



Rating Release

January 29, 2009
Mumbai

CRISIL 'AA-' for KPIT CUMMINS INFOSYSTEMS' Long- Term loan facility

Rs.450 Million Proposed Long-Term Loan Facility	AA-/Stable (Assigned)
Rs.900 Million Cash Credit Limit (Enhanced from Rs.700 Million)	AA-/Stable
Rs.15 Million Bank Guarantee	P1+ (Reaffirmed)
Rs.32.5 Million Letter of Credit	P1+ (Reaffirmed)

CRISIL has assigned its rating of '**AA-/Stable**' to KPIT Cummins Infosystems Ltd's (KPIT Cummins's) proposed long-term bank loan facility, and has reaffirmed its outstanding ratings on the company's other bank facilities at '**AA-/Stable/P1+**'. The ratings continue to reflect KPIT Cummins's stable business risk profile, sound financial risk profile, and strong liquidity position, supported by healthy industry prospects. These rating strengths are partially offset by the company's average size of operations, and its exposure to client and geographical concentration risks.

Outlook: Stable

CRISIL believes that KPIT Cummins's business risk profile will remain stable on the back of an enhanced service mix and reducing dependence on the Cummins group. This will help the company maintain its operating margins, and mitigate the impact of volatility in foreign exchange rates and downswing in global economy. The outlook also takes into account the company's conservative capital structure. The outlook may be revised to 'Positive' in the event of a substantial increase in cash flows. Conversely, the outlook may be revised to 'Negative' if the company makes debt-funded acquisitions, resulting in a higher-than-expected gearing.

About the Company

KPIT Cummins was incorporated in 1990 as KPIT Infosystems Ltd (KPIT) by Mr. S B Pandit, Mr. Kishore Patil, and Mr. Shrikrishna Patwardhan. In 2002-03 (refers to financial year, April 1 to March 31), Cummins Infotech Ltd (Cummins Infotech) merged with KPIT. Consequent to the merger, KPIT Infosystems Ltd was renamed as KPIT Cummins Infosystems Ltd. The Company offers business IT, automotive electronics and semiconductor solutions, diversified financial services, business intelligence and global business solutions (GBS) to clients.

For 2007-08, KPIT Cummins had a profit after tax (PAT) of Rs.450 million on net sales of Rs.5.8 billion, as against a PAT of Rs.465 million on net sales of Rs.4.7 billion in 2006-07. For the nine months ended December 31, 2008, the company reported a net profit of Rs.466 million (Rs.409 million in the corresponding period of the previous year) on net sales of Rs.5.5 billion (Rs.4.4 billion).

Media Contact	Analytical Contacts	CRISIL Rating Desk
Ramya Krishnan Anil Head, Market Development & Communications CRISIL Phone: +91-22-6758-8051 Mobile: +91 98203 42671 Facsimile: +91-22-6758-8088 Email: RamyaKA@crisil.com	Pawan Agrawal Director, Corporate and Government Ratings – CRISIL Ratings Tel: +91-22-6691 3301 Email: pAgrawal@crisil.com Sudip Sural Head, Corporate and Government Ratings - CRISIL Ratings Tel: +91-11-4250 5100 Email: ssural@crisil.com	Tel: +91-22-6691 3047 / 6691 3064 Email: CRISILratingdesk@crisil.com

Note:

This Rating Release is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating release may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL.

However, CRISIL alone has the sole right of distribution of its Releases for consideration or otherwise through any media including websites, portals etc.

CRISIL Complexity Levels are assigned to various types of financial instruments. The CRISIL Complexity Levels are available on www.crisil.com/complexity-levels. Investors are advised to refer to the CRISIL Complexity Levels for instruments that they propose to invest in. Investors can also call the CRISIL Helpline at +91 22 6691 3047 / + 91 22 66913064 with queries on specific instruments.

CRISIL is India's leading Ratings, Research, Risk and Policy Advisory company. CRISIL leverages its core strengths of credibility and analytical rigour to deliver opinions and solutions, that help clients mitigate and manage their business and financial risks, make markets function better, and help shape public policy. For more information, visit www.crisil.com.

Disclaimer: A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (+91 22) 6691 3001 - 09.