

KPIT TECHNOLOGIES LIMITED (erstwhile KPIT ENGINEERING LIMITED)

Registered & Corporate Office - Plot-17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Hinjawadi, Taluka - Mulshi, Pune - 411057
Phone : +91 20 6770 6000 | grievances@kpit.com | www.kpit.com | CIN : U74999PN2018PLC174192

PART I

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

₹ in million (except per share data)

Particulars	Quarter ended			Year ended
	June 30, 2019 (Unaudited)	March 31, 2019 (Audited) (Refer note 8)	June 30, 2018 (Unaudited) (Refer note 8)	March 31, 2019 (Audited) (Refer note 8)
Revenue from operations	2,082.59	2,303.00	-	2,303.00
Other income :				
- Fair value gain on investments carried at fair value through profit or loss	-	319.01	-	319.01
- Others (Refer note 3)	5.24	38.70	-	38.74
Total Income	2,087.83	2,660.71	-	2,660.75
Expenses				
Cost of materials consumed	0.18	2.31	-	2.31
Employee benefits expense	1,032.41	1,040.65	-	1,040.65
Finance costs (Refer note 11)	34.23	39.93	-	61.25
Depreciation and amortization expense (Refer note 11)	188.73	157.74	-	157.74
Fair value loss on investments carried at fair value through profit or loss	46.44	-	-	-
Other expenses (Refer note 3 & 11)	426.03	480.84	0.12	483.16
Total expenses	1,728.02	1,721.47	0.12	1,745.11
Profit/(loss) before exceptional items and tax	359.81	939.24	(0.12)	915.64
Exceptional items (Refer note 9)	-	(101.40)	-	(101.40)
Profit/(loss) before tax	359.81	837.84	(0.12)	814.24
Tax expense				
Current tax	82.66	117.87	-	117.87
Deferred tax (benefit) / charge	(36.73)	(48.10)	-	(48.10)
Total tax expense	45.93	69.77	-	69.77
Profit/(loss) for the period	313.88	768.07	(0.12)	744.47
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(14.31)	(24.51)	-	(24.51)
Income tax on items that will not be reclassified to profit or loss	(0.16)	(11.40)	-	(11.40)
Items that will be reclassified to profit or loss				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(4.89)	12.59	-	12.59
Income tax on items that will be reclassified to profit or loss	1.71	(4.39)	-	(4.39)
Total other comprehensive income	(17.65)	(27.71)	-	(27.71)
Total comprehensive income for the period	296.23	740.36	(0.12)	716.76
Paid up equity capital [Face value ₹ 10/- per share]	2,685.02	2,685.02	1.00	2,685.02
Other equity				6,549.71
Earnings per equity share for continuing operations (face value per share ₹ 10 each) (Refer note 10)				
Basic	1.17	2.86	(1.20)	11.23
Diluted	1.16	2.85	(1.20)	11.20

Notes:

- The above unaudited standalone financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their respective meetings held on July 26, 2019. These unaudited standalone financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and provisions of the Companies Act, 2013.
- The Statutory Auditors of the Company have conducted a limited review of the above standalone financial results of the Company for the quarter ended June 30, 2019. An unqualified opinion has been issued by them thereon.
- Details of key items included in Other income / Other expenses :

Particulars	Quarter ended			Year ended
	June 30, 2019 (Unaudited)	March 31, 2019 (Audited) (Refer note 8)	June 30, 2018 (Unaudited) (Refer note 8)	March 31, 2019 (Audited) (Refer note 8)
Interest income, dividend income and others included in other income	5.24	38.70	-	38.74
Foreign exchange (loss) included in other expenses	(17.73)	(34.12)	-	(34.25)

- Where financial results contain both consolidated financial results and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
- The standalone results of the Company are available on the Company's website, www.kpit.com and also on the website of the BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com, where the shares of the Company are listed.

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₹ in million (except per share data)

- 6 The Board of Directors of KPIT Technologies Limited (now known as Birlasoft Limited) at its meeting held on 29 January 2018 had approved a composite scheme which was subsequently filed with National Company Law Tribunal (NCLT) for: (a) amalgamation of Birlasoft (India) Limited ("Transferor Company") with KPIT Technologies Limited (now known as Birlasoft Limited) ("Transferee Company" or "Demerged Company"); and (b) demerger of the engineering business of KPIT Technologies Limited (now known as Birlasoft Limited) into KPIT Engineering Limited (now known as KPIT Technologies Limited) ("Resulting Company").
- Pursuant to the Composite Scheme approved by the National Company Law Tribunal, Mumbai Bench on 29 November 2018 for which the certified copy of the order was received on 18 December 2018, the Engineering Business (Primarily comprising Automotive vertical with embedded software, digital technologies (cloud, IoT, analytics), Mobility Solutions and application life cycle management Business) was demerged from the Transferee Company and transferred to the Resulting Company, with effect from 1 January 2019, the appointed date and the accounting as per Composite Scheme has been given effect to from the Appointed Date. Subsequent to demerger, the Company had filed for listing of its equity shares on NSE and BSE and has been listed with effect from April 22, 2019.
- 7 The name of the Company has been changed from KPIT Engineering Limited to KPIT Technologies Limited, vide the revised certificate of incorporation issued by the Registrar of Companies (ROC) dated March 13, 2019 pursuant to the composite scheme approved by the National Company Law Tribunal (NCLT) on November 29, 2018.
- 8 The Company was incorporated on January 8, 2018 and has been listed with effect from April 22, 2019 and hence the Company was not mandatorily required to prepare and publish quarterly results up to the quarter ended December 31, 2018. Accordingly:
a. The figure for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2019 and the year to date unaudited figures for the nine months ended December 31, 2018;
b. The figures for the quarter ended June 30, 2018 were not subjected to Limited Review.
- 9 In line with its re-defined strategy to focus on software led Engineering Services, during the previous year/quarter the Company on prudent assessment has provided for exposure in its joint venture company in the business in "KIVI-Smart Bus WIFI" towards the Corporate Guarantee for lease obligation towards running this business for ₹ 101.40 million.
- 10 As per Ind-AS 33, Earnings Per Share shall be calculated considering the weighted average number of shares outstanding during the period. For the year ended March 31, 2019, shares outstanding, for the purpose of calculating earnings per share, are 100,000 shares for nine months ended on December 31, 2018 and 268,502,435 shares for the period from January 1, 2019 to March 31, 2019.
- 11 The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised in the opening equity as of April 1, 2019. Accordingly, the Company has not restated comparative information. This has resulted in recognising a right-of-use asset of ₹ 569.97 million and a corresponding lease liability of ₹ 750.85 million by adjusting retained earnings net of taxes of ₹ 168.92 million as at April 1, 2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. In respect of leases that were classified as finance leases, applying Ind AS 17, an amount of ₹ 387.97 million has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 0.09 million has been reclassified from other current financial liabilities to lease liability - current.
- 12 Recently Sparta Inc, a subsidiary of Birlasoft Limited entered into a settlement agreement for an ongoing lawsuit over last few years with Copart Inc. Both the parties have reached an amicable settlement agreement for USD 2.8 million (₹ 194.66 million) payable by Sparta Inc to Copart Inc. with no party admitting any liability or wrong doing, resulting in the Court dismissing the case. As defined in the composite scheme of arrangement between the parties, the Company through its Subsidiary in USA has reimbursed Sparta Inc. fully and the same has been accounted for during the quarter for USD 2.8 million (₹ 194.66 million). With this outcome, the matter related to Copart is closed and there is no further exposure for the Company.
- 13 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification / disclosure. Further, consequent to the Composite Scheme as aforesaid, the figures for the quarter ended June 30, 2018 are not comparable with the current period figures.

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED (erstwhile KPIT ENGINEERING LIMITED)


S.B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861


Kishor Patil
CEO & Managing Director
DIN : 00076190

Place : Pune
Date : July 26, 2019

NS

7/26/19

BSR & Co. LLP

Chartered Accountants

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Limited review report on Unaudited Quarterly Standalone Financial Results of KPIT Technologies Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **KPIT Technologies Limited (Erstwhile KPIT Engineering Limited)**

1. We have reviewed the accompanying statement of unaudited standalone financial results of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) ("the Company") for the quarter ended 30 June 2019 ("the Statement"). Attention is drawn to the fact that the standalone figures for the corresponding quarter ended 30 June 2018 as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to review for the reasons mentioned in note 8 to the standalone financial results.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We have conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. Attention is drawn to note 8 to the Statement, which mentions that the figures for the quarter ended 31 March 2019 as reported in the Statement are balancing figure between standalone audited figures in respect of full financial year and the unaudited year to date standalone figures upto the nine months period from 01 April 2018 to 31 December 2018. Further, the figures for the nine months period from 01 April 2018 to 31 December 2018 have not been subjected to an audit or a limited review for the reasons mentioned in note 8 to the standalone financial results.



Limited review report on Unaudited Quarterly Standalone Financial Results of KPIT Technologies Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date: 26 July 2019