 pertain to the DFS LoB, one for SSG and one for Auto LoB.
3. One of the Auto OEMs has become a Star customer. The other addition in the Star customer list is a customer for the Manufacturing LoB. On a like to like basis the growth in non-Cummins Star customer revenues was 22.44% q-o-q.
4. Trend in offshore revenues growth over the last ten quarters is as shown in the following chart.



5. The growth in number of Full Time Equivalent (FTE) employees in offshore have is shown in the following chart.



PERFORMANCE METRICS (FY07)

	FY07	FY06	Y-o-Y Growth
Revenue Spread - Geography			
USA	61.86%	65.87%	36.85%
Europe	29.20%	28.69%	48.31%
Rest of World	8.94%	5.43%	139.91%
Revenue Spread - Verticals			
Manufacturing	77.31%	82.71%	36.21%
BFSI	10.21%	12.26%	21.35%
Others	12.48%	5.06%	259.40%
Customer details			
No. of Customers Added	18	15	
No. of STAR Customers	17	10	
No. of Active Customers	90	72	
Top Client - Cummins	40.75%	46.67%	27,24%
Star Customers - Non Cummins	40.53%	36.84%	60.32%
Top 10 Client Billing	75.38%	87.09%	26.13%
Customers with run rate of >\$1Mn	19	NA	
Repeat Business	90%	90%	
Onsite / Offshore Split			
Onsite Revenues	51.25%	60.95%	22.43%
Offshore Revenue	48.75%	39.04%	81.92%
Revenue by Contract Type			
Time and Material Basis	91%	88%	
Fixed Price / Time Basis	9%	12%	
Debtors (days)	74	86	
Human Resources - Details			
Development Team - Onsite (Avg)	472	424	
Development Team - Offshore (Avg)	2069	1128	
Onsite FTE	431	394	9.29%
Offshore FTE	1489	801	85.88%
Development (at Year end)	2900	1906	
Gen Mgmt / Support (at Year end)	318	190	
Marketing (Subsidiaries) (at Year end)	38	26	
Total (at Year end)	3256	2122	
Onsite utilization	91.30%	93.00%	
Offshore utilization	71.95%	71.00%	

SAFE HARBOUR

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.

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