



**K P I T Cummins
Infosystems Limited**

12th Annual Report 2002-2003

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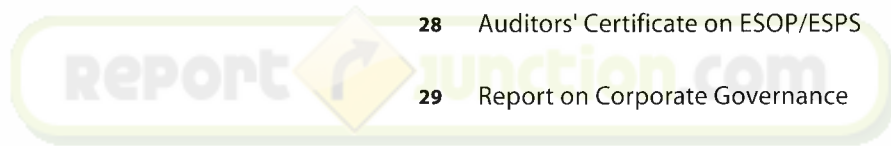
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KPIT INFOSYSTEMS LIMITED was promoted in 1990 by professionals from the field of finance, information technology and consulting to provide global quality IT services to their clients.

CUMMINS INFOTECH LIMITED was promoted in 1999 by Cummins, the world's leading independent engine manufacturer, to provide information technology services to Cummins.

By 2002, KPIT grew to a team of over 300 professionals rendering IT Services all over the world to clients from various industries including manufacturing.

Over two and half years, CIT built a team of 60 professionals having expertise in the areas of Lotus Notes and e-business.

KPIT was looking for a partner in the manufacturing vertical who could provide domain expertise, better predictability through committed revenues and an opportunity to create a centre of excellence by integrating the partner's manufacturing expertise with KPIT's software capabilities.

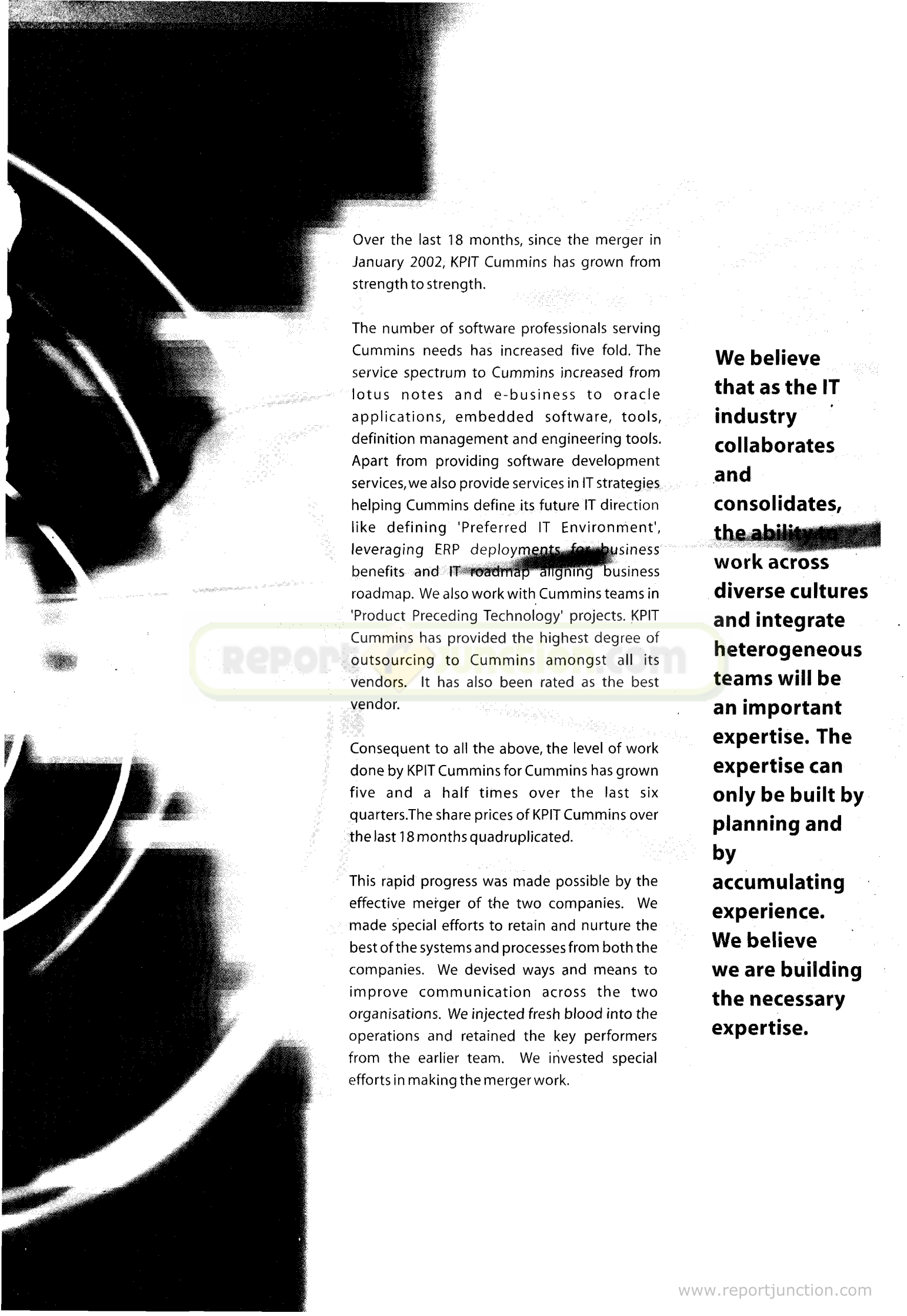
Cummins was looking for a partner with a broad range of skills, proven software development processes, ability to execute large number of projects and to scale up quickly - a partner who would quickly take up the growing IT needs of Cummins globally and bring in significant cost savings.

KPIT had proven quality systems. KPIT had an ISO 9001:1994 certification from 1997 and was certified to be CMM Level 4, which put it amongst the top 120 companies in the world in terms of process maturity in software life-cycle management.

first choice

KPIT & Cummins, sharing similar philosophy with complimentary needs decided to come together to form a partnership with a view to create a global IT consulting company of first choice. This partnership was formed with effect from 1.1.2002 by the merger of CUMMINS INFOTECH LIMITED into KPIT INFOSYSTEMS LIMITED to form KPIT Cummins.





Over the last 18 months, since the merger in January 2002, KPIT Cummins has grown from strength to strength.

The number of software professionals serving Cummins needs has increased five fold. The service spectrum to Cummins increased from lotus notes and e-business to oracle applications, embedded software, tools, definition management and engineering tools. Apart from providing software development services, we also provide services in IT strategies helping Cummins define its future IT direction like defining 'Preferred IT Environment', leveraging ERP deployments for business benefits and IT roadmap aligning business roadmap. We also work with Cummins teams in 'Product Preceding Technology' projects. KPIT Cummins has provided the highest degree of outsourcing to Cummins amongst all its vendors. It has also been rated as the best vendor.

Consequent to all the above, the level of work done by KPIT Cummins for Cummins has grown five and a half times over the last six quarters. The share prices of KPIT Cummins over the last 18 months quadruplicated.

This rapid progress was made possible by the effective merger of the two companies. We made special efforts to retain and nurture the best of the systems and processes from both the companies. We devised ways and means to improve communication across the two organisations. We injected fresh blood into the operations and retained the key performers from the earlier team. We invested special efforts in making the merger work.

We believe that as the IT industry collaborates and consolidates, the ability to work across diverse cultures and integrate heterogeneous teams will be an important expertise. The expertise can only be built by planning and by accumulating experience. We believe we are building the necessary expertise.

Our Vision is to build a global IT consulting organisation of first choice

Our Mission is to become a USD 100 million company with a profitability in the top 20 percentile by 2006-07. To achieve this mission, we will

Become the vendor of first choice for at least five of our top ten global customers and provide best value for money to all our customers

Become leaders in at least two focus areas and build capabilities and services to move up the value chain

Create the right conditions to allow us to collaborate

Create the right conditions, wherever we operate, to attract and retain professionals who are capable of supporting our vision and mission.

Be known for social contributions to the communities we operate in

Our new logo embodies the spirit of our global vision. Its meaning works at many levels.

The circle indicates the world.
The triangle, our vision.
Our vision encompasses the possibilities.

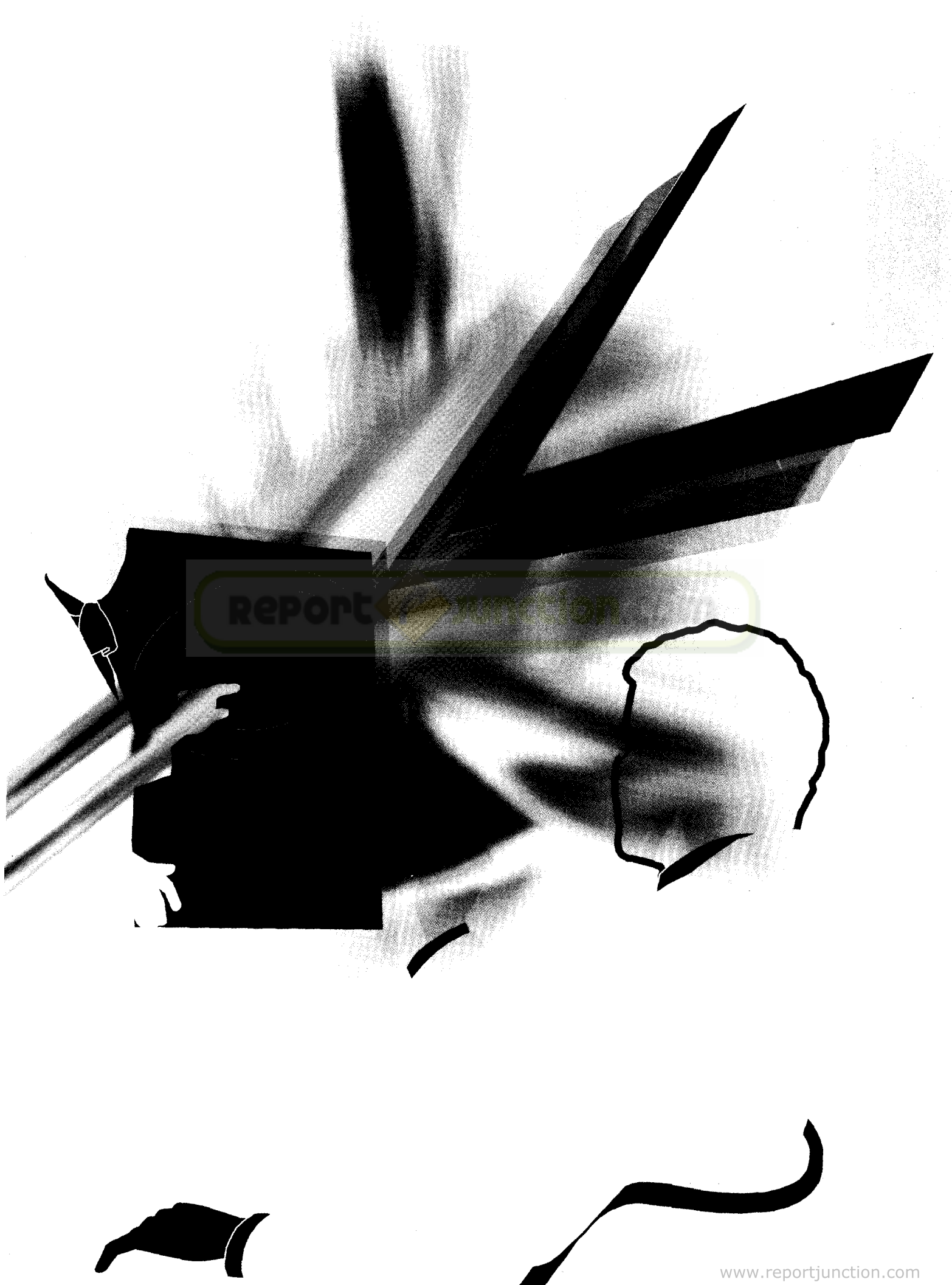
The circle indicates our client.
The triangle our experience and expertise. We link our client's requirement with the KPIT Cummins expertise.

Our expanding vision also looks inwards to focus on our strengths and to constantly improve.

We work with speed and dynamism and - as indicated by our blue and grey colors - with integrity and stability.



**K P I T Cummins
Infosystems Limited**



Report



Board and Management

S. B. (Ravi) Pandit

Chairman and Group CEO

Ajay Bhagwat

Director

Anand Khandekar

Director

Dr. Naushad Forbes

Director

Sudheer Tilloo

Director

Nasser Munjee

Director

Ravi Venkatesan

Additional Director

James Rugg

Additional Director

Steven Spaulding

Additional Director

Gail Farnsley

Alternate Director

Shrikrishna Patwardhan

Director (Technology)

Kishor Patil

CEO & Managing Director

Bhushan Gokhale

Company Secretary

Auditors

M/s Sanjiv Katkar and Associates
Chartered Accountants
Raj Vihar, Plot No. 38
Sahakarnagar No.2
Pune - 411 009

Bankers

HDFC Bank
ICICI Bank Ltd.
State Bank of India
Export Import Bank of India

Board Committees

Remuneration /

Compensation Committee

Sudheer Tilloo
Committee Chairman

Anand Khandekar
Member

Ravi Venkatesan
Member

S.B. (Ravi) Pandit
Member

Audit Committee

Nasser Munjee
Committee Chairman

Dr. Naushad Forbes
Member

Sudheer Tilloo
Member

James Rugg
Member

Shareholders' / Investors'

Grievance Committee

Dr. Naushad Forbes
Committee Chairman

S. B. (Ravi) Pandit
Member

Kishor Patil
Member

Ajay Bhagwat
Member

Share Transfer Committee

S. B. (Ravi) Pandit
Committee Chairman

Kishor Patil
Member

Shrikrishna Patwardhan
Member

Ajay Bhagwat
Member

Management Team

Marketing

Sachin Tikekar
Chief Operating Officer
KPIT US

Myles O'Connor
Account Director
Cummins Inc.

Pankaj Sathe
Director
Projects & Services KPIT UK

Prabodh Teredesai
General Manager
Corporate Marketing

Ashish Ahuja
Marketing Manager
Middle East

Delivery System

Anil Kulkarni
Vice President & Head
Delivery Systems

Satish Ranade
Head - Delivery Unit 1

Anuradha Kanitkar
Head - Delivery Unit 2

Anand Kumar
Head - Delivery Unit 3

Anup Sable
Head Delivery Unit 4

Prabhakar Bendre
Head - Delivery Unit 5

Surendra Tulsyan
Head Delivery Unit 6

Rohini Barve
Senior Manager
Quality Management

Support

Anil Patwardhan
General Manager
Finance & Administration

Ganesh Sanker
General Manager
Organisation Development

Board Members' Profiles

The Board of Directors of the Company consist of executive and non-executive members. The present Board consists of the following members:

Chairman & Group CEO

Mr. S. B. (Ravi) Pandit, 53, is an MS from MIT, USA, where he specialised in finance and controls. He is a Fellow member of the Institute of Chartered Accountants of India and a member of the Institute of Cost and Works Accountants of India. He has over 25 years of experience in the fields of IT, corporate strategy formulation and management consulting. He is the Chairman of the Kirtane and Pandit Group that renders services in the areas of public accounting, financial consultancy and management consultancy. He is also a frequent speaker at various professional seminars and is the Vice President of the Mahratta Chamber of Commerce Industries and Agriculture. Mr. Pandit is the Chairman of the share transfer committee and member of the shareholders' / investors' grievance committee and remuneration/compensation committee of the company.

Mr. Pandit looks after strategic initiatives, corporate goal setting, investor/public relations, community initiatives and matters relating to the Board of Directors.

CEO & Managing Director

Mr. Kishor Patil, 41, is a Fellow member of the Institute of Chartered Accountants of India and the Associate member of the Institute of Cost and Works Accountants of India. He has 20 years of experience in various areas like information systems and design, marketing, organisation & methods and systems. Mr. Patil is a member of the shareholders' / investors' grievance committee and the share transfer committee of the company.

He is in-charge of the overall management of the Company. He is specifically responsible for all day-to-day operational issues like planning and executing business, reviewing and guiding the country offices, customer delivery units and support functions, and ensuring efficient and effective functioning of the organisation as a whole.

Director Technology

Mr. Shrikrishna Patwardhan, 41, is an M-Tech from IIT Mumbai having 17 years of experience in system analysis and design as well as software development. He started with Tata Consultancy Services and has worked in the US and UK for more than two years on software development projects with Oracle Inc., and Informix Inc. Mr. Patwardhan is a member of the share transfer committee of the company. He heads the Technology and IT Services Group.

Directors

Mr. Ajay Bhagwat, 39, is a B-Tech (Electrical) from IIT Mumbai, and an MS in electrical and computer engineering from the University of Iowa, USA. He has worked in the process automation industry in the US and has over 12 years of experience in microprocessor based hardware and software solutions. Mr. Bhagwat is a member of the shareholders' / investors' grievance committee and the share transfer committee of the company.

Comdr. Anand Khandekar, 63, is an engineering graduate from Pune University and has completed a postgraduate course with Royal Naval Engineering College, UK. He served the Indian Navy for 25 years. He has rich experience in the field of information technology having headed large domestic operations for international companies. He was a special invitee to the IT task force of Maharashtra. He brings with him an excellent know-how of management of software companies and cutting edge technologies in the software field. He has more than 16 years of experience in the area of software development. He was Managing Director of Motorola India and Cirruslogic Software India. He was Chairman of the software sub-committee of the Mahratta Chamber of Commerce and Industries during 1996-99.