



PRESS RELEASE

Cummins India Limited Results for Q2 2009-10

Mumbai: Oct 29, 2009 : The Board of Directors of Cummins India Limited, in their meeting held today took on record the unaudited financial results for the quarter and half year ended September 30, 2009.

The published results of the Company for the quarter and half year ended September 30, 2009 include the results of Cummins Sales and Service India Limited (CSS), wholly owned subsidiary, which merged with the Company during the fourth quarter of the financial year 2008-09 with effect from the appointed date of April 01, 2008.

Net sales of the Company including CSS for the quarter ended September 30, 2009 stood at Rs. 607.7 crores and for the half year ended September 30, 2009 at Rs. 1,233.3 crores. Net profit before tax in the second quarter was Rs.119.3 crores and for the half year was Rs.243.9 crores.

Net sales of the Company excluding CSS, for the quarter ended September 30, 2009 stood at Rs. 480.4 crores, a decline of 39.2% from a peak of Rs. 789.8 crores during the same period last year, and for the half year ended September 30, 2009 at Rs. 987.3 crores, a decline of 34.0% from Rs. 1,496.9 crores during the same period last year. Net profit before tax excluding CSS in the second quarter was down by 33.8% to Rs. 85.4 crores compared to Rs. 129.0 crores in the same period last year and for the half year ended September 30, 2009 PBT declined by 28.3% to Rs.179.1 crores as compared to Rs. 249.9 crores in the same period last year.

CIL results excluding CSS, were primarily impacted by significantly lower export revenues at Rs. 72.3 crores during the quarter compared to Rs.344.7 crores during the corresponding quarter of the previous year, while domestic revenues at Rs.408.1 crores, declined by only Rs. 37.0 crores. Along similar lines, for the half year ended September 30, 2009 the results were again impacted by significantly lower export revenues at Rs. 166.0 crores as compared to Rs.622.6 crores during the corresponding period of the previous year.

The Company's High Horse Power Plant at Kothrud was not operational from September 15, 2009 as the Production Associates had resorted to an illegal strike. Though the strike continues, operations at the Company's facility at Kothrud have been substantially restored effective Oct 08, 2009.

Anant Talaulicar, Chairman & Managing Director, Cummins India Limited said, "Despite signs of recovery in the domestic market segments, the dip in our earnings this quarter is largely due to the decline in export revenues, owing to the continued economic challenges in other regions of the world. By relentlessly focusing on Six Sigma to drive cost down and eliminate waste, we have been successful in improving operating margins by over one percent point from the corresponding quarter of last year. We remain confident about our medium term growth prospects and have strengthened ourselves through the downturn to be more successful once exports revive. We have continued to invest in critical technologies, products for the future, and long term customer relationships. We remain committed to delivering on our brand promise of Dependability."



About Cummins India Limited

Cummins India Limited (CIL), in Pune since 1962, is the Country's leading manufacturer of diesel and gas engines for power generation, industrial and automotive markets. CIL has manufactured more than 1,67,000 engines till date in its state-of-the-art manufacturing facilities in Pune. Cummins India Limited is the largest Company of the Cummins Group in India.

About Cummins in India

Cummins in India, a power leader, is a group of complementary business units that design, manufacture, distribute and service engines and related technologies. Its technology and pioneering initiatives are bringing innovative solutions and reliable services at the best possible value to users across the country. Its high performance outlook is based on customer focus, integrity and capability of its people. Part of the US based \$ 14.34 billion Cummins Inc., Cummins in India is a Group of nine Companies across 200 locations in the country with a combined turnover of approximately Rs. 7,500 crores and employing over 10,000 individuals.

Website: <http://www.cumminsindia.com>

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