

UNAUDITED FINANCIAL STATEMENTS 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

Rs. in Lacs (except per share data)

Sr. No.	Particulars	Standalone Results		
		Quarter ended		Year ended
		June 30, 2008	June 30, 2007	March 31, 2008 (Audited)
1]	Sales	14,331.81	10,261.35	48,043.94
2]	Software Development Expenses	9,452.33	6,658.57	31,429.12
3]	Gross Profit	4,879.48	3,602.78	16,614.82
4]	Selling and Marketing Expenses	139.73	82.97	544.26
5]	General and Administration Expenses	2,831.30	1,185.83	6,496.31
	Operating Profit Before Depreciation and Interest			
6]		1,908.45	2,333.98	9,574.25
7]	Depreciation / Amortisation	496.38	458.23	2,037.73
	Operating Profit Before Interest			
8]		1,412.07	1,875.75	7,536.52
9]	Interest and Financial Expenses, net	74.22	199.91	674.44
10]	Operating Profit before Tax	1,337.85	1,675.84	6,862.08
11]	Other Income	45.60	22.97	207.68
12]	Profit Before Tax	1,383.45	1,698.81	7,069.76
13]	Tax Expense (Refer note no. 5)	127.71	117.40	661.33
14]	Net Profit After Tax	1,255.74	1,581.41	6,408.43
15]	Paid up Equity Capital [Face Value Rs. 2/- per share]	1,560.72	1,524.95	1,557.66
16]	Reserves Excluding Revaluation Reserves	22,465.11	21,009.88	25,693.46
17]	Earning per Share (on par value of Rs. 2/-)			
	Basic	1.61	2.07	8.33
	Diluted	1.60	2.01	8.19
18]	Dividend per Share (on par value of Rs. 2/-)			
	Final Dividend (proposed)	-	-	0.70
	Dividend percentage	-	-	35.00
19]	Total Public Shareholding			
	- Number of shares	58,859,701	57,664,599	58,706,681
	- Percentage of shareholding	75.43%	75.63%	75.38%

Notes:

General

- 1 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.
- 2 The Statutory auditors of the Company have reviewed the above financial results of the Company for the quarter ended June 30, 2008.
- 3 The Financial Statements are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India.
- 4 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.
- 5 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 677.51 lacs has been carried forward and shown under "Loans and Advances" in the Balance Sheet as of June 30, 2008.
- 6 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.
- 7 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 USD/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.9,153.00 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 period ended March 31, 2008.
- 8 The previous periods figures have been regrouped wherever necessary to confirm with current period presentation.

Others

- 9 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.
- 10 Details of expenses exceeding 10% of the total expenditure:

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Particulars	Quarter ended		Year ended
	June 30, 2008	June 30, 2007	March 31, 2008 (Audited)
1] Employee Costs	8,439.68	5,071.29	28,285.63

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