

Joint Press Release to announce take over of Harita TVS's Mechanical Design Services business by KPIT Cummins

KPIT Cummins acquires Mechanical Design Services Business of Harita TVS Technologies

Harita to transfer substantial part of its Mechanical Design Services (MDS) Business to KPIT

Bangalore, July 9, 2008: KPIT Cummins Infossystems Ltd. (BSE: 532400; NSE: KPIT) *the leading Product Engineering Partner to Global Manufacturing corporations* today announced that it has taken over substantial part of the Mechanical Design Services business of Harita TVS Technologies (known as TVS-E Technologies Ltd in India).

With the addition of the high end Mechanical Design Engineering capability from Harita, KPIT Cummins strengthens its existing portfolio of Automotive Embedded & Mechanical Engineering Services. It will now also offer integrated Mechanical Product Design, Development and Validation Services to existing and new global clients in the Automotive & Industrials Verticals.

Highlights of the Acquisition

- Accretional revenues of nearly Rs 15 Crores
- **KPIT Cummins to acquire around 100 specialized employees from Harita TVS** with core mechanical design competencies in product design & validation for Automotive and Industrials products and systems
- **20+ customers of Harita TVS across North America, Europe and India to transition to KPIT Cummins ; some customers will continue to be supported by Harita**
- **KPIT Cummins strengthens its current Product Engineering Services portfolio by adding specialized mechanical design solutions in plastics, sheet-metals, castings & forgings for its Automotive & Industrials clients**

What the deal means to KPIT Cummins

Sharpened focus on the vision of becoming the **No. 1 Global Product Engineering Partner** to clients in the Automotive and Industrials verticals helping them *bring complex technology products/systems faster to their global markets*

1. *Opportunity to work with 20+ customers from Harita TVS across North America, Europe & India; 80% of acquired customers to engage with KPIT Cummins for the first time*
2. *Mechanical Engineering portfolio expands:*
 - a. *Broadens to provide Mechanical Design Engineering along with Embedded Engineering Services for Automotive and Industrials Verticals.*
 - b. *Deepens Mechanical Engineering Services capability to now offer Product Design Development and optimization, including validation & verification of products and systems for Automotive Interior and Exterior; specifically in Plastics, Sheet-metals, forgings and Castings using high-end 3D Modeling and Analysis tools.*
3. *Potential to grow the Mechanical Design Engineering practice to 1000+ in the next three years*
 - a. *Specialised Mechanical Design professionals from Harita to complement KPIT Cummins' existing 100+ employees in the practice*

Commenting on this acquisition, KPIT Cummins Chairman and Group CEO Ravi Pandit said, *"Our acquisition strategy has always been aligned with our vision to become leaders in the focused verticals. By acquiring substantial part of Harita TVS, we aim to become the leading Global Product Engineering Partner to our existing & potential clients in the Automotive and Industrials verticals.*

We thank the leadership and committed team of Harita who have chosen to be a part of KPIT Cummins family and welcome them onto an exciting journey in Mechanical Engineering Services for which we share a common vision and passion".

KPIT Cummins CEO & Managing Director Kishor Patil said,

"We have a competent team of qualified professionals in Harita TVS who have built the domain capability over the years. With the addition of high end mechanical design engineering services, we look forward to better address the needs of our global customers specifically in the Automotive product designs contributing to a multitude of innovations in weight reduction, product life, ergonomics and also fuel efficiency.

Together we see a true synergy between the two companies for our employees and customers".

Commenting on this transaction, Mr. Gopal Srinivasan, Chairman of Harita TVS, said *“Mechanical Design Services transfer is an excellent strategic decision to scale up the business. Harita’s expertise has already created a strong and satisfied customer base. We are sure that KPIT will enhance the existing opportunities for the customers in terms of new services and offerings to continue the outstanding work performed by our Team. There is a lot in store for the global automotive customers”.*

Harita has opted for growth by partnering with a larger firm to enable the business to scale up. Harita with its deep auto domain expertise, process centricity and a committed team accompanied with KPIT’s global footprint, account management strength and auto focus will enable the integrated entities to emerge as a dominant player in the automotive sector.

Although the Mechanical Design Services business, owned by Harita TVS Technologies will be transferred to KPIT Cummins along with employees, strategic key customers and assets in India, North America and Europe, the legal entities at North America and Europe will remain with Harita TVS during the transition period.

About KPIT Cummins

KPIT Cummins Infossystems Limited (BSE: 532400; NSE: KPIT), *a trusted global IT consulting and specialist solutions partner*, is focused on co-creating domain intensive technology solutions for Manufacturing corporations (with special focus on Automotive, Industrial Machinery and Hi-Tech verticals) to help our customers become efficient, integrated and innovative enterprises.

A leader in IP (Intellectual Property) lead technology solutions and services, *KPIT Cummins currently partners with 100+ global Manufacturing corporations [including 50+ OEMs/ODMs (Original Equipment Manufacturers & Original Device Manufacturers)]* helping them *globalize efficiently & bring complex technology products/systems faster to their global markets*. Our offerings include Advanced Technology Solutions, Enterprise IT & Business Intelligence and BPO/KPO (Business/Knowledge Process Outsourcing).

In the last financial year, KPIT Cummins has been recognized among leaders in IAOP’s ‘The 2008 Global Outsourcing 100’, ranked 6th among the Top 10 IT Services Providers by Global Services Media, included in the EFY’s TOP 100 survey of focused providers of Electronics Systems and Solutions and has been awarded the Fast Track 100 companies by Channel World Magazine for having demonstrated significant growth in business. Winner of the Golden Peacock Award for Excellence in Corporate Governance (2007), KPIT Cummins has also been selected among the top 25 companies to demonstrate

excellence in Corporate Governance (second year in a row) by Institute of Company Secretaries of India.
For more information, you can visit our company website at www.kpitcummins.com

About Harita TVS Technologies

Formed in 2001, Harita TVS is a TVS Group company and provides Engineering Design Services to customers across US, Europe and India. With core competencies in Automotive, Industrial Machinery and Energy & Networking, it has become a preferred partner to many OEM and Tier-1 customers. Apart from the state-of-the-art Engineering Centre at Bangalore (India), Harita TVS also has presence in Michigan (USA), Frankfurt (Germany), and Chennai (India).

Harita TVS operates under two segments viz., automotive and construction and industrial machinery. The company offers concept design, product engineering, predictive engineering (analysis), manufacturing engineering services, physical testing, and validation, compliance engineering, and product constancy. The company also offers technical staffing services.

Forward Looking Statements

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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