



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

PRESS RELEASE

**Cummins India Limited continues to grow- Sales for the quarter up by 31%
Exports up 92%, Domestic up 14%, profits before tax up by 11 %**

Mumbai, October 21, 2004:

The Board of Directors of Cummins India Limited (CIL) at a meeting this morning took on record the limited review financial results for the quarter and the half-year ended September 30, 2004

Net sales of Rs 2,968 million for the quarter ended September 30, 2004 grew 31% against Rs 2,271million in the corresponding quarter of the previous year. The higher sales reflect improved performance in the domestic sector and strong growth in exports. Domestic sales have grown by 14 % over comparable sales of the previous year. Exports of Rs 945 million as against Rs 492 million in the corresponding quarter of the previous year represent a 92% increase. Profit before tax at Rs 425 million shows an 11 % increase over the same quarter a year ago. Profit after taxes declined by 5% to Rs 291 million as against Rs 306 million in the previous year due to increased effective tax rate.

Anant Talaulicar, Chairman, CIL, said, "While we exceeded our sales targets, margins were adversely impacted by a combination of new product launch costs, exchange rate, commodity inflation and disruption due to an ERP implementation. Despite the above our cost reduction program is on track and we expect margins to improve in the near term. Demand continues very strong both domestically and globally and we are optimistic about our future outlook. "

Cummins India Limited

Cummins India Limited, in Pune since 1962, is the country's leading 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.

About 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 6.3 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. Website: www.cumminindia.com



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