



Earnings Update – Q1 FY 05

PUNE, JULY 29, 2004

Cummins India Limited profits up by 30%
Growth in Exports & Domestic markets, Sales for the quarter up by 32%

Results Highlights for the Quarter ended June 30, 2004

Rs Millions

| Sales | Q1 FY 05 | Q1 FY 04 | % growth |
|-----------------------|-----------------|-----------------|-----------------|
| Cummins India Limited | 2,815 | 2,125 | 32% |
| CDS&S | 1,035 | 908 | 11% |
| CASL | 87 | 59 | 47% |

- CIL's net sales for the quarter ended June 04 of Rs 2,815 M show an increase of 32% over the corresponding quarter of the previous year. The higher sales reflect improved performance in both the domestic and export segments of the business. The domestic sales have grown by 21% over the corresponding quarter of the previous year.
- The export sales were Rs 792 M as against Rs 457 M in the corresponding quarter of the previous year representing a 73% increase, due to increased shipment of K 38 & K 50 engines for power generation.
- Turbokaizen and Six Sigma cost reduction programs have helped in improving our results despite increase metal and fuel prices, pricing pressures both in the domestic and exports markets.
- Other income is at Rs 135M against Rs. 169 M in corresponding quarter of the previous year. The other income includes dividends of Rs. 50 M (previous year Rs 60 M) received from the subsidiary & duty drawback of Rs 32 M (previous year Rs 7 M)
- Profit before tax at Rs 409 M shows an increase of over the same quarter of the previous year. Profit after taxes increased by 30 % to Rs 289 M as against Rs 222 M in the same quarter of the previous year.

Business Highlights

- CIL continues to grow and progress as planned. The domestic market share position and demand remains strong with exports ramping up.
- In the domestic market, both Powergen and Industrial business continued to witness strong growth driven by strong demand across the entire range with substantial increase in the low and medium range of the market.
- The Low Horse Power facility in Daman has been expanded to meet the additional requirements. Recently, the 1000th X series generator has been shipped from there. There is a provision for producing the lean burn B Gas International (BGI) automotive engines in Daman.
- The various cost reduction programs are on track, despite inflationary trends in the economy.



Cummins India Limited
Registered Office : Kothrud,
Pune 411 029 (India)

Cummins India Limited

Cummins India Limited, in Pune since 1962, is the country's largest manufacturer of diesel engines. CIL has produced more than 167,000 engines to date in its state-of-the-art manufacturing facilities in Pune. The company manufactures on an average, nearly 10,000 engines per year. Cummins India Limited is the flagship company of the Cummins group in India.

Cummins in India

Cummins in India, a power leader, is a corporation 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 USD 8.4 billion Cummins Inc, Cummins in India is a group of 11 entities across 200 locations in the country with a combined turnover of over Rs.2500 Crore and employing more than 5000 people.

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