

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 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		Nine Months ended		Year ended
		December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	March 31, 2008 (Audited)
1]	Sales	14,855.18	12,032.06	44,908.51	33,920.48	48,043.94
2]	Software Development Expenses	10,173.54	7,776.88	29,992.14	21,829.75	31,429.12
3]	<b>Gross Profit</b>	<b>4,681.64</b>	<b>4,255.18</b>	<b>14,916.37</b>	<b>12,090.73</b>	<b>16,614.82</b>
4]	Selling and Marketing Expenses	136.13	108.73	459.31	304.54	544.26
5]	General and Administration Expenses	2,145.66	1,595.61	8,309.79	4,102.70	6,496.32
6]	<b>Operating Profit Before Depreciation and Interest</b>	<b>2,399.85</b>	<b>2,550.84</b>	<b>6,147.27</b>	<b>7,683.49</b>	<b>9,574.24</b>
7]	Depreciation / Amortisation	617.04	495.16	1,707.01	1,445.30	2,037.73
8]	<b>Operating Profit Before Interest</b>	<b>1,782.81</b>	<b>2,055.68</b>	<b>4,440.26</b>	<b>6,238.19</b>	<b>7,536.51</b>
9]	Interest and Financial Expenses, net	134.96	185.09	281.39	579.80	674.44
10]	<b>Operating Profit before Tax</b>	<b>1,647.85</b>	<b>1,870.59</b>	<b>4,158.87</b>	<b>5,658.39</b>	<b>6,862.07</b>
11]	Other Income	47.83	45.95	146.26	103.79	207.68
12]	<b>Profit Before Tax</b>	<b>1,695.68</b>	<b>1,916.54</b>	<b>4,305.13</b>	<b>5,762.18</b>	<b>7,069.75</b>
13]	Tax Expense (Refer note no. 6)	238.77	204.89	520.70	490.39	661.33
14]	<b>Net Profit After Tax</b>	<b>1,456.91</b>	<b>1,711.65</b>	<b>3,784.43</b>	<b>5,271.79</b>	<b>6,408.42</b>
15]	Paid up Equity Capital [Face Value Rs. 2/- per share]	1,560.86	1,556.56	1,560.86	1,556.56	1,557.66
16]	Reserves Excluding Revaluation Reserves	19,404.64	26,670.12	19,404.64	26,670.12	25,693.46
17]	Earning per Share (on par value of Rs. 2/-)					
	Basic	1.87	2.21	4.85	6.88	8.33
	Diluted	1.85	2.16	4.83	6.71	8.19
18]	Dividend per Share (on par value of Rs. 2/-)					
	Final Dividend	-	-	-	-	0.70
	Dividend percentage	-	-	-	-	35.00
19]	Total Public Shareholding					
	- Number of shares	58,055,111	58,649,721	58,055,111	58,649,721	58,706,681
	- Percentage of shareholding	74.39%	75.36%	74.39%	75.36%	75.38%

**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 January 19, 2009.
- The Statutory auditors of the Company have reviewed the above financial results of the Company for the quarter ended December 31, 2008.
- The Consolidated Financial Statements have been prepared in accordance with Accounting Standards on consolidated financial statements mandated by Rule 3 of 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 2 investor complaints during the quarter ended December 31, 2008. These 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 813.08 lacs has been carried forward and shown under " Loans and Advances" in the Balance Sheet as of December 31, 2008.
- The Company has designated the outstanding forward exchange contracts relating to certain firm commitments and forecasted transactions as at December 31, 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 10,366.14 Lacs) and ineffective portion is recognized immediately in Profit and Loss Account (Rs Nil).
- The Company had entered into options contracts to the tune of USD 42.60 Million for hedging its USD/EUR revenues and was linked to EUR-USD cross rate movement for next four years. The two of aforesaid contracts were knocked out completely and one contract is knocked out partially during the quarter. The MTM valuation of the balance portion of the partially knocked out contract as provided by the bank on 31st December, 2008 is a loss of Rs. 2129.37 lacs. There is material uncertainty arising from future events mentioned in the option contract and rate over the period of 3.5 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 December 31, 2008 and therefore, no provision for the liability and loss on account of option contracts have been made in the books as on December 31, 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 previous periods' figures have been regrouped wherever necessary to confirm with current period presentation.

**Matters relating to Subsidiaries**

- The Company has acquired the balance 25.5% of the shares of KPIT INFOSYSTEMS FRANCE SAS effective 3rd November, 2008 and now, the same is wholly owned
- The Company granted an additional loan of PLN 300,428 (Rs.51 lacs) to KPIT Infosystems Central Europe sp.z.o.o., Poland during the quarter to meet its working capital

**Others**

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

Particulars	Quarter ended		Nine Months ended		Year ended
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	March 31, 2008 (Audited)
1] Employee Costs	9,084.99	8,739.74	26,650.61	19,509.52	28,196.17

Place : Pune  
Date : January 19, 2009

sd/-  
Kishor Patil  
CEO & Managing Director

sd/-  
S.B. (Ravi) Pandit  
Chairman & Group CEO