

Sole Advisor to KPIT Cummins for the Acquisition of CG Smith Software.

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DEAL VALUE	Undisclosed
SERVICE	Private Equity
SECTOR	Enterprise Technology & Services

Combined entity all set to be a leader in Automotive Electronics

KPIT Cummins Infosystems Ltd, a global IT consulting organization focused on the Automotive & Semiconductor sectors, today announced that it has entered into a definitive agreement to acquire 100% equity of Bangalore based CG Smith Software Private Limited, an SEI CMM Level 5 company, focused in the realm of embedded and real-time systems for automotive electronics. The all-cash acquisition is for a consideration of Rs 38 crores (Rs 35 crores upfront and balance upon fulfillment of certain performance conditions). KPIT Cummins will leverage the in-depth automotive expertise of all the 200+ members of Team CG Smith to create a truly dominant force in automotive electronics. All the members of the leadership team at CG Smith Software will continue to work with KPIT Cummins. The deal is subject to legal and other clearances which are likely to get completed by June 2006.

| Avendus Advisors was the sole investment banker for the transaction.

Commenting on this acquisition, **Mr. Ravi Pandit, Chairman and Group CEO, KPIT Cummins**, said, “CG Smith Software is an excellent strategic fit for KPIT Cummins’ focused business model. CG Smith Software has a very committed and cohesive team with deep domain expertise built over several years. This, coupled with our global footprint, account management strengths and automotive focus will enable the integrated entity to be a dominant player in Automotive Electronics thus creating more value for our global stakeholders. This development combined with our recent acquisitions in US & France and a JV in Germany sets us on a trail of significant growth in years to come.”

Mr. Raghavendra Swamy, President & COO, CG Smith Software said: “This is an important milestone in 10+ year journey of CG Smith Software. We have found an excellent partner in KPIT Cummins. There is synergy in focus, specialized market verticals, industry segments and complementary skills and domain knowledge in the common business practices. Added to it, the sales and marketing strength of KPIT Cummins with offices

spread in different geographies makes it a perfect fit to fuel the growth aspirations of CG Smith Software and its employees while creating value for customers.”

Mr. Shyam Shenthar, Executive Vice President of Avendus Advisors, said, “The competencies of CG Smith in the automotive vertical were an excellent fit to those of KPIT, which traditionally has focused on manufacturing as one of its verticals. Added to this, CG Smith brings to the table a talented pool of people with high degree of skills, and a strong roster of automotive industry clients. This proved to be a very attractive combination for KPIT.”

| About KPIT Cummins

KPIT Cummins Infosystems Limited is a focused IT consulting partner of first choice for its customers across the globe. KPIT Cummins provides integrated offerings that include Advanced Technology Solutions (Automotive and Semiconductor Solutions), Business IT + Business Intelligence and BPO / KPO for the Manufacturing and Diversified Financial Services verticals. The Company has grown at a fast pace of above 70% CAGR over the past three years. Strategic partnerships with 2 of the largest and renowned players in their respective areas: Cummins (Manufacturing / Automotive) and Lehman Brothers (Financial Services) are a testimony to this focused business model. KPIT Cummins has been recognized as one of the 35 Rising Stars among the Global Outsourcing 100 by International Association of Outsourcing Professionals. The Company has also been ranked 2nd in Sales Growth, 3rd in Gross Block Growth and overall 8th among all listed Indian IT companies by Dataquest. (August 15, 2005).

For more information, please visit www.kpiticummins.com

| About CG Smith Software

Incorporated in 1994, as a joint venture between Crompton Greaves Ltd. and Smith & Co. Inc., CG Smith Software has been a prominent provider of Real-time & Embedded - Software Services and Products. The company's strengths lie in electronics for automotive sector. Within the Automotive Electronics space, CG Smith Software has immense expertise in cluster, infotainment and safety systems, Powertrain and Body Electronics serving several Fortune 500 companies across the globe - primarily in US, Europe and Japan.

For more information, please visit www.cg-smith.com

| About Avendus Advisors

Avendus Advisors is an Investment Bank specializing in Private Equity Syndication, Cross-Border M&A, Fixed Income and Strategic Advisory services to corporates and funds. The company focuses on industries where Indian companies have a strategic growth advantage, including IT Services, IT Enabled Services, Pharmaceuticals and Healthcare, Automobiles and Automobile Components, Real Estate and Consumer Products and Services. Avendus clientele ranges from fast growing mid cap companies to large international corporates and established private equity funds. It has served more than 100 corporates in cross border transactions and in raising growth capital, and has closed deals more US\$ 300 Million during the last twelve months.

For more information, please visit www.avendus.com

Deal Release

Contact: Lynette D'souza
Tel: +91 9920847823
Email: lynette.dsouza@avendus.com

Avendus Capital Private Limited

Regd. Office: 901, Platina, 9th Floor, Plot No. C-59,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051