

August 30, 2017

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Ltd.,
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051.

Scrip ID: KPIT
Scrip Code: 532400

Symbol: KPIT
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - 26th Annual Report of KPIT Technologies Limited for FY 2016-17.

Dear Sir / Madam,

Pursuant to provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 26th Annual Report of KPIT Technologies Limited for FY 2016-17, as approved and adopted in accordance with the provisions of the Companies Act, 2013, in the 26th Annual General Meeting held on Wednesday, August 23, 2017.

Kindly take the same on your records and acknowledge receipt thereof.

Thanking you,

Yours faithfully,

For KPIT Technologies Limited



Sneha Padve
Company Secretary & Compliance Officer



Encl.: - As mentioned above.

2016-17 Annual Report

Technology Innovation @ the confluence of **Engineering & Digital**



Board of Directors

S. B. (Ravi) Pandit

Chairman & Group CEO

Kishor Patil

CEO & Managing Director

Sachin Tikekar

Whole-time Director

Lila Poonawalla

Director

Dr. R. A. Mashelkar

Director

Adi Engineer

Director

Prof. Alberto Sangiovanni Vincentelli

Director

Anant Talaulicar

Director

B V R Subbu

Director

Sanjay Kukreja

Director

Anil Patwardhan

Chief Financial Officer

Sneha Padve

Company Secretary

Auditors

B S R & Co. LLP

Chartered Accountants

7th & 8th Floor,

Business Plaza,

Westin Hotel Campus,

36/3-B, Koregaon Park Annex,

Mundhwa Road, Pune - 411001

Legal Advisors

AZB & Partners

AZB House,

Peninsula Corporate Park,

Ganpatrao Kadam Marg,

Lower Parel,

Mumbai - 400013

Financial Institutions

- State Bank of India

- HDFC Bank Limited

- The Hongkong & Shanghai Banking Corporation Limited

- Citibank N.A.

- Axis Bank Limited

- BNP Paribas

- Deutsche Bank

- ICICI Bank Limited

- DBS Bank Limited

- Kotak Mahindra Bank

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Letter from the Chairman and Group CEO



Dear Fellow KPites,

We completed another year of transformation for the Company amidst the fast-changing industry scenario and geo-political environment. I would like to use this letter to explain the industry and KPIT performance, the world as we see today and our actions and plans for the subsequent years.

“The year that went by”

Overall Financial Snapshot

In FY17, our revenues grew by 3.0% in ₹ terms, whereas the bottom line declined by 15.1%. In US Dollar terms, the overall revenue was flattish with a growth of 0.8%. The services revenue showed a modest growth of 0.5% in US Dollar terms while there was a growth of 10.2% in the products revenue, albeit on a smaller base.

Our operating profitability for FY17 was lower as compared with the previous year. I would like to detail here the specific reasons for the lower profitability. In subsequent section of this letter, I will also talk about the actions we have already taken to improve the same.

We continued our investment in global account management and strengthening of the front end with subject matter experts. Over the last 18 months, we have added almost 40 account managers globally, mostly in the US. As one would appreciate, these investments take some time to show actual, on-the-ground results. We also continued our fresher hiring policy and thus ended the year with a net headcount increase of more than 1,000 people, as compared with the last year. Most of these net additions were freshers and thus their absorption on revenue generating projects was limited, resulting in lower offshore utilization. Hence, higher market investments and lower utilization, coupled with additional one-time legal expenses, the operating profitability suffered during FY17.

In FY17, we had laid down 4 priority areas to focus on viz. Growth through Account Acquisition & Mining, Leadership in Offerings, People & Processes and Profitability & Predictability.

Growth through Account Acquisition & Mining: The focus on industry verticals has yielded us good results. Over 90% of our revenues come from our focus verticals and we are gaining more traction because of our specialization. We have made significant investments in account mining and we are confident of getting the right returns from these investments in the years to come, starting this year. Our new account acquisition strategy is also much focussed on the right quality of enterprise customers for long term mutually benefitting relationships. Though the overall revenues were flattish, we had decent growth in our strategic accounts.

Leadership in offerings: We are a technology company and technology is at the heart of everything that we do. Our purpose is to provide the most appropriate technology solutions for direct business benefits to our customers and at the same time, create a positive impact on the world at large. It is therefore essential that we keep a sharp focus on achieving leadership in our offerings. We have done a decent job in this area as evident by the global leadership that we have in automotive engineering, JD Edwards, SAP HANA, SuccessFactors, Hybris, S4 HANA, Oracle MDM and OTM. We have strengthened our CTO organization with a mandate to scan the technological

horizon continuously and to keep us up-to-date on the latest technology offerings. Equally importantly, we have fortified our PDFs (Product Development Forums) to ensure that every practice in every SBU reviews its technology roadmap and investments on a quarterly basis with a view to gain leadership position. We will continue to focus on Innovation through multiple activities coordinated by SBUs as well as the CTO function. We have seen good sustainable success in new offerings around Digital Transformation (especially IoT and IT / OT applications), Application / Infrastructure management services (revolving around AI and automation) and engineering beyond the automotive verticals (energy and life sciences). We have made significant progress in the Products and Platforms unit and expect a couple of new products to hit the market during the current year.

People & Processes: Over the last one and half years, we have invested in our training infrastructure, not only for freshers but across all levels in the organization. With the fast-changing industry requirements, training to and trainability of the people has become an even more significant factor in the Company operations. We realize the importance of this and are focussing even more sharply on imparting the right training to the right people, to ensure smooth flow of operations.

Profitability & Productivity: While the profitability was lower during the year due to reasons mentioned earlier, we have made significant progress on the productivity front. We have in-house developed best-in-class productivity improvement and automation platforms based on self-learning and artificial intelligence algorithms. These platforms are comparable, and in some cases, better than similar competitive platforms in the market. We have gained significant traction and new AMS wins with these platforms. We will continue to improve these further and deploy them in the market.

Technology and Innovation

Last year, we created a separate CTO function, targeted to have a consolidated view of technologies across the Company. The CTO function not only works with all the SBUs to create innovative leadership offerings but also works extensively outside the Company to nurture a culture of innovation within and outside the organization. This provides a platform for attracting innovative minds and bringing forward bright ideas to develop smart, safe and sustainable solutions.

We have successfully completed the third edition of **KPIT Sparkle**, an annual national design and development innovation contest. KPIT Sparkle 2017 aimed at fostering a culture of innovation and critical thinking among engineering and science students across colleges in India. The theme of the competition this year was ‘Smart Cities and centered around creating solutions for Smart Transportation and Smart Infrastructure using Technology’. Sparkle received 1,500 innovative ideas from over 10,500 students across 300 colleges in India. The finalists were evaluated for novelty of their ideas, completeness of prototype, fulfillment of society’s expectations / problem statement and technical knowledge at a grand exhibition held at Deccan College ground, Pune. Some of the projects were in areas like urban mobility, autonomous vehicles, alternate energy solutions and efficient waste management

The total number of patents filed by KPIT as at the end of FY17 stood at 57, including 50 patents with complete specifications.



As at the year end, we have 30 granted patents across different geographies. Most of these patents are in the domain of hybrid technology, along with other areas of VLSI and High Performance computing

Digital @ KPIT

Over the last couple of years, we have been investing in digital technologies to create business solutions for our customers. With expertise and leadership in engineering, IoT is the leading area of digital for the Company. Our digital approach to market hovers around four major areas viz. Smart Factory, Asset Optimization, Supply Chain Management and Digital Customer Experience. Business driven digital solutions are focused on connected manufacturing, digital supply chain and digital marketing. The technology driven digital solutions mainly involve big data & analytics, middleware and integration services, cloud deployment, mobility solutions and testing & validation.

While we take these services to our customers, it is important that we change our own organization and help transform the way 12,000+ employees perform their work. To spearhead our fast evolution as a digital organization, we have created a new role of the Chief Digital Officer (CDO). Tasked with the goal of building 'intelligence everywhere', the CDO function will aim at simplifying & automating business processes, build digital infrastructure and fuel continuous innovation. The capabilities that will get built under the CDO will supplement the digital efforts of various units across the organization. Another key objective is to create '#ThinkDigital Culture' amongst employees across all levels. A digitally enabled workforce will thus set the tone towards improving people productivity. We will also co-innovate with startups and boutique firms and form a conducive business ecosystem that fosters new relationships with customers.

"The Year Ahead"

Our growth over the last 3 years has been at the lower end of the industry. As a Company, we have a DNA of growth and thus we target to get back on the growth path, this year. We have guided for a constant currency revenue growth of 6% to 8% during FY18 as compared to the last year. This growth will be more balanced throughout the year and thus we will experience quarter-on-quarter growth, starting from the first quarter itself.

In the coming year, we have specific focus on Growth and Delivery Excellence, while we continue to deliver on People and Profitability. I would like to spend some time explaining the thought process and the 4 initiatives we would pursue.

Growth: As stated earlier, over the last 2 years, we have invested in growth, both for account mining as well as new account acquisition. Our growth for FY18 will be driven by:

1. Engineering, Digital and SAP
2. Improved alignment of practice and pre-sales
3. Focus on large enterprise customers (revenue in excess of \$ 5Bn)
4. Best in class offerings through practice development forums and CTO Office
5. Growth in Product Business

Profitability: Our profitability improvement actions will start showing results from H2FY18. The majority of the actions areas for profitability improvement are:

1. Revenue and headcount alignment
2. Automation led productivity improvement
3. Increase in realized onsite billing rate
4. More offshore revenues
5. Continued rigor in cash flow

Delivery Excellence: We have created a centralized delivery excellence function to ensure on-time and zero defect delivery. Delivery excellence goals will be achieved through:

1. Increased customer experience / satisfaction through delivery excellence
2. Rigor on Multi Level Reviews, weekly cadence with customers
3. Delivery led growth in large accounts
4. Improved program management skills and governance
5. Clear documentation and communication for effective risk management

People & Processes: We will continue to improve our processes and focus on people development and retention through emphasis on:

1. Cross skilling of selected people on new technologies
2. Creation of Chief Digital Officer (CDO) for increasing digital awareness
3. Clear, simple and nimble processes across the organization
4. Reduction in top block attrition, especially in growth areas
5. Becoming a H1 independent company.

KPIT Mission & Purpose

At KPIT, our mission and purpose is clear. We envision a cleaner, greener, intelligent world, a world that is self-sufficient, sustainable and efficient. We provide technologies that help our customers make high quality, less costly products that use less energy or fewer materials. We strive to improve the state of the industries we serve, by making customer operations efficient using technology and thus create value for both the customer and KPIT. It is our mission to provide Technologies for a Better World.

More about KPIT's Mission & Purpose: (<http://www.kpit.com/company/about-us/mission-purpose>).

We have gone through tough times before and we have always come out stronger and better. I am certain we will do this again because of a core, committed team within KPIT and continued support from stakeholders like yourself, over the years. I regard this highly and appreciate it thoroughly.

I know, with your continued support, we will return to sustainable profitability and growth and together, build a more robust KPIT.

Warm Regards,
Sincerely yours,

S. B. (Ravi) Pandit
Chairman & Group CEO



Joint Letter from the CEO and MD and Whole-time Director



Dear Stakeholders,

FY16-17 was another challenging, yet transformational year for the Company. While the Company reported flattish revenues for the year as compared to the last year, there were a lot of qualitative improvements during the year. Our focus on digital technologies continued to get us newer projects in the latest technology areas. The investments in Products & Platforms further took us closer to introducing two new products to the market. The investments in account management and strengthening of the front end with industry experts got settled and we are confident of better returns from these investments in the years to come. Our leadership in automotive embedded electronics was further strengthened during the year and will continue to lead the growth for us in the near future.

Globally, the overall markets were facing tough times due to technology disruptions, reduced deal sizes and geo-political dynamics. These factors brought about a substantial change in customer expectations. While on one side, customers were curtailing their budgets on traditional ERP technologies, on the other side there was higher adoption of digital, IoT, Cloud and other emerging technologies.

Looking back at the highs and lows of the year, we saw growth in engineering, digital and products and platforms business. There has been good traction in these business units throughout the year and we expect this momentum to continue. We have also been making necessary investments on strengthening our offerings portfolio and sales efforts. With significant emergence in cloud based, IoT and digital offerings, we have closed new deals in these areas. However, we faced certain challenges on the profitability side during the year. The operating margins were lower as compared to last year, mainly due to lower utilization and cross currency fluctuations.

We will discuss the business performance and the markets as we see them, in detail, in the ensuing paras.

BUSINESS UPDATE

ENGINEERING

PES SBU grew by 7% on a Y-o-Y basis with revenue share at 34%.

The Automotive vertical is heavily investing in 3 broad themes: Green, Autonomous and Connected. We have been creating solutions around these themes and saw good traction in Autonomous driving solutions, ADAS, Infotainment & clusters, Powertrain, AUTOSAR, Telematics and Diagnostics practices across markets. To leverage the future growth opportunities, we are making investments to enhance our capabilities and strengthen our go-to-market solutions in these areas. We are also incubating new technologies to remain the first port of call for embedded electronics in automotive. In terms of new

offerings, we are working on digital transformation, application/ infrastructure management services and engineering solutions beyond the automotive vertical. We are also focusing on including automotive software security, technology for secured, shared and synchronized data across multiple networks and advanced control techniques for complex systems like HEV/ EV. Our industry focus, domain expertise and investment in R&D for innovative products, gives us the confidence of good growth in this area in the years to come.

In Extended Product Lifecycle Management (ePLM) area, we are positioning ourselves under one ePLM umbrella by unifying our strengths of industry specific business processes, engineering thought leadership & IT technology, and extending our offerings across the life cycle. We are re-organizing our offerings into 3 buckets to align with the changing needs viz. Value Harvesting, Smart PLM and Integrated Solutions. We have formed a SmartPLM group which is offering rapid Proof of concept and R&D services in new PLM areas such as cloud, user experience and industry specific and role based apps store. We see good traction in Software Engineering Process transformation for automotive & medical devices industry, smart connected product design, PLM-ERP integrations, ALM upgrade and data migrations.

BUSINESS IT

SAP SBU grew by 5% on a Y-o-Y basis with revenue share at 23% while IES SBU declined by 4% with revenue share at 29%.

In SAP, we have aligned our offerings with SAP's business strategy and we are working towards strengthening our overall digital capabilities. We have created our go-to-market around HANA, Hybris, SuccessFactors and IoT. We have witnessed good traction in all these areas and these will continue to be our key growth drivers. **Market research firm IDC has recognized KPIT as a leader in SAP HANA for the second year in a row.** With greater adoption of HANA enabled solutions, we have structured our HANA go-to-market along with major solution offerings like S/4 HANA - Net New & Migrations, S/4 HANA Central Finance for shared financial services, Enterprise Data Warehouse solutions and IoT, Big Data & Analytics offerings. Amongst solutions, we see interest for our Simple Commerce and CPQ Accelerator for manufacturing and IM&C industry, M&A solutions to integrate and roll out IT and business processes for M&A activities, IP tools such as HANAtization toolkit and EDW.

In Oracle, there is good interest around our cloud based tools and offerings, mainly from customers undergoing ERP transformation. Our I2D cloud based platform caters to complete life cycle of upgrade and can be leveraged for implementation, roll outs and maintenance phases in future. However, in the last year due to significant change in this mix in favor of cloud and perceived uncertainty around JDE, there



was postponement of larger deals. There is good momentum for transportation and logistics management, AMS around JDE, EBS upgrade and surround applications. Our capabilities in Oracle EBS combined with emergence in EDGE Cloud (MDM, VCE) is opening opportunities in HCM Cloud and ERP Cloud. We have built automation tools around SMART AMS, which is helping customers to do more with less. This is gaining significant interest in energy and manufacturing verticals. In JDE, we have added focus on upgrade offering and enhancement of automation tool (IMPACTA), enabling and coaching resources on upgrade methodology and best practices. In asset management, we are using IoT, Mobility and wearables technology and built solutions around Oracle Real Time Service Execution. We have received recognition from Oracle for the same. With Infor expanding its focus on micro verticals, we have also strengthened our collaboration to drive next generation IoT / Analytics based industry solutions. We are focusing on enhancing overall customer, supplier and employee experience through our focused digital led solutions and services.

In Infrastructure Management Services (IMS) the key growth areas are digitization, IoT, Cloud and platform transformation, application and infrastructure integrated run services and security offerings. We are continuously expanding our offerings portfolio on the platform services and have IaaS, PaaS as well as SaaS offerings with flexible billing models. We are offering Application and Infrastructure Managed Services (AIMS) to enable integrated service delivery. We have created an IoT and Engineering integrated command center for monitoring and managing sensors and shop floor IT. With ITSM and process compliance as one of the major focus in all enterprises, we have developed a strong ITSM consulting team with best of the breed, tools stack. Security is another upcoming growth area and we are developing new capabilities on Artificial Intelligence and security services, as key differentiators.

Recognitions:

- KPIT has been positioned by Gartner Inc. in the “**Challengers**” quadrant in the recently published “**Magic Quadrant for SAP Application Services, North America1**”. Gartner’s “Magic Quadrant for SAP Application Services, North America” report evaluated 20 service providers’ capabilities to deliver SAP application implementation and management services in North America. The report is focused on the full life cycle of SAP application services, spanning project-based implementation and multiyear Application Management Services (AMS).
- KPIT has been positioned by Gartner Inc. in the “**Niche Players**” quadrant in the recently published “**Magic Quadrant for Oracle Application Services, North America1**”. Gartner’s Magic Quadrant for Oracle

Application Services, North America evaluates 20 service providers’ capabilities to deliver Oracle application implementation and management services in North America.

- KPIT was awarded **Oracle Excellence award 2016 for specialized Partner of the year: Mobility- North America**. This award recognizes our success in integrating enterprise mobility technology.

DIGITAL TRANSFORMATION (DT)

DT SBU’s revenue share stood at 10% with Y-o-Y growth of 5%. Our overall Digital Revenues (DT SBU plus Digital revenues in SAP and Oracle) are around 18% of the total revenues.

Our digital practice revolves around Asset Management, Customer & Supplier experience, Employee experience and Supply Chain Management with ICAMS as enabling technologies for these business solutions. In the IoT space, we see traction across verticals like grid monitoring, distribution and production in E&U, Asset tracking, medical device tracking, connected car & customer experience. There is also good momentum across predictive analytics, warranty cost management and content management. We are already working towards integration of IoT with business applications and have identified industry specific use cases or scenarios where we can implement such solutions. Some areas for this are connected vehicles, and smart cities or remote monitoring and diagnostics in industrial manufacturing or tracking and tracing of movable and immovable assets. We are creating solutions in ‘Smart Manufacturing’ which encompasses IoT, Cloud, Big Data and Analytics, Robotics, Augmented Reality, System Integration, Simulation and Cyber Security. Our offerings also include packaged solution for asset tracking, materials rationalization, workforce prediction, field services automation, asset diagnostics & prognostics, wearable diagnostics and connected consumer.

PRODUCTS & PLATFORMS (P&P)

P&P SBU grew by 13% Y-o-Y growth and has a revenue share of 4%.

We have witnessed reasonable growth in products and platforms business during the year. There is good momentum for our diagnostics and ITS offerings. Our diagnostics solution has been doing well, with strong growth registered during the year and we expect the momentum to continue. Our integrated ITS solution is helping fleet operators to improve the passenger travelling experience and overall efficiency of their operations. In this space, we are trying to create a market segment which will be more robust and sustainable in nature. **Our ITS project for Pune Smart City was launched by Prime Minister, Mr. Narendra Modi on June 25th, 2016** and we are also working on a traffic mapping initiative for smart cities



with a leading smart city, as a part of our overall ITS portfolio. During this year, we achieved another milestone for ITS portfolio with successful installation and deployment of 1,000 buses fitted with GPS devices for PMPML (Pune Mahanagar Parivahan Mahamandal Ltd.). We were engaged on a BRTS project with a North Indian smart city for providing our end to end ITS solution (including On Bus ITS, Command Center, Passenger Information Systems, Mobile Apps). This will help us build credibility for upcoming BRTS projects in smart cities. With growing environmental concerns, there is strong interest towards electrification of public transport in many Indian cities. During this year, we completed a successful pilot of REVOLLO EV with Karnataka State Tourism Department at Bandipur National Park by using an electric bus for safari rides at the park. The REVOLLO powered electric bus completed a 42-day trial with 76 safaris and covering 2,700 kilometers. We are looking forward to a formal launch for REVOLLO EV during the next year. Over the last few years, we have put in lots of investments and efforts in developing our products business and we are gradually reaching the stage where these investments would start delivering expected returns.

Recognitions and Key Developments:

- KPIT was recognized with **“Certificate of Appreciation”** for its indigenous electric bus technology – **REVOLLO by United Nations Department of Economic and Social Affairs Grant on Energy**. It was nominated among 8 finalists from 157 international applicants for this grant on energy which was themed around “Energy for Sustainable transport”.
- KPIT’s ITS bagged **“Order of Merit” award at BW Businessworld Smart Cities Conclave 2016** in Innovative Smart Solution – Accessibility and Mobility category.
- KPIT’s electrification technology ‘REVOLLO’ for buses won **Promising Transport Innovation Award at prestigious International Transport Forum (ITF) 2016 Summit in Leipzig, Germany**.

INDUSTRY BUSINESS UNIT (IBU) UPDATE

The automotive and transportation IBU grew by 12% with revenue share at 40%. The manufacturing IBU grew by 2% with revenue share at 35% while the Energy & Utilities IBU declined by 23% with revenue share at 15%.

In the automotive and transportation vertical, we are a solution provider with leadership and domain expertise in areas like infotainment systems, clusters, AUTOSAR migration and integration, Advanced Driver Assistance Systems (ADAS), and diagnostics solutions.

In the manufacturing vertical, there is an emergence and consolidation of digital businesses as companies are transforming their business models due to nexus of IoT, Big

Data, Mobility and Robotics. We offer expertise in operations monitoring and shop floor to top floor integration. We have solutions for customer / supplier integrations through supplier portals, communities’ portal and digital customer experience.

In life sciences industry, there is increased focus on product and service innovation. We are assisting life science companies in reducing their SG&A costs with smart managed application and infrastructure services. We are also offering various cloud based solutions which help companies in complying with the regulatory mandates of life sciences industry.

In Utilities, there is major trend in IT / OT convergence, Digital Transformation, CRM, BI and Customer Relationship & Billing (CR&B) Solution. We are already recognized as a leader in solutions such as SAP HANA for the utilities vertical.

In Energy vertical, we are helping our customers reduce the overall opex by converging IT and OT programs, leveraging out Engineering and IT skills, involving digital technologies and analytical capabilities. We are helping in automation of business processes to increase productivity and reduce costs and combining these with outcome based business models.

GEOGRAPHY UPDATE

During the year FY2017, APAC was the highest growing geography for us with Y-o-Y growth of 17% and revenue share at 15%. US, which is our largest geography, with revenue share at 68%, grew by 2% on a Y-o-Y basis while Europe declined Y-o-Y by 4% with revenue share of 16%.

APAC has been the fastest growing geography for us in last two years and the pace has continued for this year as well. Within APAC we work in ASEAN region, India, Japan and China. In ASEAN market, we see traction in life sciences and transportation vertical for transportation and fleet management solutions, Oracle business and IoT surround offerings. In India, there is good momentum in SAP offerings, cloud based IoT solutions and engineering services. In Japan, Korea and China there is good demand for our engineering based offerings mainly in autonomous vehicles and connected cars. There is significant investment from OEMs and other industry players in developing various, comprehensive “connected” solutions. The upcoming 2020 Olympics is also seen as a major milestone to put these technologies in the market. We are well positioned and seen as a credible partner in key technology areas. We remain optimistic about strong growth in this region.

Being our largest market, we have made most of our IBU investments in US geography over the last couple of years. With maximum number of enterprise customers in the geography, we have strengthened the front-end presence in US by adding account managers, new sales and industry subject matter experts, for our focus industry verticals. From the technology perspective, US market is focusing on Green Manufacturing,



Robotics for Automatic Factories and Repairs, 3D Printing, Social Solutions and Crowd Sourcing and Service as a Product. With the new administration pushing to revive the manufacturing sector and retaining jobs in the US, the sector looks optimistic with traction seen across digital transformation, wearables, warranty management and customer experience.

The European market is currently undergoing transition post Brexit. In FY17, our revenues from Europe also took hit, mainly due to cross currency fluctuations. Having said that, Europe continues to be an important market for us - mainly for automotive and manufacturing customers. The key technology trends in this geography are Electrification of vehicles, adoption of stricter safety standards, push towards smart factories and smart manufacturing, enhanced focus on cyber security and faster adoption of newer digital technologies. Germany and UK are the leading markets for us within Europe. The recent acquisition of stake in MicroFuzzy has further strengthened our presence in Germany - both in terms of engineering resources, especially for eMobility, as well as ability to further penetrate in marquee automotive customers. We also see momentum in Oracle cloud and have started initial pilots in Digital Transformation especially in supply chain and remote asset management. Thus, with these developments, we expect Europe to get back to growth during the next year.

PEOPLE INITIATIVES

Human capital is extremely critical especially in the phase of transformation of IT Industry. As an organization, we have been making investments and efforts to strengthen our people function in terms of developing our learning process, training programs, new initiatives for employee engagement and well-being. During FY17 we received the following recognitions:

- **“Regional Best Employer Award” for FY16-17** at the 11th Employee Branding awards.
- Ms. Vaishali Vaid, (Vice President, Head - HR), won the **“HR Super Achiever Award” for the Western Region, ‘Most Influential HR leaders in India’** award by the World HRD Congress and **Women Leadership Achievement award** at the 4th World Women Leadership Congress & Award (WWLCA).

Under our learning organization unit (ECoDe) we have introduced some new initiatives and training programs which will further accelerate the learning culture within the organization: STEP IN - we revamped our fresher induction process in tune with current requirements. Under Program for Academic Collaboration and Engagement (PACE) initiative, we have now partnered with 22 colleges across India which enables us to get Day 0 slots from these partner colleges to engage, attract and nurture young freshers. GENESIS is our

flagship graduate engineer trainee program and it is run across SBU's to ensure that freshers go through technical and soft skill training before being inducted into projects. We have made certain changes in this program to focus on “Project Based / Problem Based Learning” which will make the program more practical and ensure more involvement of the SBU practices in training of freshers.

The competency needs of SBUs are extremely diverse & complex. This has paved the way for our Flagship Employee training and certification program (KAIZEN) focusing on developing 6 competency dimensions namely technical, domain, process, project management, and professional and leadership skills. We have already covered close to 3,800 eligible employees in the Oct'15 - Sep'16 cycle. Along with offshore, we have now launched certification program for onsite employees across USA, Europe, UK, Japan & Singapore. We have covered 1,350+ employees across 25+ accounts.

Leaders in the Making Program (LMP) focuses on equipping employees to enhance their managerial capabilities. Another program titled Project and Program Management Certifications (PMPD) was launched exclusively for Project Leads, Project Managers & Program Managers and is well aligned with international standard such as PMI PMP®. It replaced the erstwhile PROMS certification program. Our Higher Education Initiative is designed as a collaborative program with well-known Universities, to provide an opportunity to our employees to acquire knowledge and higher qualification. Currently, we have formed a partnership with Coventry University, UK which is offering M.Tech in Automotive Electronics and MBA in Strategic Engineering Management. The program comprises of 8 Courses + a Project to complete Master's Degree over 2 years.

During this year, we launched a new job rotation program - 'ASPIRE', to provide a platform through which employees can share their aspirations and work towards their aspired role. Through this program, we will be enabling 3 types of job rotations – Career Path / Function area change, Customer account change and Technology change. We also introduced another initiative of mentoring and coaching - 'SPACESHIP', wherein selected leadership members are identified for mentoring. This covers strategy, operations and personal effectiveness aspects for the mentees.

Employee engagement is important to ensure higher productivity and our framework aims to make sure that we can stay in constant touch with our employees and address their concerns as identified in various forums. We follow an open communication approach through one-on-one connect or group connect, where employees can interact with the executive leadership team and business leaders and align their roles and responsibilities with the organization's goals.



OPERATIONAL UPDATE

During FY17, we have launched a business transformation initiative named 'Simplificar'. In alignment with our strategy of rolling out an "Intelligent ERP", we have selected SAP S/4 HANA as our application stack for the 'Systems of Record' and we are building a next generation 'Engagement System' using the latest digital technologies. As we are progressing in our digital transformation journey, cyber security will be very important and hence we have invested in the next generation application-aware firewalls and advance threat protection solutions. In the same vein, we have also implemented solutions like 'network as a sensor / enforcer' that monitors and blocks possible attacks proactively.

Next year, we will have increased focus on innovative digital solutions, which will help transform our customer operations. We are setting up digital labs, which will showcase our digital prowess by way of demo of use cases relevant to our industry verticals. We see a lot of opportunities in the digital space and introduced a strategic initiative called 'Think Digital' across the organisation. This initiative has a two-pronged agenda of digital skills development and driving digital culture within the organisation. We will continue to enhance the development of the smart campus solution.

INFRASTRUCTURE

As at FY17 end, we have total seating capacity of 10,300+ seats in India, of which 8,900+ seats are occupied. During this year, we shifted our Mumbai and Chennai office to new facilities, with total seating capacities of 1,000+. We are developing a

new facility in Pune Hinjewadi, Phase III and the construction will happen in two phases. The first phase which will have a seating capacity of 1,000 seats is currently nearing completion and we intend to occupy the same during FY18.

BUSINESS OUTLOOK

Even though the growth rate for the year FY17 was modest, there was substantial progress in second half of the year which gives us a good visibility of moderate growth for FY18. Based on this visibility we expect constant currency growth in the range of 6-8% in FY18 over FY17.

We expect growth across all our business units during next year with digital, engineering, SAP and products and platform business, being the key growth drivers. We need to work more aggressively on the profitability aspect - primarily in areas of utilization improvement through absorption of freshers onto projects and delivery excellence with focus on automation. With focus on profitability, we will continue to invest in growth areas. Despite the challenges, we are excited at the prospect of us being at forefront of disruption and be a change agent in the industry.

Best Regards,
Sincerely Yours,

Kishor Patil
CEO & Managing Director

Sachin Tikekar
Whole-time Director



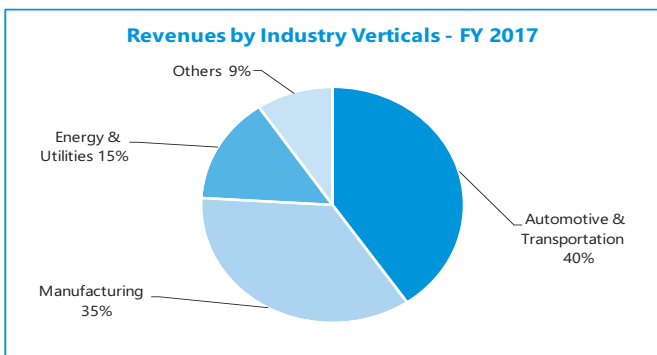
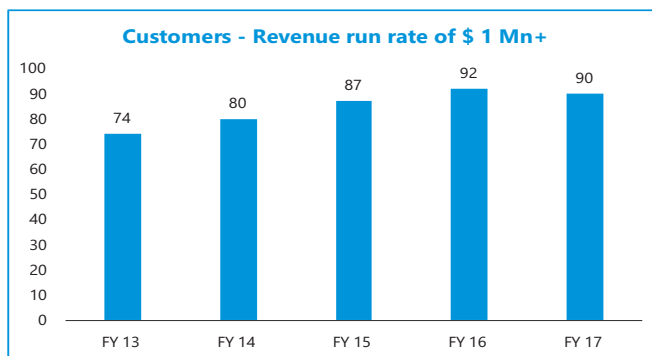
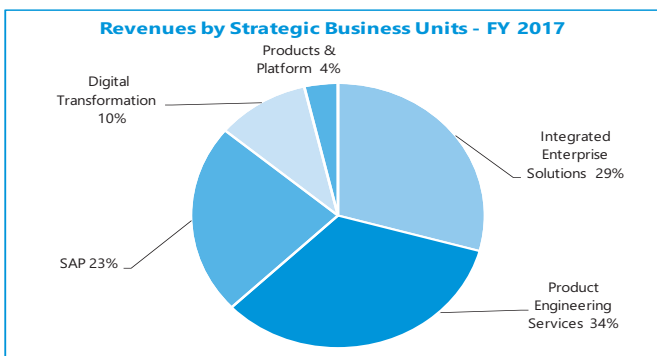
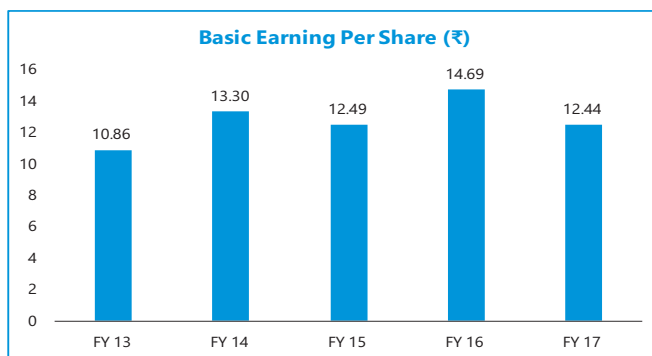
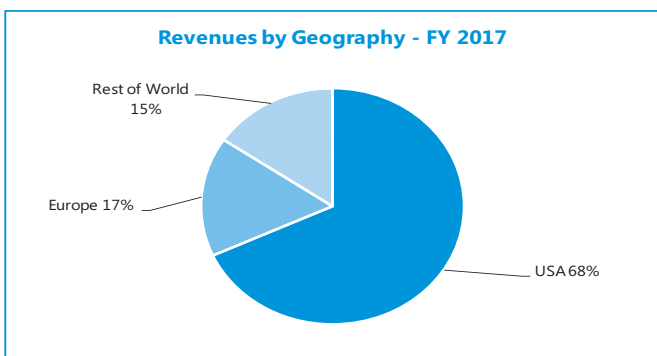
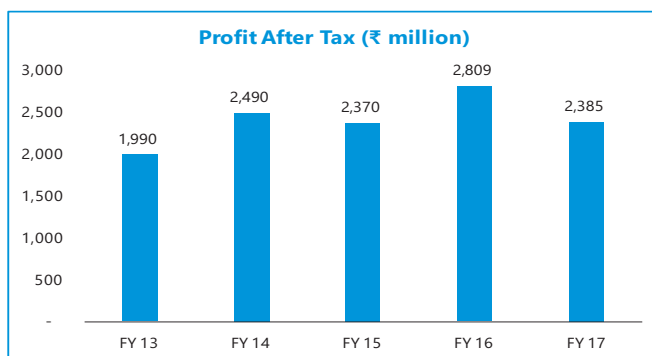
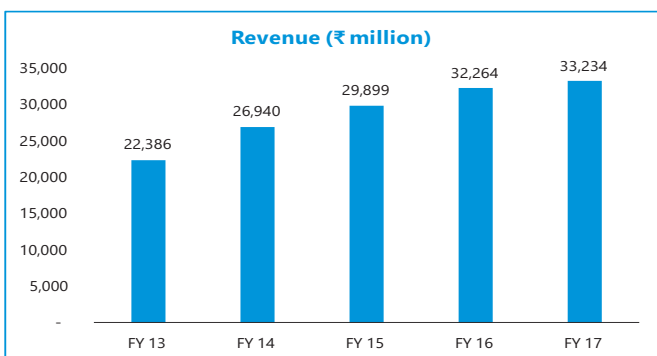
Financial highlights

(₹ in million)

	FY 2017	FY 2016
CONSOLIDATED INCOME STATEMENT		
Sales (\$ million)	494.39	490.31
Sales	33,233.61	32,264.08
Gross Profit	9,685.04	10,373.80
EBITDA*	3,747.19	4,229.32
Interest	135.98	134.47
Depreciation / Amortization	826.64	691.25
Other Income (Net of Exchange gain / loss)	206.60	250.91
Profit Before Tax	2,991.17	3,654.51
Profit After Tax	2,385.05	2,809.03
CONSOLIDATED BALANCE SHEET		
Share Capital	376.39	375.65
Reserves & Surplus	15,448.24	13,478.73
Total Shareholder's Funds	15,824.63	13,854.38
Non-controlling Interest	16.86	-
Non- Current Liabilities	1,696.41	2,243.82
Current Liabilities	7,675.74	5,733.46
Total Equity & Liabilities	25,213.64	21,831.66
Fixed Assets	3,967.78	2,815.17
Goodwill on Consolidation	4,116.81	3,846.99
Other non-current assets	2,497.58	2,387.66
Current Investments	777.68	0.04
Trade Receivables	7,843.39	6,860.87
Cash and cash equivalents	3,788.93	2,859.23
Other Current Assets	2,221.47	3,061.70
Total Assets	25,213.64	21,831.66
Key Ratios		
Revenue growth	3.00%	7.91%
EBITDA Growth	(11.40%)	30.37%
PAT Growth	(15.09%)	18.53%
Gross Profit Margin	29.14%	32.15%
EBITDA Margin	11.28%	13.11%
PAT Margin	7.18%	8.71%
SG&A to Revenue	17.87%	19.04%
ROE	16.07%	20.96%
Return on Capital	13.24%	16.36%
Debt to Equity	0.21	0.28
Cash / Total Assets	15.03%	13.10%
Basic Earnings Per Share (₹)	12.44	14.69

*EBITDA before exchange gain / loss and other income





Board's Report



Dear Members,

The Directors are pleased to present the Twenty Sixth Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2017.

Performance of the Company

(In million)

Particulars	Standalone 2016-17		Consolidated 2016-17	
	USD	₹	USD	₹
Revenue from operations	196.72	13,223.23	494.40	33,233.61
Profit before Tax (PBT)	29.49	1,982.44	44.50	2,991.17
Profit after Tax (PAT)	25.19	1,692.94	35.49	2,385.44

Result of Operations

During the year under review, the total revenues from operations (consolidated) increased to ₹ 33,233.61 million, a growth of 3% over the previous year. Earnings before interest, tax, depreciation and amortization was ₹ 3,747.19 million on consolidated basis. Net profit after tax (consolidated) decreased by 15.08% to ₹ 2,385.44 million.

In US Dollar terms, revenues from operations for the year on consolidated basis was ₹ 494.40 million as against ₹ 490.31 million during the previous year, a growth of 0.83%. Average realization rate was ₹ 67.22 per US Dollar.

Standalone sales for the financial year 2016-17 grew by 4.61 % to reach ₹ 13,223.23 million. Net profit after tax decreased by 16.67% to ₹ 1,692.94 million.

Dividend

The Directors are pleased to recommend a final dividend of ₹ 2.20/- per equity share of face value of ₹ 2/- each (110%) on the paid-up equity share capital of the Company for the year under review. The total pay-out will amount to ₹ 522.95 million including dividend distribution tax.

Share Capital

The issued, subscribed and paid-up capital of the Company as on March 31, 2017 is ₹ 394.99 million, consisting of 197,498,742 equity shares of ₹ 2/- each.

CRISIL Ratings

For the bank loan limits of ₹ 4,445.50 million, CRISIL has assigned the long term credit rating of AA-/ Negative.

Quality and Information Security

Our focus on quality and innovation has helped us deliver increased value to our customers. We continue to focus on strengthening our commitment to quality by sustaining and

increasing the scope of our existing certifications. During the year under review, the Company has successfully completed surveillance audit of ISO 9001:2008 (Quality Management Systems).

We also continue to maintain certifications for ISO 27001:2013 (Information Security Management Systems) and ISO 22301:2012 (Business Continuity Management). We have successfully completed our surveillance audits for the above two certifications in this year. The Company continues to maintain the highest level of process maturity at Level 5 for CMMI-DEV® V1.3 (Development) and the Automotive SPICE® organization maturity Level 5.

Our customers and market place are changing at an unprecedented speed and it is imperative for the Company to align with the changes in the market by utilizing tools and governance mechanisms which can adapt and facilitate change with ease. Keeping this in mind, we have adopted industry leading project management tool which has enhanced features like mobile support, custom workflow definition and Agile support apart from being a platform for aggregating information and data to offer consolidated engineering analytics. We also continue to strengthen its Business IT delivery through focus on automation levers across SBUs and Practices.

Productivity

To enhance productivity, a key initiative has been taken to create a RAD (Rapid Application Development) Framework – named FoundationK, which has been developed to address the need of the market which is trending towards Agile, rapid go to market and achieve significant not just incremental productivity improvements. This is Transformational and Disruptive application development framework which has equipped our developers to build Scalable, Secure, High Performance, Reliable, Responsive UI and Multilingual



application with a framework which has fundamental components available eliminating the effort to develop from scratch. This has provided significant improvement in productivity, greater reduction in time to market and significant code quality improvement leading to enhanced customer satisfaction.

Our process improvement drive continues to be strengthened by leveraging workflow optimization, six sigma and lean principles. We are committed to support the dynamic business needs of our customers through continuous focus on operational and quality excellence.

Institutional Shareholding

As on March 31, 2017, the total Institutional shareholding in the Company was 54.30% of the total share capital.

Information about the Subsidiary Companies

As on March 31, 2017, the Company had 15 subsidiaries, including step-down subsidiaries.

During the year under review, KPIT medini Technologies AG was sold to ANSYS Germany GmbH on November 2, 2016. Also MicroFuzzy Industrie - Elektronik GmbH, a German based company was acquired through KPIT Technologies GmbH, effective November 30, 2016.

In accordance with Section 129(3) of the Companies Act, 2013, (hereinafter referred to as "the Act") the Company has prepared consolidated financial statements of the Company and all its subsidiary companies, which forms a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is annexed to this Report as "Annexure 1".

In accordance with Section 136(1) of the Act, the Annual Report of the Company, containing the standalone and the consolidated financial statements and all other documents required to be attached thereto have been placed on the website of the Company, www.kpit.com. Further, a report on the highlights of performance of subsidiaries and their contribution to the overall performance of the Company has also been placed on the website of the Company. Members interested in obtaining a printed copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

Directors

During the year, Mr. Sachin Tikekar, Whole-time Director of the Company was re-appointed for a period of 5 years w.e.f October 20, 2016.

In accordance with Section 152 of the Act, Mr. S. B. (Ravi) Pandit retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Ms. Lila Poonawalla, Dr. R. A. Mashelkar, Mr. Adi Engineer, Prof Alberto Sangiovanni Vincentelli were appointed as Additional & Independent Directors for a period of 5 years w.e.f April 1, 2017, subject to approval of the shareholders. The proposal for the same is being made to the shareholders for their approval at the forthcoming Annual General Meeting.

Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Act, read with the Rules framed thereunder:

1. Mr. Kishor Patil - Chief Executive Officer (CEO) and Managing Director;
2. Mr. Anil Patwardhan - Chief Financial Officer (CFO);
3. Ms. Sneha Padve - Company Secretary.

Auditors

Pursuant to the provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on July 25, 2014 for a period of five years, subject to ratification by the members in every Annual General Meeting. Based on the recommendation of the Audit Committee, the Board recommends ratification of the appointment of B S R & Co. LLP, as the Statutory Auditors of the Company, at the ensuing Annual General Meeting.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The report does not contain any qualification, reservation or adverse remark.

The Board of Directors of the Company appointed Dr. K. R. Chandratre, Practicing Company Secretary, as the Secretarial Auditor to conduct audit for the year under review. The Secretarial Auditor's report for the year under review is annexed to this Report as "Annexure 2". The report does not contain any qualification, reservation or adverse remark.

Corporate Governance

A separate section on Corporate Governance with a detailed compliance report thereon forms a part of this Report. The Auditors' Certificate in respect of compliance with the provisions concerning Corporate Governance, forms a part



of this Annual Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the SEBI (LODR) Regulations, 2015”).

Management Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report, which forms a part of this Report.

Awards & Recognition

- KPIT’s Electric Bus technology, Revolo, selected as a Finalist for United Nation’s Energy Grant for sustainable development;
- KPIT recognized as a “Challenger” in Gartner’s 2017 Magic Quadrant for SAP Application Services, North America;
- KPIT Won “Newcomer of the Year” Award at Annual SAP Hybris Summit;
- Ms. Vaishali Vaid, VP & Head - Global HR, was recognized as the ‘Most influential HR leaders in India’ by the World HRD Congress and also recognized with the Women Leadership Achievement Awards at the 4th World Women Leadership Congress & Awards (WWLCA);
- KPIT’s community driven water conservation project received jury award by FICCI;
- KPIT bags ‘Order of Merit’ awards for its ITS at the Businessworld Smart Cities Conclave & Awards;
- KPIT wins Oracle Excellence Award for Specialized Partner of the Year – North America in Mobility Category;
- IDC names KPIT Worldwide leader in delivering SAP Business Suite Powered by SAP HANA.

Particulars of Employees

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1 crore 2 lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 lakh or more a month, and other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as “Annexure 3(a)”.

The ratio of the remuneration of each director to the median employee’s remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as “Annexure 3(b)”.

Employees Stock Option Plan (ESOPs)

Information relating to ESOPs of the Company is annexed to this Report as “Annexure 4”. The information is being provided in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on prevention of sexual harassment and has put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. One case of sexual harassment was reported and due diligence was followed as part of the process. The case was closed post investigation by the internal committee.

Fixed Deposits

The Company has not accepted any deposits as on March 31, 2017.

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014

Conservation of Energy

The Company always endeavors to reduce energy consumption and achieve conservation of resources. Many initiatives taken in this connection have been detailed in the previous Board’s Reports which the Company continues to implement. Apart from those initiatives, the following PAN India measures were undertaken to reduce energy consumption resulting in Pune (30%), Bangalore (15%) and Mumbai (19%) saving over the period of 6 years. Few initiatives undertaken in FY16-17 are listed below:

- Replaced 500 CFLs (56W) with energy efficient LED lights (20W), resulting in energy saving of 45000 KWH units per annum.
- Roof top PV solar cell installed at Pune capacity of 125 KW in December 2016, which is generating average 500 - 600 KWH units per day. This is expected to generate 200,000 KWH units annually.
- Energy Efficient VRF HVAC system installed at new facility at Mahape which has resulted in 25% energy savings. The average savings expected is 700 units per day.



Green Initiatives

KPIT is committed towards giving our future generations a sustainable world through efficiency in our business operations and conservation of natural resources. Highlights from 2016-17 include:

- 3 rain water harvesting farm ponds created / desilted in Alladahalli (Nelmangala Taluka), Karnataka and Ranza (Shivapur) Village, Maharashtra.
- Well excavation & construction at Guhini & Metpilawar Village, District Pune resulting in a capacity to store 2.5 million litres of water.
- Widening and deepening of water canal at Wajeghar Village, District Pune, creating a water reservoir of 10 million litres of capacity.
- Soil Dam at Varoti & Pasali, District Pune, with a capacity to conserve 8 million litres of water.
- Cement Nala Bund (CNB) at Shelgaon Village, District Osmanabad, enabling a water corridor of 22m x 600m x 2m. This will result in a storage of 16 million litres of water.
- Afforestation efforts led to planting of saplings at Bengaluru and Pune locations, with an overall survival rate of 80 percent.
- As a part of Zero Garbage project, in association with Janwani, Pune - a total of 1,069 awareness programs have been conducted across Pune city.
- Since 2010, we have been celebrating the Environment Week on the occasion of "World Environment Day". In the year 2016-17, Environment Week was celebrated from June 1 to June 6, at all our locations in India.
- Mr. Ravi Pandit has been nominated as a National expert on 'Technology Evaluation Committee for Solid & Liquid Waste and Water Supply'.

Occupational Health and Safety Assessment Series (OHSAS)

The following activities were carried out by the Company under OHSAS in 2016-17:

- Framework created to move away from a week of health and wellness to annual approach for "Health and Wellness";
- Choice of workout provided considering the popularity and trendy ways of exercise:
 - o Introduction of Zumba
 - o Introduction of Yoga

- Health check-ups & diagnostic support to employees and their families:
 - o Subsidized health check-up package offered for employee + family
 - o Negotiated discounts on expensive tests for employee + family
- Initiated hospital tie ups for discounted check-ups for OPD and other tests (addition to diagnostic centers);
- Awareness Communication on "World Health Organization (WHO) Days";
- Engagement Through Wellness:
 - o Laughter sessions
 - o Special Pranayama sessions for International Yoga Day
 - o Tug of War
 - o Random blood sugar testing on World Diabetes Day
 - o Dental check-up camps
 - o Eye check-up camps on campus for employees
 - o Meditation activity conducted as a mark of "Healthy Mind"
 - o Balloon blowing activity on the World Heart Day
 - o Awareness session linked to the WHO days
 - o Awareness sessions exclusively on alternate therapies

Technology Absorption

This year, we took a goal of improving the organizational productivity and enhanced end user experience. In pursuit of this goal, we have undertaken a strategic initiative called 'Simplificar' which aims for process standardization, simplification and actionable business insights spanning organization wide business processes. SAP S/4 Hana has been chosen as the ERP application and will be the mainstay of the "System of Records". We have also initiated the development of 'Next Generation Engagement Systems' which will integrate with the System of Records. The constituents of the 'Engagement systems' are being developed using the Agile application development methodology. The engagement systems that are being designed, leverage various cognitive technologies that will improve user experience on one hand



and pursue process optimization on the other. Some key features of the 'Engagement System' include responsive UX, Device Agnostic UI, highly personalised Context and Persona based content delivery that gives proactive insights which would improve 'In the moment effectiveness'. This will be a true blue "conversational system" with a focus on 'Experience first!'

Last year, we also rolled out an initiative to implement integrated collaboration platform using Cisco's WebEx technology. This has led to substantial cost reductions vis a vis traditional audio conferencing services while providing a seamless meeting experience that is greatly enhanced by features like 'one touch audio / video calling' from any device, application and presentation sharing, personalised meeting rooms for relevant users, meeting recording and sharing etc. We also invested substantially in securing our infrastructure against cyber security threats. The implementation of the Next Generation Firewall and Wildfire platforms from Palo Alto Networks are major steps taken in this direction and have helped in securing business applications and infrastructure from advance threats. In the same vein, we have also implemented 'TRAPs' from Palo Alto networks for Advance Threat Protection solutions on end points. This solution protects end user devices against Advance Malwares and Exploits. All these preventive security technologies have led to us running a 'Zero Incident' infrastructure in the last year.

We focused not only digitizing IT infrastructure but also invested in making the campus infrastructure 'Smart'. Using our Smart Campus platform, last year we rolled out many applications like Smart Parking that uses automatic number plate recognition technologies, Smart Cafeteria uses location aware solution, provides online ordering of food and uses e-payments. Our Smart Asset Management application provides real time inventory of all the assets while the Smart Incident Management application helps our employees initiate a 'one click' reporting of incidents by scanning the QR codes designated to common areas. These apps have improved employee experience and productivity. We are also in process of digitizing all campus infrastructure like HVAC, CCTV, pumps, water level controllers, elevators, power meters, D.G sets, access control etc. and bringing real time insights on our campus platform.

Next year, we aim to focus on setting up Digital Labs and a Centre of Excellence (CoE) that will showcase transformational use cases using digital technologies. The CoE would enable our

customers to co-innovate with us using the lab infrastructure. We have realized the important role of digital technology on every business unit / function and our customers. We are focusing on creating 'Think Digital' culture and initiating steps towards propagation of digital skills across the organization.

Research and Development (R&D) Activity

We have received an "Order of Merit" Award at the Businessworld Smart Cities Conclave & Awards for its Intelligent Transport System - A solution that enables higher ridership in buses by making it safer, smarter and more efficient. Businessworld Smart Cities Conclave & Awards is a platform that recognizes the solutions that address problems posed by rapid urbanization in the domain of transportation for the cities.

KPIT's innovative and indigenous electric bus technology - Revolo was featured in the UN 'Energy Grant' list.

KPIT was nominated among 8 finalists from 157 international applicants for the prestigious 2016 UN-DESA (United Nations Department of Economic and Social Affairs) Grant on Energy, themed around 'Energy for Sustainable Transport.' KPIT was recognized with a 'Certificate of Appreciation' for its indigenous electric bus technology — Revolo — that enables clean urban mobility.

KPIT was invited to the United Nations HQ in New York, on December 14, 2016, for a special event organized by the secretariat entity.

We bagged the 'Promising Transport Innovation Award' at the International Transport Forum (ITF) 2016 Summit in Leipzig, Germany. KPIT won the award for its technology 'REVOLO' that enables clean urban mobility.

The ITF Promising Transport Innovation Award recognizes innovations that have the potential to significantly improve the quality, performance, user experience, accessibility, sustainability or inter-modality of the transport. It is instituted by ITF, an inter-governmental organization which acts as a think tank for transport policy with 57 member nations.

REVOLO is a versatile system, designed to work across different bus formats. The key components of the system are lithium ion batteries, electric motors, a power transmission unit and smart electronic control units. The Smart Electric buses have multiple features like Intelligent Transport Systems, Mobile Phone App for journey planning and ticketing, Wi-Fi Infotainment etc. which provide a superior ride experience that can help encourage adoption of public transport.

The total amount spent on R & D activities is given below:

R & D expenses for the year ended March 31, 2017

Particulars	Amount (₹ in million)	Key Project Details
Expensed in the statement of Profit and Loss (Refer Note 1)	188.53	Solar, Bus_Program (HEV), ITS Eng, Innovation
Capital work-in-progress	230.22	ADAS, Autosar, K-SAR, BUS, CREST, Powertrain
Assets capitalized during the year	38.69	
Total	457.44	

Notes:

1. Out of total R & D expenditure of ₹ 188.53 million, eligible R & D revenue expenditure under Section 35(2AB) of the Income Tax Act, 1961, for the Company is ₹ 125.61 million.

A separate section on R & D activities forms a part of this Annual Report.

Foreign Exchange Earnings and Outgo

Given the global nature of the business of the Company, exports always form its thrust. Total foreign exchange earnings during the year have been ₹ 9,586.28 million (previous year ₹ 9,900.37 million) and foreign exchange outgo (including imports) has been ₹ 324.53 million (previous year ₹ 688.24 million).

Board Meetings

Six meetings of the Board of Directors were held during the year. More details about the meetings are available in the Report on Corporate Governance, which forms a part of this Annual Report.

Committees of Board

The details regarding Committees of the Board of Directors of the Company are given in the report on Corporate Governance, which forms a part of this Annual Report.

Independence of the Board

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors and on evaluation of the

relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act:

1. Ms. Lila Poonawalla
2. Dr. R. A. Mashelkar
3. Mr. Adi Engineer
4. Prof. Alberto Sangiovanni Vincentelli
5. Mr. Anant Talaulicar

Company's Policy on Directors' appointment and remuneration

Pursuant to the provisions of Section 134(3)(e) of the Act, the policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is annexed to this Report as "Annexure 5".

Particulars of loans, guarantees or investments under Section 186 of the Act

Particulars of loans, guarantees or investments made during the year under review, pursuant to the provisions of Section 186 of the Act are as below:

Sr. No.	Name of the subsidiary	Nature of transaction	Duration	Rate of Interest (%)	Amount (₹ in million)	Purpose
1	KPIT Technologies (UK) Limited	Guarantee	Till April 30, 2017	NA	80.88	For setting up the credit facilities
2	Impact Automotive Solutions Limited	Acquisition	NA	NA	500.10	Equity infusion



Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act

Pursuant to the provisions of Section 134(3)(h) of the Act, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, is annexed to this Report as "Annexure 6".

Material changes and commitments affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Risk Management Policy

A mechanism to identify, assess, monitor and mitigate various risks to key business objectives of the Company is in place. A write-up on Enterprise Risk Management is included in this Annual Report.

Internal Control Systems and Adequacy of Internal Financial Controls

The internal control systems of the Company are adequate considering the nature of its business, size and complexity. The Statutory Auditors as well as the Internal Auditors of the Company review the same on periodical basis. Further, significant observations, if any, and action taken reports on the same are considered by Audit Committee at their meeting.

The Act has made it mandatory for the Directors in their Responsibility Statement in the Board's Report to state that "the directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating "effectively". The above statement has to be affirmed to by the Statutory Auditors in their Audit Report.

As per explanation provided to Section 134(5)(e) of the Act, "internal financial controls" means "the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information".

Components of internal control define internal control over financial reporting as a process designed by, or under the

supervision of CEO and CFO office and effected and approved by the Board of Directors and management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standard (IND-AS) and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IND-AS and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Audit Committee Recommendations

During the year, all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as mentioned in the Report on Corporate Governance, which forms a part of this Annual Report.

Corporate Social Responsibility (CSR)

The Policy on Corporate Social Responsibility of the Company and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this Report as "Annexure 7".

Formal Annual Evaluation by the Board

A separate meeting of the Independent Directors of the Company was held on February 17, 2017, in which a formal evaluation of performance of the Board, Committees and the individual Directors was carried out. The performance evaluation was conducted based on the criteria specified in the Act, Regulation 17 of the SEBI (LODR) Regulations, 2015 and Guidance Note on Board Evaluation issued by SEBI.

The feedback based on evaluation was discussed with the Chairman of the Board and given to the Directors.

Vigil mechanism

The Company has established a vigil mechanism as per Regulation 22 of the SEBI (LODR) Regulations, 2015 for Directors and employees to report their genuine concerns. The



details of the same are explained in the Report on Corporate Governance. The Policy on Vigil Mechanism may be accessed on the Company's website at the link: (<http://www.kpit.com/company/investors/corporate-governance>).

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as "Annexure 8".

Responsibility Statement of the Board of Directors

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that:

- i) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended March 31, 2017;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual financial statements have been prepared on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CEO& CFO Certification

Certificate by Mr. Kishor Patil, CEO & Managing Director and Mr. Anil Patwardhan, Chief Financial Officer, pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on April 26, 2017.

A copy of such certificate forms a part of the Report on Corporate Governance.

Acknowledgments

We take this opportunity to thank all the shareholders of the Company for their continued support.

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

We further thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, the Software Development Centers (SDCs) / Special Economic Zones (SEZs) – Navi Mumbai, Chennai, Bengaluru, Hyderabad, Noida, Pune and all other government agencies for their support and look forward for their continued support in future.

For and on behalf of the Board of Directors

Pune
April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO



Annexure 1 Form AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sr. No.	₹ in million except exchange rate)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	KPIT (Shanghai) Technology Co. Limited, China	KPIT Technologies France	KPIT Technologies (UK) Limited (Refer note 'f' below)	KPIT Info-systems Incorporated, USA	KPIT Technologies Netherlands B.V.	SYSTEME Computer Corporation, USA	KPIT Technologies GmbH, Germany (Refer note 'a' below)	Sparta Consulting Inc., USA (Refer note 'b' below)	Impact Automotive Solutions Limited	KPIT Info-systems ME FZE, UAE (Refer note 'g' below)	KPIT Solutions GmbH, Germany (Refer note 'e' below)	MicroFuzzy Industrie-Elektronik GmbH, Germany (Refer note 'e' below)	KPIT Technologies Solucoes Em Informatica Ltda., Brazil (Refer note 'c' below)	Microfuzzy KPIT Technologies LTDA, Brazil (Formerly SYSTIME Global Solutions LTDA, Brazil) (Refer note 'd' below)	KPIT Technologies Corporation, Canada (Refer note 'd' below)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Share capital	9.42	69.25	80.88	64.84	69.25	64.84	69.25	64.84	1.00	17.62	69.25	69.25	20.75	20.75	48.74
Reserves & surplus	132.85 (24.76)	6.92 172.90	826.26 262.11	3,612.15 (660.79)	34.62 46.81	7.13 779.50	640.06 149.93	331.01 201.63	1,000.00 (403.49)	20.89 77.45	1.73 44.72	1.77 65.61	83.46 (76.91)	0.02 13.30	0.00 359.76
Total assets (excluding 9 below)	172.94	109.61	1,917.60	8,057.58	151.08	1,727.57	1,527.50	2,847.46	992.27	330.96	211.05	345.92	72.95	18.00	628.29



(₹ in million except exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	KPIT (Shanghai) Software Technology Co. Limited, China	KPIT Technologies France	KPIT Technologies (UK) Limited (Refer note 'f' below)	KPIT Infosystems Incorporated, USA	KPIT Technologies Netherlands B.V.	SYSTIME Computer Corporation, USA	KPIT Technologies GmbH, Germany (Refer note 'a' below)	Sparta Consulting Inc., USA (Refer note 'b' below)	Impact Automotive Solutions Limited	KPIT Infosystems ME FZE, UAE (Refer note 'g' below)	KPIT Solutions GmbH, Germany (Refer note 'e' below)	MicroFuzzy Industrie-Elektronik GmbH, Germany (Refer note 'e' below)	KPIT Technologies Solucoes Em Informatica Ltda., Brazil (Refer note 'c' below)	Microfuzzy KPIT Technologies LTDA, Brazil (Refer note 'd' below)	KPIT Technologies Corporation, Canada (Refer note 'd' below)
Total liabilities (excluding 5 & 6 above)	64.85	(70.21)	829.23	5,106.22	69.65	940.94	737.51	2,314.82	395.76	232.62	164.60	278.89	66.40	4.68	268.53
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	0.35	-	-	-
Turnover	22.74 (10.00)	469.41 (13.15)	2,621.81 (78.28)	13,179.99 (86.67)	322.86 (19.82)	3,942.62 (42.30)	1,484.32 (397.94)	6,472.98 (477.38)	245.40 (91.01)	499.18 (159.13)	563.66 (6.71)	310.20 (4.52)	341.27 (82.07)	28.98 (5.51)	873.68 (56.98)
Provision for taxation	3.46 (13.46)	(3.03) (10.12)	16.01 (62.27)	217.65 (130.97)	4.23 (15.58)	28.44 (13.86)	14.76 (383.18)	- (477.38)	- (91.01)	(0.21) (159.34)	(0.53) (6.17)	2.94 (1.58)	(0.90) (81.17)	4.33 (9.84)	18.79 (38.19)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	19.23	-
% of share-holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	75%	100%	100%	100%

Notes :

- 100% owned by KPIT Technologies (UK) Limited
- 100% owned by KPIT Infosystems Incorporated, USA
- 99.99% owned by KPIT Infosystems Incorporated, USA
- 100% owned by SYSTIME Computer Corporation, USA
- 100% owned by KPIT Technologies GmbH, Germany
- Includes branch KPIT Technologies (UK) Limited Filial
- Include branches KPIT Infosystems ME FZE Australia branch and KPIT Infosystems ME FZE Korea Branch
- During the year, the Company has sold its stake in KPIT medini Technologies AG.



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Yantra Digital Services Private Limited*
1	Latest audited Balance Sheet date	March 31, 2017
2	Shares of associate / joint ventures held by the Company on the year end	Nil
	No.	
	Amount of investment in associates / joint venture	
	Extend of holding (%)	
3	Description of how there is significant influence	As per IND AS 28 para 5, if an entity holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. As Impact Automotive Solutions Limited (a wholly owned subsidiary of KPIT Technologies Limited) holds 50% share of Yantra Digital Services Private Limited, hence, significant influence is established.
4	Reason why the associate / joint venture is not consolidated	We follow equity method of accounting as per IND AS, hence, only share of profit or loss is considered.
5	Networth attributable to shareholding as per latest audited Balance Sheet	N.A.
6	Profit / (Loss) for the year	(₹ 2.57 million)
i	Considered in consolidation	(₹ 0.05 million)
ii	Not considered in consolidation	(₹ 2.52 million)

* Associate of Impact Automotive Solutions Limited. As of March 31, 2017, Impact Automotive Solutions Limited holds 50% equity interest in Yantra Digital Services Private Limited and exercises significant influence.

For and on behalf of the Board of Directors

Pune
April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
KPIT Technologies Limited
35 & 36, Rajiv Gandhi Infotech Park,
MIDC, Phase - I, Hinjawadi
Pune - 411057.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KPIT Technologies Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Information Technology Act, 2000.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the audit period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no event which had bearing on the Company's affairs.

Dr. K R Chandratre
FCS No. 1370, C P No: 5144

Place: Pune
Date: 26 April, 2017



Annexure 3(a)

Statement of employees covered under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Employee Name	Age (Yrs.)	Designation	Qualification	Experience (Yrs.)	Date of Joining	Remuneration received (₹ in million)	Particulars of previous employment
Part A: Particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than ₹ 1,02,00,000/- p.a. in aggregate.							
S.B. (Ravi) Pandit	67	Chairman & Group CEO	Chartered Accountant, CWA & MS (Management)	42	01-Apr-14	31.70	Kirtane & Pandit LLP, Chartered Accountants
Kishor Patil	55	CEO & Managing Director	Chartered Accountant	34	28-Dec-90	27.35	Kirtane & Pandit LLP, Chartered Accountants
Sachin Tikekar	49	Whole-time Director	MBA (Strategic Management & International Finance)	23	14-Sep-93	25.13	KPIT Infosystems Incorporated
Part B: Particulars of employees who were in employment for part of the financial year and are in receipt of remuneration of not less than ₹ 8,50,000/- p.m.							
Vishal Jain	41	Vice President	MBA	19	01-Jan-08	13.88	Fujitsu Consulting India Private Limited

Notes:

Remuneration comprises basic salary, allowances and taxable value of perquisites.

Remuneration does not include Company's contribution to provident fund and actuarial valuation of gratuity.

None of the above employees is related to any director of the Company.

The nature of employment is contractual in all the above cases.

None of the employees hold two percent or more of the paid up equity share capital of the Company.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**Top ten employees in terms of remuneration drawn during the year**

Employee Name	Age (Yrs.)	Designation	Qualification	Experience (Yrs.)	Date of Joining	Remuneration received (₹ in million)	Particulars of previous employment
S.B. (Ravi) Pandit	67	Chairman & Group CEO	Chartered Accountant, CWA & MS (Management)	42	1-Apr-14	31.70	Kirtane & Pandit LLP, Chartered Accountants
Kishor Patil	55	CEO & Managing Director	Chartered Accountant	33	28-Dec-90	27.35	Kirtane & Pandit LLP, Chartered Accountants
Sachin Tikekar	49	Whole-time Director	MBA (Strategic Management & International Finance)	23	14-Sep-93	25.13	KPIT Infosystems Incorporated
Abhishek Sinha	44	Chief People and Operations Officer	B.Tech	23	5-Nov-13	10.05	Infosys Limited
Anup Sable	48	EVP & CTO- CTO Team	B.E. (Mechanical)	29	17-Oct-94	9.51	The Automotive Research Association of India
Anil Patwardhan	58	Chief Financial Officer	Chartered Accountant	35	5-Oct-98	8.42	Praj Industries Limited
Nataraj N	47	Senior Vice President - Global Head SBU	Bachelor in Physics, Diploma in Engineering	26	6-May-15	8.11	Hexaware Technologies Private Limited
Rajesh Janwadkar	48	Senior Vice President - Global Head SBU	B.E. (Civil)	27	3-Sep-98	7.08	CG Smith Software Limited
Shrikrishna Patwardhan	55	Senior Vice President - CTO Team	M.Tech	27	1-Jan-90	6.65	Tata Consultancy Services
Hemant Pande	53	Senior Vice President - CTO Team	PHD (Computer Science)	27	8-Feb-16	6.18	e-Zest Solutions Limited

Notes:

Remuneration comprises basic salary, allowances and taxable value of perquisites.

Remuneration does not include Company's contribution to provident fund and actuarial valuation of gratuity.

None of the above employees is related to any director of the Company.

The nature of employment is contractual in all the above cases.

None of the employees hold two percent or more of the paid up equity share capital of the Company.

For and on behalf of the Board of Directors

Pune

April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO



Annexure 3(b)



The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Particulars	Disclosure	
i.	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mr. S. B. (Ravi) Pandit#	50.78
		Mr. Kishor Patil#	43.82
		Mr. Sachin Tikekar#	40.26
		Ms. Lila Poonawalla	3.58
		Dr. R. A. Mashelkar	2.96
		Mr. Adi Engineer	3.45
		Prof. Alberto Sangiovanni Vincentelli	4.25
		Mr. B V R Subbu	2.58
		#Remuneration does not include amount of Provident Fund. The Company decides the remuneration of its Managerial Personnel on the basis of Cost to Company (CTC), whereas, under the provisions of the Act, the managerial remuneration is calculated as per Income Tax Act, 1961. The reported figures looks higher or lower depending on the components of the CTC. The salaries of the all 3 Whole-time Directors are in close descending order.	
ii.	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mr. S. B. (Ravi) Pandit\$	118.82
		Mr. Kishor Patil\$	140.95
		Mr. Sachin Tikekar\$	102.30
		Ms. Lila Poonawalla	-33.93
		Dr. R. A. Mashelkar	-32.14
		Mr. Adi Engineer	-27.83
		Prof. Alberto Sangiovanni Vincentelli	-20.30
		Mr. B V R Subbu	-33.29
		Mr. Anil Patwardhan (CFO)	21.22
		Ms. Sneha Padve# (CS)	Not Applicable
\$ The Company decides the remuneration of its Managerial Personnel on the basis of CTC, whereas, under the provisions of the Act, the managerial remuneration is calculated as per Income Tax Act, 1961. The growth in the fixed salary for them during the year under reporting is around 15%. Actual remuneration includes VPI paid for H2 of previous year and H1 of current year.			
#Not applicable as figures for 2015 - 16 are for part of the year.			
iii.	The increase in the median remuneration of employees in the financial year	3.4%	
iv.	The number of permanent employees on the rolls of the Company	9,395 employees as on March 31, 2017.	
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase in salaries of employees other than Managerial Personnel is 5%	
		Average increase in the remuneration of Directors and other Key Managerial Personnel is 71.72%	
vi.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

For and on behalf of the Board of Directors

Pune
April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO



Annexure 4

Employee Stock Option Plans (ESOPs)

Disclosure as required under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2017

A. Summary of Status of ESOPs

The position of the existing scheme is summarized as under:-

Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
I. Details of the ESOPs					
1	Date of Shareholders' Approval	September 28, 2001	August 28, 2006	April 11, 2014	August 19, 2015
2	Total number of options approved [#]	7,546,265	13,683,562	1,000,000	2,500,000
3	Vesting Requirements	The options shall vest over a period of 1 to 3 years from the date of grant. End of Year 1 : 33% End of Year 2 : 33% End of Year 3 : 34%	The options shall vest over a period of 1 to 3 years from the date of grant. End of Year 1 : 30% End of Year 2 : 30% End of Year 3 : 40%	The options shall vest over a period of 1 to 3 years from the date of grant. End of Year 1 : 30% End of Year 2 : 30% End of Year 3 : 40%	The options shall vest over a period of 1 to 3 years from the date of grant. End of Year 1 : 30% End of Year 2 : 30% End of Year 3 : 40%
4	The Pricing Formula	Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options.	Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options.	The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- per option.	Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options.
5	Maximum term of Options granted (years)	a. For Vested Options : Maximum period of 3 years from the date of grants. b. For Exercise of Options : Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options : Maximum period of 3 years from the date of grants. b. For Exercise of Options : Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options : Maximum period of 3 years from the date of grants. b. For Exercise of Options : Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options : Maximum period of 3 years from the date of grants. b. For Exercise of Options : Maximum period of 5 years from the date of vesting of options granted.
6	Source of shares	These Schemes use both new issue of shares by the Company ("Primary Shares") as well as secondary acquisition of shares ("Secondary Shares") by the Trust as source of shares for implementation.			
7	Variation in terms of ESOP	NIL			

[#] The total number of options approved under each scheme has been adjusted for subsequent share splits and bonus issues for better understanding of the shareholders.

Sr. No	Particulars	ESOP 2004 Scheme		ESOP 2006 Scheme		ESOP 2014 Scheme		ESOP 2015 Scheme	
		No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
II. Option Movement during the year ended March 2017									
1	No. of Options Outstanding at the beginning of the year	324,988	70.60	5,176,953	91.83	155,000	2.00	1,051,500	103.70
2	Options Granted during the year	0	0.00	30,000	151.60	0	0.00	0	0.00
3	Options Forfeited / Surrendered during the year	6,904	70.60	252,179	102.21	0	0.00	86,350	103.70
4	Options Lapsed during the year	2,902	70.60	0	0.00	0	0.00	0	0.00
5	Options Exercised during the year	68,162	70.60	269,602	77.51	5,000	2.00	0	103.70
6	Total number of shares arising as a result of exercise of options	68,162	NA	269,602	NA	5,000	NA	0	NA
7	Money realised by exercise of options (₹)	4,812,237	NA	20,896,461	NA	10,000	NA	0	NA
8	Number of Options Outstanding at the end of the year	247,020	70.60	4,685,172	92.48	150,000	2.00	965,150	103.70
9	Number of Options vested and exercisable at the end of the year	247,020	70.60	2,994,772	85.61	68,000	2.00	290,700	103.70
Option Movement during the year ended March 2016									
1	No. of Options Outstanding at the beginning of the year	1,045,264	54.23	3,833,379	79.04	395,000	2.00	0	0.00
2	Options Granted during the year	0	0.00	2,827,500	104.66	60,000	2.00	1,091,000	103.70
3	Options Forfeited / Surrendered during the year	20,750	70.60	737,400	102.37	300,000	2.00	39,500	103.70
4	Options Lapsed during the year	428,320	30.66	-5,800	37.53	0	0.00	0	0.00
5	Options Exercised during the year	271,206	70.60	752,326	64.11	0	0.00	0	0.00
6	Total number of shares arising as a result of exercise of options	271,206	NA	752,326	NA	0	NA	0	NA
7	Money realised by exercise of options (₹)	17,398,664	NA	65,657,667	NA	10,000	NA	0	NA
8	Number of Options Outstanding at the end of the year	324,988	70.60	5,176,953	91.83	155,000	2.00	1,051,500	103.70
9	Number of Options exercisable at the end of the year	324,988	70.60	2,504,953	79.27	25,000	2.00	0	0.00



Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
III	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20				
	Method of Accounting			11.94	

Fair Value Method in accordance with Ind-AS 102 : Share based payment

Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
IV	Weighted Average Fair Value of Options granted during the year ended March 2017 whose:				
(a)	Exercise price equals market price	0.00	59.36	0.00	0.00
(b)	Exercise price is greater than market price	0.00	0.00	0.00	0.00
(c)	Exercise price is less than market price	0.00	0.00	0.00	0.00
	Weighted Average Fair Value of Options granted during the year ended March 2016 whose:				
(a)	Exercise price equals market price	0.00	40.50	0.00	40.17
(b)	Exercise price is greater than market price	0.00	0.00	0.00	0.00
(c)	Exercise price is less than market price	0.00	0.00	132.80	0.00

Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
V	The Weighted Average Market Price of Options exercised during the year ended March 2017	148	143	164.65	Nil
	The Weighted Average Market Price of Options exercised during the year ended March 2016	114.07	119.19	Nil	Nil

Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
VI	Employee-wise details of options granted during the financial year 2016-17 to:				
(i)	Senior managerial personnel				

Name of employee	No. of Options granted	Exercise Price (₹)	No. of Options granted	Exercise Price (₹)	No. of Options granted	Exercise Price (₹)
Hemant Pande	Nil	151.6	30000	Nil	Nil	Nil

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name of employee	No. of Options granted	No. of Options granted	No. of Options granted
None of the employees were granted more than 5% or more of the options granted during the year			

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

Name of employee	No. of Options granted	No. of Options granted	No. of Options granted
None of the employees were granted more than 1% of the issued capital of the Company at the time of grant during the year			



Sr. No.	Particulars	ESOP 2004 Scheme	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme
---------	-------------	------------------	------------------	------------------	------------------

VII Method and Assumptions used to estimate the fair value of options granted during the year ended March 2017:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	Weighted Average	Weighted Average	Weighted Average	Weighted Average
1. Risk Free Interest Rate	0.00	7.29	0.00	0.00
2. Expected Life (in years)	0.00	3.76	0.00	0.00
3. Expected Volatility	0.00	42.50	0.00	0.00
4. Dividend Yield	0.00	0.73	0.00	0.00
5. Exercise Price	0.00	151.60	0.00	0.00
6. Price of the underlying share in market at the time of the option grant (₹)	0.00	151.60	0.00	0.00

Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VIII Effect of share-based payment transactions on the entity's Profit or Loss for the period:

Sr. No.	Particulars	31-Mar-17	31-Mar-16
1	Employee Option Plan expense	58.43	53.74
2	Total liability at the end of the period	168.76	110.33

IX Details related to Trust

The details in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are:

i) General Information of the Scheme			
Particulars	Details		
	Name of the Trust	KPIIT Technologies Employees Welfare Trust	
Details of the Trustee(s)	Sr. No.	Name	Address
		1	Mr. Shriharsh Ghate
	2	Mr. Sudheer Tilloo	Amit Blossom, 12th Lane, Prabhat Road, Pune - 411004.
	3	Mr. Suhas Deshpande	101, Bhosale Saptasur Apts, Plot N-61/62, Bhosale Nagar, Pune - 411007.
Amount of loan disbursed by company / any company in the group, during the year			NIL
Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year			₹ 445,886,565/-
Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee			NIL
Any other contribution made			NIL
ii) Brief details of transactions in shares by the Trust			
Particulars	Details		
Number of shares held at the beginning of the year			9,672,408
Number of shares acquired during the year through:			
Primary issuance			NIL
Secondary acquisition			NIL
Percentage of paid up equity capital as at the end of the previous financial year			NIL



Number of shares transferred to the employees / sold along with the purpose thereof	Number of shares transferred to the employees / sold during the year	Purpose for transfer of shares to the employees / sold during the year
	367064	KPIT Technologies Employee Welfare Trust ("Trust"), is a trust formed for employee welfare activities, which includes, administration of our Company's Employee Stock Option Plan ("ESOP") Schemes. As part of its operations, the Trust is allotted shares by the Company or it acquires shares from open market and the Trust, in turn, sells such shares in the course of administration of the ESOP schemes. The holding of shares and the sale of shares by the Trust, is done on behalf of the employees.
Number of shares held at the end of the year	9,305,344	

iii) In case of secondary acquisition of shares by the Trust

Particulars	Number of shares	As a percentage of paid-up equity capital as at March 31, 2015 (the end of the year immediately preceding the year in which shareholders' approval was obtained.)
Held at the beginning of the year	8,664,836	4.41
Acquired during the year	NIL	0.00
Sold during the year	NIL	0.00
Transferred to the employees during the year	244,540	0.12
Held at the end of the year	8,420,296	4.28



Nomination and Remuneration Policy

Objective

The Nomination and Remuneration (HR) Committee of **KPIT Technologies Limited** (“Company”) will be a Board Committee and shall broadly play a dual role of

- Identifying potential candidates for becoming members of the Board and determining the composition of the Board based on the need and requirements of the Company from time to time to bring out diversity in the Board and also identify persons to be recruited in the senior management of the Company and;
- Ensuring the Companies compensation packages and other human resource practices are effective in maintaining a competent workforce and make recommendations relating to compensation of the Managing Director, Whole-time Directors and the senior management of the Company from time to time.

Constitution

The Committee shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent Directors, the Chairperson being an Independent Director. The Chairperson of the Company (whether or not a Non-Executive Director) may be a member of the Committee but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorised by him shall attend the general meetings of the Company. The Committee may meet, convene and conduct Committee meetings through video conferencing or audio visual means, as may be provided by the Company.

Meaning of Terms Used

- “Act” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- “Board” refers to Board of Directors of KPIT Technologies Limited.
- “Company” refers to KPIT Technologies Limited pursuant to this Policy.
- “Rules” means Companies (Meetings of Board) Rules, 2014 including any modifications or amendments thereof.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

Role and Responsibilities

The role and responsibility of the Committee shall be to undertake specific duties listed below and it will have the

authority to undertake such other specific duties as the Board prescribes from time to time. The below mentioned roles and responsibilities are derived from the terms of reference of the Committee as determined and approved by the Board.

Specific responsibilities of the Committee include:

1. Criteria for appointment as a Director

The Committee shall formulate criteria for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company. The criteria to be formulated will be beneficial to the Company and also take into consideration the qualities and expertise essential for the Company to operate going forward in a changing business environment. The Committee shall develop and recommend to the Board for its approval, criteria to be considered for nomination / appointment of a Director.

2. Identification and nomination of persons who are qualified to be Directors

The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive. The existing Directors who continue to satisfy the Criteria may also be considered by the Committee for re-appointment.

The Committee on satisfaction of a potential candidate meeting the Criteria and having completed the identification and selection process, will recommend such persons’ candidature to the Board for appointment as a Non-Executive Director or Independent Director or Executive Director, as the case may be.

The Committee may recommend the candidates to the Board when:

- Any vacancy in the Board is required to be filled due to retirement or resignation or
- Any vacancy arises out of annual Board performance evaluation or
- Any vacancy arises as a result of end of tenure in accordance with the Act, Rules and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or
- Any change is required in the Board on account of diversity
- Any change is required by law



3. Approval of criteria, identification of persons and nomination of candidates required for senior management positions

The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, Chief Financial Officer and Company Secretary and members of the Executive Council of the Company. The Committee shall play a consultative role to Board and make recommendations to the Board regarding the appointments, removal and changes to the senior management positions of the Company.

4. Evaluation of the performance of the Board

The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose.

The Committee may evaluate the directors on following factors:-

- a) Attendance at Board meetings and Board Committee meetings,
- b) Chairmanship of the Board and Board Committees,
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings,
- d) Guidance and support provided to senior management of the Company outside the Board meetings,
- e) Independence of behaviour and judgment and
- f) Impact and influence.

5. Compensation and evaluate the performance of the Managing Director and / or Whole-time Director and the Executive Director

The Committee shall recommend to the Board the compensation package of the Managing Director, Whole-time Director/s and Executive Director/s on evaluation of performance in light of the short term and long term goals of the Company and overall performance of the Company. The Committee shall also ensure that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders interests, with industry standards and have an adequate balance between fixed and variable component.

6. Compensation of Senior Management

The Committee shall evaluate the performance of the senior management of the Company, i.e. the members of the Executive Council of the Company, as presented by the Managing Director & CEO. The Committee shall also provide an overview of the remuneration payable to Key Managerial Persons as defined under the Act and senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

7. Commission to the Non-Executive Directors

The Committee shall determine the Commission payable to the Non-Executive Directors after taking into account their contribution and participation as chairman / member to the decision making at meetings of the Board / Committees well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

Powers Of The Committee

The Committee shall have inter-alia following powers:

- Conduct studies or authorise studies of issues within the scope of the Committee and will have access to necessary books, records, facilities and personnel of the Company.
- Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company.
- Delegate its powers or form sub-committees to perform any of its functions or role under this Policy, subject to approval of the Board.

Meetings

The Committee shall meet at such frequency as it may deem appropriate. Minutes of the meeting shall be circulated to the Committee. The Committee shall report to the Board regarding its actions and make necessary recommendations to the Board. The Committee shall be governed by the same rules regarding meetings as are applicable to the Board.

Minutes

The Committee will maintain written minutes of its meetings, including formal telephonic meetings, which will be filed with the minutes of the meetings of the Board.



Annexure 6



Form AOC - 2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
KPIT Infosystems Incorporated (KPIT US) [Wholly Owned Subsidiary of KPIT Technologies Limited (KPIT India)]	Contract for providing off-shore software development and consultancy services to KPIT US	Contract shall be effective from April 1, 2016 and shall remain valid until terminated by either party by giving 45 days' notice to other party.	- KPIT India will carry out the software development and consultancy work as per the requirements of KPIT US; - KPIT US will pay to KPIT India 95% of the fees that is due to KPIT US, under its contract with the end customer for provision of such services.	Not required. Contract was entered in ordinary course of business and therefore approval by the Board was not required.	Nil

For and behalf of the Board of Directors

Pune
April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO



Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has a strong social commitment to the community we live in. We fulfill this commitment both by employee participation and financial contribution. We seek to focus on a few areas of social initiatives, where we believe, through technology, our speed of innovation and employee participation, we can add significant value to our community world-wide. (<http://www.kpit.com/company/investors/corporate-governance>).

During the year, the Company has undertaken following projects:

- 1) Water Conservation Program
 - 2) Afforestation Program
 - 3) Zero Garbage Project
 - 4) Chhote Scientists
 - 5) Teach for India
 - 6) Smart India HACKATHON
 - 7) Sparkle
2. The composition of the CSR Committee: The Committee consists of three members including an Independent Director as below:

Sr. No.	Name of the Committee Member	Nature of Directorship in the Company
1	Mr. S.B. (Ravi) Pandit (Chairman)	Whole-time Director
2	Mr. Sachin Tikekar (Member)	Whole-time Director
3	Mr. Adi Engineer (Member)	Independent Director

3. Average net profit of the Company for the last three financial years: ₹ 2,320,967,146/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 46,419,343/-
5. Details of CSR spent during the financial year are included in Notes to Accounts in Standalone Financial Statements (Refer note 45.1). The total amount spent referred in the annexure below includes direct spend of ₹ 25,609,417/- and employee participation cost of ₹ 27,184,949/-

Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget)project or program wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Water Conservation Program	Environmental sustainability	Pune (Maharashtra)	4,500,000	4,336,724	4,336,724	Agency: Jnana Prabodhini
2	Afforestation at Nelamangala	Environmental sustainability	Bangalore (Karnataka)	200,000	421,613	421,613	Agency: Youth for Seva



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget)project or program wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Shivanahalli Tree Plantation & Maintenance Project	Environmental sustainability	Bangalore (Karnataka)	300,000	222,873	222,873	Agency: Youth for Seva
4	Cementing Nala Band Construction in Shelgaon Village	Environmental sustainability	Osmanabad (Maharashtra)	200,000	200,000	200,000	Agency: RSGS
5	Zero Garbage Project	Ecological balance	Pune (Maharashtra)	1,700,000	1,706,128	1,706,128	Agency: Janwani
6	Environment Week	Ecological balance	Pune (Maharashtra)	3,900,000	3,855,035	3,855,035	Direct
7	Conservation of private forests in Koyna-Chandoli Corridor	Ecological balance	Pune (Maharashtra)	1,200,000	1,162,396	1,162,396	Agency: Wildlife Research Conservation Society
8	Afforestation at Mamnoli & Titwala	Ecological balance	Thane (Maharashtra)	500,000	500,000	500,000	Agency: Paryavaran Dakshata Mandal
9	Green Rameshwaram	Ecological balance	Rameshwaram (Tamilnadu)	200,000	200,000	200,000	Agency: Paryavaran Dakshata Mandal
10	Chhote Scientists	Promoting education	Pune (Maharashtra)	18,200,000	18,279,826	18,279,826	Agency: Jnana Prabodhini
11	Teaching Classes at Thayimane, Bangalore	Promoting education	Bangalore (Karnataka)	1,500,000	1,474,893	1,474,893	Agency: Shri Vidya Vikas Kendra
12	Teach For India	Promoting education	Pune (Maharashtra)	500,000	500,000	500,000	Agency: Teach for India
13	Lila Poonawalla Girls Education Program	Promoting education & women empowerment	Pune (Maharashtra)	750,000	750,000	750,000	Agency: Lila Poonawalla Foundation
14	School Kit Drive	Promoting education	Pune (Maharashtra) & Bangalore (Karnataka)	800,000	763,610	763,610	Agency: Seva Sahayog
15	Sparkle	Promoting education	Pune (Maharashtra)	12,200,000	12,196,112	12,196,112	Direct
16	Innovation Contest by Dewang Mehta Foundation Trust	Promoting education	Pune (Maharashtra)	500,000	502,500	502,500	Agency: Dewang Mehta Foundation Trust
17	Smart India HACKATHON 2017	Promoting education	Pune (Maharashtra)	1,600,000	1,552,000	1,552,000	Agency: Inter Institutional Inclusive Innovations Centre (I4C)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget)project or program wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
18	Vidya Poshak Susnadhi Project	Promoting education	Hubli & Dharwad (Karnataka)	500,000	500,000	500,000	Agency: Vidya Poshak
19	Girls Education Program for NYSASDRI	Promoting education	Rayagada (Orissa)	100,000	50,000	50,000	Agency: NYSASDRI
20	Surajya Sarwangan Vikas Prakalpa	Promoting education	Pune (Maharashtra)	50,000	50,000	50,000	Agency: Surajya Sarwangan Vikas Prakalpa
21	Navkshitij	Special education for differently abled	Pune (Maharashtra)	50,000	240,656	240,656	Agency: Navkshitij
22	Rashtra Gaurav Samrakshana Pratishthan	Promoting education	Bangalore (Karnataka)	30,000	30,000	30,000	Agency: Rashtra Gaurav Samrakshana Pratishthan
23	Donation to MSLTA	Training to promote Olympic Sports	Pune (Maharashtra)	3,300,000	3,300,000	3,300,000	Agency: MSLTA (Maharashtra State Lawn Tennis Association)
TOTAL				52,780,000	52,794,366	52,794,366	

6. We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives and CSR policy.

For and on behalf of the Board of Directors

Pune
April 26, 2017

S.B. (Ravi) Pandit
Chairman of CSR Committee

Kishor Patil
CEO & Managing Director



Form No. MGT-9

Extract of Annual Return

as on the financial year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L72200PN1990PLC059594
ii)	Registration Date:-	December 28, 1990
iii)	Name of the Company:-	KPIT Technologies Limited
iv)	Category / Sub-Category of the Company:-	Public Company / Limited by shares
v)	Address of the Registered office and contact details:-	35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjawadi, Pune – 411057, Maharashtra, India. Telephone:- +91-20-6652 5000 Fax:- +91-20-6652 5001
vi)	Whether listed company:-	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	Link Intime India Private Limited Block No. 202, 2 nd Floor, Akshay Complex, Off Dhole Patil Road, Pune – 411001. Telephone:- +91-20-2616 0084 / 2616 1629 Fax:- +91-20-2616 3503

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Computer programming, consultancy and related activities	62011	98.12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of the shares held	Applicable Section
1	Impact Automotive Solutions Limited 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057, Maharashtra, India.	U35923PN2010PLC137191	Subsidiary	100	2(87)(ii)
2	KPIT Technologies (UK) Limited Ground Floor, The Annexe Hurst Grove, Sandford Lane, Hurst, Berkshire RG10 0SQ, UK.	N.A.	Subsidiary	100	2(87)(ii)
3	KPIT Technologies France 10 Avenue Franklin D Roosevelt 75008, Paris, France.	N.A.	Subsidiary	100	2(87)(ii)
4	KPIT Technologies GmbH Adams-Lehmann-Straße 109, Germany.	N.A.	Subsidiary	100	2(87)(ii)

Sr. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of the shares held	Applicable Section
5	KPIT Technologies Netherlands B.V. Westerdoksdiik 423, 1013 BX, Amsterdam, The Netherlands.	N.A.	Subsidiary	100	2(87)(ii)
6	KPIT Infosystems Incorporated 379, Thornall Street, Edison, NJ 08837, USA.	N.A.	Subsidiary	100	2(87)(ii)
7	KPIT Technologies Corporation 8120-128 Street, Surrey BC V3W 1R1, Canada.	N.A.	Subsidiary	100	2(87)(ii)
8	Systime Computer Corporation 379, Thornall Street, Edison, NJ 08837, USA.	N.A.	Subsidiary	100	2(87)(ii)
9	KPIT Technologies Soluções em Informática Ltda. Av. Angélica, 1920 – 2º andar – Consolação CEP 01228-200 – São Paulo / SP- Brasil	N.A.	Subsidiary	100	2(87)(ii)
10	MicroFuzzy KPIT Tecnologia LTDA, (Formerly Systime Global Solutions Ltda) Rua James Watt, 84 – 8º andar – Jardim Edith. CEP 04576-050 – São Paulo / SP – Brasil.	N.A.	Subsidiary	100	2(87)(ii)
11	Sparta Consulting Inc. 111, Woodmere Road, Suite 200, Folsom, California 95630, USA.	N.A.	Subsidiary	100	2(87)(ii)
12	KPIT (Shanghai) Software Technology Co., Limited. 1603-1604, Tower B, Central Towers, 567 Langao Road, Shanghai 200333, PRC.	N.A.	Subsidiary	100	2(87)(ii)
13	KPIT Infosystems ME FZE Dubai Airport Free Zone Area, West Wing 2, Office 2W113, P.O. Box: 54931, Dubai, UAE.	N.A.	Subsidiary	100	2(87)(ii)
14	KPIT Solutions GmbH Detmolder Straße 235, 33605, Bielefeld, Germany.	N.A.	Subsidiary	100	2(87)(ii)
15	MicroFuzzy Industrie-Elektronik GmbH Taurusstr. 38 80807 Munich Germany.	N.A.	Subsidiary	75	2(87)(ii)



IV. SHARE HOLDING PATTERN

i) Category-wise shareholding

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	PROMOTERS									
(1)	INDIAN									
a	Individual / HUF	8,640,430	-	8,640,430	4.37	8,440,430	-	8,440,430	4.27	(0.10)
b	Central Government	-	-	-	-	-	-	-	-	-
c	State Government(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	24,535,240	-	24,535,240	12.42	28,910,692	-	28,910,692	14.64	2.22
e	Bank & FII	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	33,175,670	-	33,175,670	16.80	37,351,122	-	37,351,122	18.91	2.12
(2)	FOREIGN									
a	NRIs - Individuals	40,000	-	40,000	0.02	40,000	-	40,000	0.02	-
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks & FII	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	40,000	-	40,000	0.02	40,000	-	40,000	0.02	-
	TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A)(2)	33,215,670	-	33,215,670	16.82	37,391,122	-	37,391,122	18.93	2.11
B	PUBLIC SHAREHOLDING									
(1)	Institutions									
a	Mutual Funds	2,896,565	12,000	2,908,565	1.47	2,237,428	12,000	2,249,428	1.14	(0.33)
b	Banks / FI	421,634	2,000	423,634	0.21	193,846	2,000	195,846	0.10	(0.11)
c	Central Government	-	-	-	-	-	-	-	-	-
d	State Government(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	52,032,299	-	52,032,299	26.35	25,555,066	-	25,555,066	12.94	(13.41)
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others									
(i)	Foreign Portfolio Investor (Corporate)	44,219,764	-	44,219,764	22.39	76,450,920	-	76,450,920	38.71	16.32
(ii)	Foreign Mutual Fund	2,352,178	-	2,352,178	1.19	2,795,318	-	2,795,318	1.42	0.23
	Sub-Total (B)(1)	101,922,440	14,000	101,936,440	51.61	107,232,578	14,000	107,246,578	54.30	2.69

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2)	Non-Institutions									
a	Bodies Corporate									
i	Indian	4,541,594	24,000	4,565,594	2.31	3,883,711	22,000	3,905,711	1.98	(0.33)
ii	Overseas	12,857,357	-	12,857,357	6.51	7,776,000	-	7,776,000	3.94	(2.57)
b	Individuals									
i	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	23,166,546	629,237	23,795,783	12.05	21,400,893	605,237	22,006,130	11.14	(0.91)
ii	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	6,383,605	90,000	6,473,605	3.28	4,907,818	90,000	4,997,818	2.53	(0.75)
c	Others									
i	Clearing Members	397,221	-	397,221	0.20	825,561	-	825,561	0.42	0.22
ii	Market Maker	26,482	-	26,482	0.01	20,785	-	20,785	0.01	-
iii	Non Resident Indians	2,715,698	-	2,715,698	1.38	2,585,808	-	2,585,808	1.31	(0.07)
iv	Friends & Associates	106,420	434,000	540,420	0.27	106,420	434,000	540,420	0.27	-
v	Foreign Nationals	440,698	-	440,698	0.22	201,446	-	201,446	0.10	(0.12)
vi	Hindu Undivided Families	755,810	-	755,810	0.38	696,019	-	696,019	0.35	(0.03)
vii	Trusts	105,556	-	105,556	0.05	-	-	-	-	(0.05)
	Sub-Total (B)(2)	51,496,987	1,177,237	52,674,224	26.67	42,404,461	1,151,237	43,555,698	22.05	(4.62)
	Total Public Shareholding (B) = (B)(1) + (B)(2)	153,419,427	1,191,237	154,610,664	78.28	149,637,039	1,165,237	150,802,276	76.36	(1.93)
C	SHARES HELD BY CUSTODIAN FOR ADRs AND GDRs	-	-	-	-	-	-	-	-	-
D	Non Promoter-Non Public (KPIT Technologies Employees Welfare Trust)	9,672,408	-	9,672,408	4.90	9,305,344	-	9,305,344	4.71	(0.19)
	GRAND TOTAL (A+B+C+D)	196,307,505	1,191,237	197,498,742	100	196,333,505	1,165,237	197,498,742	100	-



ii) Shareholding of Promoters

Sr. No.	Shareholder Name	Shareholding at the beginning of the year				Shareholding at the End of the year				% change in shareholding during the year
		No. of shares	% of total shares of the Company	No. of shares pledged	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	No. of shares pledged	% of shares pledged / encumbered to total shares	
1	Mr. S. B. (Ravi) Pandit	430,500	0.22	-	-	430,500	0.22	-	-	-
2	Ms. Nirmala Pandit	235,000	0.12	-	-	235,000	0.12	-	-	-
3	Mr. Chinmay Pandit	38,620	0.02	-	-	38,620	0.02	-	-	-
4	Ms. Prachi Pandit	4,000	0.00	-	-	4,000	0.00	-	-	-
5	Mr. Kishor Patil	2,989,080	1.51	1,950,000	0.99	2,989,080	1.51	2,300,000	1.16	-
6	Ms. Anupama Patil	122,330	0.06	-	-	122,330	0.06	-	-	-
7	Mr. Shrikrishna Patwardhan	1,100,000	0.56	-	-	1,100,000	0.56	-	-	-
8	Mr. Ajay Bhagwat	2,636,800	1.34	-	-	2,636,800	1.34	-	-	-
9	Ms. Ashwini Bhagwat jointly held with Mr. Ajay Bhagwat	43,300	0.02	-	-	43,300	0.02	-	-	-
10	Mr. Sachin Tikekar	1,003,800	0.51	-	-	803,800	0.41	-	-	(0.10)
11	Ms. Saroj Tikekar jointly with Mr. Sachin Tikekar	37,000	0.02	-	-	37,000	0.02	-	-	-
12	Proficient Finstock LLP	24,234,330	12.27	3,350,303	1.70	28,609,782	14.49	14,305,555	7.24	2.22
13	K and P Management Services Private Limited	300,910	0.15	-	-	300,910	0.15	-	-	-
14	Ms. Hemlata Shende	40,000	0.02	-	-	40,000	0.02	-	-	-
	Total	33,215,670	16.82	5,300,303	2.69	37,391,122	18.93	16,605,555	8.40	2.12

iii) Change in Promoters' Shareholding

Sr. No.	For each of the Promoters	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. S. B. (Ravi) Pandit				
	At the beginning of the year	430,500	0.22	430,500	0.22
	Increase / Decrease during the year	-	-	430,500	0.22
	At the end of the year			430,500	0.22
2	Ms. Nirmala Pandit				
	At the beginning of the year	235,000	0.12	235,000	0.12
	Increase / Decrease during the year	-	-	235,000	0.12
	At the end of the year			235,000	0.12
3	Mr. Chinmay Pandit				
	At the beginning of the year	38,620	0.02	38,620	0.02
	Increase / Decrease during the year	-	-	38,620	0.02
	At the end of the year			38,620	0.02



Sr. No.	For each of the Promoters	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Ms. Prachi Pandit				
	At the beginning of the year	4,000	0.00	4,000	0.00
	Increase / Decrease during the year	-	-	4,000	0.00
	At the end of the year			4,000	0.00
5	Mr. Kishor Patil				
	At the beginning of the year	2,989,080	1.51	2,989,080	1.51
	Increase / Decrease during the year	-	-	2,989,080	1.51
	At the end of the year			2,989,080	1.51
6	Ms. Anupama Patil				
	At the beginning of the year	122,330	0.06	122,330	0.06
	Increase / Decrease during the year	-	-	122,330	0.06
	At the end of the year			122,330	0.06
7	Mr. Shrikrishna Patwardhan				
	At the beginning of the year	1,100,000	0.56	1,100,000	0.56
	Increase / Decrease during the year	-	-	1,100,000	0.56
	At the end of the year			1,100,000	0.56
8	Mr. Ajay Bhagwat				
	At the beginning of the year	2,636,800	1.34	2,636,800	1.34
	Increase / Decrease during the year	-	-	2,636,800	1.34
	At the end of the year			2,636,800	1.34
9	Ms. Ashwini Bhagwat jointly held with Mr. Ajay Bhagwat				
	At the beginning of the year	43,300	0.02	43,300	0.02
	Increase / Decrease during the year	-	-	43,300	0.02
	At the end of the year			43,300	0.02
10	Mr. Sachin Tikekar				
	At the beginning of the year	1,003,800	0.51	1,003,800	0.51
	Increase / Decrease during the year:				
	Sale on June 7, 2016	(35,000)	(0.02)	968,800	0.49
	Sale on June 9, 2016	(95,000)	(0.05)	873,800	0.44
	Sale on June 10, 2016	(70,000)	(0.04)	803,800	0.41
	At the end of the year			803,800	0.41
11	Ms. Saroj Tikekar jointly with Mr. Sachin Tikekar				
	At the beginning of the year	37,000	0.02	37,000	0.02
	Increase / Decrease during the year	-	-	37,000	0.02
	At the end of the year			37,000	0.02



Sr. No.	For each of the Promoters	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	Proficient Finstock LLP				
	At the beginning of the year	24,234,330	12.27	24,234,330	12.27
	Increase / Decrease during the year:				
	Purchase on March 27, 2017	4,375,452	2.22	28,609,782	14.49
	At the end of the year			28,609,782	14.49
13	K and P Management Services Private Limited				
	At the beginning of the year	300,910	0.15	300,910	0.15
	Increase / Decrease during the year	-	-	300,910	0.15
	At the end of the year			300,910	0.15
14	Ms. Hemlata Shende				
	At the beginning of the year	40,000	0.02	40,000	0.02
	Increase / Decrease during the year	-	-	40,000	0.02
	At the end of the year			40,000	0.02

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Warhol Limited				
	At the beginning of the year	19,483,674	9.87	19,483,674	9.87
	Increase / Decrease during the year	-	-	19,483,674	9.87
	At the end of the year			19,483,674	9.87
2	KPIT Technologies Employees Welfare Trust				
	At the beginning of the year	9,672,408	4.90	9,672,408	4.90
	Increase / Decrease during the year	(367,064)	(0.19)	9,305,344	4.71
	At the end of the year			9,305,344	4.71
3	Fidelity Puritan Trust-Fidelity Low-priced Stock Fund				
	At the beginning of the year	9,000,000	4.56	9,000,000	4.56
	Increase / Decrease during the year	-	-	9,000,000	4.56
	At the end of the year			9,000,000	4.56
4	Van Dyck				
	At the beginning of the year	7,776,000	3.94	7,776,000	3.94
	Increase / Decrease during the year	-	-	7,776,000	3.94
	At the end of the year			7,776,000	3.94
5	New Horizon Opportunities Master Fund				
	At the beginning of the year	6,500,000	3.29	6,500,000	3.29
	Increase / Decrease during the year	-	-	6,500,000	3.29
	At the end of the year			6,500,000	3.29



Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Acacia Partners, LP				
	At the beginning of the year	6,123,274	3.10	6,123,274	3.10
	Increase / Decrease during the year	(1,323,274)	(0.67)	4,800,000	2.43
	At the end of the year			4,800,000	2.43
7	Smallcap World Fund, INC				
	At the beginning of the year	5,843,614	2.96	5,843,614	2.96
	Increase / Decrease during the year	(2,807,170)	(1.42)	3,036,444	1.54
	At the end of the year			3,036,444	1.54
8	CX Partners Fund 1 Limited#				
	At the beginning of the year	5,081,357	2.57	5,081,357	2.57
	Increase / Decrease during the year	(5,081,357)	(2.57)	-	-
	At the end of the year			-	-
9	Acacia Institutional Partners, LP				
	At the Beginning of the year	4,854,661	2.46	4,854,661	2.46
	Increase / Decrease during the year	(257,086)	(0.13)	4,597,575	2.33
	At the end of the year			4,597,575	2.33
10	Acacia Conservation Fund LP				
	At the beginning of the year	3,430,056	1.74	3,430,056	1.74
	Increase / Decrease during the year	-	-	3,430,056	1.74
	At the end of the year			3,430,056	1.74
11	Acacia Banyan Partners*				
	At the beginning of the year	2,757,184	1.40	2,757,184	1.40
	Increase / Decrease during the year	-	-	2,757,184	1.40
	At the end of the year			2,757,184	1.40

Ceased to be in the list of Top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2016.

* Not in the list of Top 10 shareholders as on April 1, 2016. The same has been reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2017.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. S. B. (Ravi) Pandit				
	At the beginning of the year	430,500	0.22	430,500	0.22
	Increase / Decrease during the year	-	-	430,500	0.22
	At the end of the year			430,500	0.22
2	Mr. Kishor Patil				
	At the beginning of the year	2,989,080	1.51	2,989,080	1.51
	Increase / Decrease during the year	-	-	2,989,080	1.51
	At the end of the year			2,989,080	1.51



Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. Sachin Tikekar				
	At the beginning of the year	1,003,800	0.51	1,003,800	0.51
	Increase / Decrease during the year:				
	Sale on June 7, 2016	(35,000)	(0.02)	968,800	0.49
	Sale on June 9, 2016	(95,000)	(0.05)	873,800	0.44
	Sale on June 10, 2016	(70,000)	(0.04)	803,800	0.41
	At the end of the year			803,800	0.41
4	Ms. Lila Poonawalla				
	At the beginning of the year	114,000	0.06	114,000	0.06
	Increase / Decrease during the year:				
	Allotment on November 10, 2016	16,000	0.01	130,000	0.07
At the end of the year			130,000	0.07	
5	Dr. R. A. Mashelkar				
	At the beginning of the year	56,000	0.03	56,000	0.03
	Increase / Decrease during the year	-	-	56,000	0.03
	At the end of the year			56,000	0.03
6	Mr. Sanjay Kukreja				
	At the beginning of the year	32,400	0.02	32,400	0.02
	Increase / Decrease during the year	-	-	32,400	0.02
	At the end of the year			32,400	0.02
7	Mr. Anil Patwardhan (Key Managerial Personnel – Chief Financial Officer)				
	At the beginning of the year	103,920	0.05	103,920	0.05
	Increase / Decrease during the year	-	-	103,920	0.05
	At the end of the year			103,920	0.05
8	Ms. Sneha Padve (Key Managerial Personnel - Company Secretary)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease during the year:				
	Purchase on August 4, 2016	10	0.00	10	0.00
	Purchase on August 10, 2016	50	0.00	60	0.00
	At the end of the year			60	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment is as follows:

(Amount in ₹ million)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,188.99	-	-	2,188.99
ii) Interest due but not paid	9.85	-	-	9.85
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii +iii)	2,198.84	-	-	2,198.84
Change in Indebtedness during the financial year #				
• Addition	1,283.06	12.23	-	1,295.29
• Reduction	-	-	-	-
Net Change	1,283.06	12.23	-	1,295.29
Indebtedness at the end of the financial year				
i) Principal Amount	3,473.59	11.97	-	3,485.56
ii) Interest due but not paid	1.29	0.27	-	1.56
iii) Interest accrued but not due	7.01	-	-	7.01
Total (i + ii + iii)	3,481.89	12.24	-	3,494.13

Change in indebtedness during the financial year is considered on net basis.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in ₹ million)

Sr. No.	Particulars of Remuneration*	Name of MD / WTD / Manager			Total
		Mr. S. B. (Ravi) Pandit	Mr. Kishor Patil	Mr. Sachin Tikekar**	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33.18	27.35	25.45	85.98
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.70	-	0.70
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others	-	-	-	-
	Total (A)	33.18	28.05	25.45	86.68
	Ceiling as per the Act	186.58 (being 10% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).			

* Remuneration figures reported are as per the provisions of the Income Tax Act, 1961, as required by the prescribed format and therefore, may differ from the remuneration figures reported under the provisions of the Companies Act, 2013, elsewhere in this Annual Report.

** Does not include USD 4,800 paid to Mr. Sachin Tikekar by KPIT Infosystems Incorporated, USA, during FY 2016-17.



B. Remuneration to other Directors:

(Amount in ₹ million)

Sr. No.	Particulars of Remuneration	Name of Directors					Total
		Ms. Lila Poonawalla	Dr. R. A. Mashelkar	Mr. Adi Engineer	Prof. Alberto Sangiovanni Vincentelli	Mr. Anant Talaulicar	
1	Independent Directors						
	• Fee for attending board / committee meetings	0.33	0.10	0.30	0.11	-	0.84
	• Commission	2.23	1.85	2.16	2.65	-	8.89
	• Others	-	-	-	-	-	-
	Total (1)	2.56	1.95	2.46	2.76	-	9.73
Sr. No.	Particulars of Remuneration	Mr. B V R Subbu		Mr. Sanjay Kukreja		Total	
2	Other Non-Executive Directors						
	• Fee for attending board / committee meetings			0.12		-	0.12
	• Commission			1.61		-	1.61
	• Others			-		-	-
	Total (2)			1.73		-	1.73
	Total (B) = (1+2)	11.46					
	Total Managerial Remuneration	98.14					
	Overall Ceiling as per the Act	205.24 (being 11% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹ million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Director	Company Secretary	Chief Financial Officer	
1	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.35	3.81	8.63	39.79
(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.70	-	-	0.70
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others	-	-	-	-
	Total	28.05	3.81	8.63	40.49



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
A.	COMPANY					
	Penalty			NIL		
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			NIL		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty			NIL		
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Pune
April 26, 2017

S. B. (Ravi) Pandit
Chairman & Group CEO



GLOBAL OUTLOOK

The year gone by, 2016, was another mixed year for global markets. There were several events which impacted economies all over the world for good and at the same time for bad. The year started on a sketchy note with risk assets selling off, oil falling to \$28 per barrel and growing investor concerns regarding China devaluing its currency. This was followed by UK voting to leave EU (Brexit) and Mr. Donald Trump winning the US presidential elections. However, the major impact of these economic and geopolitical changes would largely be felt during calendar 2017 and thus 2017 is not expected to be a big improvement on 2016.

On the technology front, the key disruptive trends for 2016 included augmented and virtual reality, artificial intelligence, data visualization, blockchain and crypto-tech and IoT. These trends are expected to mature further and become more prominent, going into the next year.

Augmented and virtual reality - Previously it was considered as a set of consumer gaming technologies, however the perception changed in 2016 with many companies searching for ways to make data accessible and easier to understand. The benefits of these technologies are not restricted to some specific industries but could be used across organizations and roles such as viewing digital dashboards for knowledge workers or providing a digital overlay that displays equipment health to a factory manager. Automotive manufacturers are also using AR / VR to improve product designs.

Artificial Intelligence (AI) - 2016 saw this technology evolving in a big manner and in 2017 it is expected to just get bigger. There is a significant increase in its investment and adoption by enterprises. As per a survey almost 38% of enterprises were using AI in 2016. This is expected to grow up to 62% by 2018. Another research has predicted the investments in AI to grow by more than 300% in 2017 as compared to 2016. It is expected that the market for AI will grow from \$8 billion in 2016 to \$47 billion in 2020. A lot of technological research is going on to make our machines better and over the next few years we could be approaching human level intelligence with these systems.

Data visualization - Regarding Big Data, one of the most important aspect is the ability to properly interpret and analyze the gathered data and draw meaningful conclusions. Many companies have sprung up to aggregate, project, visualize and interpret data on behalf of non-professional data analysts to make Big Data little more practical for businesses.

Blockchain - Blockchain is a specialized way of sending, receiving and processing information, which made it the ideal way to track the "crypto currency" of BitCoin. In 2017,

blockchain technology will be further developed and adopted by innovative manufacturing companies. This can prove to be a secure approach to creating more agile supply chains that can automatically negotiate and close new financial and supply-side partnership deals, ensure IP protection, provide trusted proof of product provenance and certification, and ratify material traceability and transparency.

IoT - As per popular estimates, the total IoT market size in 2015 was around \$900 million, growing up to \$3.7 billion by 2020 with CAGR of 32.6%. The IoT market is expected to grow from an installed base of 15.4 billion devices in 2015 to 30.7 billion devices in 2020. IoT has been well adapted across industries like manufacturing, distribution including asset management, logistics, supply chain management and marketing.

INDUSTRY GROWTH ESTIMATES

- Worldwide IT spending is projected to total \$3.5 trillion in 2017, a 1.4% increase from 2016.
- The enterprise software spending is estimated to reach \$351 billion in 2017 as compared to \$332 billion in 2016, a growth of 5.5%.
- The IT services spending is estimated to reach \$917 billion in 2017 against \$897 billion in 2016, a growth of 2.3%.

The growth in IT services will be driven by investments in digitalization, automation, artificial intelligence and optimization of services. However, there is an air of caution due to uncertain macro-economic circumstances.

The global technology industry saw a growth of 4% in 2016 with global IT-BPM market (excl hardware) at \$1.2 trillion in 2016. The sub-segment with fastest growth was packaged software which grew by 6.2%.

FY17 Outlook for Indian IT-BPM Industry

The industry is expected to grow around 8% in 2017 from \$143 billion in FY2016 to \$154 billion.

- The Indian IT-BPM exports is expected to grow by 7.6% to reach \$117 billion in FY2017.
- The IT-BPM domestic market is likely to grow by 8.5% to \$38 billion (excl eCommerce).

(Data Source: Gartner, NASSCOM, Industry Reports)

INDUSTRY TRENDS

Digital technology has taken over our focus industries, be it manufacturing, automotive or energy & utilities. The manufacturing industry has continued to push through the fourth industrial revolution known as Industry 4.0. New technologies like Cybersecurity, advanced materials, 3D printing, predictive analytics and collaborative robots were



some of the most commonly discussed topics within the industry during 2016. During CY2017, these technologies are expected to become more advanced.

As manufacturers adopted connectivity and became more dependent on digital infrastructure for their day-to-day operations, they also exposed themselves to new business risk in the form of cyber threats. There is a need to make these systems more secure as any such attack will bring the business to a standstill. Therefore, cyber security would be a crucial area of investment by manufacturers during 2017. 3D printing already soared high during last year and calendar 2017 could see its adoption on a large scale. New additive manufacturing systems and materials have made their way into manufacturers' facilities across the world. As the selection of materials continues to expand and the accuracy of these machines improve, industrial manufacturers are starting to realize the huge potential of this technology. It helps in the manufacturing operations by ensuring less materials and weight coupled with overall cost savings. Predictive analytics is another area wherein manufacturers are still in the early stages of adoption. This area could see a big uptick during calendar 2017. Through the entire network of connected machines, manufacturers can utilize predictive analytics to monitor and analyze their manufacturing processes. The software will analyze the data uploaded by the machine and immediately notify management or the maintenance staff of any potential disturbances, thereby reducing the probability of stoppage of work. It could be used to ensure timely maintenance of machines and equipments, with less troubleshooting, no stoppages and overall more efficiency. By adopting predictive analytics, manufacturers can do away with preventative maintenance schedules which greatly increase the amount of uptime. In advanced robotics technology, the trend that caught maximum interest from manufacturers is Collaborative robots, which offer the unique benefit of an automated system with the ability to work alongside human employees. New safety standards have been put in place for them. This will lead to Co-bots of all kinds to be a widely-used technology, for manufacturers.

In life sciences industry, the global healthcare spend is expected to increase significantly to reach \$8.7 trillion by 2020. This growth is expected to be driven by increasing demand from an ageing population and the prevalence of chronic diseases. As we enter CY2017, the industry is looking at cost pressures, regulatory challenges, changed political environments and emerging consumer behavior. The R&D budgets are shrinking for companies and there is also the pressure to maintain or reduce their cost. To optimize cost, companies are increasing operational efficiency through digital supply networks. On the

regulatory front, the key focus areas during the year would be cybersecurity, drug and device safety, IP protection, managing the menace of counterfeit drugs and corruption. Consumer engagement has greatly increased in this sector with increase in data and information access, mobile applications and personal health devices. Pharma companies are collaborating with consumers, using data analytics to provide better tools and detailed information about the drugs they are using. Data analytics is helping companies at various functional levels like R&D, commercial, risk and compliance and supply chain. Cloud computing has helped life sciences companies to modernize their business processes and this year the adoption will be higher leading to transformation within the industry.

In the automotive industry, some of the major trends that will be particularly visible during 2017 include in-car connectivity, shared transportation, open source 3D printing for better costs and driverless cars. For the new set of consumers in this industry, digital capabilities are becoming a key differentiator. A premium range of apps and digital functions are now expected as standard, with the latest models still selling primarily on power and weight. Many new regulations and mandates by governments across the globe by 2018 are on the top of the mind of auto manufacturers. In the US, it will be mandatory to have a rear-view camera. For most manufacturers, rear cameras are already a priority. By 2017, 80% of all manufactured cars will have one. Back-up cameras are included on around half of all new cars sold in the US today. Wi-Fi hotspots in vehicles are becoming a standard, with 20% of car manufacturers planning to provide WLAN hotspots in vehicles in 2017. Our smart devices are getting connected to the in-car infotainment systems thus facilitating many innovative features for the users like playing multimedia content simultaneously, with more than 5 devices. Augmented reality solutions are expected to play an important role during this year, starting with smart head-up displays and infotainment displays followed by apps for repair shops. With growing connectivity and more data available, the predictive analytics tools will also play a pivotal role in dealing with cost pressures, competition, globalization, market shifts and volatility. They could provide real time insights about customer preferences to Original Equipment Manufacturers (OEMs) thus helping them manage their production schedules, marketing, inventory and supply chain in a more organized manner. They could also help consumers through cheaper insurance for safe drivers to fewer break downs also helping eventually for the vehicle to last longer.

With growing vehicular traffic and pollution on the rise, the concept of e-hailing and networking for car pools is garnering a lot of interest. It is expected that going forward a part of private



vehicle sales will decline but the case for shared vehicles will go up. Thus, auto companies have also started to collaborate outside their traditional market space and looking for ways to make new profits from such disrupting trends. 3D printing in automotive industry is expected to become big this year in areas such as basic car construction as its cost effectiveness will challenge today's fundamental car designing. Through 3D printing the industry could build cars with solid chassis with an outer body designed for a single crash which could be replaced later cost effectively while leaving the basic vehicle structure in place. This could disrupt the concept of accident repair. The concept of autonomous vehicles is going steady in the automotive ecosystem with various tests being conducted for technology features like self-parking and adaptive cruise. These technologies could be soon made available across a wide range of new vehicles by almost every OEM. Another example which will be a step forward in this direction is high profile trial of technologies like platooning in which convoy of driverless vehicles follow each other to reduce congestion on heavy traffic roads.

The global spending in oil & gas is expected to increase in 2017 for the first time in 2 years. As per estimates, global investment in the exploration and production of oil and gas will rise by 3% next year, to US \$450 billion. 2017 is presenting new set of opportunities for the energy industry as organizations need to balance budget cuts and reduced headcounts and extract more value from the existing opportunities. The industry considers digitization as the way forward. The use of fossil fuels will continue to grow alongside renewables. Digital tools will help the industry get more out of wind and solar, and software will help new and existing fossil fuel plants become more efficient. As per estimates, global IT spending in the Oil & Gas industry will be worth \$48.5 billion by 2020. A key growth driver will be the enhanced efficiency of all resources. New technologies such as Internet of Things (IoT) have become more affordable. This enables not only the big companies but also smaller firms to transform their Enterprise Asset Management systems and increase uptime. With their early adoption of sensor technology, the industry has been collecting large volumes of data. This will help them to build smarter financial models like consumption and performance based pricing, rather than rigid fees. With unpredictability prevailing in this sector, the companies have reduced their spending on large scale maintenance and asset modification but have not stopped operating and are therefore looking at effective use of reduced headcounts and contingent labour. Agile technologies with application based approach including modules for operational planning, crew rotation and workforce scheduling is therefore the need of the hour. There is an increasing maintenance gap being created

particularly in offshore environment due to less resources. Drone technology can help in this scenario as an inspection solution to inspect remote and difficult to reach on-land assets or offshore rigs. This data can be then integrated with backbone asset management and workforce management software to schedule relevant maintenance actions. Overall, organizations with leaner IT systems and emerging technologies are well placed to adapt new business strategies to grow their share in the market. There is a big increase in the use of analytics within operation business units, enabled by a flexible digital strategy through resorting to the cloud.

Globally, in the utility industry, the demand for energy, water and transportation resources is outpacing the available supply. Consumers are facing increasing prices and fewer choices of energy sources from their utilities. To meet these demands, the industry is moving from centralized to decentralized energy production, conventional to renewable energy, fixed to flexible resources, electrification of transportation systems and from passive to active customers. Customer engagement is a very critical trend which involves providing relevant and timely information to customers for better management of their energy consumption. There is also the rise of energy prosumer i.e. set of customers who take control of their own energy management including generation via Distributed Energy Resources (DER). Companies are now adhering to various channels, using mobile, digital or social media to offer customized services to consumers by bridging the communication gap and improving the overall customer experience. Increasing customer expectations along with digitally aware workforce is also pushing utilities to make investments in technologies delivered to their crews in the field and operators in the plants. Utilities are moving to high speed communication infrastructure to meet real-time data requirements. They are exploring ways to improve situational awareness through head up displays and wearables. This provides means for workforce to interconnect within the utility, just like social media platforms. Various utility systems like AMI, CIS, OMS are capturing vast amount of customer and operational data, which is being built into focused analytics use cases for ultimate consumer benefit. Cloud based applications will gain more acceptance as reliability, availability and performance is demonstrated by early adopters. Cybersecurity concerns will require utilities and providers to demonstrate adequacy of their systems and procedures.

(Data Source: Industry Reports)

OUR STRATEGY

Our key expertise lies in the art of convergence - converging Engineering, Operations and Information Technology. This

helps organizations leverage the flow of information better. Over the past few years, we have been making long term investments for sustainable growth. These investments include strengthening of our front-end team by adding account managers, subject matter experts and new sales for our focus verticals and specialized offerings across geographies. We have also been investing in creation of technologies for software automation, smart AMS, digital transformation, products and platforms and industry specific solutions in engineering and business IT.

The automotive industry continues to move forward in the direction of a convergence between automotive and digital world. These are being driven by mega trends like innovative powertrain technologies, stricter regulations, changing consumer needs and increasing demand for connectivity and digitalization. We are enhancing our practice capabilities to leverage the growth opportunities in areas such as Connected Vehicle, Autonomous Vehicles, Powertrain (traditional and alternate fuel technologies), Software Architecture Standardization and Diagnostics. We are focusing on revenue growth in existing accounts through sharpened practice focus, cross selling opportunities, tapping new geographies and offering IT + Engineering + Digital integrated solutions. We are also leveraging our platform / products and services engagement model across OEMs, Tier Is, Tier IIs and technology providers. Apart from engineering, we are also witnessing good traction for Extended Product Lifecycle Management (ePLM) and new technology offerings in our existing automotive customers. With growing customer interactions, we are creating a strong pipeline for Engineering and Digital transformation solutions with KPIT being positioned well for transformational engagements.

In manufacturing vertical, we work with industrials, Hi-Tech and Life Sciences sub vertical customers. As most of our customers are largely in discreet manufacturing and they sell products which have intelligence, our ability of engineering plus business IT plus digital, presents a special advantage to these customers. Globally the industry is under cost pressure leading to our customers looking for faster, leaner and less expensive solutions in their operations. We have developed various solutions which are cost effective in nature by usage of pre-configured and per-certified solutions. This helps reduced SG&A costs and measuring operations effectiveness. Our solutions for the manufacturing vertical cover the entire range of requirements from product design, manufacturing processes, supply chain management, after market and customer experience. We are developing the roadmap for integrated offerings, leveraging our capabilities in Predictive

Analytics, Manufacturing Execution Systems, Connectivity and IoT based solutions. We have developed our offerings competency around Industrial IoT. We are proposing solutions to our customers leveraging Digital Transformation. We have offerings around supply chain solutions with ERP systems, shop floor to top floor integration and customer experience management solutions. In Hi-Tech we are largely focusing on offering IT transformation, cloud, mobility, Big Data & Analytics and product engineering solutions. In life sciences, there is rising customer expectations on value added services and margin pressure created by commodization of medical devices. We are thus working with customers to help them bring down their operating costs by leveraging digital with operational technologies. With rising M&A deals, there is growing demand for consolidation of ERPs. This has helped us in winning deals in SAP consolidation and migration projects. There is higher adoption of cloud based solutions in regulatory compliance sensitive areas like serialization, track & trace, Unique Device ID (UDI), Global Trade Management (GTM) and PLM.

The changing customer expectation is driving the IT spend for utility industry. We are offering best fit solutions for the industry, leveraging our engineering, digital and Business IT capabilities. With large number of connected devices, there is a vast amount of data being generated and it is leading to more emphasis on predictive technologies. We are leveraging our HANA capabilities in this space. Through SuccessFactors and other work management solutions, we are enabling utilities to manage better their skilled labour, contractors and workforce forecasting. With growth in IT / OT convergence and increasing significance of mobile devices, utility companies are moving from software platform alignment to best of breed and disparate solutions. In the mobility area, we have capabilities to deliver custom and off the shelf mobile solutions catering to all business needs. We are offering digital transformation using Big Data and analytics with focus on HADOOP and predictive methods. Our wind energy operational intelligence and action platform and omnichannel engagements and customer segmented marketing offerings are greatly appreciated by our utilities customers. Our hybrid qualifications allow development of omnichannel engagement for consumer and prosumer. We are also exploring opportunities to bring our product engineering capabilities to the utilities domain.

With gloomy market conditions, the energy industry continues to be under cost pressure. Thus, they are looking for innovative emerging technologies which will help them manage their cost and contribute towards lower emissions. We are working with companies to reduce their overall operating costs by optimizing overall delivery model, vendor consolidation and



improve productivity by leveraging offshore and outsourcing. There is higher traction around initiatives in areas of digital transformation, IoT and data analytics capabilities. In digital transformation, we have developed IoT solutions which make their business operations more productive and cost efficient. We are already working with energy customers in JDE, Oracle, SAP and DT domains. We are focusing on vertical led solutions in the areas of asset management, rig management, productivity improvement, cost reduction and process automation, leveraging engineering, IT and digital technologies.

Horizontally our services are divided into five Strategic Business Units (SBU) - Integrated Enterprise Solutions SBU which includes Oracle, JD Edwards and IMS offerings, PES SBU which offers engineering services and PLM offerings, P&P SBU which includes our products and platforms mainly catering to the automotive vertical, SAP SBU and DT SBU which offers digital solutions and services. A detailed note on SBU update has been covered in joint letter from the CEO & MD and Whole-time Director.

Though we saw modest growth during the year, the year ended on a positive note with a strong base and better business visibility for FY18. We expect the growth drivers to remain same for next year i.e. engineering, digital technologies and products & platforms. A lot of work is required on the operations part of our business, mainly in the areas of utilization improvement, employee pyramid and delivery excellence, to improve the profitability. We will continue to invest in growth-oriented, industry and operations technology solutions for our focus verticals.

FINANCIAL PERFORMANCE

REVENUES

Our \$ revenue for the year stood at \$494.39 million, a Y-o-Y growth of 0.8% against \$490.31 million in FY16. During this year we divested a small business KPIT medini Technologies AG which was focusing on functional safety products and the revenues from this business were only consolidated for 7 months of this FY. We also invested into a strategic partnership in a German engineering services company, MicroFuzzy, focused on powertrain mainly electric powertrain. The financials of MicroFuzzy were consolidated during last quarter of the year which included revenue contribution to the tune of \$4+ million. In ₹ terms revenue for the year was ₹33,233.61 million as compared to ₹32,264.08 million, a Y-o-Y growth of 3%. Our business could be divided into two broad segments - Solutions & Services business (constitute 96% of total revenues) and Products & Platform business (constitute 4% of total revenues). In \$ terms there was a growth of 0.5% in

our Solutions and Services business while Products & Platform business grew by 10.2% on a Y-o-Y basis.

Total Revenues	FY2016	FY2017	Growth
Sales in \$ million	490.31	494.39	0.83%
Sales in ₹ million	32,264.08	33,233.61	3.00%

In terms of geographies APAC was the leading growth geography with Y-o-Y growth of 16% followed by US which grew by 2% while Europe geography saw an Y-o-Y decline of 4%. In APAC, we saw good traction for our engineering and digital business which was the major growth driver for the market. US continues to be our largest market and we are optimistic to keep growing in this geography. However Europe got impacted by uncertainties following Brexit and cross currency fluctuations which resulted in a decline in revenues.

Revenues by Geography (₹ million)	FY2016	FY2017	Growth
US	22,047.59	22,563.85	2.34%
Europe	5,807.04	5,559.56	(4.26%)
ROW	4,409.45	5,110.20	15.89%

Amongst SBUs, there was growth across all SBUs except IES. Products & Platform SBU registered highest Y-o-Y growth of 12.6%, PES SBU grew by 6.9%, SAP SBU grew by 4.7% and DT SBU grew by 4.5%. There was a decline of 3.7% in IES SBU on a Y-o-Y basis. Engineering, Products & Platform and digital businesses have been the key growth drivers for us during this year. Due to macro-economic conditions we have experienced budget cuts and lower IT spend for traditional ERP, this is also fueled by growing acceptance of digital technologies. All these factors have created some pressure on the revenues for IES SBU.

Revenues by Business Segment (₹ million)	FY2016	FY2017	Growth
Integrated Enterprise Solutions	11,608.41	11,141.97	(4.02%)
Automotive	10,210.54	11,015.32	7.88%
SAP	7,344.43	7,697.75	4.81%
Others	3,100.70	3,378.57	8.96%

The above mentioned tables of revenues by geography and business segment has been prepared as per segment revenues of consolidated financials.

PROFITABILITY

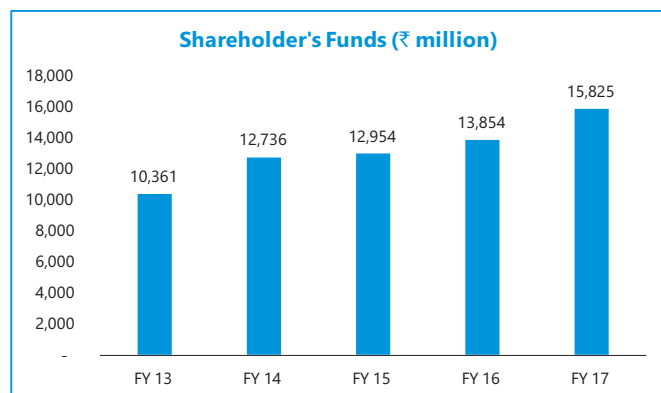
Our PAT for the year stood at ₹2,385.05 million against ₹2,809.03 million in last year, a Y-o-Y decline of 15.09%. Our EBITDA margin for the year stood at 11.28% against 13.11%



in FY16, a dip of 183 bps. We gave wage hikes during the year effective April 1, 2016. The average realized rate for the year was ₹67.22/\$ against ₹65.8/\$ in FY16. There were many factors which impacted EBITDA margin. During the year, our revenue growth rate was slow, there was lower fresher absorption into projects, resulting in flat utilization with increased wage cost as compared to last year. There was also some lateral hiring during second half of the year in anticipation of new deal closures which got pushed to next fiscal. Also with MicroFuzzy consolidation in the last quarter there were additional integration related expenses which impacted profitability. The other income figure for the year was ₹206.6 million as compared to ₹281.85 million in FY16. The exchange gain amount included in other income was ₹51.93 million in this year against ₹84.26 million in last year. The tax expense for this year was ₹605.73 million against ₹845.48 million in FY16. The profit on sale of KPIT medini Technologies business to the tune of ₹260.91 million was recorded as an exceptional item during the year.

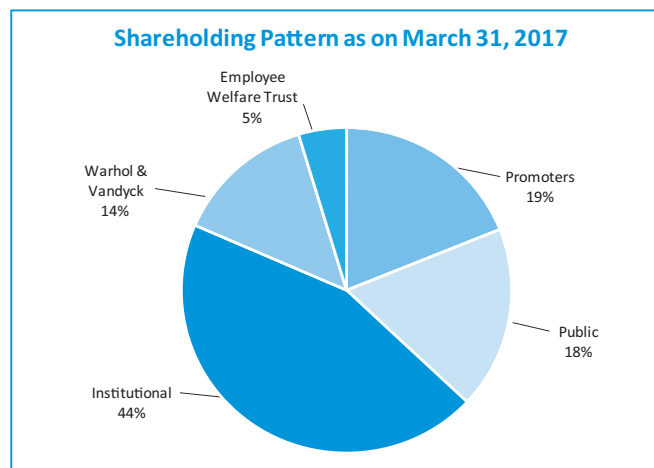
Profits (₹ million)	FY2016	FY2017	Growth
EBITDA	4,229.32	3,747.19	(11.40%)
PAT	2,809.03	2,385.05	(15.09%)

SHAREHOLDERS' FUNDS



SHAREHOLDING PATTERN

Our shareholders include promoters, renowned domestic and financial institutional investors and individuals. As on March 31, 2017 our shareholding structure was as follows:



Institutional holding of more than 1% as on March 31, 2017

Foreign Institutional Investors

- Warhol Limited
- Ruane Cunniff & Goldfarb Inc. (Acacia Partners)
- Fidelity Group
- New Horizon Funds
- Vanguard Funds
- Small Cap World Fund Inc.
- LSV Emerging Markets
- American Funds Insurance Series Global Small Capitalization Fund
- Government Pension Fund Global
- Grandeur Peak Fund
- Blackrock Institutional Trust Company
- Dimensional Fund Advisors



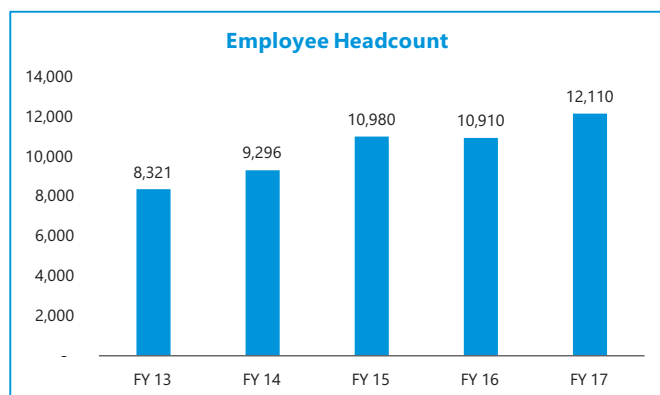
LIQUIDITY

The cash balance as at March 31, 2017 stood at ₹4,617.2 million while total debt was ₹3,814.2 million comprising of ₹1,610.3 million of term loan and ₹2,203.9 million of working capital loan. Thus the net cash balance as at March 31, 2017 stood at ₹803 million. Our capex for the year was ₹907.54 million as we made significant capex investment for our new facility. Our DSO stood at 74 days. With capex going down for next year we expect to improve our cash flow.

Internal control systems and their adequacy

The CEO & CFO certification provided elsewhere in this Annual Report discusses the adequacy of internal control systems and procedures in place.

Material developments in human resources / industrial relations front, including number of people employed



The above mentioned headcount does not include interns on stipend.

Risk and Concerns

A separate report on Enterprise Risk Management is provided elsewhere in this Annual Report.

Cautionary Statement

Certain statements under 'Management Discussion & Analysis' describing the Company's objectives, projections, expectations may be forward looking statement within the applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could differ materially from those expressed or implied, since the Company's operations are influenced by external and internal factors beyond the Company's control. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

The current fiscal year witnessed global uncertainties, geopolitical instability, market volatilities and technological developments in digital world that has increased business complexities. This has profoundly complicated the risk landscape, rendering it more challenging and unpredictable. As these risk events grow more complex and influence corporate business models and strategies, the impetus on the Company will be to achieve better risk visibility for timely risk mitigation.

Enterprise Risk Management (ERM) continues to enhance risk management capabilities by adopting proactive, forward looking and fully integrated approach for increased performance, ensuring long term growth and business sustainability through effective risk management.

Risk management overview

The Company aspires to be valued as “Vertically focused Technology Company that cares”. To achieve this, it adopts integration of ERM program with its defined strategic goals viz – growth through account acquisition and mining, leadership in offerings, people, processes, productivity and profitability. This approach has assisted the Company to align risk appetite and tolerance with business strategy for each vertical viz-Auto and Transportation, Manufacturing, Energy & Resources and Utilities.

The verticals of the Company are exposed to risks viz-growth in manufacturing vertical is dampened due to political uncertainties and margin pressures and auto vertical is confronted with competition to launch autonomous vehicles. Energy and Resources vertical is impacted by volatility in oil prices and increasing competition while Utilities vertical is facing challenges of growing customer expectations and stringent environmental regulations and compliances. These risks are mitigated and the risk management objectives are achieved through effective risk governance and implementation of robust risk management framework.

Risk Management Governance

Effective governance provides for identification and management of risks from the Board level to business unit level.

The Board retains overall accountability for risk governance and is committed to effective risk management in pursuit of our strategic objectives. It is assisted by the Risk Management Committee (RMC) in discharging this responsibility.

RMC is responsible to review and assess ERM effectiveness and to ensure that the same complies with the relevant governance requirements and standards. It also provides assurance for

adequacy of ERM framework. The executive management team of the Company is responsible for implementing ERM under the direction of RMC.

The Risk owners of business teams and enabling functions are accountable for managing risks in their areas with delegated responsibility to their respective line managers.

The Risk Office is responsible for overall execution of ERM strategy. It works closely with Risk Owners for deploying mitigating action plans and monitoring their effectiveness and is also responsible for providing periodic updates to the Management and RMC on risks to key business objectives. It is entrusted to update risk register on need basis.

Risk Management Framework

Increased digitization, Internet of Things (IoT), restrictive cross border mobility etc. has introduced threats which mandates the Company to implement a resilient ERM framework vigilant to the global volatilities. ERM framework embeds risk management into all activities as an integral part of business. This is to ensure existence of effective internal controls related to risks that are reported on continuous basis to the Board. ERM framework is formalized by implementation of ERM policy which articulates the scope and objectives for ERM, overall risk approach (as explained below in detail), roles and responsibilities for execution of ERM activities, risk categorization, maintenance and updation of comprehensive risk register. Risk register is reviewed periodically and provides the Management a consolidated view of the risks being faced by the Company and their potential impact. The framework defines following procedures -

- **Risk Identification**

Risk identification is a continuous process wherein systematic efforts are undertaken to generate a comprehensive list of threats and opportunities based on events that might enhance, prevent, degrade, accelerate or delay the achievement of enterprise objectives.

At KPIT, periodic assessment of various business processes, quarterly Internal Audits, need based Management Audits, monthly internal business review meetings, annual operating plans for business assist in identification of risks impacting enterprise objectives.

The broad categories of risk identified are – strategic risk, operational risk, financial risk, physical and security risk, economic and political risk, legal and compliance risk and reputational risk. Refer to more details in “risk overview” section.



- **Risk Assessment**

Risk assessment includes risk analysis. For every risk, probability of occurrence (likelihood) and impact of risk are determined, based on which risk is prioritized. Top ten prioritized risks are identified for close monitoring.

- **Risk Mitigation and Treatment**

Based on risk appetite, the Company either accepts or mitigates or avoids or transfers the risks. For review on status of risks, periodical updates to mitigating plan are obtained from risk owners and are presented to the Management for further discussions and approvals.

- **Risk Monitoring**

Risk monitoring is ongoing process and it provides assurance of effectiveness of mitigating actions undertaken to address the risks, change in status of risk and identify new risks, if any.

- **Risk Reporting and Review**

Comprehensive risks applicable to the Company are reviewed periodically in various business forums. This also includes review of risks by the Board annually and half yearly review by RMC. Based on such review, changes to the risk mitigation actions are done with the approval of the Management and changes to risks to be monitored are done with the approval of RMC.

Summary of Key Risks

Top ten risks are those risks that have direct potential impact on the achievement of key business goals and significantly affect business sustainability and execution of company strategy. These risks are monitored diligently by the Company.

Continuous risk evaluation has resulted in inclusion of three risks as a part of top ten risks. These risks are - geo political factors (e.g. immigration), reputational risk, liquidity and funding risk. These three risks are already included in comprehensive risks of the Company.

1. Growth in defined target accounts

Risk of inadequate growth affects business sustainability and profitability. To achieve growth, we continue to concentrate on few cognate industries relating to manufacturing and energy with focus on technology led Engineering plus Business IT solutions, as the core offerings to customers. Thus growth in business from targeted customers and managing relationship with them is critical and mandates for periodical monitoring. This

risk is tracked by comparing actual growth in revenue from targeted customers' vis-à-vis planned growth from these customers along with customer satisfaction scores.

In order to manage and mitigate this risk, the Company continues to deepen relationship with strategic customers through GAM (Global Account Management). GAM is an initiative under which a customer-wise strategy is devised for permeating each GAM customer, which has enabled sustainable business growth in selected customer accounts. Further, the Company also envisage growth through account acquisition and mining.

Through accounts acquisition, those accounts are targeted, that fall in category of focused verticals, have reasonable size and the accounts wherein needs and opportunities resonates our abilities. Account mining refers to association with few customers but providing them full spectrum of services.

This is realized by deployment of account managers, practice directors and sales coach, brand building through webinars, tradeshows and growth of product business.

2. Maintaining gross margins

Gross margins are pressurized mainly by increase in employee and other related costs which may not necessarily be commensurate with the realizations from the customer. Maintaining requisite gross margins is the key factor for profitability. It can be achieved by either increasing employee productivity and controlling costs or enforcing customer reimbursable expenses and receivables. This risk is measured by comparing actual gross margins against budgeted gross margins.

To mitigate this risk, gross margins are reviewed rigorously with increased focus on engineering productivity improvement. Usage of automation and tools to increase productivity, billed utilisation improvement, focus on delivery excellence, profitability improvement for fixed priced projects, correction of employee pyramid, charge out ratio, enhanced governance and review mechanism for capturing and analyzing contribution etc. are some of the important initiatives undertaken for increase in productivity and profitability.

3. Talent management

The risk of succession challenges and the ability to attract and retain talent is prevailing concern for a knowledge-based business like ours. The changing trends in technology, increasing demands from customers etc.

warrants the Company to focus on talent for its growth and existence. This risk is measured by tracking attrition of high performers and new recruits becoming high performers within year of joining.

This risk is addressed by acquiring, developing and retaining the right talent with requisite knowledge and skills, increased connect with top performers by management, actions initiated on employee satisfaction survey, etc. While the Company continues to focus on fresher recruitments, it has also made significant investments in employee trainings. Kaizen is introduced, which is a training and certification program focusing on developing technical, domain, project management, professional and leadership skills of our associates. To develop competencies of employees by establishing collaborative educational partnerships, the Company has signed higher education MOU with one of the reputed university in UK and has also introduced Program for Academic Collaboration & Engagement (PACE) which is a university collaboration program to engage, attract and nurture young talent from campuses. The efforts undertaken has resulted in attrition numbers under control.

4. Fluctuations in currencies

The Company is exposed to volatility in foreign currency exchange rates as considerable revenue is generated in foreign currency, with major portion of costs incurred in INR. Currency fluctuations may have adverse impact on operating results. This risk is measured by comparing actual realized rate against planned rate.

To mitigate this risk, the Company follows a prudent forex hedging policy based on a consistent approach to hedging. This policy is reviewed periodically by the Management and the Board.

5. Geopolitical risks

The Company has existence in multiple geographies and geopolitical uncertainties can significantly impact achievement of strategic objectives of the Company. Impact on mobility of resources due to restrictive cross border legislations can result in increase in costs with pressure on margins. The Company proposes to increase focus on onsite hiring and its periodical monitoring, enhancing skills for onsite talent through ECODE, effective manpower planning and deployment, exploring offshore work execution and building onsite global delivery centers.

6. Growth in emerging line of business viz-Products and Platform (P&P)

The Company continues to have rigorous focus on growth in engineering product business which comprise of Intelligent Transportation Systems (ITS), KPIT Diagnostics and Connectivity Platform (KDCP), KPIT In-Vehicle Infotainment Platform (KIVI), Konnect (solution for transforming automotive device connectivity), Autosar and Revolo. In this line of business, the Company lays special emphasis on innovation which has led to the creation of multiple cutting-edge technologies for various industries, e.g. transportation industry. This risk is measured by comparing actual growth rate of P&P against its budgeted growth rate.

For P&P business, the Company anticipates growth through pre-devised strategy of providing effective delivery against concrete projections, winning opportunities with large corporates, expansion of offerings through partnerships to win large deals and entry into new business segments for growth in Infotainment.

7. Operational liability

In customer oriented business like ours, ambiguity in project scope and requirements, delayed executions, deficient deliverables etc. might result in higher costs to the Company or lower revenues from customer. This may also culminate in claims for damages from the customer, adversely impacting operating margins.

For identification of potential operational liability, few aspects like substantial delay in deliverables, low customer satisfaction ratings, defective deliverables, long disputed outstanding receivables etc. are considered for deriving estimated amounts of claims. This risk is measured by comparing potential value of claims against pre-defined threshold claim limit.

This risk is mitigated by periodical review of operational liability which includes scrupulous review of customer contracts, reinforcing effective customer delivery management, setting of realistic expectations with customers & business users in large IT projects and implementing good project management practices. Further, the Company has also insured some of these risks.



8. Management of large deal delivery

With rapid growth in size and our customer engagements becoming large (in dollar value), complex (multi-technology, cross-SBU) and global (presence in many countries), effective customer deliverables is crucial for successful business. While management of such large deals is complex and challenging process, inability to execute such deals effectively might erode margins and growth.

To address this risk, delivery excellence team of the Company has deployed robust framework of Program and Project Management Methodology which supports planning and execution of client engagements by creating value to them. This team is involved in all large deals to ensure accurate scoping of deals, setting right expectations with customers and ensuring qualitative deliverables. Additionally, margins for large deal contracts are monitored meticulously and reviewed periodically by the senior management.

9. Reputational risk

The Company views that its reputation is vulnerable to global and political changes, technology advancements including cyber-attacks, weak corporate governance, inadequate employee safety, poor brand perception etc. The Company comprehends that damage to an

organization's reputation risk will have significant impact on the Company revenues, trust of stakeholders and sustainability of business.

To mitigate this risk, a committee comprising of cross functional teams is created and entrusted with the task of review and strengthening the policies and procedures at the organizational level and ensuring compliance of core value systems. For violations, if any, root cause analysis is done and corrective measures are undertaken. Further, through various forums, the Company has strengthened periodical communication on expected core values, including enforcement of employee safety, data protection, corporate branding etc.

10. Ineffective capital management, liquidity and funding

Capital management is influenced by unanticipated changes in market variables, business terms with customers and vendors, regulatory environment etc. Ineffective capital management, liquidity and funding can significantly affect operating profitability of the business.

The Company focuses on optimizing working capital by effective deployment of funds, maintaining robust cash flow, control on Days Sales Outstanding (DSO), periodical analysis and meticulous review of liquidity position to ensure adequacy of working capital to meet financial obligations.



Corporate Governance Philosophy:

Corporate Governance entails managing business in a manner that is accountable and responsible to the shareholders. In a wider interpretation, corporate governance includes company's accountability to shareholders and other stakeholders such as employees, suppliers, customers and local community.

Corporate Governance implies an accurate, adequate and timely disclosure of relevant information. Efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such corporate governance has now become more intensified, owing to ever-growing competition and rivalry in the businesses of almost all economic sectors, both at the national and international levels. Therefore, new Companies Act, 2013, has introduced some new and innovative means to make corporate governance in India optimally progressive, transparent and beneficial to all the stakeholders.

Corporate Governance is basically an approach of managing efficiently and prudently all the activities of a company, in order to make the business stable and secure, growth-oriented, maximally profitable to its shareholders and highly reputed and reliable among all customers and clients. The Company is directed and controlled in a way in order to achieve the goals and objectives to add value to the Company and also benefit the stakeholders in the long term. The Board Structure and Top Management are directly and exclusively responsible for such governance. For these purposes, the top management must have flawless and effective control over all affairs of the organization, regular monitoring of all business activities and transactions, proper care and concern for the interest and benefit of the shareholders and strict compliances to regulatory and governmental regulations. Thus, corporate governance is strict and efficient application of all best management practices and corporate & legal compliances, amid the contemporary and continually changing business scenarios.

We, have been practicing corporate governance to ensure transparency in our corporate affairs and are committed to continuously scale up the corporate governance standards.

Our corporate governance framework has been built on a value system which has evolved over a period of time. This value system has been abbreviated as CRICKET, which illustrates the Company's attributes as follows:

- Customer Focus
- Respect for Individual
- Integrity
- Community Initiative
- Knowledge Worship

- Entrepreneurship and Innovation
- Teamwork and boundarylessness

Our philosophy is aimed at conducting business ethically, efficiently and in a transparent manner; fulfilling its corporate responsibility to various stakeholders and retaining and enhancing investor trust and is based on the following principles:-

1. Compliance with the relevant provisions of securities laws and conformity with globally accepted practices of corporate governance, secretarial standards provided by the Institute of Company Secretaries of India and laws of India in true spirit;
2. Integrity in financial reporting and timeliness of disclosures;
3. Transparency in the functioning and practices of the Board;
4. Balance between economic and social goals;
5. Equitable treatment and rights of shareholders;
6. Maintenance of ethical culture within and outside the organization;
7. Establishing better risk management framework and risk mitigation measures and
8. Maintaining independence of auditors.

We seek to protect the shareholders' rights by providing timely and sufficient information to the shareholders, allowing effective participation in key corporate decisions and by providing adequate mechanism to address the grievances of the shareholders. This ensures equitable treatment of all shareholders including minority and foreign shareholders. We ensure timely and accurate disclosure on significant matters including financial performance, ownership and governance of the Company. We implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into account the interest of the stakeholders and the annual audit is conducted by an independent and qualified auditor. Investor updates are uploaded on the Company's website on quarterly basis and also intimated to the stock exchanges for its stakeholders. Further, additional updates are provided to the stakeholders on any matter that concerns them, as and when the circumstances arise.

Our Board of Directors periodically reviews its corporate strategies, annual budgets and sets, implements and monitors corporate objectives. It effectively monitors the Company's governance practices and ensures transparent Board processes. Further, it appoints and compensates the key executives and also monitors their performance. It strives to maintain overall integrity of the accounting and financial reporting systems.



I. BOARD OF DIRECTORS

A. Size and composition of the Board

In order to maintain independence of the Board, we have a judicious mix of Executive, Non-Executive and Independent Directors on the Board which is essential to separate the two main Board functions viz. governance and management. Out of the total strength of ten Directors as on March 31, 2017, seven are

Independent / Non-Executive Directors and three are Executive Directors. The Non-Executive Directors come from diverse background and possess rich experience and expertise in various industries such as automotive, energy & utilities, manufacturing, electronics, finance and research. The Board periodically evaluates the need for increasing or decreasing its size. The composition of the Board and the number of directorships held by each Director both in the Company as well as outside the Company is detailed in Table 1.

Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2017

Sr. No.	Name of Director	Category of Directorship at KPIT	Relationship with the Directors	No. of Directorships held in Public Companies*	No. of Committee Membership in Companies@	No. of Chairmanship in Committees@
1	Mr. S. B. (Ravi) Pandit, Chairman	Executive	None	4	2	Nil
2	Mr. Kishor Patil, CEO & Managing Director	Executive	None	4	2	Nil
3	Mr. Sachin Tikekar, Whole-time Director	Executive	None	1	Nil	Nil
4	Ms. Lila Poonawalla	Independent	None	7	2	2
5	Dr. R. A. Mashelkar	Independent	None	6	3	1
6	Mr. Adi Engineer	Independent	None	3	2	Nil
7	Prof. Alberto Sangiovanni Vincentelli	Independent	None	1	Nil	Nil
8	Mr. Anant Talaulicar	Independent	None	2	2	Nil
9	Mr. B V R Subbu	Non-Executive	None	2	Nil	Nil
10	Mr. Sanjay Kukreja	Non-Executive	None	2	Nil	Nil

* including directorship in KPIT Technologies Limited.

@ includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies including KPIT Technologies Limited.

B. Independent Directors:

1. Independent Director

All our Independent Directors fulfill the criteria of independence as prescribed under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI (LODR) Regulations, 2015") as explained below.

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;

b. who is or was not a Promoter of the Company or its subsidiary or associate companies;

c. who is not related to Promoters or Directors in the Company or its subsidiary or associate companies;

d. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company or its subsidiary or associate companies, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

e. none of whose relatives has or had pecuniary relationship or transaction with the Company or its subsidiary or associate companies, or their



promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- f. who, neither himself nor whose relative(s)-
- (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its subsidiary or associate companies in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its subsidiary or associate companies; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company or its subsidiary or associate companies amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, Directors or its subsidiary or associate companies or that holds two per cent or more of the total voting power of the Company;
 - (v) is a material supplier, service provider or customer or lessor or lessee of the Company;
- g. who is not less than 21 years of age.

2. Limit on number of directorships

The number of companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015.

3. Maximum tenure of Independent Directors

None of the Independent Directors has exceeded the tenure prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015 and under Section 149 (10) of the Companies Act, 2013.

4. Formal letter of appointment to Independent Directors

The Company has issued formal appointment letters to the Independent Directors which have been placed on the Company's website.

5. Performance evaluation of Independent Directors

The Nomination and Remuneration (HR) Committee has laid down criteria for performance evaluation of Independent Directors, which are given below:

- a) Attendance at Board meetings and Board Committee meetings;
- b) Chairmanship of the Board and Board Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) Independence of behaviour and judgment and
- f) Impact and influence.

6. Separate meeting of the Independent Directors

During FY 2016-17, a separate meeting of the Independent Directors of the Company was held on February 17, 2017.

7. Familiarization Programme for Independent Directors

Our Directors, at the time of their appointment, are provided with information about the Company and its organization structure, business model, vision and values, latest published results and internal policies to enable them to familiarize themselves with the Company's procedures and practices. The new Directors are also invited for meetings of Board of Directors and Board Committees held before their appointment which helps them to familiarize themselves with the Company and its Board process. The details of such familiarization programmes are uploaded on the website of the Company (<http://www.kpit.com/company/investors/corporate-governance>).



Further, at every Board meeting, there is a detailed business presentation made which is useful to the Directors in understanding the business. The presentation is made by the business leader so that the Directors are able to connect with the leader and ask him related questions.

C. Responsibilities of the Chairman and other Executive Directors

Mr. S. B. (Ravi) Pandit is the Chairman of the Board of Directors, Mr. Kishor Patil is the Chief Executive Officer (CEO) & Managing Director and Mr. Sachin Tikekar is a Whole-time Director and President. The authorities and responsibilities of each of the above Directors are clearly demarcated as under:-

The Chairman leads the team in overseeing Solutions & Services business, assessment of new technologies, management of key external relationships and managing Board matters. He is a Promoter of the Company and also plays a strategic role in Community Initiatives and Corporate Governance.

The CEO & Managing Director 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 organization as a whole. Currently, he is focusing on creation and management of new Product Business Units, executive sponsorship of critical GAMs, management of key external relationships in India & strategic infrastructure projects.

The Whole-time Director and President works on the overall strategy, operating systems, creation of some new solutions, executive sponsorship of the Key Global Accounts and Partnerships along with Succession Planning and Development of senior people in the organization.

D. Membership Term

As per the current laws in India, Independent Directors can hold office for a term of upto five years which can be extended for another period of five years by the shareholders of the Company. In the Annual General Meeting held on July 25, 2014, the Company appointed Ms. Lila Poonawalla, Dr. R. A. Mashelkar, Mr. Adi Engineer

and Prof. Alberto Sangiovanni Vincentelli for a term of three years, from April 1, 2014. In the Annual General Meeting held on August 19, 2015, the Company appointed Mr. Anant Talaulicar as an Independent Director, for a term of three years from October 21, 2014. During the year under review, the Board re-appointed Ms. Lila Poonawalla, Dr. R. A. Mashelkar, Mr. Adi Engineer and Prof. Alberto Sangiovanni Vincentelli as Additional and Independent Directors of the Company for further period of five years from April 1, 2017 subject to approval of shareholders in the ensuing Annual General Meeting.

As for the Non-Independent Directors, at least two-thirds of them shall be liable to retire by rotation. One-third of such directors as are liable to retire by rotation shall retire every year and if qualified, shall be eligible for re-appointment. Mr. Sanjay Kukreja, Nominee Director of one of the investors is not liable to retire by rotation as per the resolution of the shareholders appointing him as a Director. As such, Mr. S. B. (Ravi) Pandit, retires at the forthcoming Annual General Meeting and being eligible, seeks re-appointment as a Director.

The Executive Directors are appointed by the shareholders of the Company for a maximum period of five years at a time (subject to retirement by rotation as mentioned hereinabove), but are eligible for re-appointment upon completion of their respective term.

E. Board & Committee Meeting Agenda and Minutes

The Company Secretary receives details on the matters which require the approval of the Board / Committees of the Board, from various departments of the Company, well in advance, so that they can be included in the Board / Committee meeting agenda, if required. The information as required under the SEBI (LODR) Regulations, 2015, is made available to the members of the Board / Committee. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. In compliance with the statutory requirements, the following items are discussed in the quarterly meetings:

- Minutes of the previous Board meeting and meetings of Board committees held in the previous calendar quarter;
- Minutes of Board meetings of all subsidiaries held in the previous calendar quarter;

- Quarterly results of the Company and its operating divisions or business segments;
- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Presentation on the financial results, which generally includes the following:
 - Financials for the quarter and its analysis
 - Cash profit generated during the quarter
 - Yearly financial plan vs. actual
 - SBU (Strategic Business Unit) wise performance
 - Profitability drivers
 - Utilization of resources
 - Peer group analysis and analyst coverage
 - Mergers and acquisitions pursuits
 - Investments in the Company
 - Subsidiaries' financials and operations
 - Statement on foreign exchange exposure and related mitigating activities.
- Presentations of Statutory Auditors' Audit and Limited Review Report;
- Related party transactions (including material transactions with subsidiaries);
- Corporate Governance compliances and statutory compliance certificate;
- Other statutory agenda including action tracker on implementation of decisions taken in previous Board meeting(s) and presentation by Internal Auditors;
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer (CFO) and the Company Secretary, if any;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods / services sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement and its compliance;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.;
- Sale of material nature, of investments, subsidiaries, assets, not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and any shareholders' service such as non-payment of dividend, delay in share transfer etc.

Every agenda and minutes of the meetings are prepared in compliance with the SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013 and the rules framed thereunder, in force from time to time and the Secretarial Standards issued by the Institute of Company Secretaries of India. The draft minutes of the proceedings of the meetings of the Board as well as the Committees of the Board are circulated to all the Directors / Members of the Committee.



F. Non-Executive Directors’ shareholding

The number of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2017, are given in Table 2.

Table 2: Shareholding details of Non-Executive Directors

Sr. No.	Name	Shareholding	
		No. of shares	% of Total Paid up Capital
1	Ms. Lila Poonawalla	130,000	0.07
2	Dr. R. A. Mashelkar	56,000	0.03
3	Mr. Sanjay Kukreja	32,400	0.02
	Total	2,18,400	0.12

Details of compensation paid / payable to other Non-Executive Directors are disclosed elsewhere in this Report.

G. Other provisions as to Board and Committees

1. Board meetings schedule:

As a good practice, the dates of the Board meetings in a financial year are decided before the start of the financial year and circulated to all the Board members. These dates are also included in the ‘Additional Shareholder Information’, which forms a part of this Annual Report.

The Board meetings are generally held at the Registered Office of the Company located in Pune. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members in advance of the meetings. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. In addition, the Board normally meets annually, for discussions on the annual operating plan and for mid-year review of the plan. Additional Board meetings are held, whenever necessary.

During the year, six Board meetings were held on the following dates:

- a) April 27, 2016;
- b) June 16, 2016;
- c) July 20, 2016;
- d) October 19, 2016;
- e) January 18, 2017 and
- f) February 17, 2017.

Table 3: Number of Board meetings and the attendance of Directors during FY 2016-17

Sr. No.	Name of the Director	No. of Board meetings held during the tenure of each Director	No. of Board meetings attended*	Attendance at the last AGM
1	Mr. S. B. (Ravi) Pandit, Chairman	6	6	Yes
2	Mr. Kishor Patil, CEO & Managing Director	6	6	Yes
3	Mr. Sachin Tikekar, Whole - time Director	6	5	Yes
4	Ms. Lila Poonawalla	6	6	Yes
5	Dr. R. A. Mashelkar	6	4	Yes
6	Mr. Adi Engineer	6	6	Yes
7	Prof. Alberto Sangiovanni Vincentelli	6	5	-
8	Mr. Anant Talaulicar	6	1	-
9	Mr. B V R Subbu	6	5	-
10	Mr. Sanjay Kukreja	6	2	-

*Including attendance by videoconference or teleconference.

2. Membership of Board committees

None of the Directors of the Company hold membership of more than ten committees nor is any Director a Chairman of more than five committees of boards of all the companies where he / she holds directorships. (Please refer Table 1).

3. Review of compliance reports

For monitoring and ensuring compliance with applicable laws by the Company and its subsidiaries located in and outside India and for establishing adequate management control over the compliances of all acts, laws, rules, regulations and regulatory requirements, the Company has set-up a regulatory compliance process within the organization. The Compliance Officer is the process owner of this process and is responsible for obtaining compliance certificates from all departments and entities and reporting compliance to the Board of Directors. The CFO and the Company Secretary of the Company thereafter presents a quarterly compliance certificate before the Board of Directors of the Company which reviews compliance reports of all laws applicable to the Company on a quarterly basis in its Board Meetings.

H. Code of conduct

The Company has adopted a Code of Conduct for its Board members, senior management and all employees and this Code has been posted on the Company's website. All the Board members and senior management personnel affirm compliance with the Code on an annual basis. The declaration of the CEO & Managing Director to this effect is provided in this Report.

I. Whistle Blower Policy

In an effort to demonstrate the highest standards of transparency, the Company has adopted the 'Whistle Blower Policy', which has established a mechanism for employees to express and report their concerns to the management in a fearless manner about unethical behavior, fraud, violation of the code of conduct or ethics. This mechanism also provides for adequate safeguards against victimization of employees who avail this mechanism and also provide direct access to the Chairman and members of the Audit Committee in exceptional cases. This policy has been uploaded on the website of the Company for effective circulation and implementation. The purpose of this policy is to establish procedures for the:

1. receipt, retention and treatment of complaints received by the Company regarding improper activities, financial or otherwise, in the Company and
2. submission by Whistle Blower on a confidential and / or anonymous basis, of concerns regarding improper activities.

The purpose of this policy is also to state clearly and unequivocally that the Company prohibits discrimination, harassment and / or retaliation against any Whistle Blower who:-

1. raises concerns against improper activities or
2. provides information or otherwise assists in an investigation or proceeding regarding improper activities.

The Policy also aims to protect any Whistle Blower who legitimately and in good faith raises concerns or provides information against improper activities.

Everyone in the Company is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No employee or Director of the Company has the authority to engage in any conduct prohibited by this Policy.

J. Corporate Disclosure Policy

The Company has a Corporate Disclosure Policy in place. The Chief Investor Relations Officer deals with dissemination of information and disclosure of unpublished price sensitive information under the Policy

II. COMMITTEES OF THE BOARD

During the year, the Board of the Company had eight regular committees – Audit Committee, Nomination and Remuneration (HR) Committee, Stakeholders Relationship Committee, meets annually, Quality Council, Innovation Council, ESOP Allotment Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee. Most of these Committees are chaired by Non-Executive/Independent Directors. The Board is responsible for constituting, co-opting and fixing the terms of reference for the committees. Normally, the Audit Committee and Nomination and Remuneration (HR) Committee meet at least four times a year, Stakeholders Relationship Committee meets annually, CSR Committee meets at least twice a year and the Innovation Council, Quality Council



and ESOP Allotment Committee meet as and when the need arises. The Risk Management Committee met twice during the year 2016-17. Except where a statutory quorum has been prescribed, the quorum for committee meetings is either two members or one-third of the total strength of the committee, whichever is higher. Draft minutes of the committee meetings are circulated to the members of those committee for their comments and thereafter, confirmed in its next meeting. The Board of Directors also take note of the minutes of the committee meetings held in the previous calendar quarter, at its meetings.

A. Audit Committee

Composition

The Company has set up an Audit Committee consisting of two Independent Directors and one Executive Director. Ms. Lila Poonawalla is the Chairperson of this Committee; Mr. Adi Engineer & Mr. S. B. (Ravi) Pandit are the other members. All members of this Committee are financially literate. A brief profile of all the Committee members is provided in 'Additional Shareholders Information' section of this Annual Report. The CFO attends all the meetings of the Committee. The Company Secretary is the Secretary to the Committee. The Statutory Auditors and the Internal Auditors also make their presentations at the Committee meetings.

Role and objectives

The Company has duly defined the role and objectives of the Audit Committee on the same lines as provided under Regulation 18(3) read with Schedule II of the SEBI (LODR) Regulations, 2015, and the Companies Act, 2013, as amended from time to time. The role and objectives of the Audit Committee, as defined by the Board of Directors, inter alia include:

1. oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. management discussion and analysis of financial condition and results of operations;
22. statement of significant related party transactions (as defined by the audit committee), submitted by management;
23. management letters / letters of internal control weaknesses issued by the statutory auditors;
24. internal audit reports relating to internal control weaknesses;
25. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

26. statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

The Chairperson of the Audit Committee confirmed to the Board that the Committee has carried out the role assigned to it during the year under review.

Meetings

During FY 2016-17, the Audit Committee met five times – April 26 & 27, 2016, July 19 & 20, 2016, October 18 & 19, 2016, January 3, 2017 and January 17 & 18, 2017. The details of meetings and attendance are given in Table 4.

Table 4: Audit Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Lila Poonawalla – Chairperson	5	5
2	Mr. S. B. (Ravi) Pandit	5	5
3	Mr. Adi Engineer	5	5

B. Nomination and Remuneration (HR) Committee Composition

The Company has set-up a Nomination and Remuneration (HR) Committee. The Committee consists of two Independent Directors, one Non-Executive Director and one Executive Director. Mr. Adi Engineer, chairs this Committee, Ms. Lila Poonawalla, Mr. S. B. (Ravi) Pandit and Mr. Sanjay Kukreja are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as provided under Regulation 19(4) read with Schedule II of the SEBI (LODR) Regulations, 2015 and as defined by the Board of the Directors of the Company, are as under:



1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of Board of Directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Meetings

The Committee met five times during the year – April 26, 2016, July 19, 2016, October 18, 2016, January 17, 2017 and February 17, 2017. The details of meetings and attendance are given in Table 5.

Table 5: Nomination and Remuneration (HR) Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended*
1	Mr. Adi Engineer – Chairman	5	5
2	Ms. Lila Poonawalla	5	5
3	Mr. S. B. (Ravi) Pandit	5	5
4	Mr. Sanjay Kukreja*	5	2

* Including attendance by videoconference or teleconference.

C. Stakeholders Relationship Committee

Composition

The Board has formed a Stakeholders Relationship Committee to look into shareholder-related matters. Dr. R. A. Mashelkar is the Chairman of the Committee

and Mr. S. B. (Ravi) Pandit and Mr. Kishor Patil are the other members of the Committee. The meetings of the Committee are held to review and resolve only those cases which are pending for action for more than normal processing period. The details of complaints received, solved and pending from the shareholders / investors are given elsewhere in this Annual Report. The monthly review of the activities of Registrar & Share Transfer Agent is undertaken regularly by the CFO and the Company Secretary who is the Compliance Officer of the Company.

The Company has a dedicated e-mail address: grievances@kpit.com for communicating shareholders' grievances.

Role and objectives

The role and objectives of the Committee as provided under Regulation 20(4) read with Schedule II of the SEBI (LODR) Regulations, 2015 and as defined by the Board of Directors of the Company is to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and approval of matter relating share transfers except those which have been delegated to the Registrar & Share Transfer Agent.

Meetings

During the year, one meeting of the Stakeholders Relationship Committee was held on February 17, 2017. The details of the meeting and attendance are given in Table 6.

Table 6: Stakeholders Relationship Committee – meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Dr. R. A. Mashelkar - Chairman	1	1
2	Mr. S. B. (Ravi) Pandit	1	1
3	Mr. Kishor Patil	1	1

D. Quality Council

Composition

The Quality Council enables the Board to focus on qualitative aspects of the operations of the Company and resolve customer issues proactively. This is chaired



by Mr. B V R Subbu and the other members being Prof. Alberto Sangiovanni Vincentelli, Mr. Kishor Patil and Ms. Lila Poonawalla.

Role and objectives

The role and objectives of the Council, as defined by the Board of Directors of the Company, is as under:

To suggest measures to enhance quality and productivity and the means to optimize the use of the Company's resources.

Meetings

The Council has met twice during the year – July 19, 2016 and January 17, 2017. The details of meetings and attendance are given in Table 7.

Table 7: Quality Council - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended*
1	Mr. B V R Subbu – Chairman	2	2
2	Ms. Lila Poonawalla	2	2
3	Mr. Kishor Patil	2	2
4	Prof. Alberto Sangiovanni Vincentelli*	2	2

*Including attendance by videoconference or teleconference.

E. Innovation Council

The Innovation Council of the Board advises the Company on matters related to innovation. In addition to the members of the Council, external experts from the fields of interest to the Company from innovation point of view, are also invited for the meetings of the Council. The Council suggests measures to encourage innovation within the Company and foster a culture of innovation amongst employees of the Company. The Council reviews the status of various innovation projects being implemented by the Company. The Council helps develop a strategy around innovation, particularly with respect to commercialization of the benefits of innovation. The Council also evaluates and rewards innovative ideas of the employees.

Meetings

During the year, the Council met once on February 18, 2017. The details of the meeting and attendance is given in Table 8.

Table 8: Innovation Council – meeting and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Dr. R. A. Mashelkar – Chairman	1	1
2	Ms. Lila Poonawalla	1	1
3	Mr. S. B. (Ravi) Pandit	1	1
4	Mr. Kishor Patil	1	1
5	Prof. Alberto Sangiovanni Vincentelli	1	1
6	Mr. B V R Subbu	1	0

F. ESOP Allotment Committee

The Company has an ESOP Allotment Committee for allotment of shares against options exercised under the Company's Employee Stock Option Plans (ESOPs).

Composition

Mr. S. B. (Ravi) Pandit is the Chairman of the Committee and Mr. Kishor Patil and Mr. Sachin Tikekar are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as defined by the Board of Directors of the Company, is as under:

Allotment of shares against options exercised under the Company's Employee Stock Option Plans (ESOP) and Employee stock Option Schemes (ESOS) and matters incidental thereto.

Meetings

KPIT Technologies Employees Welfare Trust (the Trust) is a trust formed for employee welfare activities, which includes, administration of Company's Employee Stock Option Plan ("ESOP") Schemes. As a part of its operations, the Trust is allotted shares by the Company or it acquires shares from open market and the Trust, in turn, sells such shares in the course of administration of the ESOP schemes. The holding of shares and the sale of shares by the Trust, is done on behalf of the employees. As per provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the total number of shares under secondary acquisition held



by the Trust shall at no time exceed five percent of the paid up equity capital. To comply with these provisions, shares are allotted during the year under ESOP scheme by way of transfer of shares from trust to concerned employee and no fresh allotments were made by ESOP Committee. Thus, no meetings were held during the year.

G. Corporate Social Responsibility (CSR) Committee

The Company has set up a Corporate Social Responsibility (CSR) Committee to oversee the discharge of Corporate Social Responsibility obligations, as required by Section 135 of the Companies Act, 2013 and the relevant rules. The Committee consists of three directors including one Independent Director.

Composition

Mr. S. B. (Ravi) Pandit is the Chairman of the Committee. Mr. Sachin Tikekar and Mr. Adi Engineer are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as defined by the Board of Directors of the Company, are as under:

1. formulation and recommendation of CSR policy to the Board;
2. identification of activities to be undertaken by the Company;
3. recommendation of amount of expenditure on CSR activities;
4. monitor the CSR policy from time to time.

Meetings

The Committee met twice during the year on April 26, 2016 and October 18, 2016. The details of meetings and attendance are given in Table 9.

Table 9: CSR Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Mr. S. B. (Ravi) Pandit – Chairman	2	2
2	Mr. Adi Engineer	2	2
3	Mr. Sachin Tikekar	2	2

H. Risk Management Committee

The Company has an integrated approach to managing the risks inherent in the various aspects of business. As a part of this approach, the Company’s Board is responsible for monitoring risk levels according to various parameters and ensuring implementation of mitigation measures, if

required. A comprehensive Enterprise Risk Management report is provided separately in this Report.

Composition

Ms. Lila Poonawalla is the Chairperson of the Committee and Mr. Adi Engineer and Mr. S. B. (Ravi) Pandit are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as defined by the Board of Directors of the Company, is as under:

To monitor & review the Risk Management Plan of the Company.

Meetings

The Committee met twice during the year on July 19, 2016 and February 17, 2017. The details of meetings and attendance are given in Table 10.

Table 10: Risk Management Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Lila Poonawalla – Chairperson	2	2
2	Mr. Adi Engineer	2	2
3	Mr. S. B. (Ravi) Pandit	2	2

III. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian Subsidiary company, as per the criteria given in Regulation 16 of SEBI (LODR) Regulations, 2015.

Brief details of the Company’s subsidiaries, including step-down subsidiaries, are given in the Board’s Report. The updates of major decisions of the unlisted subsidiary companies are regularly presented before the Audit Committee and the Board.

Following are the key matters relating to subsidiaries which are regularly taken up in the Audit Committee / Board meeting:

- Minutes of all the meetings of subsidiaries held in the previous quarter;
- Review of the financial statements, the investments made by the subsidiaries;



- Major dealings of subsidiaries’ investment, fixed assets, loans, etc.;
- Statement of all significant transactions and arrangements;
- Compliances by subsidiaries with all applicable laws of that country.

The Company has formulated a policy for determining ‘material subsidiaries’ and the said policy has been uploaded on the Company’s website (<http://www.kpit.com/company/investors/corporate-governance>).

IV. DISCLOSURES

A. Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and the same has been uploaded on the Company’s website (<http://www.kpit.com/company/investors/corporate-governance>). The related party transactions are placed before the Audit Committee and the Board on a quarterly basis for their approval / noting as the case may be. There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2017. Details of all material transactions with related parties have been disclosed quarterly to the stock exchanges along with the compliance report on corporate governance.

B. Disclosure of Accounting Treatment

The Company has adopted the prescribed accounting standards i.e. Indian Accounting Standards (Ind AS), for preparation of financial statements during the year.

C. Remuneration of Directors

Within the limits prescribed under the Companies Act, 2013 and by the shareholders’ resolutions, the Nomination and Remuneration (HR) Committee determines and recommends to the Company’s Board the remuneration payable to Executive and Non-Executive Directors and thereafter the Board considers the same for approval. During the year under review, no ESOPs were granted to the Directors. The details of remuneration paid to the Executive Directors of the Company are given in Table 11.

Table 11: Remuneration paid to Executive Directors in FY 2016-17

(Amount in ₹ million)

Name of Director / Remuneration Details	Mr. S. B. (Ravi) Pandit	Mr. Kishor Patil	Mr. Sachin Tikekar*
	Chairman	CEO & Managing Director	Whole - time Director
Salary	11.54	8.04	9.10
PF	1.48	0.70	0.33
Leave Encashment	0.32	0.22	0.25
Variable Performance Incentive	19.84	18.39	15.75
Perquisites	-	0.70	-
Bonus	-	-	0.02
Notice Period	6 months	6 months	6 months
Severance fees	Notice pay	Notice pay	Notice pay
Total	33.18	28.05	25.45

*Does not include USD 4,800 paid to Mr. Sachin Tikekar by KPIT Infosystems Incorporated, USA, during FY 2016-17.

Note: Managerial remuneration excludes provision for gratuity, as separate actuarial valuation for the directors is not available.

Under Section 197 of the Companies Act, 2013, a Director who is neither in the whole time employment of the Company nor a Managing Director (‘Non-Executive Directors’), may be paid remuneration by way of commission if the members of the Company, authorize such payment. However, the remuneration paid to all such Non-Executive Directors taken together should not exceed 1% of the net profit of the Company in any relevant financial year, if the Company has a Managing or a Whole-time Director or manager. The Board of Directors of the Company has approved a commission of ₹ 10.50 (previous year ₹ 14 million) to the Non-Executive Directors of the Company for the financial year 2016-17. There is no other remuneration to the Non-Executive Directors, except sitting fees for the meetings attended by them. The details of remuneration to the Non-Executive Directors for the financial year 2016-17 are given in Table 12.



Table 12: Remuneration to Non-Executive Directors

(Amount in ₹ million)

Name of Director	Commission	Sitting Fees
Ms. Lila Poonawalla [Chairperson - Audit Committee and Risk Management Committee]	2.23	0.33
Dr. R. A. Mashelkar [Chairman – Innovation Council and Stakeholders Relationship Committee]	1.85	0.10
Mr. Adi Engineer [Chairman - Nomination & Remuneration (HR) Committee]	2.16	0.30
Prof. Alberto Sangiovanni Vincentelli	2.65	0.11
Mr. B V R Subbu [Chairman – Quality Council]	1.61	0.12
TOTAL	10.50	0.96

Basis for remuneration paid to Non-Executive Directors

Remuneration	Board member	Committee Chairman	Committee member
Sitting Fees	₹ 15,000/- per meeting	₹ 20,000/- per meeting	₹ 12,500/- per meeting
Commission	The total amount of commission to be paid to the Non-Executive Directors for FY 2016-17 is ₹ 10.50. This is distributed among the Non-Executive Directors on the basis of their chairmanship / membership of Board committees, duration of their directorship during the year and their general contribution to the Company outside board / committee meetings.		

D. Management Discussion & Analysis

A detailed Management Discussion and Analysis is given as a separate section in this Annual Report. During the year, there have been no material financial and commercial transactions made by the management, where they had personal interest conflicting with the interest of the Company at large.

E. Legal Compliance Reporting

The Company has installed a compliance tool which provides automated Statutory Compliance Report from various functions on PAN India basis for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. The Company is constantly

striving to strengthen the reporting system to take care of the continuously evolving compliance scenario.

F. Reconciliation of Share Capital

As stipulated by the Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out the audit of Reconciliation of Share Capital and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The Audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

G. Shareholders

i) Disclosure regarding appointment or re-appointment of Directors

According to the provisions of the Companies Act, 2013, at least two-third of the Non-Independent Directors are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and, if eligible and willing, may be re-appointed by the shareholders. Accordingly, Mr. S. B. (Ravi) Pandit retires at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board has recommended his re-appointment. Detailed resume of Mr. S. B. (Ravi) Pandit is provided in 'Additional Shareholders Information' section in this Annual Report.

ii) Communication to shareholders

The Company's quarterly financial results, investor updates and other investor related information are posted on the Company's website (www.kpit.com). The quarterly financial results of the Company were published in Financial Express and Loksatta. Financial results and all material information are also regularly provided to the Stock Exchanges as per the requirements of the SEBI (LODR) Regulations, 2015. Any presentation made to analysts and others are also posted on the Company's website.

The details of correspondence received from the shareholders / investors during the period April 1, 2016 to March 31, 2017, are given in the 'Additional Shareholder Information' section in this Annual Report.



iii) General body meetings

Table 13: Details in respect of the last three Annual General Meetings (AGMs) of the Company

Date of the meeting(year)	Venue of the meeting	Time of the meeting	Special Resolution Passed
July 25, 2014 (2013-14)	KPIT Technologies Ltd. Auditorium SDB II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057	10.30 A.M.	<ol style="list-style-type: none"> 1) Appointment of Mr. S. B. (Ravi) Pandit as a Whole-time Director. 2) Re-appointment of Mr. Kishor Patil as Chief Executive Officer and Managing Director. 3) Revision of terms and conditions of appointment of Mr. Sachin Tikekar, Whole time Director. 4) Approval for entering into contract with Eurofinance Training Private Limited for availing marketing consultancy services. 5) Increase in the number of directors from fifteen (15) to eighteen (18) and consequent alteration of Articles of Association of the Company. 6) Approval for Foreign Institutional Investors (FIIs) to collectively hold not more than 80% of equity shares of the Company.
August 19, 2015 (2014-15)	KPIT Technologies Ltd. Auditorium SDB II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057	10.30 A.M.	<ol style="list-style-type: none"> 1) Payment of Commission to Non-Executive Director. 2) Approval of KPIT Technologies Limited Employee Stock Options Plan 2015 and grant of Stock Options to the employees of the Company. 3) Grant of Stock Options to the employees of the Subsidiary Company(s) of the Company under KPIT Technologies Limited Employee Stock Options Plan 2015. 4) Approval of Acquisition of Secondary Shares through Employee Welfare Trust for the implementation of Employee Stock Option Plans of the Company. 5) Approval of extension of exercise period under Employee Stock Option Plan 2004. 6) Approval of extension of exercise period under Employee Stock Option Plan 2006. 7) Approval of extension of exercise period under Employee Stock Option Plan 2014. 8) To approve a scheme for provision of money by the Company to employee welfare trust / trustees for purchase of or subscription for fully paid-up shares of the Company for the benefit of employees under various Employee Stock Option Plans. 9) Adoption of new set of Articles of Association.
August 24, 2016 (2015-16)	KPIT Technologies Ltd. Auditorium SDB II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057	10.30 A.M.	<ol style="list-style-type: none"> 1) Re-appointment of Mr. Sachin Tikekar, Whole-time Director for a period of five years.



iv) **Special Resolution through Postal Ballot**

During the year, the Company has not passed any special resolution through postal ballot.

v) The details of Investors' / Shareholders' Grievance Committee are given in 'Additional Shareholders Information' section in this Report.

vi) The details of Share transfer system is given in 'Additional Shareholders Information' section in this Annual Report.

vii) None of the Directors is related to any other Director.

H. Dividend Distribution Policy

Pursuant to the SEBI (LODR) Regulations, 2015, the Company has formulated Dividend Policy to state the guiding principles of dividend declaration by the Company and the same has been uploaded on the website of the Company (<https://www.kpit.com/company/investors/corporate-governance>).

VI. CEO and CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate to the Company's Board is annexed to this Report.

VI. COMPLIANCE

As required by Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, the Auditors' certificate on corporate governance is annexed to this Report.

Further, during the last three (3) years, there have been no penalties, strictures imposed on the Company by the stock exchanges and other statutory authorities, on any matter relating to capital markets.

Lastly, the Company has also made the necessary disclosures as required in sub-para (2) to (10) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

VII. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations, 2015.

VIII. COMPLIANCE AGAINST DISCRETIONARY REQUIREMENTS OF THE SEBI (LODR) REGULATIONS, 2015

1. The Company has appointed different persons for the post of Chairman and Managing Director / Chief Executive Officer.
2. The Company prepares quarterly investor updates which covers operational details apart from financial details which are uploaded on the website of the Company and stock exchanges. Copies of the same are being provided on request.
3. The Internal Auditor presents the internal audit report to the Audit Committee.

Training of Board members

During the year, the Board members were provided a deep and thorough insight to the business model of the Company through detailed presentations on the operational aspects of the Company's business. At every Board meeting, there is a detailed business presentation made which is useful to the Directors in understanding the business. The presentation is made by the business leader so that the Directors are able to connect with the leader and also ask him related questions. Efforts are also made to acquaint and train the Board members about the emerging trends in the industry. The internal newsletters of the Company are regularly shared with the Board members to keep them up-to-date with the developments in the Company, on a continuing basis.

Corporate Sustainability Report

The Company has prepared a Corporate Sustainability Report giving detailed information of the Company's efforts towards managing sustainable growth. The report can be accessed on the Company's website.

Business Responsibility Report

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has prepared a Business Responsibility Report and the same has been given on page no. 107 in this Annual Report.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued 10 Secretarial Standards. Out of which 2 Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

DECLARATION OF THE CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all the Board members and senior management personnel of the Company and the same is uploaded on the website of the Company www.kpit.com.

Further, certified that the members of the Board of Directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended March 31, 2017.

Pune
April 26, 2017

Kishor Patil
CEO & Managing Director

Auditors' certificate on Corporate Governance

To the Members of KPIT Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by KPIT Technologies Limited ("the Company") for the year ended on 31 March 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.101248W/W-100022

Vijay Mathur
Partner
Membership No.047483

Place: Pune
Date: 26 April 2017



Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, **Kishor Patil, CEO & Managing Director** and **Anil Patwardhan, Chief Financial Officer** of KPIT Technologies Limited (“the Company”) to the best of our knowledge and belief, certify that :-

- A. We have reviewed financial statements (consolidated and standalone) for the year April 1, 2016 to March 31, 2017 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year i.e. April 1, 2016 to March 31, 2017 which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year i.e. April 1, 2016 to March 31, 2017.
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Pune
April 26, 2017

Kishor Patil
CEO & Managing Director

Anil Patwardhan
Chief Financial Officer



Additional Shareholder Information



1. **Registered and Corporate Office** : 35 & 36, Rajiv Gandhi Infotech Park, MIDC, Phase - I, Hinjawadi, Pune – 411057. Tel. No.: +91 - 20 - 6652 5000, Fax No.: +91 - 20 - 6652 5001, Website: www.kpit.com.
2. **Date of Incorporation** : December 28, 1990
3. **Registration No./CIN** : L72200PN1990PLC059594
4. **Date, Time and Venue of 26th AGM** : August 23, 2017, 10.30 a.m. at Auditorium, KPIT Campus, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057. The Notice of the Annual General Meeting is being sent to the Members along with this Annual Report.
5. **Book Closure Dates** : August 12, 2017 to August 23, 2017 (both days inclusive)
6. **Dividend Payment Date** : After August 23, 2017, but within the statutory time limit of 30 days, subject to shareholders' approval.
7. **Financial Year** : April 01, 2016 - March 31, 2017.
8. **Financial Calendar for 2017-2018 (tentative and subject to change)**
Financial reporting for the first quarter ending : July 19, 2017
June 30, 2017
Financial reporting for the second quarter ending : October 31, 2017
September 30, 2017
Financial reporting for the third quarter ending : January 24, 2018
December 31, 2017
Financial reporting for the last quarter and year : April 25, 2018
ending March 31, 2018
Annual General Meeting for the year ending : August, 2018
March 31, 2018
9. **The shares of the Company are listed on the following Stock Exchanges:**
National Stock Exchange of India Limited : Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
NSE Code : KPIT
BSE Limited : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
BSE Code: 532400
ISIN Number of the Company : INE836A01035

The Company has paid the Annual Listing Fee for the Financial Year 2017-18 to both the Stock Exchanges on which the shares of the Company are listed.

10. Shareholders are requested to send all share transfers and correspondence relating to shares, dividend etc. to our Registrar & Share Transfer Agent at:

Link Intime India Private Limited, Contact Person: Mr. Bhagavant Sawant, Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411001. Phone: +91-20-26161629, E-mail: bhagavant.sawant@linkintime.co.in. You can also contact Ms. Sneha Padve, Company Secretary and Compliance Officer, No.: +91-20-6652 5000 Extn. – 5245, Fax No.: +91-20-6652 5001, E-mail: Sneha.Padve@kpit.com, in case you need any further assistance. For any kind of grievance and for their speedy redressal, the shareholders may send their grievances to grievances@kpit.com.

11. Share transfer system:

The share transfer activities are carried out by our Registrar & Share Transfer Agent, the details of which are given above. The documents are received at their office in Mumbai / Pune and also at the Registered Office of the Company. The share transfers are carried out within a period of fifteen days from the date of lodgment, provided, all the papers received are in order.



12. Dematerialization of shares and liquidity:

As on March 31, 2017, 99.41% of the total issued share capital was held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.

13. Shares allotted during the financial year ended March 31, 2017:

KPIT Technologies Employees Welfare Trust (“the Trust”) is a trust formed for employee welfare activities, which includes, administration of Company’s Employee Stock Option Plan (“ESOP”) Schemes. As part of its operations, the Trust is allotted shares by the Company or it acquires shares from open market and the Trust, in turn, sells such shares for administration of the ESOP schemes. The holding of shares and the sale of shares by the Trust, is done on behalf of the employees. As per provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the total number of shares under secondary acquisition held by the Trust shall at no time exceed five percent of the paid up equity capital. To comply with these provisions, shares are allotted during the year under ESOP schemes by way of transfer of shares from trust to employee and no fresh allotments were made by ESOP Committee during the year.

14. Shareholding Pattern as on March 31, 2017:

Category	No. of shares held	% of total share capital
Promoters	37,391,122	18.93
Public	150,802,276	76.36
Mutual Funds	5,044,746	2.56
Foreign Institutional Investors	25,555,066	12.94
Foreign Portfolio Investors	76,450,920	38.71
Bodies Corporate	3,905,711	1.98
Foreign Company	7,776,000	3.94
Non-Resident Indian	2,585,808	1.31
Others	29,484,025	14.92
Non-Promoter – Non-Public	9,305,344	4.71
TOTAL	197,498,742	100.00

15. As on March 31, 2017, the top ten shareholders of the Company were as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% of total paid up share capital	Category
1	Proficient Finstock LLP	28,609,782	14.49	Promoter
2	Warhol Limited	19,483,674	9.87	Foreign Institutional Investor
3	KPIT Technologies Employees Welfare Trust	9,305,344	4.71	Non-Promoter-Non Public
4	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	9,000,000	4.56	Foreign Institutional Investor
5	Van Dyck	7,776,000	3.94	Foreign Company
6	New Horizon Opportunities Master Fund	6,500,000	3.29	Foreign Portfolio Investor (Corporate)
7	Acacia Partners, LP	4,800,000	2.43	Foreign Portfolio Investor (Corporate)
8	Acacia Institutional Partners, LP	4,597,575	2.33	Foreign Portfolio Investor (Corporate)
9	Acacia Conservation Fund LP	3,430,056	1.74	Foreign Portfolio Investor (Corporate)
10	Smallcap World Fund, Inc	3,036,444	1.54	Foreign Portfolio Investor (Corporate)
	TOTAL	96,538,875	48.90	

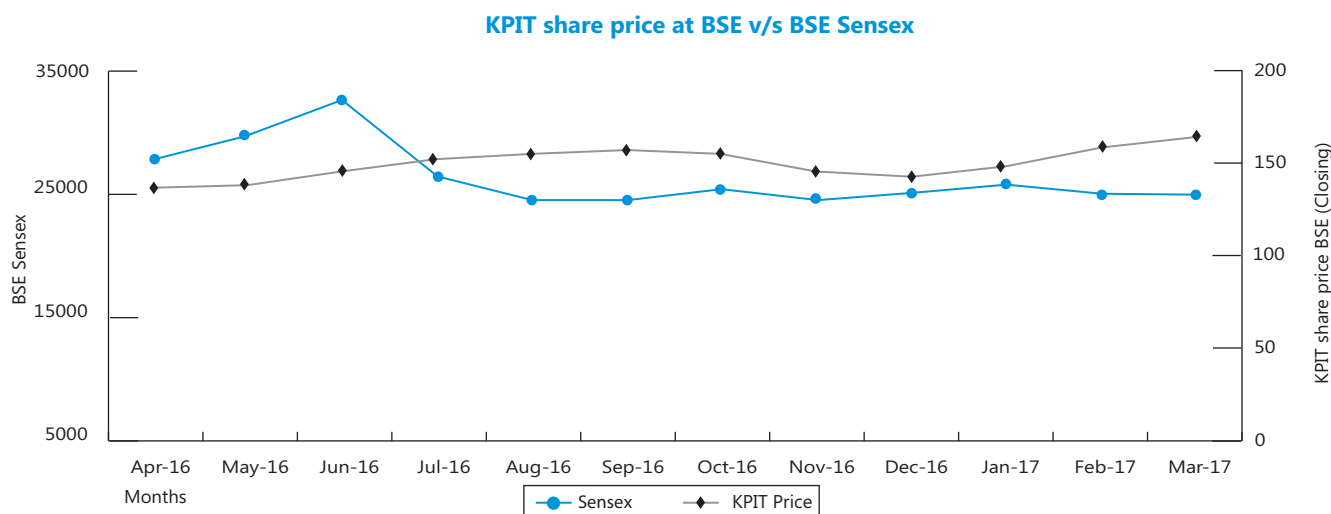
16. Distribution Schedule as on March 31, 2017:

Quantity of Shares From - To	Shareholders		Face Value of shares held (₹)	%
	Number	%		
1 - 5,000	56,597	96.99	27,064,764	6.85
5001 - 10,000	833	1.43	61,81,934	1.57
10,001 - 20,000	384	0.66	5,828,774	1.48
20,001 - 30,000	105	0.18	2,598,852	0.66
30,001 - 40,000	96	0.16	3,471,262	0.88
40,001 - 50,000	35	0.06	1,598,200	0.40
50,001 - 1,00,000	108	0.19	79,49,386	2.01
1,00,001 & above	193	0.33	340,304,312	86.15
TOTAL	58,351	100.00	394,997,484	100.00

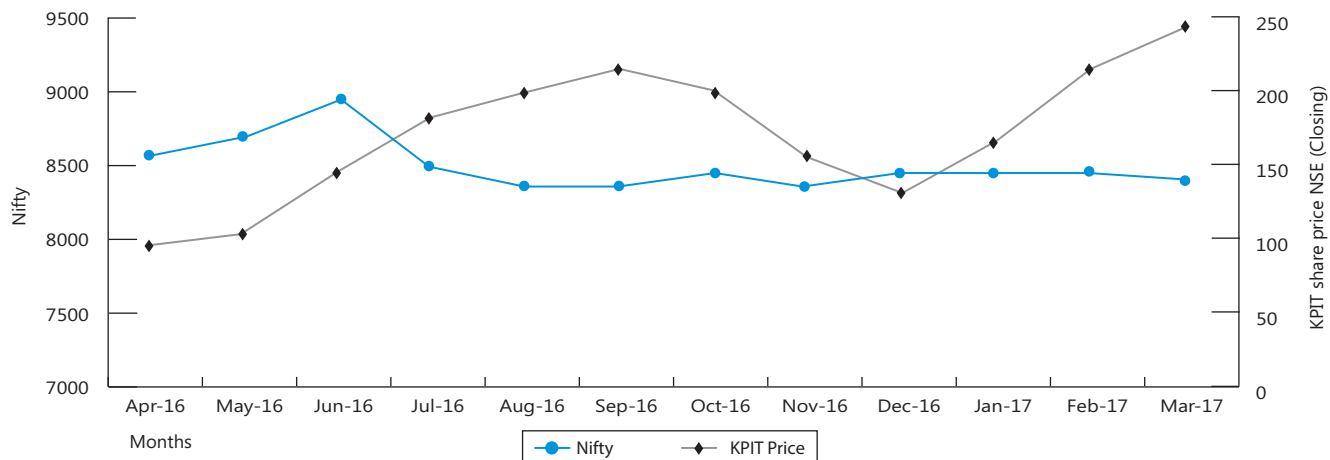
17. Monthly high / low and average of KPIT's share prices on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)

	NSE				BSE				Total Volume
	High	Low	Average	Volume	High	Low	Average	Volume	NSE + BSE
April '16	163.70	141.20	151.31	12,246,408	163.50	141.20	151.15	1,863,593	14,110,001
May '16	182.00	156.30	164.19	14,447,632	181.80	156.45	163.96	1,717,179	16,164,811
June '16	196.85	172.85	182.02	25,327,194	196.60	173.10	181.92	3,103,933	28,431,127
July '16	166.45	130.60	142.50	38,739,821	166.60	130.55	142.36	5,238,565	43,978,386
Aug '16	138.00	125.05	129.76	19,823,875	137.90	125.10	129.79	2,558,681	22,382,556
Sept '16	136.70	122.00	129.72	19,585,238	126.20	122.60	129.67	2,036,539	21,621,777
Oct '16	147.30	125.10	136.02	27,020,066	144.65	105.55	135.76	3,436,054	3,529,888
Nov '16	143.90	121.05	130.51	12,876,108	143.90	121.30	130.56	1,679,621	14,555,729
Dec '16	141.00	128.70	134.37	10,537,210	141.00	129.10	134.35	1,521,217	12,058,427
Jan '17	146.80	128.80	137.77	16,263,071	146.90	129.30	137.71	2,061,930	12,599,140
Feb '17	144.00	128.10	133.61	9,631,651	143.70	128.30	133.52	838,892	10,470,543
Mar '17	142.00	129.30	132.92	13,504,489	142.00	129.40	132.92	5,334,002	18,838,491

18. Share performance chart of the Company in comparison to BSE Sensex and Nifty:



KPIT share price at NSE v/s Nifty



19. Details of dividend in the Unpaid / Unclaimed Dividend Accounts as on March 31, 2017 :

(₹ in million)

Year	Balance	Date of completion of 7 years*
For the financial year 2009-2010	0.18	August 19, 2017
For the financial year 2010- 2011	0.17	August 11, 2018
For the financial year 2011- 2012	0.33	August 29, 2019
For the financial year 2012-2013	0.50	August 15, 2020
For the financial year 2013-2014	1.53	August 28, 2021
For the financial year 2014-2015	1.78	September 22, 2022
For the financial year 2015-2016 (Interim)	0.70	May 4, 2023
For the financial year 2015-2016 (Final)	0.64	September 27, 2023

During the year, the Company transferred an amount of ₹ 274,245/- being the unclaimed dividend pertaining to the financial year 2008-2009 to the Investors Education and Protection Fund (IEPF), in accordance with the provisions of Section 124 of the Companies Act, 2013.

*As per Section 124 of the Companies Act, 2013, any money transferred to the Unpaid Dividend Account of a Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to IEPF. In view of this provision, the shareholders are kindly requested to get their pending dividend warrants, if any, pertaining to the above financial years, encashed at the earliest. Shareholders can send the unpaid dividend warrants to the Registrar & Share Transfer Agent of the Company for the purpose of revalidation / reissue.

Please note that pursuant to section 124 (6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Amendment Rules, 2016 ("Rules") as amended from time to time, shares in respect of such dividend will be transferred in the name of IEPF including all benefits accruing on such shares. The Company has sent out individual communication to shareholders whose dividends remains unclaimed for seven years and published an advertisement in newspapers, inviting such shareholders to claim their dividend. The information in respect of such shares is uploaded on the website of the Company (<https://www.kpit.com/company/investors/policies-reports-filings>). Members can claim back such dividend and shares including all benefits accruing on such shares from the IEPF Authority after following the procedure prescribed in the Rules.



20. Details of correspondence received from the Shareholders / Investors during the period from April 1, 2016 to March 31, 2017:

Sr. No.	Nature of request / complaints	No. of pending requests / complaints as on as on April 1, 2016	No. of requests / complaints received	No. of requests / complaints processed	No. of pending requests / complaints as on March 31, 2017
1	Change of Address	Nil	5	5	Nil
2	Bank Details / Mandate / Electronic Clearing Services	Nil	17	17	Nil
3	Stop Transfer/ Procedure for Duplicate Share	Nil	3	3	Nil
4	Revalidation of warrants / Replacement of dividend warrant / Issue of fresh drafts	Nil	127	127	Nil
5	Issue of Duplicate Share Certificate	Nil	1	1	Nil
6	Correction of Name	Nil	1	1	Nil
7	SEBI Complaints	Nil	2	2	Nil
8	Change of Signature	Nil	1	1	Nil
9	Exchange of Share Certificate	Nil	1	1	Nil
10	Others	Nil	7	7	Nil
	Total	Nil	165	165	Nil

21. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

22. Unclaimed Shares

As mandated under Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the SEBI (LODR) Regulations, 2015") for shares in demat form, the Company is required to transfer the unclaimed shares to a Demat Suspense Account maintained with a Depository Participant. Further, in case of shares in physical form, the Company shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account" and shall dematerialize the shares held in Unclaimed Suspense Account with a Depository Participant. The Company has sent three reminder notices to the concerned shareholders in this regard. The details in terms of Regulation 34(3) read with Schedule V (F) of the SEBI (LODR) Regulations, 2015, are stated below:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying at the beginning of the year i.e. April 1, 2016	67	50,000
(ii)	Number of shareholders who approached the issuer for transfer of shares from shares in the Unclaimed Suspense Account during the year from April 1, 2016 to March 31, 2017	2	1,000
(iii)	Number of shareholders to whom shares were transferred from shares in the Unclaimed Suspense Account during the period from April 1, 2016 to March 31, 2017	2	1,000
(iv)	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the end of the year from April 1, 2016 to March 31, 2017	65	49,000

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.



23. Publication of results and presentation made to institutional investors & analysts:

The Company has been regularly publishing its quarterly and yearly results in newspapers, detailed below, as per the requirement of the SEBI (LODR) Regulations, 2015:

Date of Publication	Particulars	Newspaper
April 29, 2016	Audited consolidated financial results for the quarter and year ended March 31, 2016.	The Financial Express & Loksatta
July 22, 2016	Unaudited consolidated financial results for the quarter ended June 30, 2016.	The Financial Express & Loksatta
October 21, 2016	Unaudited consolidated financial results for the quarter and half year ended September 30, 2016.	The Financial Express & Loksatta
January 20, 2017	Unaudited consolidated financial results for the quarter and nine months ended December 31, 2016.	The Financial Express & Loksatta
April 28, 2017	Audited consolidated financial results for the quarter and year ended March 31, 2017.	The Financial Express & Loksatta

The results and presentations made to institutional investors & analysts have also been regularly uploaded in Investor section of our website www.kpit.com.

24. Board members’ profiles:

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

Co-Founder, Chairman & Group CEO

Mr. S. B. (Ravi) Pandit is a Co-founder, Chairman and Group CEO of KPIT Technologies Limited. His vision as the founder of KPIT has steered the Company towards achieving leadership position as product engineering, technology solutions and services provider. He possesses extensive experience in the fields of IT, Corporate Strategy Formulation and Management Consulting. He has been instrumental in shaping KPIT’s strategy based on the tenets of innovation and sustainable development. Widely respected for integrity, innovation and dynamism, Mr. Pandit has successfully established and grown partnerships with customers, partners and industry bodies, setting benchmarks in corporate governance, regional cooperation and co-innovation. For his commitment to conducting business in an ethical manner and for the value KPIT partnership has brought to Cummins, Mr. Pandit has been honored with the J Irwin Miller Award of Excellence by Cummins. He has been awarded the Rotary Excellence Award for exemplary leadership and outstanding performance and honored with the Maharashtra Corporate Excellence (MAXELL) Awards for Excellence in Entrepreneurship and for his contribution to the economic and industrial development of Pune City. He was President of the Mahratta Chamber of Commerce, Industries and Agriculture during 2004-2006. He holds a MS (Management) degree from Sloan School of Management, MIT, Cambridge, USA. He is a gold medalist and fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost Accountants of India.

Co-Founder, CEO & Managing Director

Mr. Kishor Patil is a Co-founder, CEO and Managing Director of KPIT. He guides overall management of the Company and is responsible for customer delivery units and support functions and ensuring efficient and effective functioning of the organization as a whole. He has a particular focus and vision for growing products and platforms. Under his leadership, KPIT has filed more than 60 patents, has developed over 100 IPs in cutting-edge technologies in its focus areas, and has won several national and international awards including the Wall Street Journal Technology Innovation Award, and Knowledge@Wharton Technovation



Award. Mr. Patil is a member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost Accountants of India. In 2014, Mr. Patil was honored with the CA Business Leader Award - Corporate award, by the Institute of Chartered Accountants of India. For his excellence in entrepreneurship, he was honored with the Maharashtra Corporate Excellence (MAXELL) Awards 2014. In 2013, Mr. Patil was named among the top 16 entrepreneurs in India by Ernst and Young in its Entrepreneur of the Year award program, recognized among the Top 50 CEOs of 2013 by The Entrepreneur Magazine, and awarded the 2013 Rotary Excellence Award. He is a prolific speaker and has presented at various national and international forums including the World Economic Forum (WEF), on topics such as entrepreneurship, innovation, building high performance organizations, and business transformation.

President and Board Member

Mr. Sachin Tikekar is a Co-founder of KPIT and serves as Board Member and President. Currently, he is focusing on the growth of Asia Pacific sales, overall strategy, operating systems, creation of new solutions and executive sponsorship of key Global Accounts and Partnerships along with succession planning and development of senior people in the organization. Mr. Tikekar formerly served as the Chief People Officer and the Chief Operating Officer of the US operations of KPIT. He is intrinsically involved in building and growing strategic relationships and developing transformational solutions for key customers and partners. He holds a Masters' degree in Strategic Management and International Finance from Temple University's Fox School of Business and Management, Pennsylvania.

Non-Executive and Independent Directors

Ms. Lila Poonawalla was awarded the Padmashree in 1989 recognized for her exemplary contribution to the world of Engineering and Industry. She was the Chairperson and Managing Director of Alfa Laval-Tetra Pak India and was the first woman to reach the post of Managing Director in the Alfa Laval group. She is currently a Director on the Board of Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, VE Commercial Vehicles Limited, Blossom Industries Limited, Pragati Leadership Institute Private Limited, Noble Tek PLM Solutions Private Limited, Impact Automotive Solutions Limited and Nihilent Technologies Limited. She has been on the governing body of organizations such as the Confederation of Indian Industries (CII) and Technology Information Forecasting and Assessment Council formed by the Government of India (TIFAC). She was a member of the Scientific Advisory board of the Central Cabinet (SAC-C) and Chairperson of the Herbal and Floriculture Taskforce of SAC-C. Actively involved in social initiatives, she is on the board of trustees of two Pune-based Non-Governmental Organizations (NGOs). In 1994, she started the 'Lila Poonawalla Foundation' to promote education among women. She is presently a member of Executive Council of Maratha Chamber of Commerce Industries (MCCI), National Institute of Agricultural Extension Management and Top Management Consortium. She is also the Vice Chairperson of the Poona Blind Men's Association.

Dr. R. A. Mashelkar is deeply committed to the world of Science and Engineering. Dr. Mashelkar has been hugely instrumental in propagating a culture of innovation and balanced intellectual property rights regime for over a decade. He is a Chancellor in the Academy of Scientific & Innovative research. He was the third Indian engineer to have been elected as a Fellow of Royal Society (FRS), London, was the first Indian President of the Institute of Chemical Engineers, UK and the first Indian Foreign Fellow of Australian Technological Science and Engineering Academy (2008). Twenty-eight universities have honored him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi. Dr. Mashelkar served as the Director General of Council of Scientific and Industrial Research (CSIR). He was also the President of Indian National Science Academy (2005-2007). He is currently a Director on the Board of Reliance Industries Limited, Thermax India Limited, Tata Motors Limited, Piramal Enterprises Limited, Tal Manufacturing Solutions Limited, Vyome Biosciences Limited, Invictus Oncology Private Limited, Sakal Paper Private Limited, International Longevity Centre-India, Gharda Scientific Research Foundation, Gharda Medical & Advanced Technical Foundation. Dr. Mashelkar has won over 50 awards and medals at national and international levels and was honored by the President of India with Padma Vibushan award in the year 2014. Earlier, he was conferred Padma Shri award (1991) and Padma Bhushan award (2000), in recognition of his contribution to nation building.



Mr. Adi Engineer is a Chartered Engineer by profession with a degree in Civil Engineering from the Pune University. He was associated with Tata group of companies for nearly three decades prior to joining KPIT board, which includes a stint as Managing Director of Tata Power Limited. In that role, he transformed the company by successfully launching various new initiatives that substantially led to improved profitability. His company also secured the “Good Corporate Citizen” award during his charge. Prior to joining the Tata Group, Mr. Engineer had a successful 20 years stint with the ICI group where he held senior positions in the management team including setting up large chemical plant projects and later into operations and general management. Mr. Engineer has served as the Director on the board of several companies in the field of energy, infrastructure and engineering. Reckoned for his varied and differentiating experience, Mr. Engineer is a Director in Finolex Cables Limited and Impact Automotive Solutions Limited. The Confederation of Indian Industry (CII) had also appointed him as the Chairman of the Committee on Power for the year 2006. He has been a preferred and insightful spokesperson for the power sector at many media interactions. Having served the industry on numerous fronts, Mr. Engineer brings with him wide experience from more than a dozen boards of major companies.

Prof. Alberto Sangiovanni Vincentelli was a co-founder of Cadence and Synopsys, two leading companies in the area of Electronic Design Automation. He is the Chief Technology Adviser of Cadence and a member of its Board of Directors. He was a member of the HP Strategic Technology Advisory Board. He is currently a member of the Science and Technology Advisory Board of General Motors, as well as a member of the Technology Advisory Council of United Technologies Corporation. He is also a Professor in University of California, Berkeley and Department of Electrical Engineering & Computer Sciences.

Mr. Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, M.S. degree from the University of Michigan in Ann Arbor and a MBA from Tulane University, USA. He is the President of the Cummins Components Group and Vice President and Managing Director of the Cummins India Area Business Organization. He has been serving Cummins for the past 20 years in varied fields like Finance, Manufacturing, Product Management, Strategy, Marketing and General Management. He has led the North and South American Commercial Power Generation business for Cummins with revenues of \$300 million. Since 2004, Mr. Talaulicar has also led the Cummins India Foundation which has implemented sustainable community initiatives such as rural electrification and improving access to water. He serves as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association. Currently, he is the Chairman and Managing Director of Cummins India Limited.

Mr. B V R Subbu is an automotive industry expert and a thought leader. Mr. B V R Subbu holds a post graduate degree in Economics from Jawaharlal Nehru University and a post graduate diploma from the Indian Institute of Foreign Trade. He was the President of Hyundai India earlier. He was also extensively involved with the Tata Group holding various responsibilities, including responsibilities in Tata Motors’ Light Commercial Vehicles and Multi Utility Vehicles business.

Mr. Sanjay Kukreja is a fund manager by profession. He joined ChrysCapital, a fund management firm, in April 2000. He manages the investments of ChrysCapital in business services sector. Mr. Sanjay Kukreja received his MBA from the Indian Institute of Management, Bangalore and graduated with a BA in economics from Delhi University.



Chief Technology Office (CTO)

Enabling Innovation, Technology, Research and Development (R&D) at KPIT, the Chief Technology Office is KPIT's R&D center. CTO drives R&D activities along three broad initiatives: R&D for customers, technology development and fostering innovation.

R&D for Customers

- ❖ **KwikPick** - Hands Free Augmented Reality Solution on Smart Glass
 - KPIT's "KwikPick" Hands Free Warehouse Picking Solution with wearable Augmented Reality Smart Glasses
 - It is more productive and cheaper than Voice Picking.
- ❖ **JRM** - Journey Risk Management for safe and incident free transportation of petroleum & petrochemical products.

For the customer

- Predict the journey
- Statutory compliance
- Safe driving practices
- Pre-empting incidents
- Misappropriation of goods
- Shipment health

For the fleet operator

- Auto Vehicle Locator System
- Adhere to valid route
- Alerts & notifications
- Safe driving practices
- Communication to customer
- Freight settlement

For the driver

- Changing road trajectories
- Accident prone zones
- Pedestrian density places
- Safer places to stop / park
- Manage fatigue break schedule

- Know situational speed limits
 - Know route risk in advance
 - Distraction less driving
 - Receive advanced intimations
- ❖ **SmartAMS** - Smart Application Management Services Enabling Technology through SmartAMS
 - Traditional AMS is inefficient, rigid, with cost increasing year on year
 - Business disconnect exists using traditional AMS

SmartAMS is a service offering to reduce operational cost and help organizations to focus on business transformation

Key focus of SmartAMS is Automation to Automation (A2A)

- Automation to raise proactive alerts or events as soon as the warning or issue is detected
- Automated resolution to reduce resolution time
- Focus on Left shift (L2->L1->L0->User) approach using technology to reduce operational cost

SmartAMS is based on 3 key principles:

- Smarter-Use Automation to raise proactive alerts for prevention of issue
- Faster-Automate recurring issue resolution time
- Avoidance - Avoid tickets / issues being raised by user through Ticket Diagnostics

Technology Development Research Projects

- ❖ **City Movement Modeling**
 - **Understand Traffic Patterns:**
Understand traffic patterns in city by analyzing anonymized mobile network data
 - **Origin Destination Analysis:**
In a geo fence area of interest, analyze people movement to and from the area of interest at different times of the day



- **Congestion Insights:**
Understand typical traffic bottleneck areas by studying movement across different parts of the city by time zones
- **Gaps in Public Transport:**
Co-relate current demand carrying capacity of public transport to the estimated demand on a selected route

Benefits:

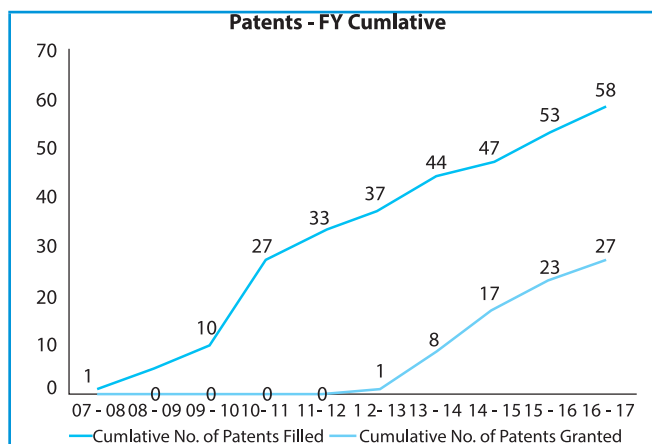
- Demand driven city transport planning
- Input for traffic simulation
- Useful data for e-commerce companies for logistics

❖ **MPC – Model Predictive Control For Retrofit Hybrid Electric Vehicle**

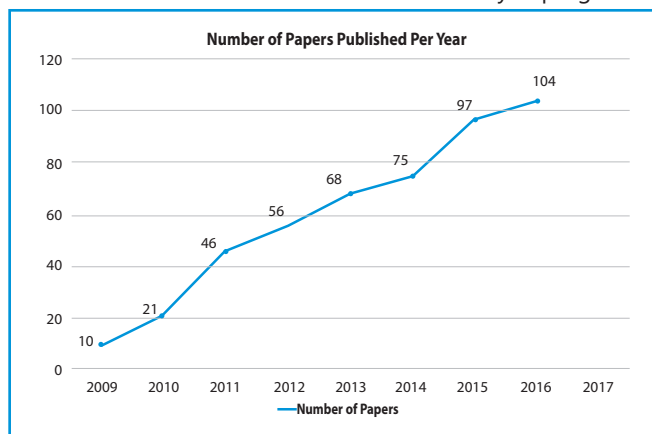
- Rule based logic lacks methodical and consistent reduction in fuel consumption and emissions of practical retrofit HEV
- Extra calibration effort required to suitably operate vehicle in various drive cycles
- Inconsistent fuel efficiency benefits observed across varied driving conditions
- MPC based solution involves framing the retrofit HEV system in terms of MPC architecture
- Physics based dynamic model of practical retrofit HEV and its validation
- Supervisory controller of EV / retrofit HEV based on MPC methodology
- MPC based approach results in optimal motor torque (leading to optimal torque split) without sensing or actuating any engine parameters
- Consistent fuel efficiency benefits observed across multiple drive cycles

Fostering Innovation

Patents: The patenting process began in 2008 with our first patent filing. This year, six new patent applications have been filed and six of our patents have been granted in various countries across the globe. We also got our first patent grant in India during the year.



Papers: Further to patents, we also have publications in different forums for the research work currently in progress.



KPIT Sparkle 2017

This was the third year of KPIT Sparkle, a national design and development innovation contest for science and engineering students. The theme of the competition in this edition was on **Smart Cities** and centered on creating solutions for **Smart Transportation** and **Smart Infrastructure** using technology. This year, we received over **1,500 ideas** from over **10,500 students** across **300 colleges** in India with participation of 9 premier institutes like IIT's and NIT's. The **35 shortlisted teams** exhibited their solutions through working prototypes at the grand finale, held on **February 18 & 19, 2017**, at the **Deccan College Ground** in Pune.

On display, at the finals, were some interesting and novel projects in areas such as urban mobility, autonomous vehicles, smart electric vehicles and self-learning bots, clean and efficient fuels technology, solutions to recover and clean oil spills, coherent use of energy from plants, wind, solar and waste water and separation of plastics from waste.



The finalists were evaluated for novelty of their ideas, completeness of prototype, fulfillment of society's expectations / problem statement and technical knowledge.

The winners of the contest were evaluated by a panel of eminent jurors headed by Padma Vibhushan Dr. R. A. Mashelkar and announced at an award ceremony on February 19, 2017, where cash prizes of over ₹ 20 Lakhs were awarded to them.

The award ceremony was presided by Union Minister for Human Resources Development (HRD), Hon. Shri Prakash Javadekar as the Guest of Honor and Padma Shri Dr. Kiran Karnik, Former President, NASSCOM was the chief guest.



Team Robo-Climb from College of Engineering, Pune (COEP) won the **Silver Award 1** worth ₹ 2.5 Lakhs for their autonomous vehicle solution called Wall Climbing Robot, which can be used for transportation of goods as well as passengers over the distance.



Team AlphaGears from Mangalore Institute of Technology and Engineering won the **Platinum award** of ₹ 10 lakhs for their project on **frictionless gear transmission system** for vehicles using Polymagnets. This solution will overcome the drawbacks of present day mechanical gear system.



Team Traffic Eye from **Birla Institute of Technology and Science (BITS), Pilani** won the **Silver award 2** worth ₹ 2.5Lakhs for their project **Traffic Eye** to check traffic violations.



Team Robo-X-Prime from R. C. Patel Institute of Technology, Shirpur, Maharashtra won the **Gold award** worth ₹ 5 Lakhs for developing a robot for cleaning and inspection of Power Transmission Line.

Community Initiatives



Transforming communities through employee engagement

Community Initiatives have been a part of the DNA of KPIT since its formative days. Our philosophy and guiding principle towards Community Contribution leverages our expertise and knowledge in IT and Engineering, combined with the volunteering efforts of our employees. We believe responsible volunteering has the ability to have a long lasting impact on the society, thus maximizing the outreach to beneficiaries within communities. At KPIT, we aim to create a more equitable and inclusive society by supporting communities that lead to sustainable transformation and social integration.



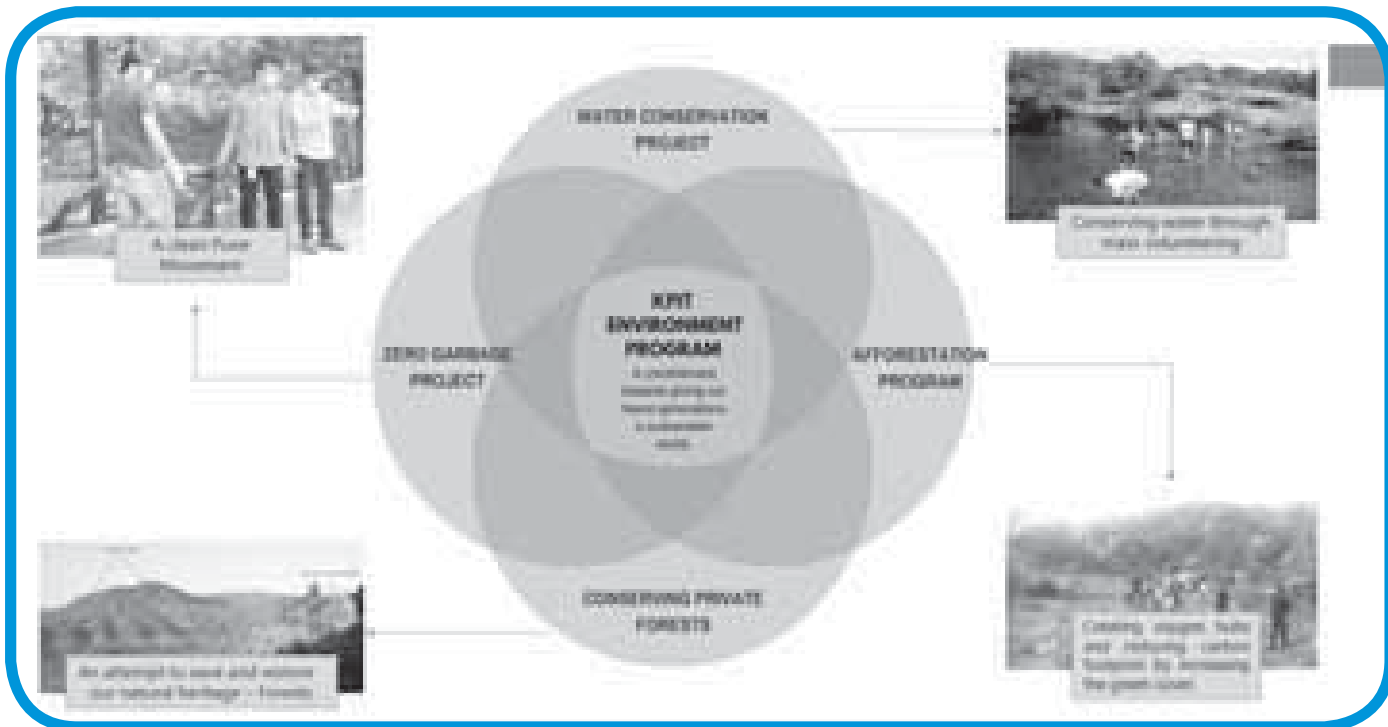
Volunteers from KPIT Pune at rice plantation activity

Community Contribution is one of the seven core values at KPIT. It has a significant mention in our Mission and Vision statements to reflect our commitment towards it. Considering our capabilities and the needs of the communities that we serve, we have continued working within the following focus areas:

1. **Environment:** Making this planet a better place to live in.
2. **Energy:** Developing innovative solutions for efficient energy consumption and renewable supply.
3. **Education:** Transforming lives through science and technology education.
4. **Employee Engagement:** Maximizing impact through responsible volunteering.

ENVIRONMENT

KPIT is committed towards giving our future generations a sustainable world through efficiency in our business operations and conservation of natural resources.



➤ **Water Conservation through Mass Volunteering**

India has a long tradition of water harvesting. Many of the traditional water harvesting systems are no longer utilized or have lost their relevance due to their inability to meet the community demands. For agrarian villages located in arid and semi-arid regions of Karnataka & Maharashtra, any acute shortage in rainfall can jeopardize agricultural yields, drinking water supplies, and the community's entire existence.



Check dam construction at Pasali Village, District Pune

To expand on the water conservation projects, apart from the desilting of farm ponds and tree plantation started in 2012, we adopted few new and different models for water conservation this year. We excavated new wells in the villages, constructed Check Dams and Cement Nala Bund (CNB), widening and deepening of water canal, with incentivizing land levelling activities.

➤ **Farm Pond Activity (Nelamangala, Karnataka & Velha, Maharashtra)**

Karnataka and Maharashtra, both being predominantly agrarian states, cultivation and sustenance of water, coupled with unpredictable monsoons, has been a very pertinent issue. Often, even the meagre water received during the monsoons, just drains away. But if the rainwater is stored properly, the ground water table will be recharged and crops can get adequate water during critical conditions.



KPIT Volunteers engaged in excavating farm ponds at Nelamangala, Karnataka

KPIT, along with local farmers association, have taken up project "Krishi Honda" (farm pond), primarily with an aim to utilize rain water harvesting as a means to give a new lease of life to the village of Alladahalli (Nelamangala Taluk), tainted by scorching summers.

Krishi Honda, are usually square or rectangular dug out ponds, surrounded by a small bund, which harvest rainwater and store it for further use. Agricultural ponds have a variety of uses, ranging from providing water for irrigation, domestic purposes and livestock, recharging the ground water, improving drainage, among many others. The bunds can be used to nurture vegetables and fruits, thus incrementing the source of income of the villagers as well. KPIT has built three Krishi Hondas in Alladahalli Village, where close to 90 volunteers worked tirelessly to ensure that the villagers can reap the benefits of it in the days to come.

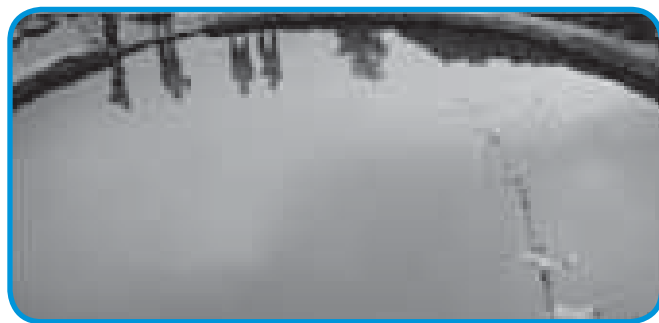
Year 2016 also accommodated construction of two farm ponds in Ranza (Shivapur) village, near Pune, Maharashtra.



Farm Pond at Kerekathignur village, Nelamangal a, Karnataka

➤ **Well Excavation & Construction at Guhini & Metpilawar Village, District - Pune**

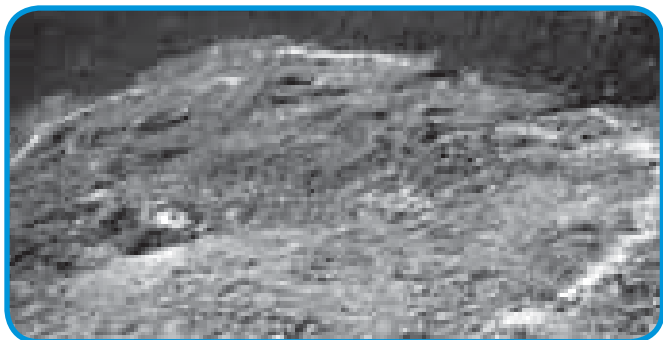
This project is aimed at addressing the drinking water problem of Guhini & Metpilawar village. Geological survey was conducted in order to excavate the well and build it. Live spring was identified and a well of 30ft deep and 32ft in diameter was developed around the spring and it was converted into a reservoir which has the capacity to store 25lakh litres of water. KPIT, in association with the local villagers & Jnana Prabodhini, volunteered towards this initiative. Nearly, 200 volunteers were part of this project.



Water filled well at Guhini

➤ **Widening and deepening of water canal at Wajeghar Village, District Pune**

Wajhegar has the only water resource in the form of a well which is located at the bank of canal. This water reserve dries out every year after the month of March, leaving villagers with no water for the rest of the year. By de-silting of 300m x 200m x 8ft canal, we have created water reservoir of the capacity storage of 10 million litres of water lasting until monsoon.



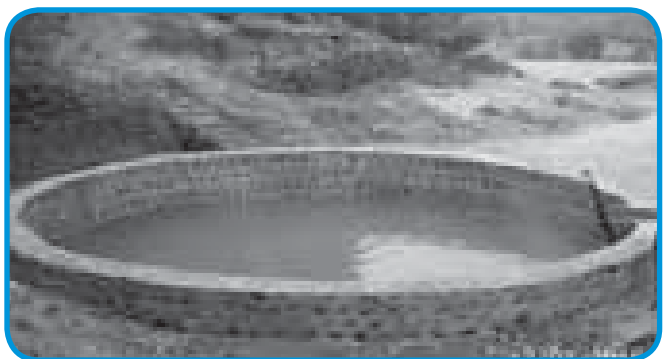
Volunteering activities in full swing at Metpilawar & Guhini



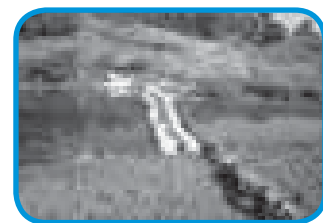
Water canal at Wajeghar Village: Before (L) & After (R)

➤ **Soil Dam at Varoti & Pasali, District Pune**

Construction of check dams enables to conserve water and at the same time help to prevent the overflow of water observed during floods. Such situation prevails in the monsoons and the river tends to overflow due to the heavy downpour. Hence, we adopted the method of construction of check dams on River Velvandi at Varoli & Pasali villages to support the villagers in conserving water. We conserved 8 million litres of water through active participation from nearly 300 volunteers from KPIT, our partner NGO Jnana Prabodhini volunteers, including villagers.



Water filled well at Metpilawar



Volunteering at Varoti



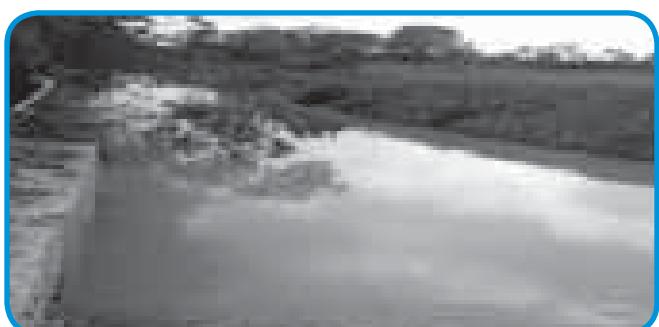
River Velvandi (Varoti) and the well on the river bank

➤ **Shelgaon Village, District – Osmanabad – Cement Nala Bund (CNB) Project**

Osmanabad district is one of the worst drought affected regions in Maharashtra. As a long term solution to the drought situation in the village, KPIT, in association with Rashtriya Sarvaghin Gram Vikas Sanstha, embarked upon an ambitious project of building a CNB in the year 2016. About 20m x2.6m x2.6m CNB was constructed in the village, enabling a water corridor of 22m x 600m x 2m. This will result in a storage of 16 million litres of water.



Cement Nala Bund (CNB) construction at Shelgaon, Pune



Water filled Cement Nala Bund (CNB) at Shelgaon, Pune

➤ **Dr. Rajendra Singh visits KPIT's Project sites**

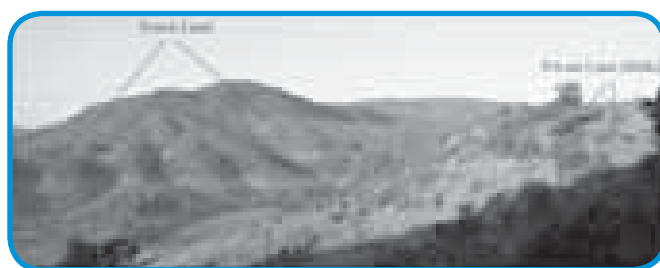
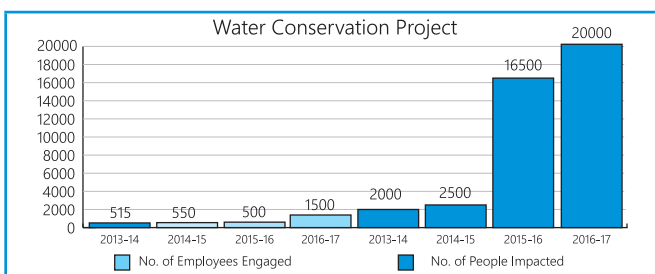


Dr. Rajendra Singh visits the projects initiated by the KPIT CSR Team

Dr. Rajendra Singh Rana also known as “The Water Man of India” visited our Water Conservation Project sites at four different villages in Velha Tehsil, Pune. He is a well-known water conservationist from Rajasthan, India and has won the “Stockholm Water Prize” (an award known as Nobel Prize for Water) for his significant contribution towards rejuvenating more than 10 rivers by constructing 11,000+ check dams & ponds. Dr. Rajendra Singh Rana was extremely delighted to know about KPIT's efforts and initiatives towards water conservation. He acknowledged and appreciated the work carried out by KPIT volunteers in association with our NGO partner, Jnana Prabodhini.

KPIT's Rain Water Harvesting action, through multiple stakeholder approach, has yielded the below mentioned quantitative impact:

- Total number of beneficiaries – 20,000 lives
- Land under irrigation – 1,200 acres
- Water conserved – 50 million litres of water
- Total number of villages covered – 25
- Total number of employees engaged – 1,500

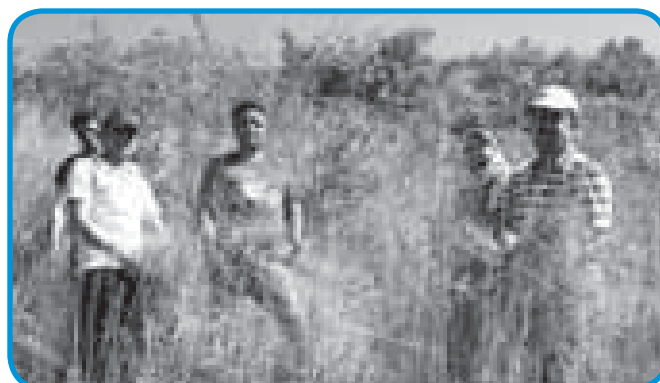


Koyna Chandoli Afforestation Corridor

KPIT, as a socially responsible organization, has taken up the task of restoring forests, to bring back some semblance in the forested environment. In Maharashtra, the Koyna - Chandoli corridor has been a host of KPIT's afforestation efforts. Following up with previous year's efforts, KPIT inclined its' afforestation efforts with the monsoon, ensuring plantation of more 2,500 saplings aggregating with 7,500 previously planted with an overall survival rate of 80 percent.



Media Coverage of KPIT Water Conservation Projects



KPIT Volunteers at Koyna afforestation corridor

In Bengaluru, the efforts have been replicated, with RK Mission at Shivanahalli and a group of villages in Nelamangala playing host to KPIT's environmental efforts. KPIT planted and adopted 1,000 saplings, over a period of two years, strengthening the buffer zones in the Bannerghatta National Park and the Nelamangala bypass corridor.

Plantation activities year round engaged 437 employees, all of whom supported the initiative in collectively ensuring a more hospitable environment in our cities.



➤ **Afforestation**

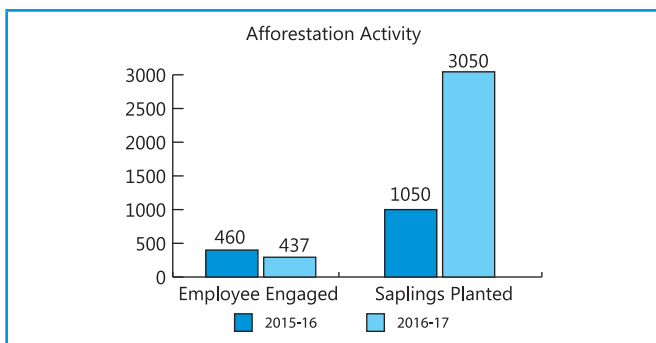
Encumbering forests in the name of development has slowly been de-voiding urban India of its lung spaces. The current projected development rate will only increase the rate of carbon emission in the vicinity, thereby painting a worrisome picture for future generations.



Volunteers from KPIT Bengaluru at Shivanahalli, during sapling plantation and maintenance

Consequentially, the following alterations in the micro climate could be witnessed:

- Creating oxygen hubs
- Reducing the atmospheric temperature
- Increasing the carbon sequestration
- Rise to mini ecosystems
- Increase in bird migration



➤ **Zero Garbage Project**

In 2013, the Zero Garbage Project was initiated for increasing the livability of people within the city of Pune. The project over the years has been encouraging segregation of dry and wet waste at the source.

Our Chairman and Group CEO, Mr. Ravi Pandit, has been a deeply engaged mentor in execution of the Zero Garbage Project. Owing to the practicality and vision of Mr. Pandit in this project, he has been nominated as a National Expert on 'Technology Evaluation Committee for Solid & Liquid Waste and Water Supply'. The committee is formed by Government of India, Ministry of Urban Development under the chairmanship of Dr. Raghunath A. Mashelkar, who is also an honourable board member of KPIT.

Along with the coordination and support of KPIT, Janwani, a Pune-based Voluntary Organization has been successful in showing positive results of the project in all municipal wards. The total population reached was approx. 8,77,000 covering about 2,19,478 houses. The door step collection of waste in the wards has increased from 38% at the beginning of the project to 74% at the end of current year. There has been a significant increase in the practice of wet and dry waste segregation at house-hold level which was recorded to be 31% at the beginning of the project and 63% at the end of current year. The number of community bins has been reduced from 137 to 85 (62%) whereas, the chronic spots of mixed garbage at the roadsides and corners of the city have been reduced from 268 to 142 (52%).

Within the project, Janwani, along with KPIT, has conducted total 1,069 awareness programs in the city. These programs include street plays, puppet shows, poster presentations, multilevel meetings of the members of the Solid Waste Management system of Pune, film screenings, quiz contests etc.



Citizens and KPIT Volunteers at the Cleanliness and Awareness Drives in Pune

ENERGY

In a bid to become energy independent, KPIT Pune office has turned to solar energy, raising a 125KW roof top solar power plant. This roof top facility generates 600 units of electricity every day. The generated electricity is utilized in-house, towards 18,000 - 20,000 units / day of electricity consumption, thereby reducing the load of the main supply grid by more than 3%.

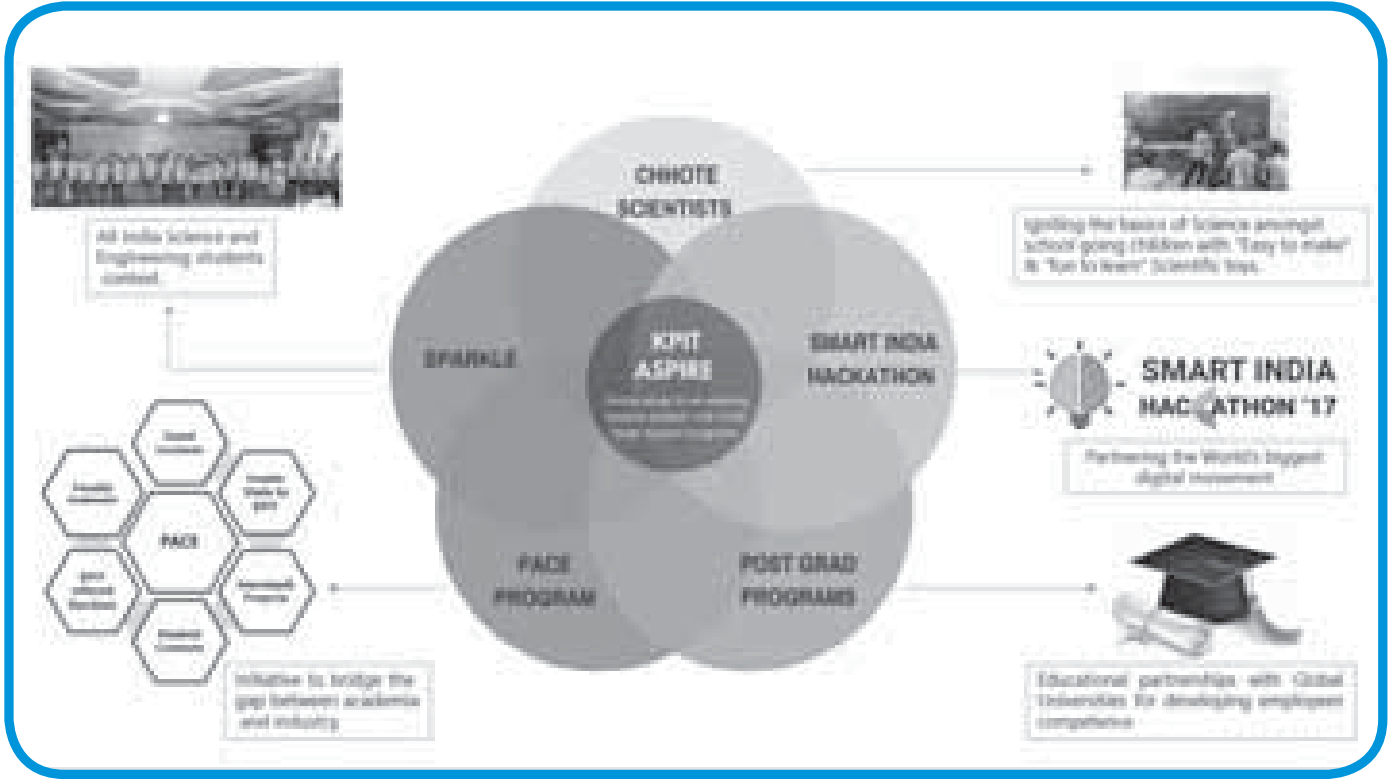
In upcoming years, KPIT plans to double the capacity to utilize cleaner and greener energy produced in-situ, promoting environment friendliness at multiple levels.



In-Situ solar installations at KPIT Pune office.

EDUCATION

We aim to transform lives of people in our community through science and technology education. The focus on science and technology is because of our belief that technology can change lives and that science brings in rational thinking. Starting as early as high school, KPIT identifies itself with the progressive steps that lead people towards the adoption of Science Technology Engineering & Maths (STEM) as a career choice and develops the acumen of an individual towards constant learning.



➤ **Chhote Scientists**

KPIT's flagship initiative, in association with Jnana Prabodhini, Chhote Scientists has been charting impactful engagement among government schools across Bengaluru, Mumbai, Noida and Pune. Since 2012, almost 20,000 students have experienced science learning through the Chhote Scientists program, with over 3000 employees having delivered the same through hands-on pedagogy.

Chhote Scientists made strides in expanding its circle of knowledge sharing to Hubli and Dharwad in Karnataka, with Vidya Poshak, a Voluntary Organization, playing the host. 300+ children across 4 schools now stand to benefit from Chhote Scientists program.

Based on KPIT's model of engaging graduating science students, Jalana College, was taken up as a pilot project. 25 student volunteers delivered 360 sessions across 25 schools of Jalana district, benefiting 1,250 students of various local government schools.



A Chhote Scientists session in progress

Following the teachers training model of Chhote Scientists program, a two-day workshop was organized hosting 40 teachers from Pune district. The teachers, post the workshop, have been instrumental in delivering the Chhote scientists program back in their respective schools. The model adopts a biannual training workshop, with one each in two terms of the annual calendar year.

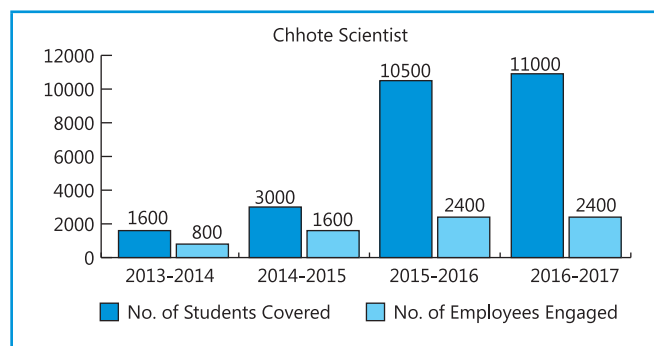
To expand the reach of Chhote scientists, as a responsible corporate house, KPIT has been extending the boundaries of business partnerships to include social projects as well. So far, Mercedes-Benz Research and Development India Private Limited and Excel Industries Limited have come forward in building a partnership and adopting Chhote Scientists into their Corporate Social Responsibility circles.

Chhote Scientists walk into USA

As part of the CSR activities in Columbus, USA, we kicked-off the Science Learning Event for kids (as an extension of our 'Chhote Scientists' initiative in India). There were 15 children between the age group of 10-12 years who participated in the program and created small toys to understand the concepts of Sound. Based on the local requirements, Chhote Scientists is being shaped into an engaging hands-on initiative in USA.

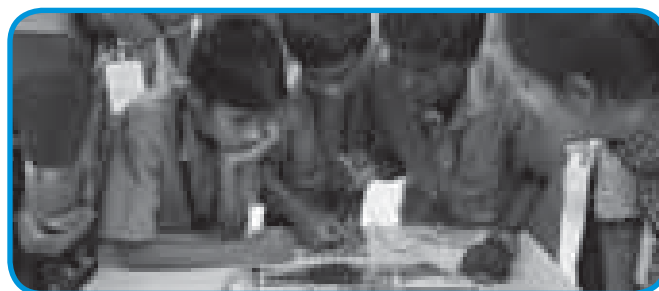


Chhote Scientists USA at Columbus Public Library, USA



➤ **vSolve Competition**

vSolve 2017, was the problem solving competition marking the culmination of Chhote Scientists calendar for the year.



Children from Government Model Primary School during vSolve 2017 finals at KPIT Bengaluru

This year's competition in Bengaluru saw all the four Chhote Scientists' schools participate with enthusiasm and competitive spirit. 42 participants representing 14 teams competed in a

science gaming circuit, having to complete four theme-based games, on a timed format. Earlier, children were shortlisted through two rounds of selection process - Multiple Choice Questions (MCQ) test and science demonstrations.



The enthusiasm of the children peaked where records tumbled during the vSolve 2017 finals at KPIT Bengaluru

The event at Pune saw 180 students across 36 government schools from Maval & Mulshi Tehsil and Pune Municipal Corporation participate in the event. The competition saw participation by schools, wherein Chhote Scientists program was introduced through Daimler India's CSR program in Pune. The competition also played host to students emerging out of Bharat Forge Limited's Pradnya Vikas program.

The competition was formally inaugurated by Prof. L.S. Shashidhara, Chair of Biology, Indian Institute of Science Education and Research, Pune (IISER). Mr. Ravi Pandit, Chairman and Group CEO, KPIT, along with Mr. Vivek Ponshe, Secretary (Education), Jnana Prabodhini presided the event. Mr. Pandit interacted extensively with the students to learn about their projects, before handing over the prizes to the winners.



Ignited minds at work during vSolve 2017 finals at KPIT, Pune

Based on respective problem statements given, class 8 students had to assemble a portable light source with the help of easily available materials like aluminum cans, battery, LED etc., while Class 9 students had to build a vacuum cleaner making use of pet bottles, DC motor, pipes etc. These events were ably conducted by a strong group of 100+ KPIT volunteers across the venues of Pune and Bengaluru.

The occasion also saw the second volume of Chhote Scientists syllabus being released, conceptualized and designed exclusively by Jnana Prabodhini and KPIT. This is in

succession of the release that took place in the first semester of the academic year, wherein the first volume and the Chhote Scientists App was unveiled.



Dr. Girish Bapat(L), Mr. Aravind Paranjape(M) and Mr. Kishor Patil(R) at the unveiling of Chhote Scientists Volume 1 in 2016

Mr. Vivek Ponshe (L) and Dr. L. S. Shashidhara (R) at the unveiling of Chhote Scientists Volume 2



Media coverage of Chhote Scientists and vSolve 2017

➤ **Sparkle 2017**

This was the third year of KPIT Sparkle, a national design and development innovation contest for science and engineering students. The theme of the competition in this edition was on Smart Cities and centered on creating solutions for Smart Transportation and Smart Infrastructure using technology. This year we received over 1,500 ideas from over 10,500 students across 300 colleges in India with participation of 9 premier institutes like IITs and NITs. The 35 shortlisted teams exhibited their solutions through working prototypes at the grand finale, held on February 18 and 19, 2017, at the Deccan College Ground in Pune. Total cash prizes amounting to ₹ 21 lakhs were given out to the winners of various categories at the event to support their innovative endeavors.



The finalists of KPIT Sparkle 2017 held in Pune



Eminent dignitaries at KPIT Sparkle 2017

➤ **Smart India Hackathon 2017 - World's Biggest Digital Movement!**



KPIT, partnered with the Ministry of Human Resources and Development (MHRD) in organizing the Smart India Hackathon '17, pitted as world's largest digital nation-building initiative. The Hackathon aimed at harnessing the creativity and technical expertise of over 40,000 students from various technology institutes across the country. Approximately 16,000 college students participated in this event to solve problems listed by various Central Ministries.

Programmers at KPIT participated in the evaluation committee of Hackathon. The effort went into shortlisting the final 1500 entries based on description of ideas, the corresponding technology stack and the solution approach. 60 of KPIT's employees volunteered as evaluators while 5 were engaged as judges in the grand finale.

The Grand Finale was hosted in 26 centers across India with 10,000 shortlisted students. It was a 36 hours non-stop challenge to win over digital challenges faced by the Government of India.



Panel of KPIT Evaluators and Judges interacting with participants at the Grand Finale of Hackathon

EMPLOYEE ENGAGEMENT

We use energy and spirit of our employees to bring in a positive change in the communities that we live in. One time community engagement activities bolster other focus areas by aligning employees' time and interest. Be it disaster relief work, donation drives, volunteering drives or workshops, they all instill the commitment of our employees to society's causes.



➤ Blood Donation

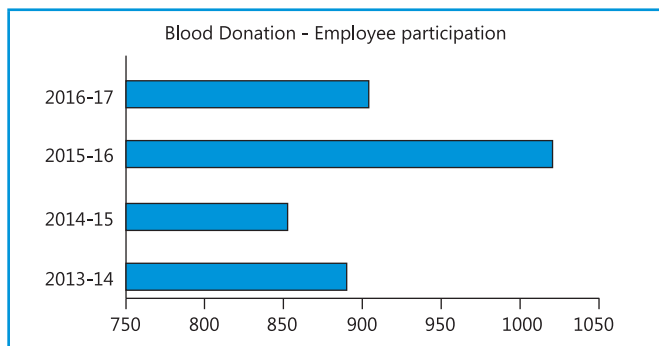


Employees donating blood at various blood donation drives across India

KPIT, in association with various NGOs across multiple KPIT locations, organized blood donation camps to support hospitals and blood banks to tackle the blood shortage issue. The event camps received an appreciable response from employees across all locations resulting in 900 units of blood, benefiting 3,600 lives.

Employees Engaged	Location	Partner NGOs
220	Pune	Jankalyan Blood Bank & Deenanath Blood Bank
230	Bangalore	Rashtrathana Blood Bank
75	Mahape	Samarpan Blood Bank
60	Noida	Rotary Noida Blood Bank

Figures represent the number of employees participated and associated Partner NGO



➤ **Annadaan (Food Grains Donation Drive)**

Food is the basic requirement for all living beings, including humans.

KPIT, each year, drives this unique initiative of Annadaan, wherein the employees are requested to set aside a fist full of grains every day for a period of three weeks. Employees across KPIT India locations participated in amassing 15 tons of food grains and groceries for this year, expected to feed nearly 4,300 beneficiaries across KPIT India locations and within their vicinity.



Groceries contribution during the Food donation drive

Location	Collection in kgs	No. of Employees Involved	No of Beneficiaries
Bengaluru	3,000	600	1,000
Mumbai	2,000	200	400
Noida	1,000	200	400
Pune	9,000	1,500	2,500
	15,000	2,500	4,300

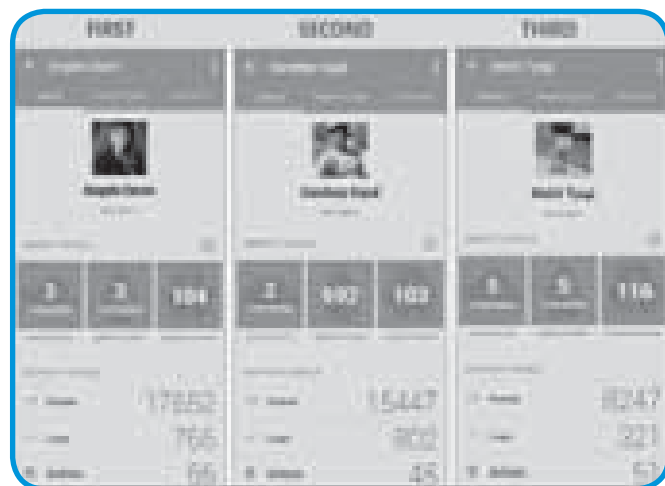
Annadaan impact statistics from 2016-17

➤ **KPIT CSR APP - Quarterly App Challenge**

In today's world of smartphones, with increasing amount of time being spent on it, KPIT's quarterly app challenge was ideated to leverage on this affinity to smartphone. As part of our "ONE KPIT" initiative and in conjunction with our CSR efforts, we rolled out an interactive Smartphone app, "KPIT ... for a better world". The app, created in a game-like format, is meant to recognize and encourage efforts of our employees participating in community activities within and outside of the Company.

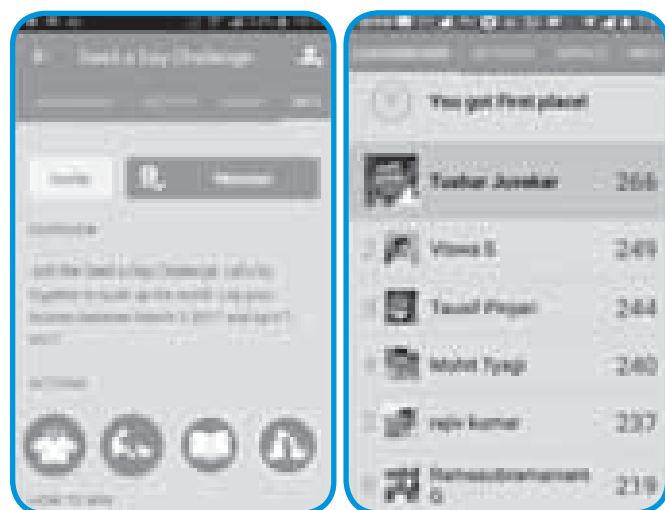
The first of the challenges, CSR Volunteering challenge, was a time based challenge, run globally in the month of October

2016. Employees participating in the challenge had to log their community contributions on the app to earn points. With a considerable number taking part, the challenge emerged as a successful hosting platform for KPIT's CSR activities.



Snapshot of first CSR App Challenge

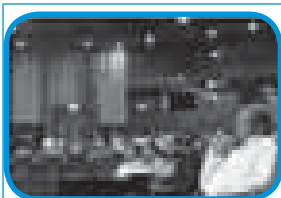
With an intent of growing people's consciousness of their surroundings and encouraged by previous challenge's success, the subsequent Deed-A-Day Challenge looked at further stimulating employees into a month long challenge with having to act and contribute everyday through the duration of it. The challenge focused employees' logs predominantly under community, environment and personal categories.



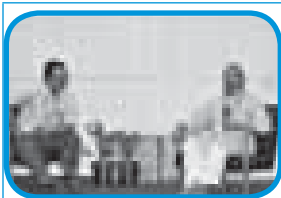
Snapshots of second CSR App Challenge

➤ **Meet the Legends**

To inspire employees into social contribution, we invited luminaries, who have achieved stupendous heights in their respective areas of excellence - Social Entrepreneurs, Reformists, Environmentalists, Community Leaders and International Athletes for athletes with special needs. This year, KPIT at Pune hosted four such dignitaries –



Dr. Vikas Amte: 'the Social Mechanic', as he likes to call himself; son of Baba Amte, an engineer-at-heart, turned medical professional, carrying forward the family's legacy of service to the society, rooted in indispensable culture and values.



Mr. Sunil & Mrs. Nirupama Deshpande: The founders of Sampoorna Bamboo Kendra, the two have been awarded Dr. Babasaheb Ambedkar Samaj Bhushan Award and the Madhya Pradesh government's Shri Agrasen Maharaj Rashtriya Samman Puruskar for their relentless work in tribal areas of Melghat, with a vision of - Reestablishing Respect & Honor for Artisans in Society.



Divyanshu Ganatra: is a clinical psychologist, corporate facilitator by profession, adventure sportsperson by passion and a self-made social entrepreneur known particularly for his work for blind & differently abled people. Founder of Adventures Beyond Barriers Foundation (ABBF) a not-for-profit organization based out of Pune, to promote "inclusivity," Divyanshu spreads awareness that the spirit of adventure is not impeded by disability & attempts to ward off common misconceptions about disability. He happens to be India's 1st Blind Solo paragliding pilot where he's defied mental / physical boundaries.



Mrs. Sindhutai Sapkal: Also known as Mother of Orphans, is an Indian social worker and social activist known particularly for her work for raising orphan children.

She has devoted her entire life for orphans. As a result, she is fondly called 'Mai'(mother). She has nurtured over 1,050 orphaned children. Many of the children whom she adopted are well-educated lawyers and doctors, and some, including her biological daughter, are running their own independent orphanages. One of her children is doing a PhD on her life. She has been honored with over 273 awards for her dedication and work.

COMMUNITY INITIATIVES, AMERICA

➤ **Holiday Toy Collection Drive**

In December 2016, the Raleigh, North Carolina office organized a holiday toy drive in which toys were collected to benefit the Women's Center of Wake County. With 15 volunteers contributing, the group was able to collect over 40 new toys which were donated to a number of extremely thankful families. The Women's Center of Wake County provides case management, financial assistance counseling, nutrition assistance, short term shelter and health education and testing services for single women and women with families.



Hello All!

On behalf of the Women's Center of Wake County, I would like to thank each and everyone of you. For all that you have done this year to make our Holiday Hopes program a su could not have done it without you and we appreciate you so much. Again, thanks for making it possible for our women and children to have a very Merry Christmas this year. I look forward to working with you again this upcoming year. We wish you Merry Christmas and a Happy New Year!

Tameka Brown
Intake & Service Coordinator / Housing Team Leader

"Without change; there will be no butterflies."



A Thank you note for volunteering at Wake County Women Center, Raleigh, NC

➤ **Senior Design Project and Recruitment Event**

As students in North America returned to school for the spring semester, the Raleigh team ramped up involvement with North Carolina State University (NCSU); participating in both the NCSU Senior Design program and a private recruiting event geared specifically towards computer science majors.

The Senior Design program allows corporations from across the nation to provide real-world learning experiences for NCSU students as part of the colleges required coursework, CSC 492. Organizations provide a problem statement and a mentor team, and the university provides talented students suited to the needs of the project. Under the direction of the Senior Design Center staff, the student teams follow a software development methodology, develop project documentation and present progress reviews. This unique academic and experiential focus gives students the opportunity to enhance their communication, collaboration, project management and leadership skills. This creates a true "win-win" situation for both, company sponsors and NCSU students.



Senior Design Project and recruitment event at NCSU

➤ **TechnoWolves 2017**

KPIT's team at Raleigh continued their support of the "TechnoWolves", a local First Robotics Competition (FRC) team. While the robot was just unveiled, the competitions began in March and continued for several months through the championship battle. This year's competition was called First Steam Works and is inspired by steam punk. The competition involves picking up and shooting whiffle balls, transporting gears from a loading station to a lift and climbing a rope (at the end of the game). Something particularly interesting about their robot is how they tackled the autonomous period of the game. They mounted a camera on their robot, so that it could avoid other robots or unexpected obstacles created during this period.



KPIT volunteers and NCSU students at launch of first robot at TechnoWolves 2017

➤ **Clothing Donation at Columbus, Indiana**

Employees from KPIT donated clothes for the underprivileged Columbus community through San Souci, a volunteering organization in Columbus. The employees helped in sorting and organizing the donated clothes to be distributed free / sold at a very nominal price to the poor and needy people in the community. The drive spanning a couple of months engaged 20 of KPIT's volunteers, supporting 200+ benefactors.



KPIT volunteers at the clothes donation drives for the underprivileged Columbus community

➤ **Community Website**

KPIT, in Bartholomew County Financial Literacy Coalition (BCFLC), are helping build a website for the county to increase awareness of Financial Management, among children and senior people and people-in-need. The website is expected to raise awareness of independent financial management and also facilitate basic transitioning. The website from the onset is expected to reach an audience of at least 2,000 people and is expected to grow with future promotions and provisions.

➤ **TechExchange**

TechExchange program of Bartholomew County collects donations of used computers, printers, keyboards etc., repairs them and donates / sells at nominal price to poor and needy people in the community. It also helps provide computer related service to the senior citizens. In a day long workshop, KPIT's six employees engaged in disassembling the hardware



components and assembling the repaired peripherals into a functional system.



KPIT Volunteers engaged in recovering and reassembling computer hardware

➤ **Volunteering at Urban Roots ATX, Austin**

In August 2016, as part of the KPIT Austin office local CSR initiative, an organization called Urban Roots ATX was sought. Urban Roots ATX uses food and farming to transform the lives of young people and inspire, engage and nourish the community. They have an ongoing youth internship programs where 40% of their produce goes directly to local food pantries, the rest is sold to farmer's markets.

The KPIT team worked hard physically for a day at the Urban Roots Farm preparing them for the end of the hot Texas summer season. Gerard Buffone from KPIT Paris office also chipped in with a helping hand.



KPIT volunteers from Austin office engaged in farm bound volunteering

➤ **Mill Race Clean Up and Marathon**

In September 2016, a team of 8 volunteers from KPIT's Columbus office, helped clean the Mill Race Park walking trail for the visitors and people in the community in association with United Way. Around 20 volunteers from KPIT, later helped in

the Marathon event by distributing runner packets before the run and volunteering on the running track during the race day.



KPIT volunteers from Columbus at Mill Race Park clean up and marathon event

➤ **Volunteering at Community Food Bank, New Jersey**

KPIT New Jersey volunteered at The Community Food Bank of New Jersey. Six of our volunteers bagged 227 lbs. of pasta, which would help feed 900 people.



KPIT Volunteers bagging pastas for children from community homes of New Jersey

AWARDS AND ACCOLADES

KPIT Honored with the 'Special Jury Commendation Award' at FICCI CSR Summit and Awards, 2016



Special Commendation Award at FICCI CSR Summit 2016

KPIT was specially recognized this year at the Federation of Indian Commerce and Chamber of Industries (FICCI) CSR Summit 2016 for persistence in its' Water Conservation Project. With an overall 139 entries shortlisted to 39, KPIT was one among the final three contestants.

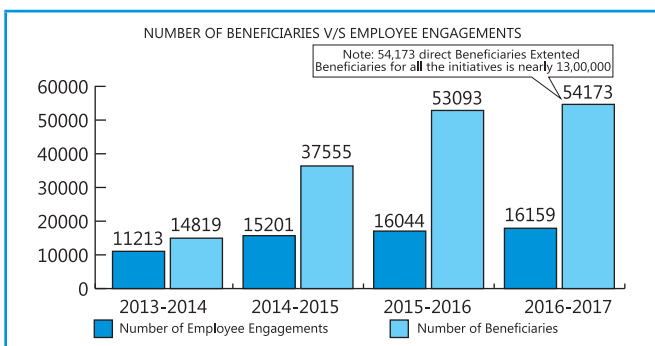
Valued Partner Award

Youth for Seva, in Bengaluru, recognized KPIT as a valued partner in community development initiatives. This appreciation was conferred at the NGO's Annual Day Convention on January 22, 2017.



KPIT's volunteers receiving the Valued Partner Recognition at Youth for Seva Annual Day in Bengaluru

Employee Engagements v/s Beneficiaries of our CSR initiatives



As per our CSR guidelines, all practices and initiatives should be metrics-driven for greater transparency and to ensure measurable results. We aim to achieve employee engagements equal to or greater than 1.5 times of the total employee strength in a given year. For the year 2016-17, we reached beyond 54,000 beneficiaries with 16,159 employee engagements in the community initiatives.

We, at KPIT, are proud to announce that, in adherence to our objective to achieve employee engagements for the FY 16-17, we could successfully reach out to more beneficiaries and engage more number of employees in CSR initiatives than ever before.

VOICE OF VOLUNTEERS



"I got involved in Company's CSR initiative 12 months ago and have really enjoyed partnering with local organizations to make a difference in our community. I just know that we work for a company which is supportive of the local community and isn't just concerned about how to grow business alone. I am looking forward to the continued work we are going to do next year and beyond."

- Erica Rose, Biz HR, KPIT North America



"Thank you KPIT CSR for encouraging people to take up voluntary responsibility for social and environmental causes, which has become alien to the modern society. I hope that the alert message would have reached the ignorant people at least now."

- Viswa Narayanan S, volunteer, KPIT Bengaluru



"Everybody should involve in CSR activity which is useful in gaining confidence, enhancing your own skills and personality, spreading social awareness which in turn promotes us to think and work for the society and country first. What I feel is "The ultimate enormous of merriness is doing such an act which would be propitious for others."

- Shreyas Thakre, volunteer, KPIT Pune



VOICE OF BENEFICIARIES



"The biggest advantage of these farm ponds is that we are now less dependent on rain water. They also replenish ground water supplies, improve moisture levels in the soil and recharge borewells. We now can have multiple crops. We are 100% benefited by this."

- *Balasaheb Malekar, Mangdari village, Velha Taluk, Pune District, Maharashtra*



"Feels good about Chhote Scientists program. At school, we can understand science better now. It is benefitting all the students at school. I would like to thank you all organizers for Chhote Scientists."

- *Sanjana Bhond, Pune*



"We would like to thank KPIT for their involvement at our school, their business has helped our students with opportunities and job shadows. They have their doors open for our students and staff to go over and visit. They have been involved in working with our students over their projects here at school and our Robotics team - another fantastic opportunity for students of our nature and in our building. So thank you again KPIT for your involvement at our school."

- *David Schwenker, Principal, WAKE STEM Early College High School, NC State, USA.*

Business Responsibility Report



SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**
L72200PN1990PLC059594
- Name of the Company:** KPIT Technologies Limited
- Registered address:** 35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjawadi, Pune - 411057
- Website:** www.kpit.com
- E-mail ID:** connectwithus@kpit.com
- Financial Year reported:** 2016-17
- Sector(s) that the Company is engaged in (industrial activity code-wise):** Computer programming, consultancy and related activity – Code 62011
- List three key products / services that the Company manufactures / provides (as in balance sheet):**

KPIT business can be broadly divided into two buckets –

- Services and Solutions Business (S&S) includes
 - Product Engineering
 - Digital Transformation and
 - Business IT and
 - Product & Platforms (P&P).
- Total number of locations where business activity is undertaken by the Company (Major locations):**

(a) Number of International Locations:

Sr. No.	Region	Country
1	USA	United States of America
		Canada
		Brazil
2	Europe	United Kingdom
		France
		Germany
		Netherlands
		Italy
		Sweden

Sr. No.	Region	Country
3	APAC	China
		United Arab Emirates
		Australia
		Japan
		Korea
		Singapore
4	Africa	South Africa

(b) Number of National Locations:

- Pune, Maharashtra
 - Mumbai, Maharashtra
 - Bengaluru, Karnataka
 - Chennai, Tamil Nadu
 - Noida, Uttar Pradesh
- Markets served by the Company – Local / State / National / International:** Company serves the Indian as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (₹) – 394.99 million**
- Total Turnover (₹) – 13,223.23 million**
- Total profit after taxes (₹) – 1,692.94 million**
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

The Company was required to spend ₹ 46.42 million (2% of the average net profit of the Company for three financial years) towards CSR. During the year, the Company has spent and paid ₹ 25.61 million.

- List of activities in which expenditure in 4 above has been incurred –**
 - Water Conservation Program
 - Afforestation program
 - Zero Garbage Project
 - Chhote Scientists
 - Teach for India
 - Smart India HACKATHON
 - Sparkle



SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

Yes, the Company has the following subsidiaries:

Sr. No.	Name of Subsidiary	Nature
1	KPIT Technologies (UK) Limited	Wholly owned subsidiary
2	KPIT Technologies France	Wholly owned subsidiary
3	KPIT Technologies GmbH	Subsidiary of KPIT Technologies (UK) Limited
4	KPIT Technologies Netherlands B. V.	Wholly owned subsidiary
5	KPIT Solutions GmbH	Subsidiary of KPIT Technologies GmbH
6	KPIT Infosystems Incorporated	Wholly owned subsidiary
7	Sparta Consulting Inc.	Subsidiary of KPIT Infosystems Incorporated
8	KPIT Technologies Solucoes em Informatica Ltda.	Subsidiary of KPIT Infosystems Incorporated
9	SYSTIME Computer Corporation	Wholly owned subsidiary
10	KPIT Technologies Corporation	Subsidiary of Systime Computer Corporation
11	MicroFuzzy KPIT Tecnologia Ltda. Brazil (formerly SYSTIME Global Solutions Ltda.)	Subsidiary of Systime Computer Corporation
12	KPIT (Shanghai) Software Technology Co. Limited	Wholly owned subsidiary
13	KPIT Infosystems ME FZE	Wholly owned subsidiary
14	Impact Automotive Solutions Limited	Wholly owned subsidiary
15	MicroFuzzy Industrie-Elektronik GmbH	Subsidiary of KPIT Technologies GmbH

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes, two subsidiaries take up BR initiatives in line with the initiatives of the parent company.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes, i.e less than 30%

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

(a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

- DIN: 02918460
- Name: Mr. Sachin Tikekar
- Designation: Whole-time Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN	02918460
2	Name	Mr. Sachin Tikekar
3	Designation	Whole-time Director
4	Telephone number	+91-20-66525000
5	E-mail ID	connectwithus@kpit.com



2. Principle-wise (as per NVGs) BR Policy / policies

(a) Details of compliance (Reply in Y / N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words). These policies have been devised in confirmation to respective regulations / national standards that come into effect from time to time (like ISO 9001, ISO 14000, OHSAS 18000, OHSAS 27001:2005, ISO 20000:2011, ISO 22301:2012). These policies are revisited on regular basis and are updated as and when there is any change in the norms.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? These policies are signed by the respective owners.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of conduct & Whistler Blower Policy	Available on our intranet	Available on our intranet	CSR policy	POSH & Whistler Blower Policy	Available on our intranet	Available on our intranet	CSR Policy	Code of conduct
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y



(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :

The Company publishes the Sustainability report yearly. The same is available on (<https://www.kpit.com/company/investors/corporate-governance>).

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No, it also covers the Subsidiary Companies.

2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The policy covers employees of the Company as well as its Subsidiaries, contractual service providers, contractors, customers & other third parties dealing with the Company.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, 3 complaints were registered with SEBI which were resolved successfully.

The Company's Code of Conduct summarizes the conducts of its business in accordance with the requirements of all laws and regulations of the country and in a manner consistent with the highest standards of business and professional ethics.

The KPIT Code of Conduct is applicable to all KPIT Technologies directors and employees (all KPIT managers and employees, including managers and employees of its divisions, subsidiaries and other affiliates worldwide, as well as agents and contractors working on behalf of the Company, its subsidiaries and affiliates)

The scope of the Code is to outline and create a set of values for all concerned people to behave in an ethical manner while working for and on behalf of the Company. It takes into account factors like regulatory compliance, equal employment opportunity, non-harassment & prevention of sexual harassment, prevention of use of alcohol, illegal drug or medication, use of Company's, Customers' and Suppliers' resources and competition.

Prevention of Sexual Harassment (POSH) policy: The policy framework aims at educating employees on any sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken. E-learning on POSH has been mandated for all employees.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

KPIT business is broadly divided as Services and Solutions Business (S&S) and Products & Platforms (P&P) which does not have a direct impact on social and environment factors.



However, KPIT believes in reduction in carbon footprint being the major cause of global warming. As a result, KPIT has come up with a holistic solution for efficient transport management - a Smart Electric bus, a reliable, safe and well suited commute for Indian road conditions. The aim of this project is to develop indigenous, innovative and pollution free transport. It enables clean mobility and is aligned with the Indian Governments initiatives of Make in India and Swachh Bharat and KPIT's moto for technologies for a better world.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Smart Electric buses have multiple features like Intelligent Transport Systems, Mobile Phone App for journey planning and ticketing, Wi-Fi Infotainment, etc. which provide a superior ride experience that can help encourage adoption of public transport.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing at KPIT represents contribution to the following areas namely: Solar Energy, Waste Management, Environment Awareness and Occupational Health & Safety.

Solar Energy: Solar Panel Installation

We have initiated many projects to cut down energy and water consumption. The latest project undertaken is to generate energy through solar power plant which has been installed on the roof top of Corporate Office at Pune.

Highlights of the project:

- Solar system is installed on power purchase model
- System has 397 panels installed with a generation capacity of 125KW

- Total units generated through this plant will be 180,000 units p.a.
- These units will save up to 5% of total consumption of SDB1
- This installation will reduce the impact of direct sunlight on the roof top of cafeteria. The floors below will be much cooler and employees will get more comfort during summers
- This system is directly connected to the main LT panel feeder, so we will get benefit in reducing the MSEDCL KWH units
- These units will have a fixed rate for next 15 years resulting in a saving of ₹ 2 lakhs p.a. with existing rate of MSEDCL

E-waste Management:

We have a waste management policy in place, which is the defining guideline for handling all types of waste and complying with the Government and Maharashtra Pollution Control Board (MPCB) norms.

Hazardous Waste:

Hazardous waste is disposed through authorized agencies as per the guidelines of Ministry of Environment and Forests (MoEF). Additionally, all the used printer cartridges are sent back to the manufacturer under "Planet HP Take Back Program" to ensure proper recycling.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company through its CSR activities contributes to the society through its projects like Water & Forest Conservation, Jalyukta Shivir Abhiyan, Zero Garbage, Tree plantation, teaching the under privileged schools, donating school kits in association with agencies.

A stall of bamboo products was put up in the Company campus where the employees could buy bamboo products made by people of Sampoorna



Bamboo Kendra Melghat. The Company also organized Recycle Product stall and an Organic Product stall in partnership with Youth for Seva.

The Company makes sure that the housekeeping and security staff is hired from in and around the areas where the Company is located, resulting in good opportunities for villages nearby. Through this the Company contributes to the society in which it exists.

- Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The Company has taken the following initiatives to recycle products and waste:

- Recyclable waste such as paper, plastic, card paper, steel, other metals, etc. are sent for recycling through authorized scrap dealers
- Other mixed dry waste are sent to authorized dealers for municipal disposal
- Hazardous waste and e-waste – like waste lube oil, UPS batteries and other e-waste generated in the organization is disposed through government authorized recycler
- Printer and toner cartridges are sent back to the OEM under product take-back arrangement

Principle 3

- Please indicate the total number of employees.
9,395
- Please indicate the total number of employees hired on temporary / contractual / casual basis.
8% of employees are hired through contractors and sub-contractors.
- Please indicate the number of permanent women employees.
24% are women employees
- Please indicate the number of permanent employees with disabilities.
Less than 1%.

- Do you have an employee association that is recognized by management.

No.

- What percentage of your permanent employees are members of this recognized employee association?

Not applicable.

- Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	1	0
3	Discriminatory employment	NIL	NIL

- What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

- Permanent Employees: 35%
- Permanent Women Employees: 11%
- Casual / Temporary / Contractual Employees: 0.2%
- Employees with Disabilities: The company do not segregate the employees based on special ability but as need be they are given preferences as per needs.

All employees participate in the safety and mock fire drills which take place at regular intervals.

We undertake several initiatives to upskill our employees. Be it the campus recruits or the experienced hires, we have tailored competency development plan for all the employees who need it. A few of them include:



- **Program for Academic Collaboration & Engagement (PACE):**

A strategic initiative to bridge the gap between academia and industry needs, KPIT has trained college students as well as conducted multiple Faculty Development programs. We now have 17 PACE partner colleges where we go for campus hiring for our business units.

- **GENESIS:**

We ensure that campus hires at KPIT are adequately trained and are made available in time for project deployment. Genesis program has a robust training and assessment structure and is completely driven in house by a competent team of educators from the respective academies.

We inducted and trained about 1,109 campus recruits this year which includes both BE and non-BE trainees.

- **Professional Skills Development:**

A well-structured professional skill development program, built around 5 core Competencies is available to KPIT employees. We now have a bouquet of 20+ Professional skills development programs that can be offered to employees across the grades.

- **Project Management Development Program (PMDP):**

Project Management being the core competency requirement for the delivery excellence, we have multiple levels of Project Management certifications under PMDP for the beginners, advanced, specialized and leadership levels. Majority of these programs are internally developed and delivered and the leadership level program is being delivered through the reputed management institution like IIMs.

- **Trainings for Support Functions:**

The focus is also on competency development for support functions. Trainings are in place for Facilities and Logistic Management team, Global Mobility Management team and will be extended to other enabling functions like ECoDe, Recruitment, HR.

- **Account Management Education Program**

Organization has absolute focus to grow the GAM accounts. In line with this business need we have designed an exclusive offering, called ACE program, for Account managers to build Account Management competencies.

- **ECoDe | KAIZEN**

The Company believes that for employees to effectively perform their role appropriate skills, knowledge and competencies are needed. Thus, we created ECoDe| KAIZEN, a Certification framework, consisting of Training & Certifications conducted for employees on permanent roles from A – I grades, across six competencies - Technical, Domain, Process, Project management, Professional skills and Leadership development. The SBU specific academy educators work closely with businesses to develop, create and deliver these trainings. This program was also rolled out for the first time to our onshore employees covering 800 employees worldwide.

- **Leadership Development Programs:**

- **LIFT:** This program is run in collaboration with HR. The details have been already highlighted in the HR section.

- **Leaders in the Making Program (LMP):** This is a Leadership development program for E & F grade employees, who have been promoted and will be taking up larger responsibilities within the organization. It is a short burst program that helps these leaders learn key skills on People, Client, Operational and Financial Management.

- **100 X 100 Leadership Program:** This is a leadership development program in planning phase for G+ grade associates and is specially designed to highlight and reinforce the critical “KPIT Leadership Mindset Tenets” to be developed amongst leaders. The program is being designed on the belief that if we develop at least 100 leaders who are seen as role models in the company, we would have secured the future generation of leaders by strengthening the KPIT DNA.



Principle 4

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes. KPIT has mapped its internal and external shareholders and their mode of engagement is as below:

Stakeholders	Mode of Engagement
Government and regulatory authorities	Industry body / forums
Employees	Newsletters, employee satisfaction survey and various trainings, rewards and recognitions, meeting with eminent personalities and team building activities
Local community	CSR activities
Investors and shareholders	Analyst calls, AGM and annual report
Bankers, customers & vendors	Visits

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Community Contribution is one of the seven core values at KPIT. It has a significant mention in our Mission and Vision to reflect our commitment towards it. Considering our capabilities and the need of the communities that we serve, we have reassessed the focus of our CSR initiatives. Actions in line with CSR guiding principles, our strategies for the year 2016-17 are focused on key initiatives to ensure significant impact. The initiatives are implemented through 4 focus areas:

- Environment:** Making this planet a better place to live in
- Education:** Transforming lives through science and technology education
- Energy:** Developing innovate solutions for efficient energy consumption and renewable supply

- Employee Engagement:** Maximizing impact through responsible volunteering

For details please refer Community Initiatives which forms a part of this Annual Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The policies not only cover employees but also contractors, clients and others.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints received which in line with qualifying as non-compliance to Human Rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Policy covers only the activities in KPIT Corporate office, Pune and does not extends to Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

(<https://www.kpit.com/company/investors/corporate-governance>).

3. Does the company identify and assess potential environmental risks?

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc



Yes, Please refer Question 1 & 5 of Principle 2 and Part iii of Question 3 of Principle 4 of this report.

(<https://www.kpit.com/company/investors/corporate-governance>).

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

The emission and the waste generated at KPIT Corporate office, Pune is under the permissible limits of MPCB. We have a continuous monitoring and tracking system in place which is reviewed periodically.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No. We have not received any show cause / legal notice from MPCB for financial year 2016-17.

KPIT's 'Environmental Policy' has been designed as per the requirement from standard of ISO 14001:2004 (Environment Management Systems). We have a defined Org chart for EOHS (Environmental, Occupational Health and Safety) and the overall responsibility lies with the Management Appointee. The status and the effectiveness of EOHS is reviewed by Management Appointee in every 6 months. We are committed to protect the environment and ensure the occupational health and safety of all its employees, contractors and subcontractors and also visitors / guests working / visiting the company. All the relevant public documents pertaining to EOHS are available for consumption on our portal. KPIT Corporate office, Pune is certified for ISO 14001:2004 and OHSAS 18001:2007.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - a. Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)
 - b. NASSCOM & CII
 - c. Hinjawadi Industries Association (HIA)
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?

Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

The Company has given inputs to NASSCOM related to annual union budget, policy level inputs on schemes like smart cities mission etc.

The Company is an active member of Hinjawadi Industries Association (HIA) and helps HIA to voice common concerns with the government authorities and to interact with all the stakeholders such as State Government, local bodies and authorities to make improvements in the Infrastructure, Safety and Security, mode of Transport and Traffic related issues in Hinjawadi.

Principle 8

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, Please refer Question 3 of Principle 4 of this report.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The initiatives are undertaken jointly with agencies and partner NGOs.

3. Have you done any impact assessment of your initiative?

Every activity / initiative undertaken by the Company is assessed and its impact to the society is published in the Annual Report and the Sustainability Report.

4. What is your company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken.

For details please refer CSR Annexure which forms a part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We have a 360-degree approach while assessing any project. Thus, in line with this we have in place a committee or a team of experts outside the stakeholders involved in the project. Dr. Rajendra Singh Rana also known as



“The Water Man of India” visited our Water Conservation Project sites at four different villages in Velha Tehsil, Pune. He is a well-known water conservationist from Rajasthan. Dr. Rajendra Singh Rana was extremely delighted to know about KPIT’s efforts and initiatives towards water conservation. He acknowledged and appreciated the work carried out by KPIT volunteers in association with our NGO partner, Jnana Prabodhini. Further, he also guided us with his valuable suggestions.

As a practice, we interview the local people where the initiatives were conducted to ensure that the initiatives taken by the Company are successfully adopted and are benefited to the society at large.

Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?
NIL.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).
Not applicable.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
NIL.
4. Did your company carry out any consumer survey / consumer satisfaction trends?
Yes, customers share their feedback quarterly (or at defined frequency agreed with customer) through a web based system - CSAT Survey, considering various parameters like Delivery, Quality, Cost, Responsiveness etc.



Independent Auditors' Report



To the Members of
KPIT Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of KPIT Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 (2) to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. However, as stated in note 45 (2A) to the standalone Ind AS financial statements, amounts aggregating to ₹ 24,500 have been received for transactions which are not permitted. As represented to us by the management, these transactions pertain to settlements of advances till 30 December 2016 during the course of business.

For B S R & Co. LLP
Chartered Accountants
 Firm's Registration No: 101248W/ W-100022

Place: Pune
 Date: 26 April 2017

Vijay Mathur
 Partner
 Membership No.: 046476

Annexure A to the Independent Auditors’ Report – 31 March 2017

With reference to the Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification.
- (iii) The Company has granted unsecured loans to one body corporate covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of this loan are not prejudicial to the interest of the Company. Whilst the principal was not due for repayment during the year, interest was received on a regular basis, as stipulated. There were no amounts overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the loans given, investments made and guarantees given during the year. The Company has not given any loan, guarantee or security covered under section 185 or given any security covered under section 186 of the Act during the year.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered or products manufactured by the Company.
- (vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Service tax, duty of customs, duty of excise, Sales tax, Employees’ State Insurance, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Service tax, duty of customs, duty of excise, Sales tax, Employees’ State Insurance and other material statutory dues were in arrears as at 31 March 2017, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us there are no dues of Income tax, Service tax, Sales tax, value added tax, duty of customs and duty of excise which have not been deposited by the Company on account of disputes except for the following:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount demanded ₹ million	Amount paid ₹ Million
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004-11	57.48	3.19
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2006 and 2012	4.59	Nil
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2008-12	24.59	Nil
Finance Act, 1994	Service tax	Central Excise & Service Tax Appellate Tribunal	October 2006 to December 2012	309.94	Nil
Finance Act, 1994	Service tax	Commissioner of Service Tax	October 2006 to March 2015	442.53	27.72
Central Sales Tax Act 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeals)	2008-11	1.54	Nil



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks and financial institutions or to the government. The Company did not have any debentures outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company had not raised money by way of further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Place: Pune
Date: 26 April 2017

Vijay Mathur
Partner
Membership No.: 046476

Annexure B to the Independent Auditors' Report on the Standalone Ind AS Financial Statements of KPIT Technologies Limited

Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of KPIT Technologies Limited on the standalone Ind AS financial statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of KPIT Technologies Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Vijay Mathur
Partner
Membership No.: 046476

Place: Pune
 Date: 26 April 2017



Balance Sheet



(Amount in ₹ million)

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	1,917.46	1,794.51	1,443.54
Capital work-in-progress		735.54	76.59	34.46
Intangible assets	3B	435.55	498.85	505.19
Intangible assets under development		524.29	254.24	75.37
Financial assets				
Investments	4	5,538.96	5,156.41	4,942.61
Loans	5	118.68	78.14	848.74
Other financial assets	6	22.02	10.94	11.62
Income tax assets (net)		618.07	512.82	385.64
Deferred tax assets (net)	7	502.96	430.51	390.99
Other non-current assets	8	96.55	103.78	37.12
		10,510.08	8,916.79	8,675.28
Current assets				
Inventories	9	74.99	307.24	207.66
Financial assets				
Investments	10	777.68	-	590.34
Trade receivables	11	5,005.65	3,648.21	4,690.91
Cash and cash equivalents	12	1,332.29	1,109.00	1,448.40
Other balances with banks	12	48.00	1,089.04	357.32
Loans	13	686.99	1,107.05	257.92
Unbilled revenue		323.71	309.32	433.66
Other financial assets	14	114.75	60.40	59.04
Other current assets	15	325.68	366.50	404.93
		8,689.74	7,996.76	8,450.18
TOTAL ASSETS		19,199.82	16,913.55	17,125.46
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	376.39	375.65	376.13
Other equity	32	13,366.81	11,815.62	10,351.64
		13,743.20	12,191.27	10,727.77



Balance Sheet



(Amount in ₹ million)

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	985.31	1,653.31	628.08
Provisions	18	266.35	249.88	205.32
		1,251.66	1,903.19	833.40
Current liabilities				
Financial liabilities				
Borrowings	19	1,876.29	553.81	3,489.31
Trade payables	20	588.76	492.25	648.37
Other financial liabilities	21	1,228.72	1,202.42	880.26
Other current liabilities	22	253.83	302.69	303.29
Provisions	23	192.26	127.12	112.99
Current income tax liabilities (net)		65.10	140.80	130.07
		4,204.96	2,819.09	5,564.29
TOTAL EQUITY AND LIABILITIES		19,199.82	16,913.55	17,125.46
Significant accounting policies	1			
Notes referred to above form an integral part of the standalone financial statements	2-45			

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Vijay Mathur
Partner
Membership No. 046476

Place: Pune
Date: 26 April 2017

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Anil Patwardhan
Chief Financial Officer

Sneha Padve
Company Secretary

Place: Pune
Date: 26 April 2017

S. B. (Ravi) Pandit
Chairman & Group CEO

Kishor Patil
CEO & Managing Director



Statement of Profit and Loss

(Amount in ₹ million)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	24	13,223.23	12,641.02
Other income	25	159.40	276.91
Total income		13,382.63	12,917.93
Expenses			
Cost of materials consumed	26	233.03	141.04
Changes in inventories of finished goods and work-in-progress	27	6.61	(8.01)
Employee benefits expense	28	7,965.40	7,175.02
Finance costs	29	85.39	106.42
Depreciation and amortization expense	3	711.44	583.66
Excise duty		27.59	22.46
Other expenses	30	2,370.73	2,403.57
Total expenses		11,400.19	10,424.16
Profit before tax		1,982.44	2,493.77
Tax expense	44		
Current tax		376.90	487.19
MAT credit entitlement		(131.26)	(41.35)
Deferred tax (benefit)/charge		43.86	16.25
Total tax expense		289.50	462.09
Profit for the year		1,692.94	2,031.68
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(23.42)	(43.60)
Income tax on items that will not be reclassified to profit or loss		6.32	13.13
Items that will be reclassified to profit or loss			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		61.44	(3.67)
Income tax on items that will be reclassified to profit or loss		(21.27)	1.27
Total other comprehensive income		23.07	(32.87)
Total comprehensive income for the year		1,716.01	1,998.81
Earnings per equity share for continuing operations (face value per share ₹ 2 each)			
Basic	40	8.83	10.62
Diluted	40	8.47	10.17
Significant accounting policies	1		
Notes referred to above form an integral part of the standalone financial statements	2-45		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Vijay Mathur
Partner
Membership No. 046476

Place: Pune
Date: 26 April 2017

**For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED**

Anil Patwardhan
Chief Financial Officer

Sneha Padve
Company Secretary

Place: Pune
Date: 26 April 2017

S. B. (Ravi) Pandit
Chairman & Group CEO

Kishor Patil
CEO & Managing Director



Statement of cash flows



(Amount in ₹ million)

PARTICULARS	For the year ended 31 March 2017	For the year ended 31 March 2016
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	1,692.94	2,031.68
Adjustments for		
Income tax expense	289.50	462.09
Profit/Loss on sale of fixed assets (net)	(0.58)	(1.40)
Depreciation / Amortization	711.44	583.66
Write-down of slow moving inventory	17.84	-
Interest expense	85.39	75.48
Interest income	(122.45)	(73.15)
Dividend income	(3.21)	(34.73)
Unrealised foreign exchange loss/(gain)	46.99	38.08
Provision for doubtful debts	(214.49)	51.80
Bad debts written off	135.16	0.02
Share based compensation expenses	30.73	29.58
Operating Profit before working capital changes	2,669.26	3,163.11
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(1,420.94)	1,438.81
Inventories	214.41	(99.58)
Loans, other financial assets and other assets	315.93	(178.20)
Trade Payables	90.65	(157.99)
Other financial liabilities, other liabilities and provisions	(51.84)	36.22
Cash generated from operations	1,817.47	4,202.37
Taxes Paid	(557.85)	(603.64)
Net cash from operating activities (A)	1,259.62	3,598.73
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,664.43)	(1,171.98)
Proceeds from Sale of Fixed Assets	5.90	1.92
Investment in Equity Shares of Subsidiaries	(500.10)	(213.80)
(Purchase)/Sale of investments carried at fair value through profit and loss	(660.13)	590.34
Loan (given to) / repaid by subsidiary	108.57	197.73
Interest received	134.73	55.76
Dividend received	3.21	34.73
Fixed Deposit with banks (net) having maturity over three months	1,031.04	(729.68)
Net Cash from /(used in) investing activities (B)	(1,541.21)	(1,234.98)



Statement of cash flows



(Amount in ₹ million)

PARTICULARS	For the year ended 31 March 2017	For the year ended 31 March 2016
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term loan from banks	8.40	1,327.12
Repayment of Long term loan from banks	(335.23)	(324.17)
Proceeds from Long term loan from other than banks	11.97	34.81
Repayment of Long term loan from other than banks	(8.75)	(23.04)
Proceeds from issue of Share Capital and application money	0.22	47.76
Proceeds from Working Capital loan (Net)	1,382.96	(3,306.40)
Proceeds from / (payments for) shares issued / purchased by Employee Welfare Trust (net)	28.26	(123.81)
Dividend paid including corporate dividend tax	(503.01)	(260.87)
Interest and finance charges	(79.90)	(76.07)
Net cash from /(used in) financing activities (C)	504.92	(2,704.67)
D] Exchange differences on translation of foreign currency cash and cash equivalents	(0.04)	1.52
Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	223.29	(339.40)
Cash & cash equivalents at close of the year (refer note 1 below)	1,332.29	1,109.00
Cash & cash equivalents at beginning of the year (refer note 1 below)	1,109.00	1,448.40
Cash surplus / (deficit) for the year	223.29	(339.40)
Note 1:		
Cash and cash equivalents include:		
Cash on hand	0.02	0.11
Cheques in hand	15.70	1.17
Balance with banks		
- In current accounts	1,314.46	691.57
- In deposit account (with original maturity of 3 months or less)	2.11	416.15
Total Cash and cash equivalents	1,332.29	1,109.00

Note 2: Figures in brackets represent outflows of cash and cash equivalents.

Note 3: The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind-As) 7 on Statement of cash flows.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Vijay Mathur

Partner

Membership No. 046476

**For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED**

Anil Patwardhan

Chief Financial Officer

S. B. (Ravi) Pandit

Chairman & Group CEO

Sneha Padve

Company Secretary

Kishor Patil

CEO & Managing Director

Place: Pune

Date: 26 April 2017

Place: Pune

Date: 26 April 2017



Statement of changes in equity

(Amount in ₹ million)

A Equity share capital		
Balance as at 1 April 2015	376.13	
Changes in equity share capital during 2015-16	(0.48)	
Balance as at 31 March 2016	375.65	
Changes in equity share capital during 2016-17	0.74	
Balance as at 31 March 2017	376.39	

	Share application money pending allotment	Reserves & surplus						Items of other comprehensive income			Total	
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	General reserve	Amalgamation reserve	Retained earnings	Effective portion of cash flow hedges (Refer note 31)	Remeasurement of the net defined benefit Plans		
Balance as on 01 April 2015	7.65	19.40	40.00	3,849.17	56.59	152.00	51.40	6,139.29	36.14	-	-	10,351.64
Profit for the year	-	-	-	-	-	-	-	2,031.68	-	-	-	2,031.68
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(2.40)	(30.47)	(30.47)	(62.87)
Total comprehensive income for the year	-	-	-	-	-	-	-	2,031.68	(2.40)	(30.47)	(30.47)	1,998.81
Transactions with owners recognised directly in equity												
Dividends	-	-	-	-	-	-	-	(423.44)	-	-	-	(423.44)
Dividend distribution tax	-	-	-	-	-	-	-	(89.56)	-	-	-	(89.56)
Transfer to general reserve	-	-	-	-	-	202.00	-	(202.00)	-	-	-	-
Accumulated deficit of employee welfare trust	-	-	-	-	-	-	-	(123.81)	-	-	-	(123.81)
Premium on issue of shares under ESOP scheme	-	-	-	55.26	-	-	-	-	-	-	-	55.26
Share based payments to employees	-	-	-	-	53.74	-	-	-	-	-	-	53.74
Changes during the year	(7.02)	-	-	-	-	-	-	-	-	-	-	(7.02)
Balance as on 31 March 2016	0.63	19.40	40.00	3,904.43	110.33	354.00	51.40	7,332.16	33.74	(30.47)	(30.47)	11,815.62
Profit for the year	-	-	-	-	-	-	-	1,692.94	-	-	-	1,692.94
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	40.17	(17.10)	(17.10)	23.07
Total comprehensive income for the year	-	-	-	-	-	-	-	1,692.94	40.17	(17.10)	(17.10)	1,716.01

B Other equity

Statement of changes in equity

	Share application money pending allotment	Reserves & surplus					Items of other comprehensive income			Total	
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	General reserve	Amalgamation reserve	Retained earnings	Effective portion of cash flow hedges (Refer note 31)		Remeasurement of the net defined benefit Plans
Transactions with owners recognised directly in equity											
Dividends	-	-	-	-	-	(206.76)	-	-	-	-	(206.76)
Dividend distribution tax	-	-	-	-	-	(44.23)	-	-	-	-	(44.23)
Accumulated deficit of employee welfare trust	-	-	-	-	-	28.26	-	-	-	-	28.26
Share based payments to employees	-	-	-	58.43	-	-	-	-	-	-	58.43
Changes during the year	(0.52)	-	-	-	-	-	-	-	-	-	(0.52)
Balance as on 31. March 2017	0.11	19.40	40.00	3,904.43	168.76	354.00	51.40	8,802.37	73.91	(47.57)	13,366.81

Significant accounting policies

1

Notes referred to above form an integral part of the standalone financial statements

2-45

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Vijay Mathur
Partner
Membership No. 046476

Anil Patwardhan
Chief Financial Officer

S. B. (Ravi) Pandit
Chairman & Group CEO

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director

Place: Pune

Date: 26 April 2017

Place: Pune

Date: 26 April 2017

Company Overview

KPIT Technologies Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's registered office is in Pune and it has subsidiaries across geographies. Most of the revenue is generated from the export of services.

The Company provides Software Development, global IT consulting and Product Engineering solutions to its clients, predominantly in Automotive & Transportation, Manufacturing and Energy & Utilities verticals. The Company is also engaged in the production of Integrated Systems, under Product Engineering Solutions vertical.

These financial statements were authorised for issue by the Company's Board of Directors on 26 April 2017.

1. Significant accounting policies

Basis of preparation of standalone financial statements

The standalone financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. The standalone financial statements are presented in millions of Indian rupees rounded off to two decimal places, unless otherwise stated.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.1, 2.2 and 2.3.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, except for share based payments, defined benefit obligations and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Use of estimates

The preparation of standalone financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

a. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and

which represents the lowest level at which goodwill is monitored for internal management purposes.

c. **Income tax**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

d. **Measurement of defined benefit obligation and key actuarial assumptions**

Information about assumptions and estimation uncertainties in respect of defined benefit obligation and share based payment in note 36 and note 43 respectively.

1.1 **Current–non-current classification**

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;

- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.2 **Revenue recognition**

The Company derives revenues primarily from software development and related services and from the sale of licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

Revenue from software development and services, on time and material basis, is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) being identified and being measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the

current contract estimates. Earnings in excess of billings are classified as unbilled revenue while billings in excess of earnings are classified as unearned revenue.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

For the arrangements for sale of license, related services and maintenance services, that meet the criteria for separately identifiable components, the Company has measured the revenue in respect of each separable component of a transaction at its fair value to allocate the consideration in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.

Advances received for services and products are separately reported in the financials as advance received from customers.

The Company accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

Revenue from sale of goods is recognised upon actual delivery of goods along with transfer of significant risks and rewards to the customers.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

The Company presents revenues from products gross of excise duties in its Statement of Profit and Loss.

Interest income is recognized using effective interest rate method.

Dividend income is recognized when the right to receive payment is established.

1.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs.

1.4 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred



during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.6 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings ⁽¹⁾	25
Plant and equipment ⁽¹⁾	4
Office Equipment ⁽¹⁾	10
Owned Vehicle ⁽¹⁾	5
Furniture and fixtures ⁽¹⁾	8

⁽¹⁾ For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold land and vehicles taken on lease are amortised over shorter of useful lives and period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortized over the remaining non-cancellable period of lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.7 Impairment

a. Financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recorded as an impairment gain or loss in Statement of Profit and Loss.

b. Non- financial assets

i. Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of

the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs

of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.9 Leases

a. Finance lease

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease or the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to periods during the lease terms at a constant periodic rate of interest on the remaining balance of the liability.

b. Operating lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.10 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.11 Foreign currency transactions

a. Functional and presentation currency.

Indian Rupee is the Company's functional as well as presentation currency.

b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the



transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches, their functional currencies are determined. The results and the financial position of the foreign branches are translated into presentation currency so that the foreign operation could be included in the standalone financial statements.

1.12 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for

unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The employees of certain locations can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

1.13 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.14 Provisions, Contingent liabilities and Contingent assets

The Company recognizes provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b. Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of



the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

1.15 Research and development

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognized as an intangible asset in accordance with policy defined in 1.5.

1.16 Employee stock option

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.17 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

1.18 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through

profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is

subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counter-party to the Company's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes

in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognised in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit and Loss and Other Comprehensive Income.

iii) Treasury Shares

When any entity within the Group (KPIT Technologies Limited and its subsidiaries) purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

c. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract



is discharged or cancelled or expires.

d. Fair value of financial instruments

The Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP), where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share based payment transaction are modified with the result that it becomes an equity-settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the standalone financial statements is being evaluated.

1.19 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind-AS 7 : Statement of cash flows and Ind-AS 102 : Share based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 : Statement of cash flows and IFRS 2 : Share based payment, respectively. The amendments are applicable to the Company from 01 April 2017.

(i) Amendment to Ind-AS 7

The amendment to Ind-AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the impact on the standalone financial statements is being evaluated.

(ii) Amendment to Ind-AS 102

The amendment to Ind-AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards

2 First time adoption of Ind-AS :

2.1 Explanation of transition to Ind-AS

- a. These are the Company's first standalone financial statements prepared in accordance with Ind-AS.
- b. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).
- c. In preparing its opening Ind-AS Balance Sheet and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in standalone financial statements, prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian Generally Accepted Accounting

Notes forming part of the standalone financial statements



Principles (IGAAP)). An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind-AS 101 as explained below:

a. Optional exemptions availed

i. Share based payments

The Company has elected to apply the share based payment exemption available under Ind-AS 101 on application of Ind-AS 102- "Share Based Payment", to the grants that are vested before the transition date. Accordingly, only the unvested options as at the date of transition to Ind-AS have been fair valued.

ii. Deemed cost

The Company has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets, measured as per IGAAP and use that as its deemed cost as at the date of transition to Ind-AS.

b. Mandatory exceptions from full retrospective application

i Hedge accounting exceptions

The Company had followed hedge accounting under IGAAP which is aligned to Ind-AS. Accordingly, the Company continues to apply hedge accounting on and after the date of transition to Ind-AS.

ii Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

2.3 Reconciliations

- a. The below mentioned reconciliations provide the quantification of the effect of significant differences arising on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS

(Amount in ₹ million)

Particulars	Note	31 March 2016			01 April 2015		
		IGAAP	Effects of transition	Ind-AS	IGAAP	Effects of transition	Ind-AS
ASSETS							
Non-current assets							
Property, plant and equipment		1,794.51	-	1,794.51	1,443.54	-	1,443.54
Capital work-in-progress		76.59	-	76.59	34.46	-	34.46
Other intangible assets		498.85	-	498.85	505.19	-	505.19
Intangible assets under development		254.24	-	254.24	75.37	-	75.37
Financial assets							
Investments		5,156.41	-	5,156.41	4,942.61	-	4,942.61
Loans	i	97.42	(19.28)	78.14	876.95	(28.21)	848.74
Other financial assets		10.94	-	10.94	11.62	-	11.62
Income tax assets (net)		512.82	-	512.82	385.64	-	385.64
Deferred tax assets (net)	ii	454.44	(23.93)	430.51	410.86	(19.87)	390.99
Other non-current assets	i	89.36	14.42	103.78	20.00	17.12	37.12
		8,945.58	(28.79)	8,916.79	8,706.24	(30.96)	8,675.28



Notes forming part of the standalone financial statements



(Amount in ₹ million)

Particulars	Note	31 March 2016			01 April 2015		
		IGAAP	Effects of transition	Ind-AS	IGAAP	Effects of transition	Ind-AS
Current assets							
Inventories		307.24	-	307.24	207.66	-	207.66
Financial assets							
Investments		-	-	-	590.34	-	590.34
Trade receivables		3,648.21	-	3,648.21	4,690.91	-	4,690.91
Cash and cash equivalents		1,109.00	-	1,109.00	1,448.40	-	1,448.40
Other balances with banks		1,089.04	-	1,089.04	357.32	-	357.32
Loans	i, v	1,035.21	71.84	1,107.05	207.11	50.81	257.92
Unbilled revenue		309.32	-	309.32	433.66	-	433.66
Other financial assets		60.40	-	60.40	59.04	-	59.04
Other current assets	i	360.39	6.11	366.50	399.18	5.75	404.93
		7,918.81	77.95	7,996.76	8,393.62	56.56	8,450.18
TOTAL ASSETS		16,864.39	49.16	16,913.55	17,099.86	25.60	17,125.46
EQUITY AND LIABILITIES							
Equity							
Equity share capital		375.65	-	375.65	376.13	-	376.13
Other equity	i-iv	11,486.07	329.55	11,815.62	10,060.22	291.42	10,351.64
		11,861.72	329.55	12,191.27	10,436.35	291.42	10,727.77
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	iii	1,668.64	(15.33)	1,653.31	630.66	(2.58)	628.08
Provisions		249.88	-	249.88	205.32	-	205.32
		1,918.52	(15.33)	1,903.19	835.98	(2.58)	833.40
Current liabilities							
Financial liabilities							
Borrowings		553.81	-	553.81	3,489.31	-	3,489.31
Trade payables		492.25	-	492.25	648.37	-	648.37
Other financial liabilities	iii, v	1,204.82	(2.40)	1,202.42	883.91	(3.65)	880.26
Other current liabilities		302.69	-	302.69	303.29	-	303.29
Provisions	iv	389.78	(262.66)	127.12	372.58	(259.59)	112.99
Current income tax liabilities (net)		140.80	-	140.80	130.07	-	130.07
		3,084.15	(265.06)	2,819.09	5,827.53	(263.24)	5,564.29
TOTAL EQUITY AND LIABILITIES		16,864.39	49.16	16,913.55	17,099.86	25.60	17,125.46



Notes forming part of the standalone financial statements



Reconciliation of total comprehensive income for the year ended on 31 March 2016, as previously reported under IGAAP to Ind-AS:

(Amount in ₹ million)

Particulars	Note	31 March 2016		
		IGAAP	Effects of transition	Ind-AS
Revenue from operations		12,641.02	-	12,641.02
Other income	i	264.76	12.15	276.91
Total income		12,905.78	12.15	12,917.93
Expenses				
Cost of materials consumed		141.04	-	141.04
Changes in inventories of finished goods and work-in-progress		(8.01)	-	(8.01)
Employee benefits expense	v, vi	7,191.07	(16.05)	7,175.02
Finance costs	iii	108.27	(1.85)	106.42
Depreciation and amortization expense		583.66	-	583.66
Excise duty		22.46	-	22.46
Other expenses	i, iii	2,404.53	(0.96)	2,403.57
Total expenses		10,443.02	(18.86)	10,424.16
Profit before tax		2,462.76	31.01	2,493.77
Tax expense				
Current tax		487.19	-	487.19
MAT credit entitlement		(41.35)	-	(41.35)
Deferred tax (benefit)/charge	ii	(2.22)	18.47	16.25
Total tax expense		443.62	18.47	462.09
Profit for the year		2,019.14	12.54	2,031.68
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	vi	-	(43.60)	(43.60)
Income tax on items that will not be reclassified to profit or loss	ii	-	13.13	13.13
Items that will be reclassified to profit or loss				
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	vii	-	(3.67)	(3.67)
Income tax on items that will be reclassified to profit or loss	ii	-	1.27	1.27
Total other comprehensive income		-	(32.87)	(32.87)
Total comprehensive income for the year		2,019.14	(20.33)	1,998.81

Notes explaining the effects of transaction from IGAAP to Ind-AS:

- i Effect of fair valuation of security deposits and amortisation of advance rentals under Ind-AS.
- ii Effect of deferred taxes recognised on the Ind-AS adjustments.
- iii Effect of financial liabilities initially measured at fair value and subsequently measured at amortised cost with the corresponding impacts on the Statement of Profit and Loss.
- iv Under Ind-AS, dividend and dividend distribution tax is recorded as a liability on the date of approval by the shareholders while under IGAAP it is recognised in the period to which it relates.
- v As per Ind-AS, share based payments are measured at fair value, whereas under IGAAP they are measured at intrinsic value.
- vi As per Ind-AS, actuarial gains/(losses) are recorded in other comprehensive income as items that will not be reclassified to profit or loss.
- vii Under Ind-AS, the effective portion of gains/(losses) on hedging instruments in cash flow hedges are recorded in other comprehensive income as items that will be reclassified to profit or loss.

Cash flow statement:

There are no material reconciliation items to the cash flow statement, as previously reported under IGAAP and Ind-AS.



3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

	(Amount in ₹ million)									
	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles		Office Equipments	Total	
						Leased	Owned			
Gross carrying amount as at 1 April 2015	342.21	470.01	-	356.09	60.60	7.21	6.05	201.37	1,443.54	
Additions	107.31	4.43	174.53	257.88	46.18	-	-	51.38	641.71	
Disposal/retirements/ derecognition	-	-	-	0.18	-	-	-	0.34	0.52	
Gross carrying amount as at 31 March 2016	449.52	474.44	174.53	613.79	106.78	7.21	6.05	252.41	2,084.73	
Depreciation	5.76	25.81	12.01	181.05	14.75	2.80	2.40	45.64	290.22	
Accumulated depreciation as at 31 March 2016	5.76	25.81	12.01	181.05	14.75	2.80	2.40	45.64	290.22	
Carrying amount as at 1 April 2015	342.21	470.01	-	356.09	60.60	7.21	6.05	201.37	1,443.54	
Carrying amount as at 31 March 2016	443.76	448.63	162.52	432.74	92.03	4.41	3.65	206.77	1,794.51	
Gross carrying amount as at 1 April 2016	449.52	474.44	174.53	613.79	106.78	7.21	6.05	252.41	2,084.73	
Additions	-	-	80.77	305.31	33.63	-	8.66	46.03	474.40	
Disposal/retirements/ derecognition	-	0.36	-	0.30	3.60	0.50	0.16	5.10	10.02	
Gross carrying amount as at 31 March 2017	449.52	474.08	255.30	918.80	136.81	6.71	14.55	293.34	2,549.11	
Accumulated depreciation as at 1 April 2016	5.76	25.81	12.01	181.05	14.75	2.80	2.40	45.64	290.22	
Depreciation	6.56	25.83	24.24	220.40	18.44	2.05	2.64	45.97	346.13	
Disposal/retirements/ derecognition	-	0.02	-	0.01	2.03	0.45	0.16	2.03	4.70	
Accumulated depreciation as at 31 March 2017	12.32	51.62	36.25	401.44	31.16	4.40	4.88	89.58	631.65	
Carrying amount as at 1 April 2016	443.76	448.63	162.52	432.74	92.03	4.41	3.65	206.77	1,794.51	
Carrying amount as at 31 March 2017	437.20	422.46	219.05	517.36	105.65	2.31	9.67	203.76	1,917.46	

Note:

Refer note 17 for details of property, plant and equipment pledged as security for borrowings.

3B Intangible assets

Changes in the carrying amount of other intangible assets

(Amount in ₹ million)

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost (Refer note (i))	Software	
Gross carrying amount as at 1 April 2015	211.68	293.51	505.19
Additions	31.53	255.57	287.10
Gross carrying amount as at 31 March 2016	243.21	549.08	792.29
Depreciation	70.65	222.79	293.44
Accumulated depreciation as at 31 March 2016	70.65	222.79	293.44
Carrying amount as at 1 April 2015	211.68	293.51	505.19
Carrying amount as at 31 March 2016	172.56	326.29	498.85
Gross carrying amount as at 1 April 2016	243.21	549.08	792.29
Additions	33.08	268.93	302.01
Gross carrying amount as at 31 March 2017	276.29	818.01	1,094.30
Accumulated depreciation as at 1 April 2016	70.65	222.79	293.44
Depreciation	114.59	250.72	365.31
Accumulated depreciation as at 31 March 2017	185.24	473.51	658.75
Carrying amount as at 1 April 2016	172.56	326.29	498.85
Carrying amount as at 31 March 2017	91.05	344.50	435.55

Note:

- (i) With respect to one of the intangible assets, the Company is unable to track separately the future economic benefits and the expected cash flows, but yielding results at the combined business level. Further, it is difficult to assess the period over which the benefits are expected to flow. Hence, during the year ended 31 March 2017, the Company has impaired the intangible asset, resulting in an impairment loss of ₹ 36.08 million, recognised under depreciation and amortization expense in the Statement of Profit and Loss.

Notes forming part of the standalone financial statements



(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
4 Non current investments			
Investments (Unquoted)			
Investments in equity instruments of subsidiaries (at cost)			
Systime Computer Corporation, USA [204,082 (Previous year 204,082) common stock of issued equity, no par value]	469.36	469.36	469.36
KPIT Infosystems ME FZE, UAE [1 (Previous year 1) equity share of nominal value of AED 1,000,000]	25.41	25.41	25.41
KPIT Technologies (UK) Limited A wholly owned subsidiary company incorporated in UK 10,215,966 (Previous year 10,215,966) Equity shares of £1/- each fully paid-up.	827.08	827.08	827.08
KPIT Infosystems Inc. A wholly owned subsidiary company incorporated in USA 12,467 (Previous year 12,467) Equity stock without par value fully paid-up.	2,879.17	2,879.17	2,879.17
KPIT Technologies France SAS A wholly owned subsidiary company incorporated in France 100,000 (Previous year: 100,000) Equity stock of Euro 1 each fully paid-up.	215.97	215.97	215.97
KPIT (Shanghai) Software Technology Co. Limited A wholly owned subsidiary company incorporated in China 14,074,702 (Previous year 14,074,702) Equity shares of RMB 1 each fully paid up	128.84	128.84	96.84
KPIT Technologies Netherlands B.V. A wholly owned subsidiary company incorporated in Netherlands 5,000 (Previous year 5,000) Equity shares of Euro 100 each fully paid up	34.30	34.30	34.30
KPIT Technologies Solucoes EM Informatica LTDA A subsidiary of KPIT Infosystems Inc 1,000 (Previous year 1,000) shares of Brazilian Reas 1 each fully paid up	0.04	0.04	0.04
Impact Automotive Solutions Limited 100,000,000 (Previous year 49,990,000) Equity shares of ₹ 10 each fully paid-up.	958.79	458.69	276.89
Investments in equity instruments of other entities measured at fair value through Profit and Loss			
Investment in Sankalp Semiconductors Private Limited (Refer note 10) 771,000 (Previous Year 771,000) equity shares of ₹ 2 each fully paid up	-	117.55	117.55
Saraswat Co-operative Bank Limited 1 (Previous year 1) equity share of ₹ 10 each fully paid up	0.00*	0.00*	0.00*
	5,538.96	5,156.41	4,942.61

* Since denominated in ₹ Million



Notes forming part of the standalone financial statements



5 Loans

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Loans and advances to related parties (Refer note 38)			
- Loan to director	17.88	22.70	-
- Loan to KPIT Infosystems Incorporated, USA	-	-	642.52
- Loan to KPIT Technologies (UK) Limited	-	-	68.51
Loans and advances to other than related parties			
Security deposits	95.86	49.04	137.71
Loan to employees	4.94	6.40	-
	118.68	78.14	848.74

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

6 Other financial assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Fixed deposits with banks	21.74	10.79	11.49
Interest accrued on fixed deposits	0.28	0.15	0.13
	22.02	10.94	11.62

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

7 Deferred tax assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Deferred tax assets			
-Provision for doubtful debts and advances	27.35	80.62	77.24
-Provision for leave encashment	42.84	40.72	38.35
-Provision for gratuity	78.04	68.40	52.56
MAT credit entitlement	490.39	359.13	317.78
	638.62	548.87	485.93
Deferred tax liabilities			
-Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	92.70	94.44	75.07
-Forward contracts designated as cash flow hedges	39.12	17.85	19.13
-Others	3.84	6.07	0.74
	135.66	118.36	94.94
Net deferred tax asset	502.96	430.51	390.99



Notes forming part of the standalone financial statements

8 Other non-current assets

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Capital advances	34.75	51.57	2.77
Advance rentals	33.55	14.42	17.12
Prepaid expenses	7.49	18.51	0.81
Fringe benefit tax paid in excess of provision (net)	1.45	1.45	1.45
Balance in Group Gratuity Trust Account	19.31	17.83	14.97
	96.55	103.78	37.12

9 Inventories

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
<i>(Valued at the lower of cost and net realisable value)</i>			
Raw materials (Refer note (i) below)	73.32	298.96	207.39
Work-in-progress	1.24	3.29	0.18
Finished goods	0.35	4.91	0.01
Stores and spares	0.08	0.08	0.08
	74.99	307.24	207.66

Note :

i) During the year ended 31 March 2017, the Company has written-down its slow moving inventory of ₹ 17.84 million with corresponding effect on cost of materials consumed in the Statement of Profit and Loss.

10 Current investments

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Investments in equity instruments of other entities measured at fair value through Profit and Loss (unquoted)			
Investment in Sankalp Semiconductors Private Limited (Refer note 4) 771,000 (Previous Year 771,000) equity shares of ₹ 2 each fully paid up	117.55	-	-
Investments in Mutual funds measured at fair value through Profit and Loss (quoted)			
Nil units (Previous year Nil units) - Birla Sun Life Savings Fund - Regular Plan - Daily Dividend	-	-	112.71
Nil units (Previous year Nil units) - HDFC Liquid Fund - Dividend - Daily Reinvestment	-	-	100.05
Nil units (Previous year Nil units) - Axis Liquid Fund - Daily Dividend	-	-	72.86
170,108 units (Previous year Nil units) Reliance Liquid Fund- Treasury Plan- Daily Dividend Option	260.05	-	157.23
Nil units (Previous year Nil units) S.B.I. Premier Liquid Fund - Regular Plan Daily Dividend	-	-	0.00*
Nil units (Previous year Nil units) Kotak Floater Short Term- Daily Dividend	-	-	71.64
Nil units (Previous year Nil units) DSP BlackRock Liquidity Fund - Institutional Plan - Daily dividend	-	-	0.04
3,995,032 units (Previous year - Nil units) ICICI Prudential Liquid Regular plan - Daily dividend	400.08	-	75.81
	777.68	-	590.34

* Since denominated in ₹ Million

Note:

(i) The details of aggregate value of quoted/unquoted investments and the Company's exposure to liquidity risk are disclosed in note 31.

Notes forming part of the standalone financial statements

11 Trade receivables

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured)</i>			
Trade receivables (Unsecured) :			
- Considered good	5,005.65	3,648.21	4,690.91
- Considered doubtful	81.50	295.71	244.72
	5,087.15	3,943.92	4,935.63
Less: Allowance for bad and doubtful trade receivables	81.50	295.71	244.72
	5,005.65	3,648.21	4,690.91

Notes:

- (i) Trade receivables from related parties are disclosed in note 38.
(ii) The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 31.

12 Cash and bank balances

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Cash and cash equivalents			
Cash on hand	0.02	0.11	0.21
Cheques in hand	15.70	1.17	1.66
Balances with banks			
- In current accounts	1,314.46	691.57	955.92
- In deposit accounts (with original maturity of 3 months or less)	2.11	416.15	490.61
	1,332.29	1,109.00	1,448.40
Other bank balances (includes unclaimed dividend of ₹ 5.84 million (Previous year ₹ 4.89 million))	48.00	1,089.04	357.32
	1,380.29	2,198.04	1,805.72

Note:

- (i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

13 Loans

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Loans and advances to related parties (Refer note 38)			
- Loan to KPIT Infosystems Incorporated, USA	390.16	513.37	-
- Loan to director	5.64	6.05	-
- Dues from subsidiaries	214.94	469.67	213.17
Loans and advances to other than related parties			
Other loans and advances			
- Loan to employees	1.52	1.60	-
- Security deposits	74.67	116.34	19.47
- Other receivables	0.06	0.02	25.28
	686.99	1,107.05	257.92

Note:

- (i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

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Notes forming part of the standalone financial statements

14 Other current financial assets

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Forward contracts designated as cash flow hedges (Refer Note 31(3))	113.03	51.59	55.26
Interest accrued on fixed deposits	1.72	8.81	3.78
	114.75	60.40	59.04

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

15 Other current assets

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Advance rentals	7.44	6.12	9.83
Employee advances			
- Considered good	54.41	46.00	60.05
- Considered doubtful	20.90	24.32	10.22
	75.31	70.32	70.27
Less: Provision for doubtful advances	20.90	24.32	10.22
	54.41	46.00	60.05
Advance to suppliers	31.65	38.97	155.02
Prepaid expenses	180.09	160.54	112.72
Balances with statutory authorities	52.09	114.87	67.31
	325.68	366.50	404.93

16 Share capital

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Authorised:			
625,000,000 (Previous year 625,000,000) equity shares of ₹ 2 each.	1,250.00	1,250.00	1,250.00
	1,250.00	1,250.00	1,250.00
Issued subscribed and fully paid up:			
188,193,398 (Previous year 187,826,334) equity shares of ₹ 2 each fully paid up	376.39	375.65	376.13
	376.39	375.65	376.13

16.1 The Company declares and pays dividends in Indian rupees. The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2017 is ₹ 434.50 million i.e. ₹ 2.20 per share (Previous year ₹ 217.25 million i.e. ₹ 1.10 per share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2017 include ₹ 1.10 per share towards final dividend for the year ended 31 March 2016. Dividends during the year ended 31 March 2016 include ₹ 1.10 per share towards interim dividend for the year ended 31 March 2016 and ₹ 1.10 per share towards final dividend for the year ended 31 March 2015.

16.2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	(₹ million)	Number of shares	(₹ million)
Equity shares				
At the beginning of the year	187,826,334	375.65	188,065,361	376.13
Add: Shares issued on exercise of employee stock options	367,064	0.74	836,629	1.67
Less: Increase in shares held by KPIT Technologies Limited Employee Welfare Trust	-	-	1,075,656	2.15
Outstanding at the end of the year	188,193,398	376.39	187,826,334	375.65

16.4 The Company has only one class of shares referred to as equity shares having a par value of ₹ 2. Each shareholder of equity shares is entitled to one vote per share.

16.5 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of the shareholders	Number of shares as at 31 March 2017	% of shares held	Number of shares as at 31 March 2016	% of shares held
Proficient Finstock LLP	28,609,782	14.49%	24,234,330	12.27%
Warhol Limited	19,483,674	9.86%	19,483,674	9.86%

16.6 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date 88,971,438 (Previous year 88,971,438).

16.7 Capital Management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain investor, creditor and market confidence and to maximize shareholder value. In order to fulfil its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

17 Long term borrowings

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Term loans			
- From banks (Secured)			
External Commercial Borrowing (ECB) (Refer note (i) & (ii) below)	966.63	1,642.90	623.31
Other loan (Refer note (iii) below)	5.84	0.88	2.08
- From other than banks (Refer note (iv) & (v) below)	11.97	7.72	-
Long term maturities of finance lease obligations (Secured)	0.87	1.81	2.69
(Secured against fixed assets obtained under finance lease arrangements) (Refer note 39(1))			
	985.31	1,653.31	628.08

Notes forming part of the standalone financial statements



Notes:

- (i) The ECB loan consists of loan secured by pari passu charge over Company's Land and Building located at Plot No. 35,36 & 45, MIDC area of Rajiv Gandhi Infotech Park, Phase I, Hinjawadi excluding charge over R&D Centre developed in the premises. The term loan carries interest rate of 6 months LIBOR + 220 basis points. The ECB loan is repayable in eight equal semi-annual installments of USD 2.5 million each upto November 2017. The principal amount of loan outstanding as at the Balance Sheet date is USD 5 million.
- (ii) The ECB loan consist of loan secured by pari passu charge over Company's Land and Building located at Plot No. 17, Rajiv Gandhi Infotech Park, Phase III, Hinjawadi. The term loan carries interest rate of 6 months LIBOR + 160 basis points. The ECB loan is repayable in eight equal semi-annual installments of USD 2.5 million each, with a moratorium of 1 year, upto March 2021. The principal amount of loan outstanding as at the Balance Sheet date is USD 20 million.
- (iii) Other term loans from bank are secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 10.10 % p.a. and is repayable in equated monthly installments of ₹ 0.28 million each upto October 2020.
- (iv) Term loan from other than banks is secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan is repayable in two equal installments of ₹ 8.70 million each, upto May 2017.
- (v) Term loan from other than banks consist of unsecured loan, carrying interest rate of 3%. The repayment of loan will start from October 2018 upto October 2027.
- (vi) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

18 Long term provisions

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Provision for employee benefits			
- Compensated Absences	-	42.40	33.04
- Gratuity (Refer note 36(2))	266.35	206.13	170.36
Other provisions			
- provision for warranty (Refer note 42)	-	1.35	1.92
	266.35	249.88	205.32

19 Short term borrowings

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Loans repayable on demand			
- From banks (Secured)			
Working capital loans from banks (secured)(Refer note (i) below)	1,863.26	219.49	2,589.73
Working capital loan from bank (unsecured) (Refer note (ii) below)	-	-	899.58
Liability from bank against bill discounting (unsecured) (Refer note (iii) below)	-	334.32	-
- From other than banks (secured)(Refer note (iv) below)	13.03	-	-
	1,876.29	553.81	3,489.31

Notes:

- (i) The above loan is secured by way of first charge by way of hypothecation of Company's entire book debts, both present and future, on pari passu basis, carrying an average interest rate upto 6 months LIBOR plus 1% p.a.



Notes forming part of the standalone financial statements



- (ii) The loan carried interest rate upto 6 months LIBOR plus 0.75% p.a. The loan was repaid during the previous year.
- (iii) The invoices raised by the Company are discounted with bankers which are unsecured by nature.
- (iv) The loan from other than banks is secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan is repayable in four equal installments of ₹ 13.03 million each, upto May 2017.
- (v) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

20 Trade payables

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer note 34)	0.46	20.61	0.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	588.30	471.64	648.24
	588.76	492.25	648.37

Notes:

- (i) Trade payable from related parties are disclosed in note 38.
- (ii) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

21 Other current financial liabilities

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Current maturities of long term debt			
- from banks (secured)	646.39	330.62	309.33
(Refer note 17 - Term loan from banks for details of security and repayment terms)			
- from others (secured)	8.15	9.19	6.37
(Refer note 17 - Term loan from other than banks for details of security and repayment terms)			
- Current maturities of finance lease obligations (Refer note 39(1))	0.95	0.87	0.79
Other than trade payables :			
Accrued employee costs	443.60	550.72	487.31
Interest accrued and due	1.56	0.13	1.84
Interest accrued and not due	7.01	9.73	12.69
Unclaimed dividend	5.84	4.89	3.43
Payables in respect of fixed assets	110.95	85.93	58.50
Payable to subsidiaries (Refer note 38)	3.51	3.73	-
Interim dividend payable	-	206.61	-
Security deposits	0.76	-	-
	1,228.72	1,202.42	880.26

Note:

- (i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.



Notes forming part of the standalone financial statements

22 Other current liabilities

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Unearned revenue	94.48	104.07	85.05
Advances from customers	7.23	3.59	4.17
Statutory remittances	152.12	149.24	198.29
Tax on interim dividend payable	-	45.41	-
Others	-	0.38	15.78
	253.83	302.69	303.29

23 Short term provisions

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Provision for employee benefits			
- Compensated Absences	158.69	98.84	94.89
- Gratuity (Refer note 36(2))	22.77	20.62	5.49
Provision for taxes			
- Fringe benefit tax	0.93	0.93	0.93
Other provisions			
- Service tax payable (net of tax paid under protest)(Refer note 42(2)(i) (b))	3.54	3.54	3.54
- Provision for warranty (Refer note 42(1))	6.33	3.19	8.14
	192.26	127.12	112.99

24 Revenue from operations

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Software services	12,974.96	12,430.94
Sale of products		
Finished goods	248.27	210.08
	13,223.23	12,641.02

25 Other income

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Interest income (Refer note (i) below)	122.45	73.15
Dividend income from current investments	3.21	34.73
Profit on sale of fixed assets (net)	0.58	1.40
Foreign exchange gain (net) (Refer note (ii) below)	20.29	138.37
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	12.87	29.26
	159.40	276.91

Notes:

- (i) Interest income includes amount of ₹ 9.32 million (Previous year - ₹ 12.27 million) as interest on financial assets carried at amortised cost.
- (ii) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ (51.59) million (Previous year - ₹ (55.26) million) (Refer note 31(3)).

Notes forming part of the standalone financial statements

26 Cost of materials consumed

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Inventory of materials at the beginning of the year	298.96	207.39
Purchases	7.39	232.61
Inventory of materials at the end of the year	73.32	298.96
	233.03	141.04

27 Changes in inventories of finished goods and work-in-progress

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Finished goods		
Inventories at the beginning of the year	4.91	0.01
Inventories at the end of the year	0.35	4.91
	4.56	(4.90)
Work-in-progress		
Inventories at the beginning of the year	3.29	0.18
Inventories at the end of the year	1.24	3.29
	2.05	(3.11)
	6.61	(8.01)

28 Employee benefits expense

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Salaries, wages and incentives	7,653.89	6,896.08
Contribution to provident fund (Refer note 36(1))	240.07	223.93
Share based compensation to employees (Refer note 43)	30.73	29.58
Staff welfare expenses	40.71	25.43
	7,965.40	7,175.02

29 Finance costs

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Interest expense (Refer note (i) below)	85.39	75.48
Net loss on foreign currency transactions and translations (considered as finance costs)	-	30.94
	85.39	106.42

Note

(i) Includes amount of ₹ 0.22 million (Previous year - ₹ 0.30 million) pertaining to finance lease obligations.



Notes forming part of the standalone financial statements

30 Other expenses

(Amount in ₹ million)

	31 March 2017	31 March 2016
Travel and overseas expenses (net)	279.76	309.38
Transport and conveyance (net)	164.19	148.49
Cost of service delivery (net)	245.67	224.24
Cost of professional sub-contracting (net)	323.79	297.61
Recruitment and training expenses	107.85	96.14
Power and fuel	121.80	124.66
Rent (Refer note 39(2))	301.75	242.15
Repairs and maintenance -		
- buildings	5.14	6.50
- plant & equipment	245.45	207.84
- others	62.99	54.36
Insurance	83.46	69.15
Rates & taxes	7.12	13.15
Communication expenses (net)	82.08	85.88
Legal and professional fees	135.86	210.49
Marketing expenses	28.11	35.40
Printing & stationery	8.29	8.25
Auditors remuneration (net of service tax)		
- Audit fees	9.00	9.00
- Limited review of quarterly results	1.20	1.20
- Fees for other services	3.96	4.78
- Out of pocket expenses reimbursed	0.99	0.84
Bad debts written off	135.16	0.02
Provision for doubtful debts, unbilled revenue and advances (net)	(214.49)	51.80
Contributions towards corporate social responsibility (Refer note 45(1))	25.61	18.62
Miscellaneous expenses (net)	205.99	183.62
	2,370.73	2,403.57

Note

Certain expenses are net of recoveries/reimbursements from customers.

Notes forming part of the standalone financial statements

31 Financial Instruments

31.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2017 are as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss				Total carrying value	Total fair value
		Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
(Amount in ₹ million)							
Assets							
Investments	-	-	777.68	-	-	777.68	777.68
Trade receivables	5,005.65	-	-	-	-	5,005.65	5,005.65
Cash and cash equivalents	1,332.29	-	-	-	-	1,332.29	1,332.29
Other balances with banks	48.00	-	-	-	-	48.00	48.00
Loans	805.67	-	-	-	-	805.67	805.67
Unbilled revenue	323.71	-	-	-	-	323.71	323.71
Other financial assets	23.74	-	-	-	113.03	136.77	136.77
Total Assets	7,539.06	-	777.68	-	113.03	8,429.77	8,429.77
Liabilities							
Borrowings	2,861.60	-	-	-	-	2,861.60	2,835.05
Trade payables	588.76	-	-	-	-	588.76	588.76
Other financial liabilities	1,228.72	-	-	-	-	1,228.72	1,228.72
Total Liabilities	4,679.08	-	-	-	-	4,679.08	4,652.53

The carrying value and fair value of financial instruments by categories as on 31 March 2016 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss				Total carrying value	Total fair value
		Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
(Amount in ₹ million)							
Assets							
Investments	-	-	117.55	-	-	117.55	117.55
Trade receivables	3,648.21	-	-	-	-	3,648.21	3,648.21
Cash and cash equivalents	1,109.00	-	-	-	-	1,109.00	1,109.00
Other balances with banks	1,089.04	-	-	-	-	1,089.04	1,089.04
Loans	1,185.19	-	-	-	-	1,185.19	1,185.19
Unbilled revenue	309.32	-	-	-	-	309.32	309.32
Other financial assets	19.75	-	-	-	51.59	71.34	71.34
Total Assets	7,360.51	-	117.55	-	51.59	7,529.65	7,529.65
Liabilities							
Borrowings	2,207.12	-	-	-	-	2,207.12	2,185.92
Trade payables	492.25	-	-	-	-	492.25	492.25
Other financial liabilities	1,202.42	-	-	-	-	1,202.42	1,202.42
Total Liabilities	3,901.79	-	-	-	-	3,901.79	3,880.59



Notes forming part of the standalone financial statements



The carrying value and fair value of financial instruments by categories as on 01 April 2015 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value				Total carrying value	Total fair value
		through profit or loss		through OCI			
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
(Amount in ₹ million)							
Assets							
Investments	-	-	707.89	-	-	707.89	707.89
Trade receivables	4,690.91	-	-	-	-	4,690.91	4,690.91
Cash and cash equivalents	1,448.40	-	-	-	-	1,448.40	1,448.40
Other balances with banks	357.32	-	-	-	-	357.32	357.32
Loans	1,106.66	-	-	-	-	1,106.66	1,106.66
Unbilled revenue	433.66	-	-	-	-	433.66	433.66
Other financial assets	15.40	-	-	-	55.26	70.66	70.66
Total Assets	8,052.35	-	707.89	-	55.26	8,815.50	8,815.50
Liabilities							
Borrowings	4,117.39	-	-	-	-	4,117.39	4,109.09
Trade payables	648.37	-	-	-	-	648.37	648.37
Other financial liabilities	880.26	-	-	-	-	880.26	880.26
Total Liabilities	5,646.02	-	-	-	-	5,646.02	5,637.72

31.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2017 :

Particulars	As at 31 March 2017	Fair value measurement		
		Level 1	Level 2	Level 3
		(Amount in ₹ million)		
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investments in Mutual funds	660.13	660.13	-	-
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Derivative financial assets	113.03	-	113.03	-
Borrowings	2,835.05	-	2,835.05	-



Notes forming part of the standalone financial statements



The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2016 :

(Amount in ₹ million)

Particulars	As at 31 March 2016	Fair value measurement		
		Level 1	Level 2	Level 3
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Derivative financial assets	51.59	-	51.59	-
Borrowings	2,185.92	-	2,185.92	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on April 1, 2015 :

(Amount in ₹ million)

Particulars	As at 01 April 2015	Fair value measurement		
		Level 1	Level 2	Level 3
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investments in Mutual funds	590.34	590.34	-	-
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Derivative financial assets	55.26	-	55.26	-
Borrowings	4,109.09	-	4,109.09	-

* Since denominated in ₹ million.

Valuation technique and significant unobservable inputs:

Level 2:

- (i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.
- (ii) Borrowings are valued using the discounted cash flow method, the net cash flows expected to be generated are discounted using the cost of borrowing that are directly or indirectly observable in the market.

Level 3:

Valuation techniques	Significant unobservable inputs
For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounted cash flow method, the net cash flows expected to be generated are discounted using the weighted average cost of capital.	- Budgeted revenue growth rate (5%) - Weighted average cost of capital (19%)

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

31.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors has established the Risk Management Committees, which is responsible for developing and monitoring the Company's risk management policies.



Notes forming part of the standalone financial statements



The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Company's receivables from customers amounting to ₹ 5,005.65 million, ₹ 3,648.21 million and ₹ 4,690.91 million and unbilled revenue amounting to ₹ 323.71 million, ₹ 309.32 million and ₹ 433.66 million as on 31 March 2017, 31 March 2016 and 01 April 2015 respectively. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables

Particulars	(Amount in ₹ million)
Balance as on April 1, 2015	244.72
Impairment during the year	246.25
Reversal of impairment on account of collection	(207.22)
Utilisation of allowance	(0.02)
Foreign exchange translation	11.98
Balance as on March 31, 2016	295.71
Impairment during the year	37.76
Reversal of impairment on account of collection	(118.18)
Utilisation of allowance	(135.16)
Foreign exchange translation	1.37
Balance as on March 31, 2017	81.50

Trade receivables that were not impaired

(Amount in ₹ million)

Particulars	Carrying amount		
	31 March 2017	31 March 2016	01 April 2015
Neither past due nor impaired	2,899.80	2,140.39	2,289.95
Past due 1- 30 days	954.08	441.48	458.73
Past due 31 - 90 days	995.16	672.38	1,269.25
Past due 91 - 180 days	71.69	302.30	589.99
More than 180 days	84.92	91.66	82.99

Unbilled revenue is not outstanding for more than 90 days.



iii. Cash and bank balances

The Company held cash and bank balances of ₹ 1,380.29 million, ₹ 2,198.04 million and ₹ 1,805.72 million as on 31 March 2017, 31 March 2016 and 01 April 2015 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Guarantees

The Company's policy is to provide financial guarantees only on behalf of subsidiaries. The Company has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

(Amount in ₹ million)			
Particulars	31 March 2017	31 March 2016	01 April 2015
Cash and cash equivalents	1,332.29	1,109.00	1,448.40
Other balances with banks	42.16	1,084.15	353.76
Investments in Mutual funds (quoted)	660.13	-	590.34
Fixed deposits with banks including interest accrued	23.74	19.75	15.40
Total	2,058.32	2,212.90	2,407.90

The following are the remaining contractual maturities of financial liabilities as on 31 March 2017.

(Amount in ₹ million)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	1,876.29	325.30	651.63	8.38	2,861.60
Trade payables	588.76	-	-	-	588.76
Other financial liabilities	1,228.72	-	-	-	1,228.72

The following are the remaining contractual maturities of financial liabilities as on 31 March 2016.

(Amount in ₹ million)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	553.81	663.53	659.00	330.78	2,207.12
Trade payables	492.25	-	-	-	492.25
Other financial liabilities	1,202.42	-	-	-	1,202.42

Notes forming part of the standalone financial statements



The following are the remaining contractual maturities of financial liabilities as on 01 April 2015.

Particulars	(Amount in ₹ million)				
	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	3,489.31	312.15	314.99	0.94	4,117.39
Trade payables	648.37	-	-	-	648.37
Other financial liabilities	880.26	-	-	-	880.26

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Significant portion of the Company's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Company. The foreign currencies to which the Company is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Company evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 75% on net basis. For this purpose the Company uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2017:

Particulars	(Amount in ₹ million)				
	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	103.51	64.01	17.04	277.23	461.79
Trade receivables	3,029.53	306.54	282.33	399.43	4,017.83
Other financial assets (including loan)	667.29	35.08	35.64	41.23	779.24
Borrowings	(3,111.77)	(361.82)	-	-	(3,473.59)
Trade payables	(80.50)	(20.72)	(2.57)	(37.48)	(141.27)
Other financial liabilities	(47.69)	(1.39)	(2.89)	(17.98)	(69.95)
Net assets/(liabilities)	560.37	21.70	329.55	662.43	1,574.05



Notes forming part of the standalone financial statements

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2016:

(Amount in ₹ million)

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	57.75	15.46	14.03	249.27	336.51
Trade receivables	1,851.90	359.04	293.32	359.83	2,864.09
Other financial assets (including loan)	953.55	78.86	51.40	58.22	1,142.03
Borrowings	(2,171.42)	-	-	-	(2,171.42)
Trade payables	(48.86)	(76.69)	(4.96)	(58.02)	(188.53)
Other financial liabilities	(38.11)	(0.31)	-	(22.62)	(61.04)
Net assets/(liabilities)	604.81	376.36	353.79	586.68	1,921.64

The following is the Company's exposure to currency risk from financial instruments as of 01 April 2015:

(Amount in ₹ million)

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	171.75	116.57	49.89	392.83	731.04
Trade receivables	3,191.89	279.26	266.07	316.64	4,053.86
Other financial assets (including loan)	956.08	143.79	50.05	75.94	1,225.86
Borrowings	(4,396.47)	-	-	-	(4,396.47)
Trade payables	(31.71)	(54.82)	(2.76)	(13.20)	(102.49)
Other financial liabilities	(34.29)	(1.48)	(0.06)	(19.16)	(54.99)
Net assets/(liabilities)	(142.75)	483.32	363.19	753.05	1,456.81

For the year ended 31 March 2017, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.60% / (0.60)%.

For the year ended 31 March 2016, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.66% / (0.66)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Company's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.



Notes forming part of the standalone financial statements



The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Company which has been designated as Cash Flow Hedges:

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	4.40	304.69	4.65	349.19	4.20	313.85
USD	36.65	2,376.33	37.85	2,510.70	38.85	2,503.63
GBP	1.00	80.88	1.10	104.60	1.20	118.85

The forward contracts entered have maturity between 30 days to 6 months from the Balance Sheet date.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

Particulars	31 March 2017	31 March 2016
Balance at the beginning of the year	33.74	36.14
Gains/(losses) recognised in Other Comprehensive Income	113.03	51.59
Amounts reclassified to Statement of Profit and Loss	(51.59)	(55.26)
Deferred tax on fair value of effective portion of cash flow hedges	(21.27)	1.27
Balance at the end of the year	73.91	33.74

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March 2017	31 March 2016	01 April 2015
Fixed rate instruments			
Financial assets	486.15	2,061.21	1,566.89
Financial liabilities	1,904.07	574.28	3,501.24
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	1,613.02	1,973.52	932.64

A change of 50 basis points in interest rates at the reporting date would have increased or decreased finance costs by ₹ 8.10 million (Previous year ₹ 9.95 million).



32 Other equity

(i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

(ii) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

(iii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

(iv) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(v) Share based payment reserve

The Company has established various equity-settled share based payment plans for certain categories of employees of the Company. Refer note 43 for further details.

33 As at 31 March 2017 the Company has received an amount of ₹ Nil (31 March 2016 ₹ 0.63 million and 01 April 2015 ₹ 7.65 million) towards share application money for shares Nil (31 March 2016 - 13,644 shares and 01 April 2015 - 105,108 shares) at a premium of ₹ Nil (31 March 2016 ₹ 0.60 million and 01 April 2015 ₹ 7.44 million).

34 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

- Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2017 is ₹ 0.46 million (Previous year - ₹ 20.61 million) including unpaid amounts of ₹ Nil (Previous year - ₹ Nil) outstanding for more than 30 days. Estimated interest due thereon is ₹ Nil (Previous year - ₹ Nil).
- Amount of payments made to suppliers beyond the appointed date during the year is ₹ 0.34 million (Previous year - ₹ 44.63 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 0.00 million (Previous year - ₹ 0.64 million).
- The amount of estimated interest accrued and remaining unpaid as at 31 March 2017 is ₹ 0.67 million (Previous year - ₹ 0.67 million).
- The amount of further estimated interest due and payable for the period from 1 April 2017 to actual date of payment or 20 April 2017 (whichever is earlier) is ₹ Nil.

35 Particulars of loans and advances in nature of loans required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Amount in ₹ million)

Name of party	FY 2016-17		FY 2015-16	
	Balance	Maximum amount outstanding	Balance	Maximum amount outstanding
KPIT Technologies (UK) Limited (including interest)	-	-	-	68.51
KPIT Infosystems Incorporated, USA (including interest)	390.16	513.37	513.37	661.46

Notes forming part of the standalone financial statements

36 Details of employee benefits as required by Ind-AS 19 - "Employee benefits" are as under:

1 Defined contribution plan - Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 240.07 million (Previous year ₹ 223.93 million)

2 Defined benefit plan

- i) The defined benefit plan comprises gratuity, which is un-funded.
- ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Amount in ₹ million)		
Particulars	FY 2016-17	FY 2015-16
Present value of defined benefit obligation at the beginning of the year	226.75	175.85
Current service cost	51.26	27.43
Interest cost	17.82	14.51
Past service cost	-	-
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in demographic assumptions	-	-
b) changes in financial assumptions	20.43	10.40
c) experience adjustments	2.99	33.20
Benefits paid	(30.12)	(34.64)
Present value of defined benefit obligation at the end of the year	289.13	226.75

(Amount in ₹ million)		
Analysis of defined benefit obligation	FY 2016-17	FY 2015-16
Present value of obligation as at the end of the year	289.13	226.75
Net (asset) / liability recognized in the Balance Sheet	289.13	226.75

(Amount in ₹ million)		
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	FY 2016-17	FY 2015-16
Current service cost	51.26	27.43
Interest cost	17.82	14.51
Expenses recognized in the Statement of Profit and Loss	69.08	41.94

(Amount in ₹ million)		
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2016-17	FY 2015-16
Actuarial loss / (gain)	23.42	43.60
Net (income)/expense recognized in the OCI	23.42	43.60

Notes forming part of the standalone financial statements



Actuarial Assumptions:	FY 2016-17	FY 2015-16
Discount rate	7.27%	7.86%
Salary Escalation	5.00%	5.00%

Attrition Rate	FY 2016-17	FY 2015-16
- 4 years and below	20.00%	20.00%
- 5 years and above	2.00%	2.00%

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Amount in ₹ million)

Projected benefit obligation on current assumptions	FY 2016-17		FY 2015-16	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(33.34)	40.39	(25.24)	30.53
Future salary growth (1 % movement)	40.97	(34.29)	31.12	(26.09)
Attrition rate (1 % movement)	8.15	(9.64)	8.41	(9.86)

Maturity profile of defined benefit plan

(Amount in ₹ million)

Projected benefits payable in future years from the date of reporting	FY 2016-17	FY 2015-16
With 1 year	22.77	20.62
1-2 year	11.08	6.97
2-3 year	9.40	10.52
3-4 year	12.33	8.63
4-5 year	12.23	11.01
5-10 years	72.87	61.13

Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2016-17	FY 2015-16
Number of active members	10,243	9,063
Per month salary cost for active members (₹ million)	181.96	154.20
Weighted average duration of the projected benefit obligation (years)	15.00	14.00
Average expected future service (years)	13.00	13.00
Projected benefit obligation (PBO)	289.13	226.75



37 Segment information

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

38 Related party disclosures

A. Relationship between the parent and its subsidiaries:

Relationship	Name of related party
Subsidiary Companies (Direct holding)	KPIT Technologies (UK) Limited
	KPIT Infosystems Incorporated, USA
	KPIT Technologies France
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Technologies Netherlands B.V
	SYSTIME Computer Corporation, USA
	KPIT Infosystems ME FZE, Dubai
	Impact Automotive Solutions Limited
Subsidiary Companies (Indirect holding)	KPIT Technologies GmbH, Germany (Through KPIT Technologies (UK) Ltd)
	KPIT medini Technologies AG (Through KPIT Technologies GmbH, Germany)*
	KPIT Solutions GmbH (Through KPIT Technologies GmbH, Germany)
	CPG Solutions, LLC USA (<i>merged w.e.f 1 January 2016 with KPIT Infosystems Incorporated, USA</i>)
	Sparta Consulting Inc., USA (Through KPIT Infosystems Incorporated, USA)
	KPIT Technologies Soluções EM Informática Ltda. (Through KPIT Infosystems Incorporated, USA)
	Integrated Industrial Information Inc. (<i>merged w.e.f 1 January 2016 with KPIT Infosystems Incorporated, USA</i>)
	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil (Through SYSTIME Computer Corporation, USA)
	KPIT Technologies Corporation (Through SYSTIME Computer Corporation, USA)
	MicroFuzzy Industrie-Elektronik GmbH (<i>w.e.f. 01 December 2016 Through KPIT Technologies GmbH, Germany</i>)

* During the year, KPIT Technologies GmbH sold the investment in KPIT medini Technologies AG, its subsidiary company. The transaction resulted in loss of control with effect from November 1, 2016.

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Mr. S.B.(Ravi) Pandit	Executive Director
	Mr. Kishor Patil	Executive Director
	Mr. Sachin Tikekar	Executive Director
	Dr. Raghunath Anant Mashelkar	Independent Director
	Ms. Lila Poonawalla	Independent Director
	Prof. Alberto Sangiovanni Vincentelli	Independent Director
	Mr. Sanjay Kukreja	Non- executive Director
	Mr. Dwayne Allen (upto 12 March 2016)	Alternate Director
	Mr. Anant Talaulicar	Independent Director
	Mr. Adi Engineer	Independent Director
	Mr. B V R Subbu	Non- executive Director
	Mr. Anil Patwardhan	Chief Financial Officer
	Mr. Swaminathan R (upto 21 July 2015)	Company Secretary
Ms. Sneha Padve (w.e.f 22 July 2015)	Company Secretary	

C. List of other related parties with whom there are transactions

Relative of KMP	Mr. Chinmay Pandit
	Ms. Jayada Pandit
	Mr. Shreyas Patwardhan
Enterprise over which KMP have significant influence	KP Corporate Solutions Limited
	Proficient FinStock LLP
	Kirtane & Pandit LLP

D. Transactions with related parties

No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
Transactions with subsidiary companies*					
1	KPIT Technologies (UK) Limited				
	Investment in equity	NIL	827.08	NIL	827.08
	Loan granted to subsidiary	NIL		NIL	
	Repayment of loan granted to subsidiary**	NIL	NIL	74.24	NIL
	Interest income	NIL		1.49	
	Sales	952.14	354.30	1,036.26	405.56
	Reimbursement revenue	60.96		83.96	
	Software service charges	0.06	0.19	0.26	(0.46)
	Advance given (net)	21.56		30.93	
	Reimbursement of expenses (net)	50.03	25.78	75.76	29.93

Notes forming part of the standalone financial statements



No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
2	KPIT Technologies France				
	Investment in equity	NIL	215.97	NIL	215.97
	Sales	283.79	23.93	722.26	163.87
	Reimbursement revenue	9.53		17.86	
	Software service charges	0.40	(0.36)	NIL	NIL
	Advance given (net)	2.55	0.01	0.59	3.19
	Reimbursement of expenses (net)	4.95		9.35	
3	KPIT Technologies GmbH, Germany				
	Sales	590.91	230.19	408.85	92.18
	Reimbursement revenue	12.31		8.86	
	Software service charges	7.41	(18.53)	73.91	(29.30)
	Advance given (net)	10.03	12.73	6.93	24.19
	Reimbursement of expenses (net)	31.23		37.73	
4	KPIT Infosystems Incorporated, USA				
	Investment in equity	NIL	2,879.17	NIL	2,879.17
	Sales	4,522.60	2,231.45	4,048.54	1,137.30
	Reimbursement revenue	146.51		85.15	
	Software service charges	64.80	(60.93)	5.62	(7.56)
	Advance given (net)	37.69	142.51	25.69	257.65
	Reimbursement of expenses (net)	267.73		425.75	
	Repayment of loan granted to subsidiary***	134.77		195.02	
	Loan granted to subsidiary	NIL	390.16	NIL	513.37
	Interest income	20.20		34.55	
5	Sparta Consulting Inc., USA				
	Advance given (net)	0.32	2.16	1.64	12.41
	Reimbursement of expenses (net)	2.71		9.57	
	Reimbursement revenue	57.47	406.71	18.48	336.77
	Sales	701.63		458.23	
	Software service charges	0.01	(0.13)	0.12	(0.12)



Notes forming part of the standalone financial statements



No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
6	KPIT (Shanghai) Software Technology Co. Limited, China				
	Investment in equity	NIL	128.84	32.00	128.84
	Sales	43.50	24.94	82.84	57.32
	Reimbursement revenue	0.92		1.02	
	Software service charges	2.83	(0.05)	NIL	NIL
	Advance given (net)	NIL		2.63	
	Advance taken (net)	0.16	5.44	NIL	1.49
	Reimbursement of expenses (net)	4.34		0.66	
7	KPIT Technologies Corporation, Canada				
	Sales	271.82	100.85	134.80	64.71
	Reimbursement revenue	0.82		0.87	
	Software service charges	0.24	(0.22)	NIL	NIL
	Advance taken (net)	NIL		0.25	
	Advance given (net)	1.41	4.56	NIL	0.82
	Reimbursement of expenses (net)	13.25		0.16	
8	KPIT Infosystems ME FZE, Dubai				
	Investment in Equity	NIL	25.41	NIL	25.41
	Sales	NIL	(13.88)	NIL	(10.44)
	Reimbursement revenue	NIL		(0.21)	
	Advance given (net)	0.41	0.26	0.88	(2.28)
	Reimbursement of expenses (net)	0.40		0.05	
9	KPIT Infosystems ME FZE (Australia Branch)				
	Sales	97.72	46.91	65.10	52.25
	Reimbursement revenue	11.09		7.40	
	Software service charges	0.14	4.14	NIL	NIL
	Advance given (net)	0.67	1.37	1.34	18.82
	Reimbursement of expenses (net)	2.10		0.43	



Notes forming part of the standalone financial statements



No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
10	KPIT Infosystems ME FZE (Korea Branch)				
	Sales	58.58	18.62	42.04	14.58
	Reimbursement revenue	0.32		0.25	
	Software service charges	NIL	NIL	0.53	(0.57)
	Advance given (net)	1.48	3.74	1.63	7.88
	Reimbursement of expenses (net)	4.14		0.54	
11	KPIT Technologies Netherlands B.V.				
	Investment in Equity	NIL	34.30	NIL	34.30
	Sales	180.35	25.98	145.49	35.76
	Reimbursement revenue	1.01		0.58	
	Advance given (net)	3.64	0.69	1.84	1.25
	Reimbursement of expenses (net)	3.08		0.16	
12	KPIT Technologies Soluções EM Informática Ltda.				
	Investment in Equity	NIL	0.04	NIL	0.04
	Software service charges	26.73	(6.04)	7.92	(9.11)
13	KPIT Technologies (UK) Limited (Sweden Branch)				
	Sales	53.98	14.29	62.72	9.95
	Reimbursement revenue	3.13		5.40	
	Software service charges	(0.70)	0.69	NIL	NIL
	Advance given (net)	NIL		1.81	
	Advance taken (net)	0.02	1.41	NIL	1.74
	Reimbursement of expenses (net)	2.81		0.20	
14	SYSTIME Computer Corporation, USA				
	Investment in Equity	NIL	469.36	NIL	469.36
	Sales	653.31	242.48	1,002.46	225.60
	Reimbursement revenue	6.83		34.03	
	Software service charges	10.16	(6.45)	NIL	NIL
	Advance given (net)	3.02	8.91	4.78	107.23
	Reimbursement of expenses (net)	30.16		143.12	



Notes forming part of the standalone financial statements

No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
15	Impact Automotive Solutions Limited				
	Investment in Equity	500.10	958.79	181.80	458.69
	Advance given (net)	0.26	1.87	5.01	1.60
	Reimbursement of expenses (net)	0.05		0.37	
	Purchase of Components	NIL	0.01	NIL	0.01
	Rent and administration charges	5.62	NIL	5.32	NIL
	Sales	214.51	178.53	77.79	98.45
16	KPIT Solutions GmbH				
	Reimbursement of expenses (net)	0.04	0.04	NIL	NIL
17	CPG Solutions, LLC USA				
	Sales	NA	NA	73.95	NIL
	Reimbursement revenue	NA		0.63	
18	KPIT medini Technologies AG				
	Purchase of license	NIL	NIL	0.27	(2.18)
	Software service charges	0.78		0.57	
Transactions with Key Management Personnel					
1	Mr. S. B. (Ravi) Pandit				
	Short term employee benefits	31.70	NIL	14.49	NIL
	Post employment benefits	1.48	NIL	1.44	NIL
	Reimbursement of expenses (net)	2.37	NIL	3.85	NIL
2	Mr. Kishor Patil				
	Short term employee benefits	26.65	NIL	11.16	NIL
	Post employment benefits	0.70	NIL	0.68	NIL
	Perquisites	0.70	NIL	0.19	NIL
	Loan given	NIL	23.52	30.00	28.75
	Repayment of loan granted	5.23		1.25	
	Interest received	2.04	NIL	0.57	NIL
	Reimbursement of expenses (net)	2.44	(0.33)	1.92	NIL
3	Mr. Sachin Tikekar				
	Short term employee benefits	25.13	NIL	12.28	NIL
	Post employment benefits	0.33	NIL	0.32	NIL
	Reimbursement of expenses (net)	2.64	(0.05)	2.91	NIL



Notes forming part of the standalone financial statements



No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
4	Mr. Anil Patwardhan				
	Short term employee benefits	8.42	NIL	6.95	NIL
	Post employment benefits	0.21	NIL	0.18	NIL
	Reimbursement of expenses (net)	0.32	NIL	0.28	NIL
5	Mr. Swaminathan R (upto 21 July 2015)				
	Short term employee benefits	NA	NA	1.25	NIL
	Post employment benefits	NA	NA	0.03	NIL
	Reimbursement of expenses (net)	NA	NA	0.05	NIL
6	Ms. Sneha Padve (w.e.f 22 July 2015)				
	Short term employee benefits	3.70	NIL	2.10	NIL
	Post employment benefits	0.12	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
7	Dr. Raghunath Anant Mashelkar				
	Commission paid	2.63		2.50	
	Share based compensation	NIL	NIL	0.23	NIL
	Sitting fees	0.10		0.11	
8	Ms. Lila Poonawalla				
	Commission paid	3.12		2.95	
	Share based compensation	NIL	NIL	0.23	NIL
	Sitting fees	0.33		0.28	
9	Prof. Alberto Sangiovanni Vincentelli				
	Commission paid	3.26		2.95	
	Share based compensation	NIL	NIL	0.23	NIL
	Sitting fees	0.11		0.09	
10	Mr. Anant Talaulicar				
Sitting fees	NIL	NIL	0.02	NIL	
11	Mr. Adi Engineer				
	Commission paid	2.74		2.60	
	Sitting fees	0.30	NIL	0.26	NIL
12	Mr. B V R Subbu				
	Commission paid	2.32		2.20	
	Sitting fees	0.12	NIL	0.10	NIL



Notes forming part of the standalone financial statements



No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
Transactions with relative of Key Management Personnel					
1	Mr. Chinmay Pandit				
	Short term employee benefits	4.16	NIL	3.44	NIL
	Post employment benefits	0.11	NIL	0.09	NIL
	Reimbursement of expenses (net)	0.29	NIL	0.65	NIL
2	Ms. Jayada Pandit				
	Short term employee benefits	1.72	NIL	1.57	NIL
	Post employment benefits	0.05	NIL	0.05	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
3	Mr. Shreyas Patwardhan				
	Short term employee benefits	0.67	NIL	0.57	NIL
	Post employment benefits	0.02	NIL	0.02	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.00	NIL
Transactions with enterprise over which Key Management Personnel have significant influence:					
1	KP Corporate Solutions Ltd.				
	Sales	NIL	NIL	0.97	NIL
	Professional fees	1.51	0.01	1.35	0.00
2	Kirtane & Pandit LLP				
	Professional fees	0.14	0.03	0.52	NIL
3	Proficient FinStock LLP				
	Deposits for reappointment of directors	0.40	(0.40)	NIL	NIL

Note : Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

* All transactions with these related parties are priced on an arm's length basis.

** The loan carries interest rate of 7.75% and is repayable within thirty six months on rolling basis from the date of loan granted. The loan was repaid by KPIT Technologies (UK) Limited during the previous year.

*** The loan carries interest rate of 5.25% and is repayable on demand, not exceeding thirty six months from the date of loan granted.



39 Lease transactions

1. Finance leases

The Company has taken vehicles under finance lease for a period ranging from 3 to 4 years. Upon payment of all sums due towards the agreement, the Company has the option of acquiring the Vehicles. During the lease period, the Company can neither sell, assign, sublet, pledge, mortgage, charge, encumber or part with possession of the assets, nor create or allow to create any lien on the vehicles taken on lease.

The Company has also taken land under finance lease and the lease rental of which has been paid in its entirety at the commencement of the lease period.

Reconciliation between future minimum lease payments and their present values under finance lease as at the year end is as follows:

Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
Future minimum lease payments			
- not later than one year	1.09	1.09	1.09
- later than one year and not later than five years	0.91	2.00	3.09
- later than five years	NIL	NIL	NIL
Total future minimum lease payments	2.00	3.09	4.18
Amount representing future interest	0.18	0.40	0.70
Present value of future minimum lease payments	1.82	2.69	3.48
- not later than one year	0.95	0.87	0.79
- later than one year and not later than five years	0.87	1.82	2.69
- later than five years	NIL	NIL	NIL

Net carrying amount of assets held under finance lease as on 31 March 2017 is ₹ 439.51 million (31 March 2016 ₹ 448.17 million and 01 April 2015 ₹ 349.42 million).

2. Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
Minimum lease payments			
- Not later than one year	275.39	143.32	131.07
- later than one year and Not later than five years	1,021.44	532.40	196.05
- Later than five years	1,133.80	746.03	38.57
Total minimum lease payments	2,430.63	1,421.75	365.69

Rental expenses of ₹ 301.75 million (Previous year ₹ 242.15 million) in respect of obligation under operating leases have been recognized in the Statement of Profit and Loss.

Most of the operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses.

Notes forming part of the standalone financial statements



40 Basic and diluted earnings per share

Particulars		FY 2016-17	FY 2015-16
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	1,692.94	2,031.68
Weighted average number of equity shares	No. of shares	191,832,066	191,225,608
Earnings per share - Basic	₹	8.83	10.62
Effect of dilutive potential equity shares-			
Employee stock options (including shares held by Employee Welfare Trust)	No. of shares	8,020,201	8,629,025
Weighted average number of diluted equity shares	No. of shares	199,852,267	199,854,633
Earnings per share - Diluted	₹	8.47	10.17

- 41 The Company has received recognition from Department of Scientific and Industrial Research, Ministry of Science and Technology DSIR on 1 April 2014 for its Research and Development (R&D) facility at its premises in Hinjawadi which is effective from 1 April 2014 to 31 March 2018. During the year, the R&D facility is approved for the purpose of section 35(2AB) of the Income Tax Act 1961 from 1 April 2014 to 31 March 2017.

Research and development expenditure debited to the Statement of Profit and Loss aggregating to ₹ 188.53 million (Previous year ₹ 92.34 million) has been incurred by the Company and disclosed under appropriate account heads. Out of total R & D expenditure incurred during the year ₹ 125.61 million (Previous year ₹ 78.00 million) is towards eligible R & D expenditure under section 35 (2AB). Also refer note 44.

Based on this approval, a tax benefit on the weighted deduction under section 35(2AB) of the Income Tax Act 1961 amounting to ₹ 27.99 million (Previous year ₹ 98.51 million) pertaining to earlier years has been considered in the current financial year.

The Company has set up a new facility for its R&D activities, construction of which was completed on 1 March 2015. Total capital expenditure on this facility is as follows, which is disclosed in respective fixed assets blocks:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Building	NIL	4.43
Computers	3.31	NIL
Plant and Machinery	2.06	1.44
Furniture and Fixtures	0.24	NIL

Capital expenditure incurred on various research and development projects is ₹ 230.22 million (Previous year ₹ 204.76 million)



42 Details of provisions and movements in each class of provisions as required by the Indian Accounting Standard (IndAs) 37 - Provisions, Contingent liabilities and Contingent assets

1. Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract, from the date of sale of license of software to Tier I suppliers. The movement in the said provision is as under :

Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
Carrying amount as at the beginning of the year	4.54	10.06	14.94
Additional provision made during the year	3.07	1.58	4.92
Amount paid/utilized during the year	NIL	NIL	NIL
Unused amount reversed during the year	1.28	7.10	9.80
Carrying amount at the end of the year	6.33	4.54	10.06

The warranty provision is expected to be utilized over a period of one year.

2. Contingent liabilities

Sr. No.	Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
1	Outstanding bank guarantees in routine course of business	176.75	143.74	157.77
2	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems Incorporated, USA	648.39	663.33	600.90
3	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems ME FZE, UAE	64.84	66.33	62.59
4	Corporate guarantee provided by the Company for loan availed by KPIT Technologies (UK) Limited	80.88	95.09	-
5	Income tax matters	5.25	6.77	34.73
6	VAT matters	1.75	1.75	2.22
7	Service tax matters (excluding interest and penalty)(Refer note (i))	737.25	554.84	554.86

Note:

(i) Service tax matters

- a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period October 2006 to March 2015 demanding service tax relating to:
 - ₹ 524.11 million (Previous year ₹ 354.78 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
 - ₹ 117.88 million (Previous year ₹ 104.80 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.
 - ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses from April 2010 to June 2012.

The Company has filed an Appeal in the Mumbai Tribunal.

- b. The Company has received a show cause cum demand notice from Directorate General of Central Excise Intelligence Mumbai for the period October 2006 to March 2012 challenging the correctness of service tax input credit availed and correctness of discharge of service tax liability.

The contingent liability in respect of this notice is ₹ 90.47 million (Previous year ₹ 90.47 million).

3. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:-

- a. Tangible assets - ₹ 240.97 million (31 March 2016 ₹ 380.16 million and 01 April 2015 ₹ 153.66 million).
- b. Intangible assets - ₹ 26.98 million (31 March 2016 ₹ 22.67 million and 01 April 2015 ₹ 8.17 million).

43 Stock option plans

1 Employee Stock Option Plan– 2004

The Board of Directors and the shareholders of the Company approved the Employees Stock Option Plan at their meeting in August 2001 and in September 2001, respectively. Pursuant to this approval, the Company instituted ESOP 2004, Plan in July, 2004. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	324,988	70.60	1,045,264	54.23
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	6,904	70.60	20,750	70.60
Exercised during the year	68,162	70.60	271,206	70.60
Lapsed during the year	2,902	70.60	428,320	30.66
Options outstanding at the end of year	247,020	70.60	324,988	70.60
Options exercisable at the end of the year	247,020	70.60	324,988	70.60

The weighted average market price of the options exercised under Employees Stock Option Scheme -2004 on the date of exercise during the year was ₹ 147.66 (Previous year ₹ 114.07)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	NIL	NIL	NIL
₹ 50 to ₹ 100	1.21	247,020	2.11	324,988
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of option under the plan for the year ended 31 March 2017 and 31 March 2016.

The Company recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Plan – 2006

The Board of Directors and the shareholders of the Company approved another Employees Stock Option Plan at their meeting in July 2006 and in August 2006, respectively. Pursuant to this approval, the Company instituted ESOP 2006, Plan in October, 2006. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	5,176,953	91.83	3,833,379	79.04
Granted during the year	30,000	151.60	2,827,500	104.66
Forfeited / surrendered during the year	252,179	102.21	731,600	102.37
Exercised during the year	269,602	77.51	752,326	64.11
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	4,685,172	92.48	5,176,953	91.83
Options exercisable at the end of the year	2,994,772	85.61	2,504,953	79.27

The weighted average market price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 143.38 (Previous year ₹ 119.19)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	0.50	215,603	1.38	255,543
₹ 50 to ₹ 100	1.77	1,984,848	2.67	2,187,410
₹ 100 to ₹ 150	5.41	2,454,721	6.40	2,734,000
₹ 150 to ₹ 200	6.18	30,000	NIL	NIL

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	151.60	104.66
2. Price of the underlying share in market at the time of the option grant (₹)	151.60	120.20
3. Weighted average fair value of options granted (₹)	59.36	40.50
4. Expected life of the option (years)	3.76	3.74
5. Risk free interest rate (%)	7.29%	5.14%
6. Expected volatility (%)	42.50%	40.99%
7. Dividend yield (%)	0.73%	0.93%

The Company recorded an employee compensation cost of ₹ 29.52 million (Previous year ₹ 28.34 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Stock Option Plan – 2014

The Board of Directors and the shareholders of the Company approved another Employees Stock Option Plan at their meeting in February 2014 and in April 2014, respectively. Pursuant to this approval, the Company instituted ESOP 2014 Plan in April 2014. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price of ₹ 2 per option. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Notes forming part of the standalone financial statements

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	155,000	2.00	395,000	2.00
Granted during the year	-	-	60,000	2.00
Forfeited / surrendered during the year	-	-	300,000	2.00
Exercised during the year	5,000	2.00	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	150,000	2.00	155,000	2.00
Options exercisable at the end of the year	68,000	2.00	25,000	2.00

The weighted average market price of the options exercised under Employees Stock Option Scheme -2014 on the date of exercise during the year was ₹ 164.65 (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	4.90	150,000	5.84	155,000
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	NIL	2.00
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	126.95
3. Weighted average fair value of options granted (₹)	NIL	132.80
4. Expected life of the option (years)	NIL	3.76
5. Risk free interest rate (%)	NIL	7.61%
6. Expected volatility (%)	NIL	41.80%
7. Dividend yield (%)	NIL	0.88%

The Company recorded an employee compensation cost of ₹ 0.31 million (Previous year ₹ 0.86 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

4 Employee Stock Option Plan – 2015

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in April 2015 and August, 2015, respectively. Pursuant to this approval, the Company instituted ESOP 2015 Plan in August 2015. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	1,051,500	103.70	-	-
Granted during the year	-	-	1,091,000	103.70
Forfeited / surrendered during the year	86,350	103.70	39,500	103.70
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	965,150	103.70	1,051,500	103.70
Options exercisable at the end of the year	290,700	103.70	-	-

The weighted average market price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	NIL	NIL	NIL
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	5.50	965,150	6.51	1,051,500
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

Notes forming part of the standalone financial statements



The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	NIL	103.70
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	103.70
3. Weighted average fair value of options granted (₹)	NIL	40.17
4. Expected life of the option (years)	NIL	3.70
5. Risk free interest rate (%)	NIL	7.76%
6. Expected volatility (%)	NIL	42.83%
7. Dividend yield (%)	NIL	1.06%

The Company recorded an employee compensation cost of ₹ 0.90 million (Previous year ₹ 0.38 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Employee compensation cost is net of recoveries made from subsidiaries.

44 Income taxes

The income tax expense consists of following:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Tax expense		
Current tax	376.90	487.19
MAT credit entitlement	(131.26)	(41.35)
Deferred tax (benefit) / charge	43.86	16.25
Total tax expense	289.50	462.09

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Profit before tax	1,982.44	2,493.77
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	686.08	863.04
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of tax holiday, exemptions and deductions	(381.69)	(386.28)
Effect of permanent adjustments	(49.41)	(30.77)
Effect of differential overseas tax rates	33.10	18.18
Others (net)	1.42	(2.08)
Total tax expense	289.50	462.09



Notes forming part of the standalone financial statements



During the year ended March 31, 2017 and March 31, 2016, the Company has claimed weighted tax deduction on eligible research and development expenditures based on the approval received from Department of Scientific and Industrial Research (DSIR) on June 2, 2011 which has been renewed effective April 2014. The weighted tax deduction is equal to 200% of such expenditures incurred. Also refer note 41.

Additionally, the Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005(SEZ). Accordingly, units in designated SEZ are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The tax holiday period being currently available to the Company expires in various years through fiscal 2025. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Deferred Tax

The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, is as follows:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Net deferred income tax asset at the beginning	430.51	390.99
MAT Credit entitlement for the year	131.26	41.35
Credits / (charge) relating to temporary differences	(43.86)	(16.25)
Temporary differences on other comprehensive income	(14.95)	14.40
Net deferred income tax asset at the end	502.96	430.51

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of provision for doubtful debts & bad debts partially offset by credit on account of property, plant and equipment and provision for gratuity and leave encashment. The charge relating to temporary differences during the year ended March 31, 2016 are primarily on account of property, plant and equipment and provision for doubtful debts partially offset by credit on account of provision for gratuity and leave encashment.

45 Other disclosures and explanatory notes

- The Company was required to spend ₹ 46.42 million towards Corporate Social Responsibility. During the year the Company has spent and paid ₹ 25.61 million (Previous year ₹ 18.62 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act, 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

Also, refer Annexure 7 of the Director's Report.

- During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of SBNs held and transacted during the period from November 8, 2016 to December, 30 2016. The denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBN	Other	Total
Balance as on 08.11.2016	43,500	49,437	92,937
Receipts	24,500	156,473	180,973
Payments	(500)	(122,929)	(123,429)
Deposited in banks	(67,500)	-	(67,500)
Balance as on 30.12.2016	-	82,981	82,981



Notes forming part of the standalone financial statements



The Company has received amounts aggregating to ₹ 24,500 for transactions which are not permitted. These transactions pertain to settlements of advances till 30 December 2016 during the course of business.

- 2B A customer has filed a legal suit against the Company and its subsidiaries seeking various damages not less than USD 50 million pertaining to services on an ERP implementation contract. The subsidiary has filed a counter claim against the customer seeking compensatory damages, relief, costs, etc. The matter is currently pending with the United States District Court. The Company and its subsidiaries continues to pursue its claim for damages and defend against the customer's claims. Based on its internal assessment, the Company is confident of being able to defend its exposure on this case.
- 3 The Company has consolidated the KPIT Technologies Limited Employee Welfare Trust.
- 4 The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act, 1961. The Company is in the process of updating the documentation for the Financial Year 2016-2017.

The management is of the opinion that international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Vijay Mathur
Partner
Membership No. 046476

Place: Pune
Date: 26 April 2017

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Anil Patwardhan
Chief Financial Officer

Sneha Padve
Company Secretary

Place: Pune
Date: 26 April 2017

S. B. (Ravi) Pandit
Chairman & Group CEO

Kishor Patil
CEO & Managing Director



Independent Auditors' Report



To the Members of
KPIT Technologies Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of KPIT Technologies Limited ('the Holding Company' or 'the Company') and its subsidiaries (together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at 31 March 2017, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31 March 2017, and their consolidated financial performance (including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets of ₹ 1,293.53 million as at 31 March 2017, and total revenues of ₹ 1,171.57 million and net cash inflows amounting to ₹ 56.10 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors



whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, based on the comments in the auditors' reports of the Holding Company and the subsidiary company incorporated in India, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 43(2) to the consolidated Ind AS financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company. There were no amounts required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India;
 - iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. However, as stated in note 46(7B) to the consolidated Ind AS financial statements, amounts aggregating to ₹ 24,500 have been received for transactions which are not permitted. As represented to us by the management, these transactions pertain to settlements of advances till 30 December 2016 during the course of business.

For B S R & Co. LLP
Chartered Accountants
 Firm's Registration No: 101248W/ W-100022

Place: Pune
 Date: 26 April 2017

Vijay Mathur
 Partner
 Membership No.: 046476

Annexure A to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements of KPIT Technologies Limited

Referred to in paragraph 1(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of KPIT Technologies Limited on the consolidated Ind AS financial statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of KPIT Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India (collectively referred to as 'the Group'), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.



Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Vijay Mathur
Partner
Membership No.: 046476

Place: Pune
Date: 26 April 2017

Consolidated Balance Sheet



(Amount in ₹ million)

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	2,073.77	1,933.55	1,599.37
Capital work-in-progress		737.82	77.45	34.46
Goodwill	3B	4,116.81	3,846.99	5,162.20
Other intangible assets	3C	517.87	521.21	534.02
Intangible assets under development		638.32	282.96	86.07
Financial assets				
Investments	4	10.35	117.55	224.72
Loans	5	156.35	125.60	137.92
Other financial assets	6	89.68	34.95	109.60
Income tax assets (net)		1,173.79	1,045.82	860.39
Deferred tax assets (net)	7	963.16	954.92	819.98
Other non-current assets	8	104.25	108.82	37.39
		10,582.17	9,049.82	9,606.12
Current assets				
Inventories	9	433.49	380.04	228.77
Financial assets				
Investments	10	777.68	0.04	590.38
Trade receivables	11	7,843.39	6,860.87	6,978.71
Cash and cash equivalents	12	3,788.93	2,859.23	3,280.22
Other balances with banks	12	112.88	1,094.04	357.32
Loans	13	93.88	119.50	57.41
Unbilled revenue		941.86	846.27	973.22
Other financial assets	14	136.48	60.42	88.81
Other current assets	15	502.88	561.43	599.81
		14,631.47	12,781.84	13,154.65
TOTAL ASSETS		25,213.64	21,831.66	22,760.77
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	376.39	375.65	376.13
Other equity	35	15,448.24	13,478.73	12,419.55
Equity attributable to owners of the Company		15,824.63	13,854.38	12,795.68
Non-controlling interest		16.86	-	-
Total equity		15,841.49	13,854.38	12,795.68



Consolidated Balance Sheet



(Amount in ₹ million)

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	985.38	1,657.36	776.11
Other financial liabilities	18	131.67	70.73	263.69
Provisions	19	579.25	515.55	423.31
Deferred tax liabilities (net)	20	0.11	0.18	4.82
		1,696.41	2,243.82	1,467.93
Current liabilities				
Financial liabilities				
Borrowings	21	2,216.91	498.09	3,677.16
Trade payables	22	1,311.06	1,183.94	1,294.66
Other financial liabilities	23	2,175.65	2,201.91	2,104.57
Other current liabilities	24	1,054.58	1,062.84	988.01
Provisions	25	316.78	235.08	192.19
Current income tax liabilities (net)		600.76	551.60	240.57
		7,675.74	5,733.46	8,497.16
TOTAL EQUITY AND LIABILITIES		25,213.64	21,831.66	22,760.77
Significant accounting policies	1			
Notes referred to above form an integral part of the consolidated financial statements	2-46			

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Vijay Mathur

Partner

Membership No. 046476

Place: Pune

Date: 26 April 2017

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Anil Patwardhan

Chief Financial Officer

Sneha Padve

Company Secretary

Place: Pune

Date: 26 April 2017

S. B. (Ravi) Pandit

Chairman & Group CEO

Kishor Patil

CEO & Managing Director



Consolidated Statement of Profit and Loss

(Amount in ₹ million)

	Note	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
Revenue from operations	26	33,233.61	32,264.08
Other income	27	206.60	281.85
Total income		33,440.21	32,545.93
Expenses			
Cost of materials consumed	28	360.13	172.27
Changes in inventories of finished goods and work-in-progress	29	(104.02)	(38.10)
Employee benefits expense	30	20,905.25	19,334.99
Finance costs	31	135.98	165.41
Depreciation and amortization expense	3	826.64	691.25
Excise duty		33.15	21.17
Other expenses	32	8,552.77	8,431.45
Total expenses		30,709.90	28,778.44
Profit before exceptional items and tax		2,730.31	3,767.49
Exceptional items ((Refer note 46(1) & 46(2))		260.91	(112.98)
Profit before share of equity accounted investees and tax		2,991.22	3,654.51
Share of profit/(loss) of equity accounted investees (net of tax)		(0.05)	-
Profit before tax		2,991.17	3,654.51
Tax expense	45		
Current tax		638.01	941.34
MAT credit entitlement		(131.26)	(41.35)
Deferred tax (benefit)/charge		98.98	(54.51)
Total tax expense		605.73	845.48
Profit for the year		2,385.44	2,809.03
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(23.73)	(44.35)
Income tax on items that will not be reclassified to profit or loss		6.32	13.13
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(273.48)	156.94
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		61.44	(3.67)
Income tax on items that will be reclassified to profit or loss		(21.27)	1.27
Total other comprehensive income		(250.72)	123.32
Total comprehensive income for the year		2,134.72	2,932.35
Profit attributable to			
Owners of the company		2,385.05	2,809.03
Non-controlling interests		0.39	-
Profit for the year		2,385.44	2,809.03
Other comprehensive income attributable to			
Owners of the company		(250.72)	123.32
Non-controlling interests		-	-
Other comprehensive income for the year		(250.72)	123.32



Consolidated Statement of Profit and Loss



(Amount in ₹ million)

	Note	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
Total comprehensive income attributable to			
Owners of the company		2,134.33	2,932.35
Non-controlling interests		0.39	-
Total comprehensive income for the year		2,134.72	2,932.35
Earnings per equity share for continuing operations (face value per share ₹ 2 each)			
Basic	41	12.44	14.69
Diluted	41	11.94	14.06
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated financial statements	2-46		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Vijay Mathur

Partner

Membership No. 046476

Place: Pune

Date: 26 April 2017

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Anil Patwardhan

Chief Financial Officer

Sneha Padve

Company Secretary

Place: Pune

Date: 26 April 2017

S. B. (Ravi) Pandit

Chairman & Group CEO

Kishor Patil

CEO & Managing Director



Consolidated Statement of Cash Flows

(Amount in ₹ million)

PARTICULARS	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	2,385.44	2,809.03
Adjustments for		
Income tax expense	605.73	845.48
(Profit)/Loss on sale of fixed assets (net)	0.66	5.14
Share of loss of equity accounted investees (net of tax)	0.05	-
Depreciation / Amortization / Dimunition	826.64	691.25
Write-down of slow moving inventory	20.15	-
Interest expense	135.98	134.47
Interest income	(117.47)	(44.25)
Dividend income	(3.21)	(34.73)
Exceptional items	(260.91)	112.98
Provision for doubtful debts	(333.45)	183.37
Bad debts written off	302.93	13.19
Share based compensation expenses	58.43	53.74
Unrealised foreign exchange loss/(gain)	(265.01)	144.16
Fair value changes in purchase consideration payable	(8.88)	(48.11)
Operating Profit before working capital changes	3,347.08	4,865.72
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(819.86)	22.77
Inventories	(73.60)	(151.27)
Loans, other financial assets and other assets	52.94	11.59
Trade Payables	(40.17)	(111.99)
Other financial liabilities, other liabilities and provisions	(166.27)	278.45
Cash generated from operations	2,300.12	4,915.27
Income taxes paid	(669.78)	(815.76)
Net cash from operating activities (A)	1,630.34	4,099.51
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,888.27)	(1,238.93)
Proceeds from sale of fixed assets	11.20	2.35
Acquisition of subsidiary (net of cash acquired)	(441.85)	-
Proceeds from sale of subsidiary	499.95	-
Purchase of investments carried at fair value through profit and loss	(670.18)	-
Proceed from sale of investments carried at fair value through profit and loss	-	590.34
Payment of contingent consideration for acquisition of subsidiaries	(90.43)	(207.77)
Interest received	112.92	23.32
Dividend received	3.21	34.73
Fixed Deposit with banks (net) having maturity over three months	961.60	(660.70)
Net Cash used in investing activities (B)	(1,501.85)	(1,456.66)



Consolidated Statement of Cash Flows

(Amount in ₹ million)

PARTICULARS	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term loan from banks	8.40	1,325.09
Repayment of Long term loan from banks	(335.23)	(729.29)
Proceeds from Long term loan from other than banks	11.97	34.78
Repayment of Long term loan from other than banks	(8.75)	(22.53)
Proceeds from issue of Share Capital and application money	0.22	47.76
Proceeds from Working Capital loan (net)	1,726.16	(3,216.13)
Proceeds from / (payments for) shares issued / purchased by Employee Welfare Trust (net)	28.26	(123.81)
Dividend paid including corporate dividend tax	(503.01)	(260.87)
Interest and finance charges paid	(126.77)	(120.36)
Net cash (used in)/from financing activities (C)	801.25	(3,065.36)
D] Exchange differences on translation of foreign currency cash and cash equivalents	(0.04)	1.52
Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	929.70	(420.99)
Cash & cash equivalents at close of the year (Refer note 1 below)	3,788.93	2,859.23
Cash & cash equivalents at beginning of the year (Refer note 1 below)	2,859.23	3,280.22
Cash Surplus / (deficit) for the year	929.70	(420.99)
Note 1 :		
Cash and cash equivalents include:		
Cash on hand	0.14	0.29
Cheques in hand	85.10	1.29
Balance with banks		
- In current accounts	3,591.58	2,356.60
- In deposit accounts (with original maturity of 3 months or less)	112.11	501.05
Total Cash and cash equivalents	3,788.93	2,859.23

Note 2: Figures in brackets represent outflows of cash and cash equivalents.

Note 3: The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Vijay Mathur

Partner

Membership No. 046476

**For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED**

Anil Patwardhan

Chief Financial Officer

S. B. (Ravi) Pandit

Chairman & Group CEO

Sneha Padve

Company Secretary

Kishor Patil

CEO & Managing Director

Place: Pune

Date: 26 April 2017

Place: Pune

Date: 26 April 2017



Consolidated Statement of Changes in Equity

A Equity share capital

	(Amount in ₹ million)
Balance as at 1 April 2015	376.13
Changes in equity share capital during 2015-16	(0.48)
Balance as at 31 March 2016	375.65
Changes in equity share capital during 2016-17	0.74
Balance as at 31 March 2017	376.39

B Other equity

	Share application money pending allotment	Reserves & surplus						Items of Other Comprehensive Income				Equity attributable to owners of the Company	Non-controlling interest	Total equity
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	General reserve	Amalgamation reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 33)	Remeasurement of the net defined benefit Plans			
Balance as on 01 April 2015	7.65	27.71	40.00	3,849.17	56.59	53.21	51.40	8,297.68	-	36.14	-	12,419.55	-	12,419.55
Profit for the year	-	-	-	-	-	-	-	2,809.03	-	-	-	2,809.03	-	2,809.03
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	156.94	(2.40)	(31.22)	123.32	-	123.32
Total comprehensive income for the year	-	-	-	-	-	-	-	2,809.03	156.94	(2.40)	(31.22)	2,932.35	-	2,932.35
Transactions with owners recognised directly in equity														
Dividends	-	-	-	-	-	-	-	(423.44)	-	-	-	(423.44)	-	(423.44)
Dividend distribution tax	-	-	-	-	-	-	-	(89.56)	-	-	-	(89.56)	-	(89.56)
Transfer to general reserve	-	-	-	-	202.00	-	-	(202.00)	-	-	-	-	-	-
Accumulated deficit of employee welfare trust	-	-	-	-	-	-	-	(123.81)	-	-	-	(123.81)	-	(123.81)
Premium on issue of shares under ESOP scheme	-	-	-	55.26	-	-	-	-	-	-	-	55.26	-	55.26
Share based payments to employees	-	-	-	-	53.74	-	-	-	-	-	-	53.74	-	53.74
Adjustment under the scheme of amalgamation (Refer note 46(8))	-	-	-	-	-	-	-	(1,524.30)	-	-	-	(1,524.30)	-	(1,524.30)
Changes during the year	(7.02)	-	-	-	-	-	-	-	-	-	-	(7.02)	-	(7.02)
Other adjustments on transition to Ind-AS	-	-	-	-	-	-	-	185.96	-	-	-	185.96	-	185.96
Balance as on 31 March 2016	0.63	27.71	40.00	3,904.43	110.33	255.21	51.40	8,929.56	156.94	33.74	(31.22)	13,478.73	-	13,478.73
Balance as on 01 April 2016	0.63	27.71	40.00	3,904.43	110.33	255.21	51.40	8,929.56	156.94	33.74	(31.22)	13,478.73	-	13,478.73
Profit for the year	-	-	-	-	-	-	-	2,385.05	-	-	-	2,385.05	0.39	2,385.44
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(273.48)	40.17	(17.41)	(250.72)	-	(250.72)
Total comprehensive income for the year	-	-	-	-	-	-	-	2,385.05	(273.48)	40.17	(17.41)	2,134.33	0.39	2,134.72

Consolidated Statement of Changes in Equity

	Share application money pending allotment	Reserves & surplus						Items of Other Comprehensive Income				Equity attributable to owners of the Company	Non-controlling interest	Total equity	
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	General reserve	Amalgamation reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 33)	Remeasurement of the net defined benefit Plans				
Transactions with owners recognised directly in equity															
Dividends	-	-	-	-	-	-	-	(206.76)	-	-	-	(206.76)	-	-	(206.76)
Dividend distribution tax	-	-	-	-	-	-	-	(44.23)	-	-	-	(44.23)	-	-	(44.23)
Accumulated deficit of employee welfare trust	-	-	-	-	-	-	-	28.26	-	-	-	28.26	-	-	28.26
Premium on issue of shares under ESOP scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments to employees	-	-	-	58.43	-	-	-	-	-	-	-	-	-	-	58.43
Changes during the year	(0.52)	-	-	-	-	-	-	-	-	-	-	(0.52)	-	-	(0.52)
Changes in ownership interests in subsidiaries															
On acquisition of subsidiary (Refer note 46(3))	-	-	-	-	-	-	-	-	-	-	-	-	-	16.47	16.47
Balance as on 31 March 2017	0.11	27.71	40.00	3,904.43	168.76	255.21	51.40	11,091.88	(116.54)	73.91	(48.63)	15,448.24	16.86	15,465.10	

Significant accounting policies 1

Notes referred to above form an integral part of the consolidated financial statements 2-46

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Vijay Mathur

Partner

Membership No. 046476

For and on behalf of the Board of Directors of

KPIT TECHNOLOGIES LIMITED

Anil Patwardhan

Chief Financial Officer

S. B. (Ravi) Pandit

Chairman & Group CEO

Sneha Padve

Company Secretary

Kishor Patil

CEO & Managing Director

Place: Pune

Date: 26 April 2017



Company Overview

KPIT Technologies Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Group's registered office is in Pune and it has subsidiaries across geographies. Most of the revenue is generated from the export of services.

The Group provides Software Development, global IT consulting and Product Engineering solutions to its clients, predominantly in Automotive & Transportation, Manufacturing and Energy & Utilities verticals. The Group is also engaged in the production of Integrated Systems, under Product Engineering Solutions vertical.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 26 April 2017.

1. Significant accounting policies

1.1 Basis of consolidation

The Consolidated Financial Statements relate to KPIT Technologies Limited ("the Company") and its subsidiary companies which constitutes "the Group".

a. Basis of preparation of consolidated financial statements

- i. The financial statements of the subsidiary companies, used in the consolidation, have been aligned with the parent company and are drawn up to the same reporting date as of the Company, i.e. year ended 31 March 2017.
- ii. The Consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. The financial statements are presented in millions of Indian rupees rounded off to two decimal places, unless otherwise stated.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards.

Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.1, 2.2 and 2.3.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, except for share based payments, defined benefit obligations, purchase consideration in business combinations and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Use of estimates

The preparation of consolidated financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

i. Revenue Recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.



ii. Income tax

The Group's two major tax jurisdictions are India and the U.S., though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

iii. Business combinations

Business combinations are accounted for using IndAS103, Business Combinations. IndAS103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

iv. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

v. Measurement of defined benefit obligation and key actuarial assumptions

Information about assumptions and estimation uncertainties in respect of defined benefit obligations and share based payments is included in note 37 and 44 respectively.

b. Principles of consolidation:

The Consolidated financial statements have been prepared on the following basis:

- i. The Company consolidates all the entities over which it has control. The Company establishes control when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Company.
- iii. The excess of cost of acquisition to the Group over the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, at the acquisition dates, is recognized as 'Goodwill on Consolidation' being an asset in the Consolidated Financial Statements. Alternatively, where the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, on the acquisition date, is in excess of cost of acquisition, it is immediately recognized as gain in the Statement of Profit and Loss in the Consolidated Financial Statements.
- iv. Non-controlling interest is initially measured either at fair value or at the proportionate share of the subsidiary companies' identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequently, the carrying amount of non-controlling interest is adjusted for the changes in the equity of the subsidiary companies.
- v. The investments in joint venture and associate are accounted for using equity method. The investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the statement of profit and loss.

c. Business Combinations

- i. Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.
- ii. Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.
- iii. Business combinations involving entities under common control is accounted for at carrying value using the pooling of interest method.
- iv. When there is change in the Group's interest in subsidiary companies, that does not result in loss of control, it is accounted for as equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.
- v. When the Group loses control on a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest, if any, are derecognized from the consolidated financial statements. The investment retained, if any, is recognized at fair value on that date. The gain or loss associated with the loss of control, attributable to the former controlling interest, is recognized in the Statement of Profit and Loss.

d. Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

1.2 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Group is less than twelve months.



1.3 Revenue recognition

The Group derives revenues primarily from software development and related services and from the sale of licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

Revenue from software development and services, on time and material basis, is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) being identified and being measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

For the arrangements for sale of license, related services and maintenance services, that meet the criteria for separately identifiable components, the Group has measured the revenue in respect of each separable component of a transaction at its fair value to allocate the consideration in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.

Advances received for services and products are separately reported in the financials as advance received from customers.

The Group accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

Revenue from sale of goods is recognised upon actual delivery of goods along with transfer of significant risks and rewards to the customers.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

The Group presents revenues from products gross of excise duties in its Statement of Profit and Loss.

Interest income is recognized using effective interest rate method.

Dividend income is recognized when the right to receive payment is established.

1.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs.

1.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable

cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any. In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings ⁽¹⁾	25
Plant and equipment ⁽¹⁾	3-4
Office Equipment ⁽¹⁾	5-10
Owned Vehicle ⁽¹⁾	5
Furniture and fixtures ⁽¹⁾	7-10

⁽¹⁾ For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets taken on lease are amortized over shorter of useful lives and the period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortized over the remaining non-cancellable period of lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.8 Impairment

a. Financial assets

The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recorded as an impairment gain or loss in Statement of Profit or Loss.



b. Non- financial assets

i. Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.9 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.10 Leases

a. Finance lease

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease or the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to periods during the lease terms at a constant periodic rate of interest on the remaining balance of the liability.

b. Operating lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.11 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Group's functional as well as presentation currency.

b. Transactions in foreign currencies are translated to the respective functional currencies of the Group

companies at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches and subsidiaries, their functional currencies are determined. The results and the financial position of the foreign branches and subsidiaries are translated into presentation currency so that the foreign operation could be included in the consolidated financial statements.

The assets and liabilities of the foreign operation with functional currencies other than the presentation currency are translated to the presentation currency using the closing exchange rate on the Balance Sheet date and the Statement of Profit and Loss using the average exchange rates for the month in which the transactions occur. The resulting exchange differences are accumulated in 'foreign currency translation reserve' in the Statement of Changes in Equity through Other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the foreign currency translation reserve which relates to that operation is reclassified from equity to the Statement of Profit and Loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The employees of certain locations can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this

1.13 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Group's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits



entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

1.14 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized

amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.15 Provisions, Contingent liabilities and Contingent assets

The Group recognizes provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b. Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

1.16 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognized as an intangible asset in accordance with policy defined in 1.6.

1.17 Employee stock option

In respect of stock options granted pursuant to the Group's Employee Stock Option Scheme, the Group recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.18 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added

to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet



date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group does not use derivative financial instruments for speculative purposes. The counter-party to the Group's foreign currency forward contracts is generally a bank.

A contract to pay or receive a fixed amount on the occurrence or non-occurrence of a future event is considered to a derivative, provided that this future event depends on a financial variable or a non-financial variable not specific to a party to the contract. The Group considers EBITDA, profit, sales volume (e.g. revenue) or the cash flows of one counterparty to be non-financial variable that are specific to a party to the contract.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Group's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognised in Other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit and Loss and Other comprehensive income.

iii) Treasury Shares

When any entity within the Group purchases the Group's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

c. Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The Group uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP), where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

1.19 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind-AS 7 : Statement of cash flows and Ind-AS 102 : Share based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 : Statement of cash flows and IFRS 2 : Share based payment, respectively. The amendments are applicable to the Group from 01 April 2017.

(i) Amendment to Ind-AS 7

The amendment to Ind-AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

(ii) Amendment to Ind-AS 102

The amendment to Ind-AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected

in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share based payment transaction are modified with the result that it becomes an equity-settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

2 First time adoption of Ind-AS :

2.1 Explanation of transition to Ind-AS

- a. These are the Group's first Consolidated Financial Statements prepared in accordance with Ind-AS.
- b. The accounting policies set out in Note 1 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening consolidated Ind-AS Balance Sheet as at 01 April 2015 (the Group's date of transition).
- c. In preparing its consolidated opening Ind-AS Balance Sheet and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian Generally Accepted Accounting Principles (IGAAP)). An explanation of how the transition from IGAAP to Ind-AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these Consolidated Financial Statements, the Group has availed certain optional exemptions and mandatory exceptions in accordance with Ind-AS 101 as explained below:



a. Optional exemptions availed

i. Business combination

The Group has applied the exemption as provided in Ind-AS 101 on non-application of Ind-AS 103 - "Business Combinations" to business combinations which occurred prior to the date of transition (1 April 2015). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under IGAAP. Further, intangible assets net of related taxes, which were subsumed in goodwill under IGAAP, were not recognised in the opening Balance Sheet as at 1 April 2015, since those did not qualify for recognition in the separate Balance Sheet of the acquired entities.

ii. Share based payments

The Group has elected to apply the share based payment exemption available under Ind-AS 101 on application of Ind-AS 102- "Share Based Payment", to the grants that are vested before the transition date. Accordingly, only the unvested options as at the date of transition to Ind-AS have been fair valued.

iii. Deemed cost

The Group has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets, measured as per

IGAAP and use that as its deemed cost as at the date of transition to Ind-AS.

iv. Cumulative translation differences

The Group has availed the exemption under Ind-AS 101 on treatment of cumulative translation differences and accordingly the translation reserve is brought down to zero as at the date of transition to Ind-AS by transferring such cumulative differences to retained earnings.

b. Mandatory exceptions from full retrospective application

i. Hedge accounting exceptions

The Group had followed hedge accounting under IGAAP which is aligned to Ind-AS. Accordingly, the Group continues to apply hedge accounting on and after the date of transition to Ind-AS.

ii. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

Notes forming part of the consolidated financial statements



2.3 Reconciliations

The below mentioned reconciliations provide the quantification of the effect on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS

(Amount in ₹ million)

Particulars	Note	31 March 2016			01 April 2015		
		IGAAP	Effects of transition	Ind-AS	IGAAP	Effects of transition	Ind-AS
ASSETS							
Non-current assets							
Property, plant and equipment	i	1,930.38	3.17	1,933.55	1,599.37	-	1,599.37
Capital work-in-progress		77.45	-	77.45	34.46	-	34.46
Goodwill	ii	4,064.02	(217.03)	3,846.99	5,162.20	-	5,162.20
Other intangible assets	i	521.00	0.21	521.21	534.02	-	534.02
Intangible assets under development	i	282.26	0.70	282.96	86.07	-	86.07
Financial assets							
Investments		117.55	-	117.55	224.72	-	224.72
Loans	iii	150.68	(25.08)	125.60	166.12	(28.20)	137.92
Other financial assets		34.95	-	34.95	109.60	-	109.60
Income tax assets (net)		1,045.82	-	1,045.82	860.39	-	860.39
Deferred tax assets (net)	iv	978.85	(23.93)	954.92	842.51	(22.53)	819.98
Other non-current assets	iii	90.57	18.25	108.82	20.27	17.12	37.39
		9,293.53	(243.71)	9,049.82	9,639.73	(33.61)	9,606.12
Current assets							
Inventories		380.04	-	380.04	228.77	-	228.77
Financial assets							
Investments		0.04	-	0.04	590.38	-	590.38
Trade receivables		6,860.87	-	6,860.87	6,978.71	-	6,978.71
Cash and cash equivalents		2,859.23	-	2,859.23	3,280.22	-	3,280.22
Other balances with banks		1,094.04	-	1,094.04	357.32	-	357.32
Loans	iii	122.47	(2.97)	119.50	57.41	-	57.41
Unbilled revenue		846.27	-	846.27	973.22	-	973.22
Other financial assets		60.42	-	60.42	88.81	-	88.81
Other current assets	iii, v	554.08	7.35	561.43	594.07	5.74	599.81
		12,777.46	4.38	12,781.84	13,148.91	5.74	13,154.65
TOTAL ASSETS		22,070.99	(239.33)	21,831.66	22,788.64	(27.87)	22,760.77



Notes forming part of the consolidated financial statements



(Amount in ₹ million)

Particulars	Note	31 March 2016			01 April 2015		
		IGAAP	Effects of transition	Ind-AS	IGAAP	Effects of transition	Ind-AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		375.65	-	375.65	376.13	-	376.13
Other equity	i-iv	13,431.89	46.84	13,478.73	12,585.37	(165.82)	12,419.55
Equity attributable to owners of the Company		13,807.54	46.84	13,854.38	12,961.50	(165.82)	12,795.68
Non-controlling interest		-	-	-	-	-	-
Total equity		13,807.54	46.84	13,854.38	12,961.50	(165.82)	12,795.68
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	v	1,672.69	(15.33)	1,657.36	779.85	(3.74)	776.11
Other financial liabilities	ii	-	70.73	70.73	-	263.69	263.69
Provisions		515.55	-	515.55	423.31	-	423.31
Deferred tax liabilities (net)		0.18	-	0.18	4.82	-	4.82
		2,188.42	55.40	2,243.82	1,207.98	259.95	1,467.93
Current liabilities							
Financial liabilities							
Borrowings		498.09	-	498.09	3,677.16	-	3,677.16
Trade payables		1,183.94	-	1,183.94	1,294.66	-	1,294.66
Other financial liabilities	ii, v	2,280.81	(78.90)	2,201.91	1,966.99	137.58	2,104.57
Other current liabilities		1,062.84	-	1,062.84	988.01	-	988.01
Provisions	vi	497.75	(262.67)	235.08	451.77	(259.58)	192.19
Current income tax liabilities (net)		551.60	-	551.60	240.57	-	240.57
		6,075.03	(341.57)	5,733.46	8,619.16	(122.00)	8,497.16
TOTAL EQUITY AND LIABILITIES		22,070.99	(239.33)	21,831.66	22,788.64	(27.87)	22,760.77



Notes forming part of the consolidated financial statements



Reconciliation of total comprehensive income for the year ended on 31 March 2016, as previously reported under IGAAP to Ind-AS:

(Amount in ₹ million)

Particulars	Note	31 March 2016		
		IGAAP	Effects of transition	Ind-AS
Revenue from operations		32,264.08	-	32,264.08
Other income	i, ii, iii	247.70	34.15	281.85
Total income		32,511.78	34.15	32,545.93
Expenses				
Cost of materials consumed		172.27	-	172.27
Changes in inventories of finished goods and work-in-progress		(38.10)	-	(38.10)
Employee benefits expense	vii, viii	19,327.63	7.36	19,334.99
Finance costs	ii, v	151.93	13.48	165.41
Depreciation and amortization expense		691.25	-	691.25
Excise duty		21.17	-	21.17
Other expenses	iii, v	8,427.98	3.47	8,431.45
Total expenses		28,754.13	24.31	28,778.44
Profit before exceptional items and tax		3,757.65	9.84	3,767.49
Exceptional items ((Refer note 46(1)))		(112.98)	-	(112.98)
Profit before share of equity accounted investees and tax		3,644.67	9.84	3,654.51
Share of profit/(loss) of equity accounted investees (net of tax)		-	-	-
Profit before tax		3,644.67	9.84	3,654.51
Tax expense				
Current tax		941.34	-	941.34
MAT credit entitlement		(41.35)	-	(41.35)
Deferred tax (benefit)/charge	iv	(70.32)	15.81	(54.51)
Total tax expense		829.67	15.81	845.48
Profit for the year		2,815.00	(5.97)	2,809.03
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	viii	-	(44.35)	(44.35)
Income tax on items that will not be reclassified to profit or loss	iv	-	13.13	13.13
Items that will be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations	i	149.11	7.83	156.94
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	ix	(3.67)	-	(3.67)
Income tax on items that will be reclassified to profit or loss	iv	-	1.27	1.27
Total other comprehensive income		145.44	(22.12)	123.32
Total comprehensive income for the year		2,960.44	(28.09)	2,932.35



Notes forming part of the consolidated financial statements



(Amount in ₹ million)

Particulars	Note	31 March 2016		
		IGAAP	Effects of transition	Ind-AS
Profit attributable to				
Owners of the company		2,815.00	(5.97)	2,809.03
Non-controlling interests		-	-	-
Profit for the year		2,815.00	(5.97)	2,809.03
Other comprehensive income attributable to				
Owners of the company		145.44	(22.12)	123.32
Non-controlling interests		-	-	-
Other comprehensive income for the year		145.44	(22.12)	123.32
Total comprehensive income attributable to				
Owners of the company		2,960.44	(28.09)	2,932.35
Non-controlling interests		-	-	-
Total comprehensive income for the year		2,960.44	(28.09)	2,932.35

Notes explaining the effects of transition from IGAAP to Ind-AS:

- i Adjustment is on account of translation of foreign operations as per Ind-AS 21 : The Effects of Changes in Foreign Exchange Rates. Exchange differences on translation of foreign operations are recorded in other comprehensive income.
- ii As per Ind-AS, the contingent consideration payable is recorded at fair value, whereas it is recorded at cost under IGAAP. Such liability recorded is classified as financial liability measured at fair value through profit and loss with the corresponding impact of discounting and fair value changes on the Statement of Profit and Loss.
- iii Effect of fair valuation of security deposits and amortisation of advance rentals under Ind-AS.
- iv Effect of deferred taxes recognised on the Ind-AS adjustments.
- v Effect of financial liabilities initially measured at fair value and subsequently measured at amortised cost with the corresponding impacts on the Statement of Profit and Loss.
- vi Under Ind-AS, dividend and dividend distribution tax is recorded as a liability on the date of approval by the shareholders while under IGAAP it is recognised in the period to which it relates.
- vii As per Ind-AS, share based payments are measured at fair value, whereas under IGAAP they are measured at intrinsic value.
- viii As per Ind-AS, actuarial gains/(losses) are recorded in other comprehensive income as items that will not be reclassified to profit or loss.
- ix Under Ind-AS, the effective portion of gains/(losses) on hedging instruments in cash flow hedges are recorded in other comprehensive income as items that will be reclassified to profit or loss.

Cash flow statement:

There are no material reconciliation items to the cash flow statement, as previously reported under IGAAP and Ind-AS.



3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in ₹ million)

	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles		Office Equipments	Total
						Leased	Owned		
Gross carrying amount as at 1 April 2015	342.21	470.01	27.61	422.39	91.82	7.22	6.04	232.07	1,599.37
Additions	107.31	4.42	174.53	286.78	49.90	-	-	53.57	676.51
Foreign exchange translation	-	-	1.00	9.34	4.02	0.04	0.01	5.72	20.13
Disposal/retirements/ derecognition	-	-	-	0.90	3.48	-	-	3.97	8.35
Gross carrying amount as at 31 March 2016	449.52	474.43	203.14	717.61	142.26	7.26	6.05	287.39	2,287.66
Depreciation	5.76	25.81	22.88	210.21	21.58	2.80	2.40	51.11	342.55
Foreign exchange translation	-	-	0.46	5.33	2.33	0.04	0.01	4.32	12.49
Disposal/retirements/ derecognition	-	-	-	0.30	0.34	-	-	0.29	0.93
Accumulated depreciation as at 31 March 2016	5.76	25.81	23.34	215.24	23.57	2.84	2.41	55.14	354.11
Carrying amount as at 1 April 2015	342.21	470.01	27.61	422.39	91.82	7.22	6.04	232.07	1,599.37
Carrying amount as at 31 March 2016	443.76	448.62	179.80	502.37	118.69	4.42	3.64	232.25	1,933.55
Gross carrying amount as at 1 April 2016	449.52	474.43	203.14	717.61	142.26	7.26	6.05	287.39	2,287.66
Additions on account of business combinations	-	-	-	62.35	9.10	-	6.94	1.18	79.57
Additions	-	-	83.76	340.98	38.97	-	8.66	55.11	527.48
Foreign exchange translation	-	-	(0.61)	(9.90)	(2.32)	(0.02)	(0.35)	(2.64)	(15.84)
Disposal/retirements/ derecognition	-	0.36	0.28	6.31	4.74	0.50	1.80	5.58	19.57
Gross carrying amount as at 31 March 2017	449.52	474.07	286.01	1,104.73	183.27	6.74	19.50	335.46	2,859.30
Accumulated depreciation as at 1 April 2016	5.76	25.81	23.34	215.24	23.57	2.84	2.41	55.14	354.11
Additions on account of business combinations	-	-	-	37.41	0.58	-	5.74	0.74	44.47
Depreciation	6.56	25.83	34.71	255.58	24.76	2.05	2.98	53.13	405.60
Foreign exchange translation	-	-	(0.32)	(7.07)	(1.33)	(0.02)	(1.95)	(2.38)	(13.07)
Disposal/retirements/ derecognition	-	0.02	0.11	0.68	2.13	0.45	0.16	2.03	5.58
Accumulated depreciation as at 31 March 2017	12.32	51.62	57.62	500.48	45.45	4.42	9.02	104.60	785.53
Carrying amount as at 1 April 2016	443.76	448.62	179.80	502.37	118.69	4.42	3.64	232.25	1,933.55
Carrying amount as at 31 March 2017	437.20	422.45	228.39	604.25	137.82	2.32	10.48	230.86	2,073.77

Note:

Refer note 17 for details of property, plant and equipment pledged as security for borrowings.

3B Goodwill

Changes in the carrying amount of goodwill

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Carrying amount at the commencement of the year	3,846.99	5,162.20
Adjustment under scheme of amalgamation (Refer note 46(8))	-	(1,484.04)
Goodwill on sale of KPIT medini Technologies AG (Refer note 46(2))	(195.43)	-
Goodwill on acquisition of MicroFuzzy Industrie-Elektronik GmbH (Refer note 46(3))	589.41	-
Impairment loss (Refer note (i) below)	(39.81)	(38.97)
Foreign exchange translation	(84.35)	207.80
Carrying amount at the end of the year	4,116.81	3,846.99

Note:

- (i) The carrying amount consisted of the acquired goodwill of Learn2Perform (consulting and services business). The business operations were not pursuing sales specifically with respect to this acquisition, but were yielding results on account of synergies of the combined business. The Group is unable to track separate revenue stream and it is difficult to assess the period over which benefits are expected to flow. And hence, the Group has impaired the goodwill with corresponding effect under depreciation and amortization expense in the Statement of Profit and Loss.

3C Other intangible assets

Changes in the carrying amount of other intangible assets

	(Amount in ₹ million)			
	Internally Generated		Other than Internally Generated	Total
	Product Development Cost (Refer note (i))	Technical Knowhow	Software	
Gross carrying amount as at 1 April 2015	211.68	9.51	312.83	534.02
Additions	31.53	-	264.31	295.84
Foreign exchange translation	8.01	-	3.46	11.47
Disposal/retirements/derecognition	-	-	0.07	0.07
Gross carrying amount as at 31 March 2016	251.22	9.51	580.53	841.26
Amortisation	70.65	3.80	235.28	309.73
Foreign exchange translation	8.01	-	2.31	10.32
Accumulated amortisation as at 31 March 2016	78.66	3.80	237.59	320.05
Carrying amount as at 1 April 2015	211.68	9.51	312.83	534.02
Carrying amount as at 31 March 2016	172.56	5.71	342.94	521.21
Gross carrying amount as at 1 April 2016	251.22	9.51	580.53	841.26
Additions	82.24	0.46	297.36	380.06
Foreign exchange translation	(3.20)	-	(3.75)	(6.95)

(Amount in ₹ million)				
	Internally Generated		Other than Internally Generated	Total
	Product Development Cost (Refer note (i))	Technical Knowhow	Software	
Disposal/retirements/derecognition	-	0.46	-	0.46
Gross carrying amount as at 31 March 2017	330.26	9.51	874.14	1,213.91
Accumulated amortisation as at 1 April 2016	78.66	3.80	237.59	320.05
Amortisation	114.59	3.86	262.78	381.23
Foreign exchange translation	(3.20)	-	(1.98)	(5.18)
Disposal/retirements/derecognition	-	0.06	-	0.06
Accumulated amortisation as at 31 March 2017	190.05	7.60	498.39	696.04
Carrying amount as at 1 April 2016	172.56	5.71	342.94	521.21
Carrying amount as at 31 March 2017	140.21	1.91	375.75	517.87

Note:

- (i) With respect to one of the intangible assets, the Company is unable to track separately the future economic benefits and the expected cash flows, but yielding results at the combined business level. Further, it is difficult to assess the period over which the benefits are expected to flow. Hence, during the year ended 31 March 2017, the Company has impaired the intangible asset, resulting in an impairment loss of ₹ 36.08 million, recognised under depreciation and amortization expense in the Statement of Profit and Loss.

4 Non current investments

(Amount in ₹ million)			
	31 March 2017	31 March 2016	01 April 2015
Investments (Unquoted)			
Investments in equity instruments of other entities measured at fair value through profit or loss			
Investment in Sankalp Semiconductors Private Limited (Refer note 10) 771,000 (Previous Year 771,000) equity shares of ₹ 2 each fully paid up	-	117.55	117.55
Investments in GAIA System Solutions Inc Nil (Previous year Nil) Equity shares at par fully paid up	-	-	107.17
Lithium Urban Technologies Private Limited 10,000 (Previous year Nil) Compulsorily Convertible Preference shares of ₹ 1,000 fully paid up	10.00	-	-
Saraswat Co-operative Bank Limited 1 (Previous year 1) equity share of ₹ 10 each fully paid up	0.00*	0.00*	0.00*
Munchner bank 100 (Previous year Nil) equity share of € 50 each fully paid up	0.35	-	-



Notes forming part of the consolidated financial statements



(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Investments in equity accounted investees			
Yantra Digital Services Private Limited (Refer note 46(5)) 5,000 (Previous Year Nil) equity shares of ₹ 10 each fully paid up	0.05	-	-
Less : Share of loss (restricted to the extent of investment)	(0.05)	-	-
	-	-	-
	10.35	117.55	224.72

* Since denominated in ₹ Million

5 Loans

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Loans and advances to related parties			
Loan to Director	17.88	22.70	-
Loans and advances to other than related parties			
Security deposits	129.43	91.56	137.92
Loan to employees	9.04	11.34	-
	156.35	125.60	137.92

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

6 Other financial assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Fixed deposits with banks	31.88	10.81	11.49
Margin money deposits	23.42	23.98	97.98
Interest accrued on fixed deposits	0.49	0.16	0.13
Sale consideration receivable (Refer note 46(2))	33.89	-	-
	89.68	34.95	109.60

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

7 Deferred tax assets (net)

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Deferred tax assets			
-Provision for doubtful debts and advances	252.89	367.36	320.21
-Provision for leave encashment	170.05	177.96	148.29
-Provision for gratuity	78.05	68.40	52.56
-Provision for depreciation	35.51	28.92	24.42
-Others	74.19	88.16	66.71
-MAT credit entitlement	490.39	359.13	317.78
	1,101.08	1,089.93	929.97



Notes forming part of the consolidated financial statements



(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Deferred tax liabilities			
-Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	93.31	96.16	90.86
-Forward contracts designated as cash flow hedges	39.12	17.85	19.13
-Others	5.49	21.00	-
	137.92	135.01	109.99
Net deferred tax asset	963.16	954.92	819.98

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and it is not probable that taxable profits will be available in the future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of unrecognised deferred tax assets is ₹ 59.01 million (Previous year - ₹ 33.88 million).

8 Other non-current assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Capital advances	36.64	51.56	2.77
Advance rentals	39.08	18.25	17.12
Prepaid expenses	7.77	19.72	1.08
Fringe benefit tax paid in excess of provision (net)	1.45	1.45	1.45
Balance in Group Gratuity Trust Account	19.31	17.84	14.97
	104.25	108.82	37.39

9 Inventories

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Valued at the lower of cost and net realisable value)</i>			
Raw materials (Refer note (i) below)	287.61	340.84	228.50
Work-in-progress	2.54	5.77	0.18
Finished goods	139.77	32.52	0.01
Stores and spares	3.57	0.91	0.08
	433.49	380.04	228.77

Note :

- i) During the year ended 31 March 2017, the Group has written-down its slow moving inventory of ₹ 20.15 million with corresponding effect on cost of materials consumed in the Statement of Profit and Loss.

10 Current investments

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted)			
Investment in Sankalp Semiconductors Private Limited (Refer note 4) 771,000 (Previous Year 771,000) equity shares of ₹ 2 each fully paid up	117.55	-	-
Investments in Mutual funds measured at fair value through profit or loss (quoted)			
<i>(At cost or market value whichever is lower)</i>			
Nil units (Previous year Nil units) Birla Sun Life Cash Plus Daily Dividend-Regular Plan	-	-	112.71
Nil units (Previous year Nil units) - HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	-	-	100.05
Nil units (Previous year Nil units) - Axis Liquid Fund - Daily Dividend	-	-	72.86



Notes forming part of the consolidated financial statements



	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
170,108 units (Previous year Nil units) Reliance Liquid Fund- Treasury Plan- Daily Dividend Option	260.05	-	157.23
Nil units (Previous year Nil units) S.B.I. Premier Liquid Fund - Regular Plan Daily Dividend	-	-	0.00*
Nil units (Previous year Nil units) Kotak Floater Short Term- Daily Dividend Reinvestment	-	-	71.64
Nil units (Previous year Nil units) DSP BlackRock Liquidity Fund - Institutional Plan - Daily dividend	-	-	0.04
3,995,032 units (Previous year - Nil units) ICICI Prudential Liquid Regular plan - Daily dividend	400.08	-	75.81
Other fund	-	0.04	0.04
	777.68	0.04	590.38

* Since denominated in ₹ Million

Note:

- (i) The details of aggregate value of quoted/unquoted investments and the Group's exposure to liquidity risk are disclosed in note 33.

11 Trade receivables

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured)</i>			
Considered good	7,843.39	6,860.87	6,978.71
Considered doubtful	758.89	1,087.45	867.54
	8,602.28	7,948.32	7,846.25
Less: Allowances for doubtful trade receivables	758.89	1,087.45	867.54
	7,843.39	6,860.87	6,978.71

Notes:

- (i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

12 Cash and bank balances

	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Cash and cash equivalents			
Cash on hand	0.14	0.29	0.34
Cheques in hand	85.10	1.29	38.54
Balances with banks			
- In current accounts	3,591.58	2,356.60	2,740.73
- In deposit accounts(with original maturity of 3 months or less)	112.11	501.05	500.61
	3,788.93	2,859.23	3,280.22
Other bank balances (includes unclaimed dividend of ₹ 5.84 million (Previous year ₹ 4.89 million))	112.88	1094.04	357.32
	3,901.81	3,953.27	3,637.54

Note:

- (i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.



13 Loans

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Loans and advances to related parties			
- Loan to director	5.64	6.05	-
Loans and advances to other than related parties			
Other loans and advances			
- Loan to employees	2.33	2.84	-
- Security deposits	84.20	110.59	57.41
- Other receivables	1.71	0.02	-
	93.88	119.50	57.41

Note:

- (i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

14 Other current financial assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Interest accrued on fixed deposits	2.29	8.83	3.91
Forward contracts designated as cash flow hedges (Refer Note 33(3))	113.03	51.59	55.26
Other receivables	21.16	-	29.64
	136.48	60.42	88.81

Note:

- (i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

15 Other current assets

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
<i>(Unsecured, considered good unless otherwise stated)</i>			
Advance to suppliers	59.00	67.95	160.90
Employee advances			
- Considered good	110.26	96.70	193.44
- Considered doubtful	20.90	24.32	10.22
	131.16	121.02	203.66
Less: Provision for doubtful advances	20.90	24.32	10.22
	110.26	96.70	193.44
Balances with statutory authorities	87.20	173.26	52.11
Advance rentals	9.09	7.36	9.83
Prepaid expenses	237.33	216.16	183.53
	502.88	561.43	599.81

16 Share capital

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Authorised:			
625,000,000 (Previous year 625,000,000) equity shares of ₹ 2 each.	1,250.00	1,250.00	1,250.00
	1,250.00	1,250.00	1,250.00
Issued subscribed and fully paid up:			
188,193,398 (Previous year 187,826,334) equity shares of ₹ 2 each fully paid up	376.39	375.65	376.13
	376.39	375.65	376.13

16.1 The Company declares and pays dividends in Indian rupees. The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2017 is ₹ 434.50 million i.e. ₹ 2.20 per share (Previous year ₹ 217.25 million i.e. ₹ 1.10 per share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2017 include ₹ 1.10 per share towards final dividend for the year ended 31 March 2016. Dividends during the year ended 31 March 2016 include ₹ 1.10 per share towards interim dividend for the year ended 31 March 2016 and ₹ 1.10 per share towards final dividend for the year ended 31 March 2015.

16.2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	(₹ million)	Number of shares	(₹ million)
Equity shares				
At the beginning of the year	187,826,334	375.65	188,065,361	376.13
Add: Shares issued on exercise of employee stock options	367,064	0.74	836,629	1.67
Less: Increase in shares held by KPIT Technologies Limited Employee Welfare Trust	-	-	1,075,656	2.15
Outstanding at the end of the year	188,193,398	376.39	187,826,334	375.65

16.4 The Company has only one class of shares referred to as equity shares having a par value of ₹ 2. Each shareholder of equity shares is entitled to one vote per share.

16.5 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of the shareholders	Number of shares as at	% of shares held	Number of shares as at	% of shares held
	31 March 2017		31 March 2016	
Proficient Finstock LLP	28,609,782	14.49%	24,234,330	12.27%
Warhol Limited	19,483,674	9.86%	19,483,674	9.86%

16.6 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date - 88,971,438 (Previous year 88,971,438)

16.7 Capital Management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain investor, creditor and market confidence and to maximize shareholder value. In order to fulfil its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

17 Long term borrowings

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Term loans			
- From banks (Secured)			
External Commercial Borrowing (ECB) (Refer note (i) & (ii) below)	966.63	1,642.90	624.08
Other loan (Refer note (iii) below)	5.84	0.88	2.08
- From other than banks (Refer note (iv) & (v) below)	11.97	7.72	-
- From banks (Unsecured)	-	-	138.91
Long term maturities of finance lease obligations (Secured)	0.94	5.86	11.04
(Secured against fixed assets obtained under finance lease arrangements) (Refer note 40(1))			
	985.38	1,657.36	776.11

Notes:

- (i) The ECB loan consists of loan secured by pari passu charge over the Company's Land and Building located at Plot No. 35,36 & 45, MIDC area of Rajiv Gandhi Infotech Park, Phase I, Hinjawadi excluding charge over R&D Centre developed in the premises. The term loan carries interest rate of 6 months LIBOR + 220 basis points. The ECB loan is repayable in eight equal semi-annual installments of USD 2.5 million each upto November 2017. The principal amount of loan outstanding as at the Balance Sheet date is USD 5 million.
- (ii) The ECB loan consist of loan secured by pari passu charge over the Company's Land and Building located at Plot No. 17, Rajiv Gandhi Infotech Park, Phase III, Hinjawadi. The term loan carries interest rate of 6 months LIBOR + 160 basis points. The ECB loan is repayable in eight equal semi-annual installments of USD 2.5 million each, with a moratorium of 1 year, upto March 2021. The principal amount of loan outstanding as at the Balance Sheet date is USD 20 million.
- (iii) Other term loans from bank are secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 10.10 % p.a. and is repayable in equated monthly installments of ₹ 0.28 million each upto October 2020.
- (iv) Term loan from other than banks consist of loan secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan is repayable in two equal installments of ₹ 8.70 million each, upto May 2017.
- (v) Term loan from other than banks consist of unsecured loan, carrying interest rate of 3%. The repayment of loan will start from October 2018 upto October 2027.
- (vi) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

18 Other non-current financial liabilities

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Other than trade payables			
Purchase consideration payable			
- Integrated Industrial Information, Inc. (Refer note 46(8))	-	-	170.09
- KPIT medini Technologies AG (Refer note 46(2))	-	-	36.47
- KPIT Solutions GmbH, Germany	-	70.73	57.13
- MicroFuzzy Industrie-Elektronik GmbH (Refer note 46(3))	131.67	-	-
	131.67	70.73	263.69

Note:

- (i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.



Notes forming part of the consolidated financial statements

19 Long term provisions

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Provision for employee benefits			
- Compensated Absences	311.19	306.98	250.80
- Gratuity (Refer note 37(2))	268.06	207.22	170.59
Other provisions			
- Provision for warranty (Refer note 43(1))	-	1.35	1.92
	579.25	515.55	423.31

20 Deferred tax liabilities (net)

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
-Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	0.11	0.18	4.82
Net deferred tax liabilities	0.11	0.18	4.82

21 Short term borrowings

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Loans repayable on demand			
- From banks			
Working capital loans from banks (secured) (Refer note (i) below)	2,203.88	498.09	2,777.58
Working capital loan from bank (unsecured) (Refer note (ii) below)	-	-	899.58
- From other than banks (secured) (Refer note (iii) below)	13.03	-	-
	2,216.91	498.09	3,677.16

Note:

- The above loan is secured by way of first charge by way of hypothecation of Company's entire book debts, both present and future, on pari passu basis, carrying an average interest rate upto 6 months LIBOR plus 1% p.a.
- The loan carried interest rate upto 6 months LIBOR plus 0.75% p.a. The loan was repaid during the previous year.
- The loan from other than banks is secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan is repayable in four equal installments of ₹ 13.03 million each, upto May 2017.
- Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

22 Trade payables

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer note 38)	0.93	20.99	0.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,310.13	1,162.95	1,294.53
	1,311.06	1,183.94	1,294.66

Note:

- Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

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23 Other current financial liabilities

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Current maturities of long term debt			
- from banks (secured) (Refer note 17 - Term loan from banks for details of security and repayment terms)	646.39	330.62	303.82
- from others (Refer note 17 Term loan from other than banks for details of security and repayment terms)	8.15	9.19	6.37
- from banks (unsecured) (Refer note 17 - Term loan from banks for repayment terms)	-	-	266.01
- Current maturities of finance lease obligations (Refer note 40(1))	5.47	7.04	7.20
Other than trade payables :			
Purchase consideration payable			
- Integrated Industrial Information, Inc. (Refer note 46(8))	-	-	106.56
- KPIT medini Technologies AG (Refer note 46(2))	-	48.42	25.18
- KPIT Solutions GmbH, Germany	67.21	43.73	14.98
- MicroFuzzy Industrie-Elektronik GmbH (Refer note 46(3))	36.88	-	-
Accrued employee costs	1,282.00	1,455.07	1,296.82
Interest accrued and due	2.19	0.68	3.01
Interest accrued and not due	7.01	9.73	12.69
Unclaimed dividend	5.84	4.89	3.43
Payables in respect of fixed assets	112.57	85.93	58.50
Security deposits	1.94	-	-
Interim dividend payable	-	206.61	-
	2,175.65	2,201.91	2,104.57

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 33.

24 Other current liabilities

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Unearned revenue	527.43	421.77	409.39
Advances from customers	9.77	12.69	21.73
Statutory remittances	517.38	581.64	536.93
Tax on interim dividend payable	-	45.41	-
Others	-	1.33	19.96
	1,054.58	1,062.84	988.01

Notes forming part of the consolidated financial statements

25 Short-term provisions

(Amount in ₹ million)

	31 March 2017	31 March 2016	01 April 2015
Provision for employee benefits			
- Compensated Absences	277.11	196.45	171.88
- Gratuity (Refer note 37(2))	22.81	20.64	5.50
Provision for tax			
- Fringe benefit tax payable	0.94	0.94	0.94
Other provisions			
- Service tax payable (net of tax paid under protest) (Refer note 43(2)(i)(b))	3.54	3.54	3.54
- Provision for warranty (Refer note 43(1))	12.38	13.51	10.33
	316.78	235.08	192.19

26 Revenue from operations

(Amount in ₹ million)

	31 March 2017	31 March 2016
Software services	32,948.88	32,035.89
Sale of products		
Finished goods	284.73	228.19
	33,233.61	32,264.08

27 Other income

(Amount in ₹ million)

	31 March 2017	31 March 2016
Interest income (Refer note (i) below)	117.47	44.25
Dividend income from current investments	3.21	34.73
Foreign exchange gain (net) (Refer note (ii) below)	51.93	84.26
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	33.99	118.60
	206.60	281.85

Note:

- (i) Interest income includes amount of ₹ 10.91 million (Previous year - ₹ 15.98 million) as interest on financial assets carried at amortised cost.
- (ii) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ (51.59) million (Previous year - ₹ (55.26) million) (Refer note 33(3))

28 Cost of materials consumed

(Amount in ₹ million)

	31 March 2017	31 March 2016
Inventory of materials at the beginning of the year	340.84	228.50
Purchases	306.90	284.61
Inventory of materials at the end of the year	287.61	340.84
	360.13	172.27

29 Changes in inventories of finished goods and work-in-progress

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Finished goods		
Inventories at the beginning of the year	32.52	0.01
Inventories at the end of the year	139.77	32.52
	(107.25)	(32.51)
Work-in-progress		
Inventories at the beginning of the year	5.77	0.18
Inventories at the end of the year	2.54	5.77
	3.23	(5.59)
	(104.02)	(38.10)

30 Employee benefits expense

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Salaries, wages and incentives	20,530.93	19,003.26
Contribution to provident fund (Refer note 37(1))	241.65	224.84
Share based compensation to employees (Refer note 44)	58.43	53.74
Staff welfare expenses	74.24	53.15
	20,905.25	19,334.99

31 Finance costs

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Interest expense (Refer note (i) below)	135.98	134.47
Net loss on foreign currency transactions and translations (considered as finance costs)	-	30.94
	135.98	165.41

Note:

(i) Includes amount of ₹ 1.45 million (Previous year - ₹ 2.38 million) pertaining to finance lease obligations.

32 Other expenses

	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Travel and overseas expenses (net)	1,094.44	1,063.81
Transport and conveyance (net)	263.01	283.62
Cost of service delivery (net)	387.19	422.51
Cost of professional sub-contracting (net)	3,972.50	3,841.38
Recruitment and training expenses	162.91	171.31
Power and fuel	129.21	130.53
Rent (Refer note 40(2))	476.97	429.09
Repairs and maintenance -		
- buildings	6.07	6.55
- plant & equipment	263.66	220.37
- others	81.01	80.76
Insurance	89.72	109.88
Rates & taxes	44.11	70.35

Notes forming part of the consolidated financial statements



(Amount in ₹ million)

	31 March 2017	31 March 2016
Communication expenses (net)	186.98	174.34
Legal and professional fees	711.62	483.12
Marketing expenses	327.72	364.20
Loss on sale of fixed assets(net)	0.66	5.14
Printing & stationery	13.68	14.48
Auditors remuneration (net of service tax)		
- Audit fees	9.00	9.00
- Limited review of quarterly results	1.20	1.20
- Fees for other services	3.96	4.78
- Out of pocket expenses reimbursed	0.99	0.84
Bad debts written off	302.93	13.19
Provision for doubtful debts, unbilled revenue and advances (net)	(333.45)	183.37
Contributions towards corporate social responsibility (Refer note 46(7))	25.61	18.62
Miscellaneous expenses (net)	331.07	329.01
	8,552.77	8,431.45

Note

Certain expenses are net of recoveries/reimbursements from customers.

33 Financial Instruments

33.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2017 are as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss (FVTPL)		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments	-	10.35	777.68	-	-	788.03	788.03
Trade receivables	7,843.39	-	-	-	-	7,843.39	7,843.39
Cash and cash equivalents	3,788.93	-	-	-	-	3,788.93	3,788.93
Other balances with banks	112.88	-	-	-	-	112.88	112.88
Loans	250.23	-	-	-	-	250.23	250.23
Unbilled revenue	941.86	-	-	-	-	941.86	941.86
Other financial assets	79.24	33.89	-	-	113.03	226.16	226.16
Total financial assets	13,016.53	44.24	777.68	-	113.03	13,951.48	13,951.48
Financial liabilities							
Borrowings	3,202.29	-	-	-	-	3,202.29	3,175.74
Trade payables	1,311.06	-	-	-	-	1,311.06	1,311.06
Other financial liabilities	2,240.11	-	67.21	-	-	2,307.32	2,307.32
Total financial liabilities	6,753.46	-	67.21	-	-	6,820.67	6,794.12



Notes forming part of the consolidated financial statements



The carrying value and fair value of financial instruments by categories as on 31 March 2016 were as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss (FVTPL)		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments	-	-	117.59	-	-	117.59	117.59
Trade receivables	6,860.87	-	-	-	-	6,860.87	6,860.87
Cash and cash equivalents	2,859.23	-	-	-	-	2,859.23	2,859.23
Other balances with banks	1,094.04	-	-	-	-	1,094.04	1,094.04
Loans	245.10	-	-	-	-	245.10	245.10
Unbilled revenue	846.27	-	-	-	-	846.27	846.27
Other financial assets	43.78	-	-	-	51.59	95.37	95.37
Total financial assets	11,949.29	-	117.59	-	51.59	12,118.47	12,118.47
Financial liabilities							
Borrowings	2,155.45	-	-	-	-	2,155.45	2,134.25
Trade payables	1,183.94	-	-	-	-	1,183.94	1,183.94
Other financial liabilities	2,109.76	-	162.88	-	-	2,272.64	2,272.64
Total financial liabilities	5,449.15	-	162.88	-	-	5,612.03	5,590.83

The carrying value and fair value of financial instruments by categories as on 01 April 2015 were as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss (FVTPL)		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments	-	-	815.10	-	-	815.10	815.10
Trade receivables	6,978.71	-	-	-	-	6,978.71	6,978.71
Cash and cash equivalents	3,280.22	-	-	-	-	3,280.22	3,280.22
Other balances with banks	357.32	-	-	-	-	357.32	357.32
Loans	195.33	-	-	-	-	195.33	195.33
Unbilled revenue	973.22	-	-	-	-	973.22	973.22
Other financial assets	143.15	-	-	-	55.26	198.41	198.41
Total financial assets	11,927.95	-	815.10	-	55.26	12,798.31	12,798.31
Financial liabilities							
Borrowings	4,453.27	-	-	-	-	4,453.27	4,446.53
Trade payables	1,294.66	-	-	-	-	1,294.66	1,294.66
Other financial liabilities	1,957.85	-	410.41	-	-	2,368.26	2,368.26
Total financial liabilities	7,705.78	-	410.41	-	-	8,116.19	8,109.45



33.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2017 :

(Amount in ₹ million)

Particulars	As at 31 March 2017	Fair value measurement		
		Level 1	Level 2	Level 3
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Investment in equity instruments of other entities	0.35	-	-	0.35
Investments in Mutual funds (quoted)	660.13	660.13	-	-
Derivative financial assets	113.03	-	113.03	-
Borrowings	3,175.74	-	3,175.74	-
Purchase consideration payable	67.21	-	-	67.21

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2016 :

(Amount in ₹ million)

Particulars	As at 31 March 2016	Fair value measurement		
		Level 1	Level 2	Level 3
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Investments in Mutual funds (quoted)	0.04	0.04	-	-
Derivative financial assets	51.59	-	51.59	-
Borrowings	2,134.25	-	2,134.25	-
Purchase consideration payable	162.88	-	-	162.88

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 01 April 2015 :

(Amount in ₹ million)

Particulars	As at 01 April 2015	Fair value measurement		
		Level 1	Level 2	Level 3
Investment in Sankalp Semiconductors Private Limited	117.55	-	-	117.55
Investments in GAIA System Solutions Inc	107.17	-	-	107.17
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Investments in Mutual funds (quoted)	590.38	590.38	-	-
Derivative financial assets	55.26	-	55.26	-
Borrowings	4,446.53	-	4,446.53	-
Purchase consideration payable	410.41	-	-	410.41

* Since denominated in ₹ million.

Reconciliation of fair value measurement:

Particulars	(Amount in ₹ million)	
	31 March 2017	31 March 2016
i) Unquoted investment in equity instruments classified as FVTPL (Level 3)		
Opening balance	117.55	224.72
Impairment loss	-	(107.17)
Additions during the year	10.35	-
Closing during the year	127.90	117.55
ii) Purchase consideration payable classified as FVTPL (Level 3)		
Opening balance	162.88	410.41
Fair value changes recognised in the Statement of Profit and Loss	(8.88)	(48.11)
Finance costs recognised in the Statement of Profit and Loss	3.64	8.35
Paid during the year	(90.43)	(207.77)
Closing during the year	67.21	162.88

Valuation technique and significant unobservable inputs:

Level 2:

- (i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.
- (ii) Borrowings are valued using the discounted cash flow method, the expected net cash flows are discounted using the cost of borrowing that are directly or indirectly observable in the market.

Level 3:

Valuation techniques	Significant unobservable inputs
For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounted cash flow method, the net cash flows expected to be generated are discounted using the weighted average cost of capital.	- Budgeted revenue growth rate (5%) - Weighted average cost of capital (19%-25%)
The valuation of contingent consideration considers the present value of expected payment, discounted using a risk adjusted discount rate. The expected payment is determined by considering the possible scenarios of profit before tax, the amount to be paid under each scenario and the probability of each scenario.	- Risk adjusted discount rate for respective economies (3%) - Probability assigned to each scenario of profit before tax

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

33.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committees, which is responsible for developing and monitoring the Group's risk management policies. The Group has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Group's receivables from customers amounting to ₹ 7,843.39 million, ₹ 6,860.87 million, and ₹ 6,978.71 million and unbilled revenue amounting to ₹ 941.86 million, ₹ 846.27 million and ₹ 973.22 million, as on 31 March 2017, 31 March 2016 and 01 April 2015 respectively. To manage this, the Group periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Group has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis. For the details of the Group's exposure to credit risk by geographic region and revenue generated from top customer, refer note 34A.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables

Particulars	(Amount in ₹ million)
Balance as on April 1, 2015	867.54
Impairment during the year	550.83
Reversal of impairment on account of collection	(363.77)
Utilisation of allowance	(4.46)
Foreign exchange translation	37.31
Balance as on March 31, 2016	1,087.45
Impairment during the year	144.93
Reversal of impairment on account of collection	(205.40)
Utilisation of allowance	(265.04)
Foreign exchange translation	(3.05)
Balance as on March 31, 2017	758.89

Trade receivables that were not impaired

Particulars	Carrying amount		
	31 March 2017	31 March 2016	01 April 2015
Neither past due nor impaired	5,367.08	3,932.95	4,688.28
Past due 1 - 30 days	1,307.17	1,470.70	1,150.54
Past due 31 - 90 days	467.89	791.90	491.05
Past due 91 - 180 days	264.11	435.37	302.28
More than 180 days	437.14	229.95	346.56

Unbilled revenue is not outstanding for more than 90 days.

iii. Cash and bank balances

The Group held cash and bank balances of ₹ 3,901.81 million, ₹ 3,953.27 million and ₹ 3,637.54 million as on 31 March 2017, 31 March 2016 and 01 April 2015 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Guarantees

The Group's policy is to provide financial guarantees only on behalf of subsidiaries. The Group has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries.

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Group invests its excess funds in short term liquid assets like liquid mutual funds. The Group monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Notes forming part of the consolidated financial statements



The liquidity position at each reporting date is given below:

Particulars	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Cash and cash equivalents	3,788.93	2,859.23	3,280.22
Other balances with banks	107.04	1,089.15	353.77
Investments in Mutual funds (quoted) (non-trade)	660.13	0.04	590.38
Fixed deposits with banks (non-current portion) including interest accrued thereon	34.66	19.80	15.53
Total	4,590.76	3,968.22	4,239.90

The following are the remaining contractual maturities of financial liabilities as on 31 March 2017:

Particulars	(Amount in ₹ million)				
	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	2,216.91	325.37	651.63	8.38	3,202.29
Trade payables	1,311.06	-	-	-	1,311.06
Other financial liabilities	2,175.65	-	131.67	-	2,307.32

The following are the remaining contractual maturities of financial liabilities as on 31 March 2016.

Particulars	(Amount in ₹ million)				
	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	498.09	667.51	659.07	330.78	2,155.45
Trade payables	1,183.94	-	-	-	1,183.94
Other financial liabilities	2,201.91	70.73	-	-	2,272.64

The following are the remaining contractual maturities of financial liabilities as on 01 April 2015:

Particulars	(Amount in ₹ million)				
	Less than 1 year	1-2 years	2-4 years	4-5 years	Total
Borrowings	3,677.16	457.35	317.82	0.94	4,453.27
Trade payables	1,294.66	-	-	-	1,294.66
Other financial liabilities	2,104.57	228.39	35.30	-	2,368.26

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Significant portion of the Group's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Group. The foreign currencies to which the Group is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Company evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 75% on net basis. For this purpose the Company uses foreign currency



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derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2017:

Particulars	US Dollars	Euros	Pound Sterling	(Amount in ₹ million)	
				Other currencies	Total
Cash and cash equivalents	103.51	64.01	17.04	277.23	461.79
Trade receivables	160.67	7.10	-	293.51	461.28
Other financial assets (including loan)	3.21	0.14	6.18	17.87	27.40
Borrowings	(3,111.77)	(361.82)	-	-	(3,473.59)
Trade payables	(5.90)	(3.16)	(2.57)	(28.57)	(40.20)
Other financial liabilities	(44.32)	(1.68)	-	(17.81)	(63.81)
Net assets/(liabilities)	(2,894.60)	(295.41)	20.65	542.23	(2,627.13)

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2016:

Particulars	US Dollars	Euros	Pound Sterling	(Amount in ₹ million)	
				Other currencies	Total
Cash and cash equivalents	57.75	15.46	14.03	249.27	336.51
Trade receivables	201.20	8.19	-	213.91	423.30
Other financial assets (including loan)	14.78	8.02	7.26	22.90	52.96
Borrowings	(2,171.42)	-	-	-	(2,171.42)
Trade payables	(32.07)	(14.91)	(4.66)	(57.41)	(109.05)
Other financial liabilities	(34.96)	-	-	(21.59)	(56.55)
Net assets/(liabilities)	(1,964.72)	16.76	16.63	407.08	(1,524.25)

The following is the Group's exposure to currency risk from financial instruments as of 01 April 2015:

Particulars	US Dollars	Euros	Pound Sterling	(Amount in ₹ million)	
				Other currencies	Total
Cash and cash equivalents	171.75	116.57	49.89	392.84	731.05
Trade receivables	278.89	25.15	-	228.01	532.05
Other financial assets (including loan)	24.77	18.28	7.06	52.34	102.45
Borrowings	(4,396.47)	-	-	-	(4,396.47)
Trade payables	(20.31)	(7.28)	(2.52)	(13.16)	(43.27)
Other financial liabilities	(34.08)	(1.48)	-	(19.17)	(54.73)
Net assets/(liabilities)	(3,975.45)	151.24	54.43	640.86	(3,128.92)

The above figures exclude amounts in local currency of foreign subsidiaries.



For the year ended 31 March 2017, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately (0.75)% / 0.75%.

For the year ended 31 March 2016, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately (0.35)% / 0.35%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Group has hedged its cash flows. The Group enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Group's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Group which has been designated as Cash Flow Hedges:

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	4.40	304.69	4.65	349.19	4.20	313.85
USD	36.65	2,376.33	37.85	2,510.70	38.85	2,503.63
GBP	1.00	80.88	1.10	104.60	1.20	118.85

The forward contracts entered have maturity between 30 days to 6 months from the Balance Sheet date.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

Particulars	(Amount in ₹ million)	
	31 March 2017	31 March 2016
Balance at the beginning of the year	33.74	36.14
Gains/(losses) recognised in Other Comprehensive Income	113.03	51.59
Amounts reclassified to Statement of Profit and Loss	(51.59)	(55.26)
Deferred tax on fair value of effective portion of cash flow hedges	(21.27)	1.27
Balance at the end of the year	73.91	33.74

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

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Particulars	(Amount in ₹ million)		
	31 March 2017	31 March 2016	01 April 2015
Fixed rate instruments			
Financial assets	309.34	1,667.92	963.85
Financial liabilities	2,249.28	528.78	3,969.86
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	1,613.02	1,973.52	1,332.82

A change of 50 basis points in interest rates at the reporting date would have increased or decreased finance costs by ₹ 8.10 million (Previous year ₹ 9.95 million).

34A Segment Information

KPIT Technologies Limited provides software development, IT consulting and product engineering solutions to its customers predominantly in the automotive, manufacturing, energy & utilities verticals. The customers in these verticals are located at US / Europe / APAC region and to enable the company to serve their specific needs the company has set up legal entities in the respective geographies. The business is structured in such a way that the entire customer front ending and bidding process is carried out by these legal entities.

The Group thus drives business mainly through its subsidiaries. While management reviews performance for above verticals, they also review the risks and rewards in the each geography. The risk and rewards of the company is directly affected by geographical location of its customers (i.e. place where its services are rendered). Decisions such as pricing, allocation of resources, allocation of assets etc. are taken based on opportunities in the respective geography. Since costs are incurred and accounted as per subsidiary set up and manpower skill sets are interchangeable bottom line performance is reviewed with Geography as primary indicator being dominant source of risk and return.

A) Geographical segments

Segment information is based on geographical location of customers.

	31 March 2017				31 March 2016			
	USA	UK & Europe	Rest of World	Total	USA	UK & Europe	Rest of World	Total
	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)
a) Segment Revenue								
Revenue from External customers	22,751.66	5,782.33	13,375.32	41,909.31	22,047.59	5,807.04	12,585.22	40,439.85
Inter Segment Revenue	187.81	222.77	8,265.12	8,675.70	-	-	8,175.77	8,175.77
Total Segment Revenue	22,563.85	5,559.56	5,110.20	33,233.61	22,047.59	5,807.04	4,409.45	32,264.08
b) Segment Results								
Unallocated Corporate expenses (Net)				(4,162.36)				(3,670.65)
Interest income				117.47				44.25
Finance Cost				(135.98)				(165.41)
Dividend income				3.21				34.73
Exceptional Items				260.91				(112.98)



Notes forming part of the consolidated financial statements



	31 March 2017				31 March 2016			
	USA	UK & Europe	Rest of World	Total	USA	UK & Europe	Rest of World	Total
	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)	₹ (million)
Profit before share of equity accounted investees and tax				2,991.22				3,654.51
Share of profit/(loss) of equity accounted investees (net of tax)				(0.05)				-
Profit before tax				2,991.17				3,654.51
Income Tax				(506.75)				(899.99)
Deferred Tax				(98.98)				54.51
Profit/ (Loss) after Tax				2,385.44				2,809.03
c) Allocated Segment Assets	5,245.86	1,636.20	1,903.19	8,785.25	5,011.04	1,669.65	1,026.44	7,707.13
Unallocated Segment Assets				1,760.44*				1,106.49
Unallocated Corporate Assets				14,667.95				13,018.04
Total Assets				25,213.64				21,831.66
d) Allocated Segment Liabilities	211.47	102.24	223.49	537.20	174.26	105.40	154.80	434.46
Unallocated Segment Liabilities				4,972.65*				5,040.52
Unallocated Corporate Liabilities				3,862.30				2,502.30
Total Liabilities				9,372.15				7,977.28
e) Cost incurred during the period to acquire Segment Non-current Assets	-	-	-	-#	-	-	-	-
f) Depreciation / Amortisation				826.64#				691.25
g) Non cash expenses other than Depreciation / Amortisation				-#				112.98



B) Business segments

	31 March 2017					31 March 2016				
	Auto ₹ million	IES ₹ million	SAP ₹ million	Others ₹ million	Total ₹ million	Auto ₹ million	IES ₹ million	SAP ₹ million	Others ₹ million	Total ₹ million
a) Segment Revenue	11,015.32	11,141.97	7,697.75	3,378.57	33,233.61	10,189.37	11,608.41	7,344.43	3,100.70	32,242.91
b) Segment Assets					10,545.69*					8,813.62

* Segment assets other than trade receivables and unbilled revenue, and segment liabilities other than unearned revenue and advance to customers used in the Company's business are not identified to any reportable segments, as these are used interchangeably between segments.

The cost incurred during the year to acquire Segment fixed assets, Depreciation / Amortisation and non-cash expenses are not attributable to any reportable segment.

C) India Segment Revenue

Total segment revenue of Rest of the World includes revenue from external customers attributable to India amounting to ₹ 2,743.65 million (Previous year ₹ 2,475.09 million)

D) Major customer

Revenue from one customer, ₹ 4,219.96 million (Previous year ₹ 4,537.17 million), individually accounts for more than 10% of the Group's revenue.

34B Disclosure relating to entities considered in the consolidated financial statements

Sr. No.	Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or (loss)	Amount (₹ million)	As % of consolidated OCI	Amount (₹ million)	As % of consolidated TCI	Amount (₹ million)
A Parent Company:									
	KPIT Technologies Limited	86.85%	13,743.20	70.98%	1,692.94	-9.20%	23.07	80.40%	1,716.01
	(A)		13,743.20		1,692.94		23.07		1,716.01
B Subsidiaries:									
I Indian:									
	Impact Automotive Solutions Limited	3.77%	596.48	-3.80%	(90.72)	0.13%	(0.32)	-4.27%	(91.04)
II Foreign:									
1	KPIT Technologies (UK) Limited	6.88%	1,088.37	2.61%	62.27	0.51%	(1.29)	2.86%	60.98
2	KPIT Infosystems Incorporated, USA	18.65%	2,951.36	-5.49%	(130.97)	-0.32%	0.79	-6.10%	(130.18)
3	KPIT Technologies France SAS	1.14%	179.83	-0.42%	(10.12)	0.53%	(1.33)	-0.54%	(11.45)
4	KPIT (Shanghai) Software Technology Co. Limited, China	0.68%	108.08	-0.56%	(13.46)	-0.35%	0.89	-0.59%	(12.57)
5	KPIT Technologies Netherlands B.V	0.51%	81.43	0.65%	15.58	0.64%	(1.61)	0.65%	13.97
6	SYSTIME Computer Corporation, USA	4.97%	786.64	0.58%	13.86	0.53%	(1.32)	0.59%	12.54
7	KPIT Infosystems ME FZE, Dubai	0.62%	98.36	6.68%	159.34	1.87%	(4.69)	7.25%	154.65
8	KPIT Technologies GmbH, Germany (Subsidiary of KPIT Technologies (UK) Limited)	4.99%	789.98	16.07%	383.18	8.60%	(21.57)	16.94%	361.61

Notes forming part of the consolidated financial statements



Sr. No.	Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or (loss)	Amount (₹ million)	As % of consolidated OCI	Amount (₹ million)	As % of consolidated TCI	Amount (₹ million)
9	KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA. (Subsidiary of KPIT Infosystems Incorporated, USA)	0.04%	6.55	-3.40%	(81.17)	0.45%	(1.14)	-3.86%	(82.31)
10	Sparta Consulting Incorporation, USA (Subsidiary of KPIT Infosystems Incorporated, USA)	3.37%	532.65	20.02%	477.38	7.14%	(17.90)	21.53%	459.48
11	Microfuzzy Brazil	0.08%	13.32	-0.41%	(9.84)	0.06%	(0.14)	-0.47%	(9.98)
12	KPIT Technologies Corporation (Subsidiary of SYSTIME Computer Corporation, USA)	2.27%	359.76	1.60%	38.19	1.30%	(3.25)	1.64%	34.94
13	KPIT medini Technologies AG (Subsidiary of KPIT Technologies GmbH, Germany)*	0.00%	-	-4.01%	(95.68)	-0.25%	0.63	-4.45%	(95.05)
14	KPIT Solutions GmbH, Germany (Subsidiary of KPIT Technologies GmbH, Germany we.f. 01/11/2014)	0.29%	46.45	-0.26%	(6.17)	0.21%	(0.52)	-0.31%	(6.69)
15	Microfuzzy Electronic Industrie GmbH	0.43%	67.38	0.07%	1.58	0.04%	(0.09)	0.07%	1.49
	(B)		7,706.64		713.25		(52.86)		660.39
C	Associate:								
	Yantra Digital	0.00%	-	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
	(C)		-		(0.05)		-		(0.05)
D	Non-Controlling Interest	-0.11%	(16.86)	-0.02%	(0.39)	0.00%	-	-0.02%	(0.39)
E	Intercompany eliminations	-35.44%	(5,608.35)	-0.87%	(20.75)		(220.93)		(241.68)
F	Total (A+B+C+D+E)		15,824.63		2,385.05		(250.72)		2,134.33

* During the year, KPIT Technologies GmbH sold the investment in KPIT medini Technologies AG, its subsidiary company. The transaction resulted in loss of control with effect from 1 November 2016.



35 Other equity

i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

ii) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

iii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

iv) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

v) Share based payment reserve

The Group has established various equity-settled share based payment plans for certain categories of employees of the Group. Refer note 44 for further details.

36 As at 31 March 2017 the Company has received an amount of ₹ Nil (31 March 2016 ₹ 0.63 million and 01 April 2015 ₹ 7.65 million) towards share application money for shares Nil (31 March 2016 - 13,644 shares and 01 April 2015 - 105,108 shares) at a premium of ₹ Nil (31 March 2016 ₹ 0.60 million and 01 April 2015 ₹ 7.44 million).

37 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" :

1. Defined contribution plan – Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 241.65 million (Previous Year ₹ 224.84 million)

2. Defined benefit plan

- i) Actuarial gains and losses in respect of defined benefit plans are recognized in other comprehensive income.
- ii) The defined benefit plans comprises gratuity, which is unfunded.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days of last drawn salary for each completed year of service with a vesting period of 5 years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Particulars	(Amount in ₹ million)	
	FY 2016-17	FY 2015-16
Present value of defined benefit obligation at the beginning of the year	227.86	176.08
Current service cost	51.56	27.55
Interest cost	17.91	14.53
Past service cost	-	-

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(Amount in ₹ million)		
Particulars	FY 2016-17	FY 2015-16
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in demographic assumptions	-	-
b) changes in financial assumptions	20.52	10.41
c) experience adjustments	3.21	33.94
Benefits paid	(30.19)	(34.65)
Present value of defined benefit obligation at the end of the year	290.87	227.86

(Amount in ₹ million)		
Analysis of defined benefit obligation	FY 2016-17	FY 2015-16
Present value of obligation as at the end of the year	290.87	227.86
Net (asset) / liability recognized in the Balance Sheet	290.87	227.86

(Amount in ₹ million)		
Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	FY 2016-17	FY 2015-16
Current service cost	51.56	27.55
Interest cost	17.91	14.53
Expenses recognized in the Statement of Profit and Loss	69.47	42.08

(Amount in ₹ million)		
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2016-17	FY 2015-16
Actuarial loss / (gain)	23.73	44.35
Net (income)/expense recognized in the OCI	23.73	44.35

(Amount in ₹ million)		
Actuarial assumptions:	FY 2016-17	FY 2015-16
For Impact Automotive Solutions Limited		
Discount rate	7.52%	8.07%
Salary escalation	5.00%	5.00%
Attrition Rate		
- 4 years and below	5.00%	5.00%
- 5 years and above	2.00%	2.00%
For KPIT Technologies Limited		
Discount rate	7.27%	7.86%
Salary escalation	5.00%	5.00%
Attrition Rate		
- 4 years and below	20.00%	20.00%
- 5 years and above	2.00%	2.00%

- a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.



- b. Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in ₹ million)				
Projected benefit obligation on current assumptions	Mar-17		Mar-16	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(33.51)	40.59	(25.35)	30.66
Future salary growth (1 % movement)	41.18	(34.47)	31.26	(26.21)
Attrition rate (1 % movement)	8.18	(9.68)	8.67	(10.18)

(Amount in ₹ million)		
Maturity profile of defined benefit plan	FY 2016-17	FY 2015-16
Projected benefits payable in future years from the date of reporting		
With 1 year	22.81	20.64
1-2 year	11.12	7.00
2-3 year	9.46	10.55
3-4 year	12.39	8.67
4-5 year	12.82	11.05
5-10 years	73.61	61.69

Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2016-17	FY 2015-16
For Impact Automotive Solutions Limited		
Number of active members	65	51
Per month salary cost for active members (₹ million)	1.18	0.91
Weighted average duration of the projected benefit obligation (years)	12.00	13.00
Average expected future service (years)	18.00	18.00
Projected benefit obligation (PBO)	1.75	1.11
For KPIT Technologies Limited		
Number of active members	10,243	9,063
Per month salary cost for active members (₹ million)	181.96	154.20
Weighted average duration of the projected benefit obligation (years)	15.00	14.00
Average expected future service (years)	13.00	13.00
Projected benefit obligation (PBO)	289.13	226.75

Notes forming part of the consolidated financial statements



38 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

- Principal amount payable to Micro and Small Enterprises (to the extent identified by the Group from available information) as at 31 March 2017 is ₹ 0.93 million (Previous year - ₹ 20.99 million) including unpaid amounts of ₹ 0.14 million (Previous year - ₹ 0.01 million) outstanding for more than 30 days. Estimated interest due thereon is ₹ 0.01 million (Previous year - ₹ Nil).
- Amount of payments made to suppliers beyond the appointed date during the year is ₹ 0.46 million (Previous year - ₹ 46 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 0.00 million (Previous year - ₹ 0.66 million).
- The amount of estimated interest accrued and remaining unpaid as at 31 March 2017 is ₹ 0.70 million (Previous year - ₹ 0.69 million).
- The amount of further estimated interest due and payable for the period from 1 April 2017 to actual date of payment or 20 April 2017 (whichever is earlier) is ₹ Nil.

39 Related party disclosures

- Relationship between the parent and its subsidiaries

Sr. No	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2017	As at 31 March 2016
Direct subsidiaries				
1	KPIT Technologies (UK) Limited	United Kingdom	100	100
2	KPIT Infosystems Incorporated, USA	United States of America	100	100
3	KPIT Technologies France SAS	France	100	100
4	KPIT (Shanghai) Software Technology Co. Limited, China	China	100	100
5	KPIT Technologies Netherlands B.V	Netherlands	100	100
6	SYSTIME Computer Corporation, USA	United States of America	100	100
7	KPIT Infosystems ME FZE, Dubai	United Arab Emirates	100	100
8	Impact Automotive Solutions Limited	India	100	100
Indirect subsidiaries				
9	KPIT Technologies GmbH, Germany (Subsidiary of KPIT Technologies (UK) Limited)	Germany	100	100
10	CPG Solutions LLC, USA (Subsidiary of KPIT Infosystems Incorporated, USA)**	United States of America	N.A.	N.A.
11	KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA. (Subsidiary of KPIT Infosystems Incorporated, USA)	Brazil	100	100
12	Sparta Consulting Inc., USA (Subsidiary of KPIT Infosystems Incorporated, USA)	United States of America	100	100
13	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil (Subsidiary of SYSTIME Computer Corporation, USA)	Brazil	100	100
14	KPIT Technologies Corporation (Subsidiary of SYSTIME Computer Corporation, USA)	Canada	100	100
15	KPIT medini Technologies AG (Subsidiary of KPIT Technologies GmbH, Germany)*	Germany	N.A.	100



Sr. No	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2017	As at 31 March 2016
16	Integrated Industrial Information Inc. (Subsidiary of KPIT Infosystems Incorporated USA)**	United States of America	N.A.	N.A.
17	KPIT Solutions GmbH, Germany (Subsidiary of KPIT Technologies GmbH, Germany)	Germany	100	100
18	MicroFuzzy Industrie-Elektronik GmbH (Subsidiary of KPIT Technologies GmbH, Germany w.e.f. 01 December 2016)	Germany	75	N.A.
Associate				
19	Yantra Digital Services Private Limited (Associate of Impact Automotive Solutions Limited w.e.f. 05 October 2016)	India	50	N.A.

* During the year, KPIT Technologies GmbH sold the investment in KPIT medini Technologies AG, its subsidiary company. The transaction resulted in loss of control with effect from 1 November 2016.

** During the previous year, CPG Solutions, LLC and Integrated Industrial Information, Inc. were merged with KPIT Infosystems Incorporated, their holding company, effective 1 January 2016.

B. List of Key Management Personnel :

Key Management Personnel ('KMP')		
Mr. S.B.(Ravi) Pandit		Executive Director
Mr. Kishor Patil		Executive Director
Mr. Sachin Tikekar		Executive Director
Dr. Raghunath Anant Mashelkar		Independent Director
Ms. Lila Poonawalla		Independent Director
Prof. Alberto Sangiovanni Vincentelli		Independent Director
Mr. Sanjay Kukreja		Non- executive Director
Mr. Anant Talaulicar		Independent Director
Mr. Dwayne Allen (upto 12 March 2016)		Alternate Director
Mr. Adi Engineer		Independent Director
Mr. B V R Subbu		Non- executive Director
Mr. Amit Kalyani (upto 20 February 2015)		Non- executive Director
Mr. Anil Patwardhan		Chief Financial Officer
Mr. Swaminathan R (upto 21 July 2015)		Company Secretary
Ms. Sneha Padve (w.e.f 22 July 2015)		Company Secretary

C. List of other related parties with whom there are transactions

Relative of KMP	Mr. Chinmay Pandit
	Ms. Jayada Pandit
	Mr. Shreyas Patwardhan
Enterprise over which KMP have significant influence	KP Corporate Solutions Ltd.
	Proficient FinStock LLP
	Kirtane & Pandit LLP

D. Transactions with related parties

Sr. No	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
Transactions with KMP					
1	Mr. S. B. (Ravi) Pandit				
	Short term employee benefits	31.70	NIL	14.49	NIL
	Post employment benefits	1.48	NIL	1.44	NIL
	Reimbursement of expenses (net)	2.47	NIL	3.92	NIL
2	Mr. Kishor Patil				
	Short term employee benefits	26.65	NIL	11.16	NIL
	Post employment benefits	0.70	NIL	0.68	NIL
	Reimbursement of expenses (net)	2.71	(0.33)	2.06	NIL
	Perquisite value	0.70	NIL	0.19	NIL
	Loan given	NIL	23.52	30.00	28.75
	Repayment of loan granted	5.23		1.25	
	Interest received	2.04	NIL	0.57	NIL
3	Mr. Sachin Tikekar				
	Short term employee benefits	25.45	NIL	12.60	NIL
	Post employment benefits	0.33	NIL	0.32	NIL
	Reimbursement of expenses (net)	2.76	(0.05)	2.97	NIL
4	Mr. Anil Patwardhan				
	Short term employee benefits	8.42	NIL	6.95	NIL
	Post employment benefits	0.21	NIL	0.18	NIL
	Reimbursement of expenses (net)	0.33	NIL	0.28	NIL
5	Mr. R Swaminathan				
	Short term employee benefits	NA	NA	1.25	NIL
	Post employment benefits	NA	NA	0.03	NIL
	Reimbursement of expenses (net)	NA	NA	0.05	NIL
6	Ms. Sneha Padve				
	Short term employee benefits	3.70	NIL	2.10	NIL
	Post employment benefits	0.12	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
7	Dr. Raghunath Anant Mashelkar				
	Commission paid	2.63		2.50	
	Share based compensation	NIL		0.23	
	Sitting fees	0.10	NIL	0.11	NIL
8	Ms. Lila Poonawalla				
	Commission paid	3.12		2.95	
	Share based compensation	NIL		0.23	
	Sitting fees	0.39	NIL	0.34	NIL
9	Prof. Alberto Sangiovanni Vincentelli				
	Commission paid	3.26		2.95	
	Share based compensation	NIL		0.23	
	Sitting fees	0.11	NIL	0.09	NIL
10	Mr. Anant Talaulicar				
	Sitting fees	NIL	NIL	0.02	NIL



Sr. No	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2016 Debit/(Credit) (₹ million)
11	Mr. Adi Engineer				
	Commission paid	2.74	NIL	2.60	NIL
	Sitting fees	0.36		0.31	
12	Mr. B V R Subbu				
	Commission paid	2.32	NIL	2.20	NIL
	Sitting fees	0.12		0.10	
Transactions with relative of KMP					
1	Mr. Chinmay Pandit				
	Short term employee benefits	4.16	NIL	3.44	NIL
	Post employment benefits	0.11	NIL	0.09	NIL
	Reimbursement of expenses (net)	0.33	NIL	0.65	NIL
2	Ms. Jayada Pandit				
	Short term employee benefits	1.72	NIL	1.57	NIL
	Post employment benefits	0.05	NIL	0.05	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
3	Mr. Shreyas Patwardhan				
	Short term employee benefits	0.67	NIL	0.57	NIL
	Post employment benefits	0.02	NIL	0.02	NIL
	Reimbursement of expenses (net)	NIL	NIL	NIL	NIL
Transactions with enterprise over which KMP have significant influence					
1	Kirtane & Pandit LLP				
	Professional fees	0.14	0.03	0.52	NIL
2	KP Corporate Solutions Limited				
	Sales	NIL	NIL	0.97	NIL
	Professional fees	1.51	0.01	1.35	0.00
3	Proficient FinStock LLP				
	Deposits for reappointment of directors	0.40	(0.40)	NIL	NIL
Transactions with associate					
1	Yantra Digital Services Private Limited				
	Investment	0.05	NIL	NA	NA
	Advance given	18.38	18.38	NA	NA
	Loan given	6.00	NIL	NA	NA
	Repayment of loan including interest	6.06	NIL	NA	NA
	Interest income on loan given	0.06	NIL	NA	NA

Note: Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

40 Lease transactions

1. Finance leases

The Group has taken vehicles and plant and equipment under finance lease for a period ranging from 3 to 5 years. Upon payment of all sums due towards the agreement, the Group has the option of acquiring the assets. During the lease period, the Group can neither sell, assign, sublet, pledge, mortgage, charge, encumber or part with possession of the assets, nor create or allow to create any lien on the assets taken on lease.

Notes forming part of the consolidated financial statements



The Group has also taken land under finance lease and the lease rental of which has been paid in its entirety at the commencement of the lease period.

Reconciliation between future minimum lease payments and their present values under finance lease as at year end is as follows.

Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
Future minimum lease payments			
- Not later than one year	5.74	7.83	8.53
- Later than one year and not later than five years	0.98	6.17	12.00
- Later than five years	NIL	NIL	NIL
Total minimum lease payments	6.72	14.00	20.53
Amount representing future Interest	0.31	1.10	2.29
Present value of minimum lease payments	6.41	12.90	18.24
- Not later than one year	5.47	7.04	7.20
- Later than one year and not later than five years	0.94	5.86	11.04
- Later than five years	NIL	NIL	NIL

Net carrying amount of assets held under finance lease as on 31 March 2017 is ₹ 441.44 million (31 March 2016 ₹ 453.27 million and 01 April 2015 ₹ 356.06 million).

2. Operating leases

Obligations towards non-cancellable operating leases:-

The Group has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

Particulars	31 March 2017 ₹ million	31 March 2016 ₹ million	01 April 2015 ₹ million
Minimum lease payments			
- Not later than one year	393.10	275.45	228.50
- Later than one year and not later than five years	1,347.62	924.25	390.12
- Later than five years	1,243.13	837.85	185.90
Total minimum lease payments	2,983.85	2,037.55	804.52

Rental expenses of ₹ 476.97 million (Previous year ₹ 429.09 million) in respect of obligation under operating leases have been recognized in the Statement of Profit and Loss.

Most of the operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses.

41 Basic and diluted earnings per share

Particulars		FY 2016-17	FY 2015-16
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	2,385.44	2,809.03
Weighted average number of equity shares	No. of shares	191,832,066	191,225,608
Earnings per share – basic	₹	12.44	14.69
Effect of dilutive potential equity shares -			
Employee stock options (including shares held by Employee Welfare Trust)	No. of shares	8,020,201	8,629,025
Weighted average number of diluted equity shares	No. of shares	199,852,267	199,854,633
Earnings per share – diluted	₹	11.94	14.06



Notes forming part of the consolidated financial statements



- 42** The Company has received recognition from Department of Scientific and Industrial Research, Ministry of Science and Technology DSIR on 1 April 2014 for its Research and Development (R&D) facility at its premises in Hinjewadi which is effective from 1 April 2014 to 31 March 2018. During the year, the R&D facility is approved for the purpose of section 35(2AB) of the Income Tax Act, 1961, from 1 April 2014 to 31 March 2017.

Research and development expenditure debited to the Statement of Profit and Loss aggregating to ₹ 188.53 million (Previous year ₹ 92.34 million) has been incurred by the Group and disclosed under appropriate account heads. Out of total R & D expenditure incurred during the year ₹ 125.61 million (Previous year ₹ 78.00 million) is towards eligible R & D expenditure under section 35 (2AB). Also refer note 45.

Based on this approval, a tax benefit on the weighted deduction under section 35(2AB) of the Income Tax Act 1961 amounting to ₹ 27.99 million (Previous year ₹ 98.51 million) pertaining to earlier years has been considered in the current financial year.

The Company has set up a new facility for its R & D activities, construction of which was completed on 1 March 2015. Total capital expenditure on this facility is as follows, which is disclosed in respective fixed assets blocks:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Building	NIL	4.43
Computers	3.31	NIL
Plant and Machinery	2.06	1.44
Furniture and Fixtures	0.24	NIL

Capital expenditure incurred on various research and development projects is ₹ 230.22 million (Previous year ₹ 204.76 million)

43 Details of provisions and movements in each class of provisions as required by the Ind-AS 37 on Provisions, Contingent Liabilities and Contingent Assets

1. Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract, from the date of sale of license of software to Tier I suppliers. The movement in the said provision is as under:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million	FY 2014-15 ₹ million
Carrying amount as at the beginning of the year	14.86	12.25	21.19
Additional provision made during the year	5.17	9.71	8.70
Addition on account of acquisition	1.80	NIL	1.98
Amount paid/settled/utilized during the year	0.10	NIL	NIL
Unused amount reversed during the year	9.16	7.10	19.62
Exchange difference	(0.19)	NIL	NIL
Carrying amount at the end of the year	12.38	14.86	12.25

The warranty provision is expected to be utilized over a period of 1 year.



2. Contingent liabilities

Sr. No.	Particulars	As at 31 March 2017 ₹ million	As at 31 March 2016 ₹ million	As at 01 April 2015 ₹ million
1	Outstanding bank guarantees in routine course of business	176.75	177.04	157.77
2	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems Incorporated, USA	648.39	663.33	600.90
3	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems ME FZE, UAE	64.84	66.33	62.59
4	Corporate guarantee provided by the Company for loan availed by KPIT Technologies (UK) Limited	80.88	95.09	NIL
5	Bills discounted	NIL	334.32	NIL
6	Income tax matters	5.84	7.36	35.26
7	VAT matters	1.75	1.75	2.22
8	Service Tax matters (excluding interest and penalty) (Refer note (i) below)	737.25	554.84	554.86

Note:

(i) Service tax matters

- a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period October 2006 to March 2015 demanding service tax relating to:
- ₹ 524.11 million (Previous year ₹ 354.78 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
 - ₹ 117.88 million (Previous year ₹ 104.80 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.
 - ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses from April 2010 to June 2012.

The Company has filed an Appeal in the Mumbai Tribunal.

- b. The Company has received a show cause cum demand notice from Directorate General of Central Excise Intelligence Mumbai for the period October 2006 to March 2012 challenging the correctness of service tax input credit availed and correctness of discharge of service tax liability. The contingent liability in respect of this notice is ₹ 90.47 million (Previous year ₹ 90.47 million).

3. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 242.27 million (Previous Year ₹ 380.25 million)
- b. Intangibles - ₹ 26.98 million (Previous Year ₹ 22.67 million)

44 Share based payments

1 Employee Stock Option Plan– 2004

The Board of Directors and the shareholders of the Group approved the Employees Stock Option Plan at their meeting in August 2001 and in September 2001, respectively. Pursuant to this approval, the Group instituted ESOP 2004, Plan in July, 2004. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	324,988	70.60	1,045,264	54.23
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	6,904	70.60	20,750	70.60
Exercised during the year	68,162	70.60	271,206	70.60
Lapsed during the year	2,902	70.60	428,320	30.66
Options outstanding at the end of year	247,020	70.60	324,988	70.60
Options exercisable at the end of the year	247,020	70.60	324,988	70.60

The weighted average share price of the options exercised under Employees Stock Option Scheme -2004 on the date of exercise during the year was ₹ 147.66 (Previous year ₹ 114.07)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	NIL	NIL	NIL
₹ 50 to ₹ 100	1.21	247,020	2.11	324,988
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2017 and 31 March 2016.

The Group recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil) in the statement of profit and loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Plan – 2006

The Board of Directors and the shareholders of the Group approved another Employees Stock Option Plan at their meeting in July 2006 and in August 2006, respectively. Pursuant to this approval, the Group instituted ESOP 2006, Plan in October, 2006. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one

Notes forming part of the consolidated financial statements



equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	5,176,953	91.83	3,833,379	79.04
Granted during the year	30,000	151.60	2,827,500	104.66
Forfeited / surrendered during the year	252,179	102.21	731,600	102.37
Exercised during the year	269,602	77.51	752,326	64.11
Options outstanding at the end of year	4,685,172	92.48	5,176,953	91.83
Options exercisable at the end of the year	2,994,772	85.61	2,504,953	79.27

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 143.38 (Previous year ₹ 119.19)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	0.50	215,603	1.38	255,543
₹ 50 to ₹ 100	1.77	1,984,848	2.67	2,187,410
₹ 100 to ₹ 150	5.41	2,454,721	6.40	2,734,000
₹ 150 to ₹ 200	6.18	30,000	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	151.60	104.66
2. Price of the underlying share in market at the time of the option grant (₹)	151.60	120.20
3. Weighted average fair value of options granted (₹)	59.36	40.50
4. Expected life of the option (years)	3.76	3.74
5. Risk free interest rate (%)	7.29%	5.14%
6. Expected volatility (%)	42.50%	40.99%
7. Dividend yield (%)	0.73%	0.93%

The Group recorded an employee compensation cost of ₹ 36.73 million (Previous year ₹ 34.57 million) in the statement of profit and loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.



3 Employee Stock Option Plan – 2014

The Board of Directors and the shareholders of the Group approved another Employees Stock Option Plan at their meeting in February 2014 and in April 2014, respectively. Pursuant to this approval, the Group instituted ESOP 2014 Plan in April 2014. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price of ₹ 2 per option. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	155,000	2.00	395,000	2.00
Granted during the year	-	-	60,000	2.00
Forfeited / surrendered during the year	-	-	300,000	2.00
Exercised during the year	5,000	2.00	-	-
Options outstanding at the end of year	150,000	2.00	155,000	2.00
Options exercisable at the end of the year	68,000	2.00	25,000	2.00

The weighted average share price of the options exercised under Employees Stock Option Scheme -2014 on the date of exercise during the year was ₹ 164.65 (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	4.90	150,000	5.84	155,000
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	NIL	2.00
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	126.95
3. Weighted average fair value of options granted (₹)	NIL	132.80
4. Expected life of the option (years)	NIL	3.76
5. Risk free interest rate (%)	NIL	7.61%
6. Expected volatility (%)	NIL	41.80%
7. Dividend yield (%)	NIL	0.88%

The Group recorded an employee compensation cost of ₹ 6.06 million (Previous year ₹ 7.28 million) in the statement of profit and loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

4 Employee Stock Option Plan – 2015

The Board of Directors and the shareholders of the Group approved another Employee Stock Option Plan at their meeting in April 2015 and August, 2015, respectively. Pursuant to this approval, the Group instituted ESOP 2015 Plan in August 2015. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2016-17		FY 2015-16	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	1,051,500	103.70	-	-
Granted during the year	-	-	1,091,000	103.70
Forfeited / surrendered during the year	86,350	103.70	39,500	103.70
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	965,150	103.70	1,051,500	103.70
Options exercisable at the end of the year	290,700	103.70	-	-

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2016-17		FY 2015-16	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	NIL	NIL	NIL
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	5.50	965,150	6.51	1,051,500
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2016-17	FY 2015-16
1. Exercise price (₹)	NIL	103.70
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	103.70
3. Weighted average fair value of options granted (₹)	NIL	40.17
4. Expected life of the option (years)	NIL	3.70
5. Risk free interest rate (%)	NIL	7.76%
6. Expected volatility (%)	NIL	42.83%
7. Dividend yield (%)	NIL	1.06%



Notes forming part of the consolidated financial statements



The Group recorded an employee compensation cost of ₹ 15.64 million (Previous year ₹ 11.89 million) in the statement of profit and loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

45 Income taxes

The income tax expense consists of following:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Tax expense		
Current tax	638.01	941.34
MAT credit entitlement	(131.26)	(41.35)
Deferred tax (benefit)/charge	98.98	(54.51)
Total tax expense	605.73	845.48

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Profit before tax	2,991.17	3,654.51
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	1,035.18	1,264.75
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of income tax holiday, exemptions and deductions	(505.00)	(437.10)
Effect relating to prior years	(8.61)	(5.04)
Effect of permanent adjustments	(68.27)	(19.79)
Effect of differential overseas tax rates	91.71	11.02
Effect of unrecognized deferred tax assets	59.01	33.88
Others (net)	1.71	(2.24)
Total income tax expense	605.73	845.48

During the year ended 31 March 2017 and 31 March 2016, the Group has claimed weighted tax deduction on eligible research and development expenditures based on the approval received from Department of Scientific and Industrial Research (DSIR) on 2 June 2011 which has been renewed effective April 2014. The weighted tax deduction is equal to 200% of such expenditures incurred. Also refer note 42.

Additionally, the Group benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005 (SEZ). Accordingly, units in designated SEZ are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The tax holiday period being currently available to the Group expires in various years through fiscal year 2025. From 1 April 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and it is not probable that taxable profits will be available in the future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of unrecognized deferred tax assets is ₹ 59.01 million (Previous year - ₹ 33.88 million).



Deferred tax

The gross movement in the deferred income tax account for the year ended 31 March 2017 and 31 March 2016, is as follows:

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Net deferred income tax asset at the beginning	954.92	819.98
Translation differences	(9.09)	24.68
MAT Credit entitlement for the year	131.26	41.35
Credits / (charge) relating to temporary differences	(98.98)	54.51
Temporary differences on other comprehensive income	(14.95)	14.40
Net deferred income tax asset at the end	963.16	954.92

The charge relating to temporary differences during the year ended 31 March 2017 are primarily on account provision for doubtful debts and provision for leave encashment and bad debts reserve partially offset by credit on account of property, plant and equipment and provision for gratuity. The charge relating to temporary differences during the year ended 31 March 2016 are primarily on account of property, plant and equipment and provision for doubtful debts partially offset by credit on account of provision for gratuity and leave encashment.

46 Other disclosures and explanatory notes

- 1 During the previous year, the fair value of an investment had declined by ₹ 112.98 million. This loss was recorded under exceptional items in the Consolidated Statement of Profit and Loss.
- 2 During the year, the Group has disposed of its wholly owned subsidiary KPIT medini Technologies AG. KPIT medini Technologies AG was engaged in the business of functional safety products.

The effective date of disposal is 1 November 2016.

Details of the disposal are as follows:

A. Book values of net assets over which control was lost

Assets	Amount (₹ million)
Non-current assets	2.60
Cash and cash equivalents	66.73
Current assets (excluding cash and cash equivalents)	94.42
Total	163.75
Liabilities	Amount (₹ million)
Current income tax liabilities (net)	12.51
Other current liabilities	51.25
Total	63.76
Net assets derecognised	99.99

B. Gain on disposal of subsidiary:

Difference between the total consideration received and the net assets derecognised	Amount (₹ million)
Total consideration	631.72
Less : value of net assets derecognised	99.99
Less : goodwill on consolidation	195.43
Less : incidental expenses	75.39
Gain on disposal	260.91

The gain on disposal of subsidiary is recorded under exceptional items in the Consolidated Statement of Profit and Loss.

3 Acquisition of MicroFuzzy Industrie-Elektronic GmbH

On 01 December 2016, the Group, through its wholly owned subsidiary KPIT Technologies GmbH, Germany, has acquired 75% stake in MicroFuzzy Industrie-Elektronic GmbH ("MicroFuzzy"), an Engineering services company, focused on powertrain solutions and more so on electric powertrain. This Germany headquartered Automotive Engineering services company, has over 20+ years of proven engineering expertise on engineering/powertrain systems, Drivetrain Electronics. It has core expertise in the areas of Software development for E-Mobility, E/E Architecture, End to End Test and Validation solutions for powertrain components. It has marque customers in Germany and expanding base in Europe and beyond.

With this partnership, the Group will be able to enhance and bring in next generation offerings in the key growth area of E-Mobility. This further strengthens our leadership position in the Automotive Engineering domain and bolsters our presence in Germany. Therefore, the key objective of this acquisition to utilize its core domain and offerings in our existing Automotive OEM customers across geographies and drive upscaling opportunities among our customer base.

a. Consideration transferred (at the acquisition date fair values)

Particulars	Amount (₹ million)
Cash	470.28
Deferred consideration	168.55
Total	638.83

Acquisition related cost of ₹ 2.77 million is recognised under other expenses in the statement of profit and loss for the year ended 31 March 2017.

b. The fair value of assets acquired and liabilities assumed as at the date of acquisition were:

Particulars	Amount (₹ million)
Assets	
Property, plant and equipment	33.38
Investments	0.35
Long-term loans and advances	52.21
Trade receivables	330.10
Cash and bank balances	28.43
Short-term loans and advances	3.76
Other current assets	15.93
Total	464.17

Particulars	Amount (₹ million)
Liabilities	
Trade payables	53.97
Other current liabilities	189.19
Short-term provisions	155.12
Total	398.28
Total identifiable net assets at fair value	65.89

c. Non-controlling interest

The Group has elected to measure the non-controlling interest in the Acquiree at the proportionate share in the recognised amounts of the identifiable net assets.

d. Goodwill arising on acquisition

Particulars	Amount (₹ million)
Purchase consideration	638.83
Add : Non-controlling interest	16.47
Less : Fair value of identifiable net assets acquired	65.89
Goodwill arising on acquisition	589.41

The goodwill of ₹ 589.41 million comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

e. Net cash outflow on acquisition of subsidiary

Particulars	Amount (₹ million)
Consideration paid in cash	470.28
Less : Cash and cash equivalents balances acquired	28.43
Net cash flow	441.85

f. From the date of acquisition, the Acquiree has contributed ₹ 310.19 million to revenue and ₹ 4.52 million to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, the Group's revenue would have been ₹ 33,728.32 million and the profit before tax would have been ₹ 3,011.38 million.

4 Disclosure of financial information of subsidiaries with material non-controlling interest

The interest that non-controlling interest have in the Group's activities and cash flows:

A. Proportion of equity interest held by non-controlling interest

Name of the subsidiary	Country of incorporation and operation	31 March 2017
MicroFuzzy Industrie-Elektronik GmbH	Germany	25%

B. Details of non-controlling interest

Particulars	31 March 2017 (₹ million)
Accumulated balance of non-controlling interest	16.86
Profit and loss allocated to non-controlling interest	0.39



C. Summarised balance sheet as on 31 March 2017 (before inter-company eliminations)

Particulars	Amount (₹ million)
Non-current assets	63.71
Cash and cash equivalents	8.31
Current assets (excluding cash and cash equivalents)	234.75
Total	306.77
Trade payables	105.26
Current liabilities (excluding trade payables)	135.03
Total	240.29
Total equity	66.48
Attributable to:	
Owners of the Group	49.86
Non-controlling interest	16.62

D. Summarised statement of profit and loss for the four months ended on 31 March 2017 (before inter-company eliminations)

Particulars	Amount (₹ million)
Revenue	309.94
Other income	1.47
Total income	311.41
Employee benefits expense	161.89
Finance costs	2.93
Depreciation and amortization	6.59
Other expenses	135.52
Total expenses	306.93
Profit before tax	4.48
Current tax	2.93
Profit/(Loss) for the period	1.55
Other comprehensive income	-
Total comprehensive income	1.55

E. Summarised cash flow information for the four months ended on 31 March 2017 (before inter-company eliminations)

Particulars	Amount (₹ million)
Cash flow from:	
Operating activities	(20.08)
Investing activities	(11.77)
Financing activities	11.77
Net increase / (decrease) in cash and cash equivalents	(20.08)

5 Disclosure of interest in associate

The Group has invested 50% in Yantra Digital Services Private Limited, a non-listed company based in Mumbai, India. and is engaged in providing the computer related services such as maintenance of websites, creation of multimedia presentation, etc.

A. Summarised balance sheet as on 31 March 2017

Particulars	Amount (₹ million)
Non-current assets	65.79
Cash and cash equivalents	95.56
Current assets (excluding cash and cash equivalents)	40.88
Total	202.23
Trade payables	89.62
Current liabilities (excluding trade payables)	115.08
Total	204.70
Total equity	(2.47)
The Group's share in equity (50%)	(1.23)
Carrying amount of the investment (after adjusting the share of loss from associate)	-

B. Summarised statement of profit and loss for the year ended on 31 March 2017

Particulars	Amount (₹ million)
Revenue from operations	-
Finance costs	0.06
Other expenses	2.51
Total expenses	2.57
Profit/(Loss) before tax	(2.57)
Current tax	-
Profit/(Loss) for the period	(2.57)
Other comprehensive income	-
Total comprehensive income	(2.57)
The Group's share of loss for the year	(1.29)
The Group's share of loss, restricted to the extent of investment	(0.05)

C. Reconciliation of carrying amount of investment as on 31 March 2017

Particulars	Amount (₹ million)
Amount of investment in associate	0.05
Share of loss from associate	(0.05)
Carrying amount of investment in associate	-

6 A customer has filed a legal suit against the Company and its subsidiaries seeking various damages not less than USD 50 million pertaining to services on an ERP implementation contract. The subsidiary has filed a counter claim against the customer seeking compensatory damages, relief, costs, etc. The matter is currently pending with the United States District Court. The Company and its subsidiaries continues to pursue its claim for damages and defend against the customer's claims. Based on its internal assessment, the Company is confident of being able to defend its exposure on this case.

7A The Company was required to spend ₹ 46.42 million towards Corporate Social Responsibility. During the year, the Company has spent and paid ₹ 25.61 million (Previous year ₹ 18.62 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

Also, refer Annexure 7 of the Director's Report.

7B During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)			
Particulars	SBN	Other	Total
Balance as on 08.11.2016	43,500	49,437	92,937
Receipts	24,500	156,473	180,973
Payments	(500)	(122,929)	(123,429)
Deposited in banks	(67,500)	-	(67,500)
Balance as on 30.12.2016	-	82,981	82,981

The Company has received amounts aggregating to ₹ 24,500 for transactions which are not permitted. These transactions pertain to settlements of advances till 30 December 2016 during the course of business.

8 During the previous year, CPG Solutions, LLC (transferor) had been merged with KPIT Infosystems Incorporated (transferee), its holding company, in terms of Articles of Merger filed with the State of Florida. CPG was engaged in the business of providing software consultancy services in the areas of ERP, Supply Chain Management and Business Intelligence. Consolidation of operations was undertaken with the aim of improving operational efficiencies.

During the previous year, Integrated Industrial Information, Inc. (transferor) had been merged with KPIT Infosystems Incorporated (transferee), its holding company, in terms of Articles of Merger filed with the State of North Carolina. I-Cubed was involved in the areas of Product Lifecycle Management consulting, specializing in data migration, PLM technical services and customization and managed services.

The accounting of merger was done by using pooling of interest method and as per the articles of the Agreement and Plan of Merger.

Difference between the cost of investment and the value of net identifiable assets acquired as adjusted in Reserves :	CPG Amount (USD million)	I-cubed Amount (USD million)
Cost of investment	15.16	15.55
Less : value of net identifiable assets acquired	2.18	1.91
Adjusted in Reserves	12.98	13.64

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 Firm Registration Number: 101248W / W-100022

Vijay Mathur
 Partner
 Membership No. 046476

Place: Pune
 Date: 26 April 2017

**For and on behalf of the Board of Directors of
 KPIT TECHNOLOGIES LIMITED**

Anil Patwardhan
 Chief Financial Officer

Sneha Padve
 Company Secretary

Place: Pune
 Date: 26 April 2017

S. B. (Ravi) Pandit
 Chairman & Group CEO

Kishor Patil
 CEO & Managing Director

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Registered & Corporate Office

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Software Development Centres

SEZ Premises

SEZ Unit - I, 3rd Floor, IT-3 Building,
Qubix Business Park Private Limited,
Plot No. 2, Blueridge Township,
Rajiv Gandhi Infotech Park, Phase - I,
Hinjawadi, Pune - 411057, Maharashtra, India.
Phone: +91-20-4203 7000

SEZ Unit - III, Ground & First Floor,
IT-9 Building, Plot No. 2, Blueridge Township,
Rajiv Gandhi Infotech Park, Phase - I,
Hinjawadi, Pune - 411057, Maharashtra, India.
Phone: +91-20-4203 7000

Custom Wing Unit,
Seepz SEZ, Andheri (E),
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IT-3 Unit, SDF VII,
Seepz SEZ, Andheri (E),
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Fax: +91-22-2829 0126

No. 20 & 21, RMZ Ecoworld Infrastructure Private Limited - SEZ,
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34 & 35, Noida Special Economic Zone,
Phase - II, Noida - 201305,
Uttar Pradesh, India.
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STPI Premises

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TTC Industrial Area, Mahape,
Navi Mumbai - 400710, India.
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GGR TOWERS, Unit - II,
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Bellandur gate, Bengaluru East Taluk,
Bengaluru - 560103, Karnataka, India.
Phone: +91-80-6606 6202

GGR TOWERS, Unit - II,
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Other Premises

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KPIT Technologies Limited

CIN: L72200PN1990PLC059594

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Tel.: +91-20-6652 5000 | Fax: +91-20-6652 5001 | Email: connectwithus@kpit.com | Website: www.kpit.com

Subject: Green Initiative in Corporate Governance - Shareholders' Consent to receive communication in Electronic Form

Dear Shareholder,

Your Company is a firm believer of and has always been fostering green and inclusive growth. Co-innovation for green growth is now a quintessential part of your Company's values. Your Company has been taking major initiatives all along in green growth. For last several years KPIT has been publishing its Corporate Sustainability Report, and is now taking the 'Green Initiative in Corporate Governance' in accordance with the agenda promoted by the Ministry of Corporate Affairs (MCA).

The MCA vide Section 20 of the Companies Act, 2013 and Rule 35 of the Companies (Incorporation) Rules, 2014 allow companies to serve documents through electronic mode thus encouraging the green initiative.

In view of the above, we propose to send you all shareholder communications and documents like Annual Reports, Notices etc. through electronic mode, in future. In order to facilitate electronic communication with you, we request you to register your e-mail address with your depository participant (the agency with whom your demat account is maintained) or with our Registrar and Share Transfer Agent, Link Intime India Private Limited at: bhagavant.sawant@linkintime.co.in. Alternatively, you may register your e-mail address with the Company by writing an email to connectwithus@kpit.com with the subject line - 'Green Initiative'. If you have already registered your e-mail address, you are not required to re-register the same unless there is a change in your e-mail address.

Kindly note that shareholders are entitled to be furnished with a printed copy of all the shareholder communication and reports and the Company undertakes to provide the same at no extra cost to you, upon request.

We believe that by subscribing to this green initiative, you would be contributing towards the protection of your environment. We request your concurrence so as to enable us to e-mail the Annual Reports, Notices, etc. to you.

Thanking you,
For **KPIT Technologies Limited**

Sneha Padve
Company Secretary



NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of KPIT Technologies Limited will be held on Wednesday, August 23, 2017, at 10.30 a.m., at KPIT Auditorium, SDB – II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjawadi, Pune – 411057, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017, together with the reports of the Auditors and the report of the Board of Directors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2017, together with the reports of the Auditors thereon.
3. To declare dividend for the financial year ended March 31, 2017.
[The Board has recommended dividend at ₹ 2.20 per equity share of ₹ 2/- each (at 110%)].
4. To appoint a Director in place of Mr. S. B. (Ravi) Pandit (DIN: 00075861), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors.

SPECIAL BUSINESS

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Lila Poonawalla (DIN: 00074392), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the key managerial personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution.”

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. R. A. Mashelkar (DIN: 00074119), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the key managerial personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Adi Engineer (DIN: 00016320), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the key managerial personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Prof. Alberto Sangiovanni Vincentelli (DIN: 05260121), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the key managerial personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution.”

By Order of the Board of Directors
For **KPIT Technologies Limited**

Pune
April 26, 2017

Sneha Padve
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. Pursuant to SS-2 i.e. Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the Meeting venue showing the prominent landmarks is given elsewhere in this Notice. Further, the Company has uploaded the above route map on its website at (<http://www.kpit.com/company/investors/corporate-governance>).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other shareholder.
5. Proxies are requested to bring their valid photo identity proof at the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, August 12, 2017 to Wednesday, August 23, 2017 (both days included)**.
7. Members holding shares in physical form are requested to communicate immediately any change in address to the Registrar & Share Transfer Agent of the Company at Link Intime India Private Limited (Attention - Mr. Bhagavant Sawant) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Telephone: +91-20-26161629, E-mail: bhagavant.sawant@linkintime.co.in. Members holding shares in dematerialized form are requested to notify change in address, if any, to their respective Depository Participants (DPs).
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chief Financial Officer at anil.patwardhan@kpit.com or to the secretarial department at connectwithus@kpit.com so as to reach them at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
9. The Securities and Exchange Board of India (“SEBI”) has made it mandatory to distribute dividends through National Electronic Clearing System (NECS). Members holding shares in demat form are requested to notify change in their bank account details, if any, to their DPs immediately and not to send the requests directly to the Company or to its Registrar & Share Transfer Agent.

Members holding shares in physical form are requested to intimate change in their Bank account details, if any, to the Registrar & Share Transfer Agent of the Company.
10. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to



their DPs. Members holding shares in physical form are required to submit their PAN details to the Company, or to its Registrar & Share Transfer Agent.

11. Members are requested to:

- quote their Registered Folio number in case of shares in physical form and DP ID and Client ID in case of shares in demat form, in their correspondence(s) to the Company.
- direct all correspondence related to shares including consolidation of folios, if shareholdings are under multiple folios, to the Registrar & Share Transfer Agent of the Company or to the Registered Office of the Company.
- bring copies of the Annual Report and the Attendance Slip duly filled-in at the Annual General Meeting.
- take note that SEBI has included the securities of the Company in the list of companies for compulsory settlement of trades in dematerialized form for all the investors effective June 26, 2000. Accordingly, shares of the Company can be traded only in dematerialized form with effect from June 26, 2000. Members holding shares in physical form are, therefore, requested to get their shares dematerialized at the earliest.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the resolution of the Board authorizing their representative to attend and vote on their behalf at the meeting.

12. A certificate from the Auditors of the Company certifying that the Company's Employee Stock Option Plan 2004, Employee Stock Option Plan 2006, Employee Stock Option Plan 2014 and Employee Stock Option Plan 2015 are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time and in accordance with the resolutions passed at the general meeting(s) will be placed before the members at the Meeting.
13. Members wishing to claim the unpaid dividend, are requested to correspond with the Registrar & Share Transfer Agent of the Company at Link Intime India Private Limited (Attention - Mr. Bhagavant Sawant) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001. Telephone: +91- 20-26161629, E-mail: bhagavant.sawant@linkintime.co.in.

Members are requested to note that dividend which are not encashed or claimed within seven years from the date of transfer of the dividend to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund ("IEPF").

Please note that pursuant to Section 124(6) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Amendment Rules, 2016 ("Rules") as amended from time to time, shares in respect of such dividend will be transferred in the name of IEPF including all benefits accruing on such shares. The Company has sent out individual communication to shareholders whose dividends remain unclaimed for seven years and published an advertisement in newspapers, inviting such shareholders to claim their dividend. The information in respect of such shares is uploaded on the website of the Company (<https://www.kpit.com/company/investors/policies-reports-filings>). Members can claim back such dividend and shares including all benefits accruing on such shares from the IEPF Authority after following the procedure prescribed in the Rules.

14. The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2008-09, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
15. All documents referred to in any item of business hereinabove will be available for inspection at the Company's registered office on all working days, except holidays during business hours upto the date of the Annual General Meeting.
16. Members interested in availing transport facility (within Pune) for attending the Annual General Meeting are requested to register themselves at least five days before the meeting by contacting Ms. Shalini Vishwakarma at shalini.vishwakarma@kpit.com at +91-20-6652-5000, Extn. - 2915.
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013, the Rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing an option to the shareholders to exercise their right to vote by electronic means (e-voting). Instructions for e-voting are attached to this notice.

- 18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
- 19. The Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and approved by the Central Government]

ITEM NO.: 4

Mr. S. B. (Ravi) Pandit, aged 67 years, is a Director, Co-founder and Chairman of the Company since inception. He is a gold medalist and fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost Accountants of India. With a Master’s degree from Sloan School of Management, MIT, Cambridge, USA, he has extensive experience of over four decades in the fields of information technology, corporate strategy formulation and management consulting, accounting and audit. From his accounting roots, Mr. Pandit, along with his team, built KPIT into a global technology company, with leadership in sharply defined focus areas. He has previously worked as an Audit Professional at Alexander Grant & Co., USA, following which he became a partner at Kirtane & Pandit LLP, Chartered Accountants. Mr. Pandit possesses 42 years of experience.

The details of his directorships in other Indian companies are as follows:

Name of the company	Designation
Finolex Cables Limited	Director
K & P Capital Services Limited	Director
KP Corporate Solutions Limited	Director
Kirtane & Pandit Consulting Private Limited	Director
Kirtane Pandit Foundation Private Limited	Director
K & P Management Services Private Limited	Director
Aga Khan Rural Support Programme (India)	Director

He does not hold any membership or chairmanship of any committees in other Indian companies.

At KPIT, Mr. Pandit is the Chairman of Corporate Social Responsibility Committee and ESOP Allotment Committee and a member of Audit Committee, Nomination and Remuneration (HR) Committee, Stakeholders Relationship Committee, Risk Management Committee and Innovation Council.

Mr. Pandit is currently holding office as a Whole-time Director of the Company for a period of five years from April 1, 2014, subject to retirement by rotation. Since the proposed re-appointment is caused by his retirement by rotation and the members have already approved his remuneration upto March 31, 2019, no additional remuneration will be payable to Mr. Pandit consequent upon his re-appointment as a Director.

Mr. Pandit attended all 6 meetings of Board of the Company during the year.

Mr. Pandit holds 430,500 shares in the Company as on March 31, 2017.

Mr. Pandit is not related to any other Director or key managerial personnel of the Company or the relatives of Directors or key managerial personnel.

Mr. Pandit will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of a Whole-time Director may carry.

None of our Directors or key managerial personnel or relatives of Directors or key managerial personnel are concerned or interested in the proposed resolution.

ITEM NO.: 6

Ms. Lila Poonawalla, aged 72 years, was appointed as a Director since May 30, 2008 and as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, with effect from April 1, 2014, for a period of three years.

Ms. Lila Poonawalla is a Mechanical Engineer and was awarded the Padmashree in 1989 in recognition of her exemplary contribution to the world of Engineering and Industry. She was the Chairperson and Managing Director of Alfa Laval-Tetra Pak India and was the first woman to hold the post of Managing Director in the Alfa Laval group. She was also a member of the Scientific Advisory Board of the Central Cabinet (SAC-C) and Chairperson of the Herbal and Floriculture Taskforce of SAC-C. She has been on the governing body of organizations like the Confederation of Indian Industries (CII) and Technology



Information Forecasting and Assessment Council (TIFAC) formed by the Government of India. Actively involved in social initiatives, she is on the board of trustees of two Pune-based NGOs. In 1994, she started the 'Lila Poonawalla Foundation' to promote education among women. Ms. Poonawalla possesses 50 years of experience.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration (HR) Committee, in its meeting held on February 17, 2017, re-appointed Ms. Lila Poonawalla as an Additional & Independent Director w.e.f. April 1, 2017 and she holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment.

The details of her directorships and membership of committees in other Indian companies are as follows:

Name of the company	Designation
Blossom Industries Limited	Director
Bajaj Allianz General Insurance Company Limited	Director
Bajaj Allianz Life Insurance Company Limited	Director
VE Commercial Vehicles Limited	Director
Impact Automotive Solutions Limited	Director
Nihilent Technologies Limited	Director
Pragati Leadership Institute Private Limited	Director
NobleTek PLM Solutions Private Limited	Director

Name of the company	Name of the committee	Chairperson / Member
Impact Automotive Solutions Limited	• Audit Committee	Chairperson
	• Nomination and Remuneration Committee	Member
Bajaj Allianz General Insurance Company Limited	• Audit Committee	Member
	• Nomination and Remuneration Committee	Member
Bajaj Allianz Life Insurance Company Limited	• Audit Committee	Member
	• Nomination and Remuneration Committee	Member
NobleTek PLM Solutions Private Limited	Audit Committee	Member
Blossom Industries Limited	Remuneration Committee	Member

At KPIT, Ms. Poonawalla is the Chairperson of the Audit Committee and Risk Management Committee and a member

of Nomination and Remuneration (HR) Committee, Quality Council Committee, and Innovation Council.

Ms. Poonawalla attended all 6 meetings of Board of the Company during the year.

Ms. Poonawalla holds 130,000 shares in the Company as on March 31, 2017.

As per the provisions of the Companies Act, 2013, the re-appointment of Independent Director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the re-appointment of Ms. Poonawalla as an Independent Director in the Annual General Meeting for a period of five years from April 1, 2017, not liable to retire by rotation.

Ms. Poonawalla will be entitled to receive sitting fees and commission in the same manner as any other Independent Director is entitled to. The terms and conditions of appointment are given more elaborately in the appointment letter of Independent Directors displayed on the website of the Company at (<http://www.kpit.com/company/investors/corporate-governance>).

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing Ms. Poonawalla's candidature for the office of a Director of the Company.

Ms. Lila Poonawalla has submitted a declaration of her independent status as required under Section 149 of the Companies Act, 2013, which has been taken on record by the Board of Directors of the Company. In the opinion of the Board of Directors, Ms. Poonawalla fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as an Independent Director and Ms. Lila Poonawalla is independent of the management.

Considering the qualifications, experience, expertise, the accomplishments alongwith the performance evaluation as an Independent Director of Ms. Lila Poonawalla, the Board of Directors is of the view that appointment of Ms. Lila Poonawalla as an Independent Director will benefit the Company and recommends the special resolution set forth as Item No. 6 of the Notice for the approval of the shareholders.

Ms. Lila Poonawalla is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.



Ms. Lila Poonawalla will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of an Independent Director may carry.

None of our Directors or key managerial personnel or relatives of Directors or key managerial personnel are concerned or interested in the proposed resolution.

ITEM NO.: 7

Dr. R. A. Mashelkar, aged 74 years, was appointed as a Director since May 30, 2008 and as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, with effect from April 1, 2014, for a period of three years.

Dr. R. A. Mashelkar, a Chemical Engineer by profession, has been hugely instrumental in propagating a culture of innovation and balanced intellectual property rights regime for over a decade. He is the Chancellor of Academy of Scientific & Innovative Research. He was the third Indian engineer to have been elected as a Fellow of Royal Society (FRS), London, the first Indian President of the Institute of Chemical Engineers, UK and the first Indian to be the Foreign Fellow of Australian Technological Science and Engineering Academy (2008). Twenty-eight universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi. Dr. Mashelkar served as the Director General of Council of Scientific and Industrial Research (CSIR). He was also the President of Indian National Science Academy (2005-2007). Dr. Mashelkar has won over 50 awards and medals at national and international levels and was honoured by the President of India with Padma Vibushan award in 2014. Earlier, he was conferred Padma Shri award (1991) and Padma Bhushan award (2000), in recognition of his contribution to nation building. Dr. Mashelkar possesses 48 years of experience.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration (HR) Committee, in its meeting held on February 17, 2017, re-appointed Dr. R. A. Mashelkar as an Additional & Independent Director w.e.f. April 1, 2017 and he holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment.

The details of his directorships and membership of committees in other Indian companies are as follows:

Name of the company	Designation
Reliance Industries Limited	Director
Thermax India Limited	Director
Tata Motors Limited	Director

Name of the company	Designation
TAL Manufacturing Solutions Limited	Director
Piramal Enterprises Limited	Director
Vyome Bioscience Private Limited	Director
Sakal Papers Private Limited	Director
Invictus Oncology Private Limited	Director
International Longevity Centre - India (Section 8 Company)	Director
Gharda Scientific Research Foundation (Section 8 Company)	Director
Gharda Medical & Advanced Technologies Foundation	Director

Name of the company	Name of the committee	Chairman / Member
Piramal Enterprises Limited	• Audit & Risk Committee	Member
Tata Motors Limited	• Safety, Health and Environment (SHE) Committee	Chairman
	• Corporate Social Responsibility (CSR) Committee	Chairman
	• Audit Committee	Member
	• Nomination and Remuneration Committee	Member
Reliance Industries Limited	• Risk Management Committee	Member
	• Audit Committee	Member
Reliance Industries Limited	• Corporate Social Responsibility (CSR) Committee	Member
	• Remuneration Committee	Member
TAL Manufacturing Solutions Limited	Nomination and Remuneration Committee	Member

At KPIT, Dr. Mashelkar is the Chairman of Stakeholder Relationship Committee and Innovation Council.

Dr. Mashelkar attended 4 meetings of Board of the Company during the year.



Dr. Mashelkar holds 56,000 shares in the Company as on March 31, 2017.

As per the provisions of the Companies Act, 2013, the re-appointment of independent director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the re-appointment of Dr. Mashelkar as an Independent Director in the Annual General Meeting for a period of five years from April 1, 2017, not liable to retire by rotation.

Dr. Mashelkar will be entitled to receive sitting fees and commission in the same manner as any other Independent Director is entitled to. The terms and conditions of appointment are given more elaborately in the appointment letter of Independent Directors displayed on the website of the Company at (<http://www.kpit.com/company/investors/corporate-governance>).

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing Dr. R. A. Mashelkar's candidature for the office of a Director of the Company.

Dr. R. A. Mashelkar has submitted a declaration of his independent status as required under Section 149 of the Companies Act, 2013, which has been taken on record by the Board of Directors of the Company. In the opinion of the Board of Directors, Dr. Mashelkar fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as an Independent Director and Dr. R. A. Mashelkar is independent of the management.

Considering the qualifications, experience, expertise, the accomplishments alongwith the performance evaluation as an Independent Director of Dr. R. A. Mashelkar, the Board of Directors is of the view that appointment of Dr. R. A. Mashelkar as an Independent Director will benefit the Company and recommends the special resolution set forth as Item No. 7 of the Notice for the approval of the shareholders.

Dr. Mashelkar is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Dr. R. A. Mashelkar will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of an Independent Director may carry.

None of our Directors or key managerial personnel or relatives of Directors or key managerial personnel are concerned or interested in the proposed resolution.

ITEM NO.: 8

Mr. Adi Engineer, aged 79 years, was appointed as a Director since October 22, 2013 and as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, with effect from April 1, 2014, for a period of three years.

Mr. Adi Engineer is a Civil Engineer and was associated with Tata group of companies for nearly three decades. Mr. Engineer was Managing Director of Tata Power Limited. In that role, he transformed Tata Power by successfully launching various new initiatives which led to improved profitability. Tata Power also received "Good Corporate Citizen" award during his tenure. Mr. Engineer possesses 57 years of experience.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration (HR) Committee, in its meeting held on February 17, 2017, re-appointed Mr. Adi Engineer as an Additional & Independent Director w.e.f. April 1, 2017 and he holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment.

The details of his directorships and membership of committees in other Indian companies are as follows:

Name of the company	Designation
Finolex Cables Limited	Director
Impact Automotive Solutions Limited	Director

Name of the company	Name of the committee	Chairman / Member
Impact Automotive Solutions Limited	• Nomination and Remuneration Committee	Chairman
	• Audit Committee	Member

At KPIT, Mr. Engineer is the Chairman of the Nomination and Remuneration (HR) Committee and a member of the Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee.

Mr. Engineer attended all 6 meetings of Board of the Company during the year.

Mr. Engineer does not hold any shares in the Company as on March 31, 2017.



As per the provisions of the Companies Act, 2013, the re-appointment of independent director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the re-appointment of Mr. Engineer as an Independent Director in the Annual General Meeting for a period of five years from April 1, 2017, not liable to retire by rotation.

Mr. Engineer will be entitled to receive sitting fees and commission in the same manner as any other independent director is entitled to. The terms and conditions of appointment are given more elaborately in the appointment letter of Independent Directors displayed on the website of the Company at (<http://www.kpit.com/company/investors/corporate-governance>).

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing Mr. Adi Engineer's candidature for the office of a Director of the Company.

Mr. Adi Engineer has submitted a declaration of his independent status as required under Section 149 of the Companies Act, 2013, which has been taken on record by the Board of Directors of the Company. In the opinion of the Board of Directors, Mr. Engineer fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as an Independent Director and Mr. Adi Engineer is independent of the management.

Considering the qualifications, experience, expertise, the accomplishments alongwith the performance evaluation as an Independent Director of Mr. Adi Engineer, the Board of Directors is of the view that appointment of Mr. Adi Engineer as an Independent Director will benefit the Company and recommends the special resolution set forth as Item No. 8 of the Notice for the approval of the shareholders.

Mr. Engineer is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Mr. Adi Engineer will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of an independent director may carry.

None of our Directors or key managerial personnel or relatives of Directors or key managerial personnel are concerned or interested in the proposed resolution.

ITEM NO.: 9

Prof. Alberto Sangiovanni Vincentelli, aged 69 years, was appointed as a Director since April 30, 2012 and as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, with effect from April 1, 2014, for a period of three years.

Prof. Alberto Sangiovanni Vincentelli is an Engineer and was a co-founder of Cadence and Synopsys, two leading companies in the area of Electronic Design Automation. He is the Chief Technology Adviser of Cadence. Prof. Alberto is a member of the Board of Directors of Cadence. He was a member of the HP Strategic Technology Advisory Board. He is currently a member of the Science and Technology Advisory Board of General Motors, as well as a member of the Technology Advisory Council of United Technologies Corporation. He is also a Professor with University of California, Berkeley, and Department of Electrical Engineering & Computer Sciences. Prof. Alberto possesses 46 years of experience.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration (HR) Committee, in its meeting held on February 17, 2017, re-appointed Prof. Alberto Sangiovanni Vincentelli as an Additional & Independent Director w.e.f. April 1, 2017 and he holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment.

Prof. Alberto does not hold any directorship and membership of committees in other Indian companies.

At KPIT, Prof. Alberto is a member of the Quality Council Committee and Innovation Council.

Prof. Alberto Sangiovanni Vincentelli attended 5 meetings of Board of the Company during the year.

Prof. Alberto does not hold any shares in the Company as on March 31, 2017.

As per the provisions of the Companies Act, 2013, the re-appointment of independent director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the re-appointment of Prof. Alberto Sangiovanni Vincentelli as an Independent Director in the Annual General Meeting for a period of five years from April 1, 2017, not liable to retire by rotation.

Prof. Alberto will be entitled to receive sitting fees and commission in the same manner as any other independent director is entitled to. The terms and conditions of



appointment are given more elaborately in the appointment letter of Independent Directors displayed on the website of the Company at (<http://www.kpit.com/company/investors/corporate-governance>).

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing Prof. Alberto Sangiovanni Vincentelli's candidature for the office of a Director of the Company.

Prof. Alberto has submitted a declaration of his independent status as required under Section 149 of the Companies Act, 2013, which has been taken on record by the Board of Directors of the Company. In the opinion of the Board of Directors, Prof. Alberto Sangiovanni Vincentelli fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as an Independent Director and Prof. Alberto is independent of the management.

Considering the qualifications, experience, expertise, the accomplishments alongwith the performance evaluation as an Independent Director of Prof. Alberto Sangiovanni Vincentelli, the Board of Directors is of the view that appointment of Prof. Alberto Sangiovanni Vincentelli as an Independent Director will benefit the Company and recommends the special resolution set forth as Item No. 9 of the Notice for the approval of the shareholders.

Prof. Alberto is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Prof. Alberto will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of an independent director may carry.

None of our Directors or key managerial personnel or relatives of Directors or key managerial personnel are concerned or interested in the proposed resolution.

INSTRUCTIONS FOR ELECTRONIC VOTING BY MEMBERS

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting" or "e-voting") will be provided by the National Securities Depository Limited (NSDL).

- II. The facility for casting the vote through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Friday, August 18, 2017 (09:00 a.m.) and ends on Tuesday, August 22, 2017 (05:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, August, 16, 2017, may cast their vote by remote e-voting. The remote e-voting shall be disabled by NSDL after the remote e-voting period ends. Once the vote is cast, the Member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)]:
 - (i) Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.

- (iii) Click on Shareholder - Login.
- (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
- (v) When password change menu appears, please change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Once the home page of remote e-voting opens, click on "remote e-voting: Active Voting Cycles".
- (vii) Select "EVEN" of "KPIT Technologies Limited".
- (viii) Now Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company / Depository Participant(s)]:

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM in the following manner:

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available under the downloads section of www.evoting.nsdl.com or contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password / PIN for casting your vote.

NOTE:
Shareholders who forgot the User Details / Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No+Folio No).

- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to the number of shares held by the member as on the cut-off date, i.e. Wednesday, August, 16, 2017.
- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. Wednesday, August, 16, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bhagavant.sawant@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only



shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

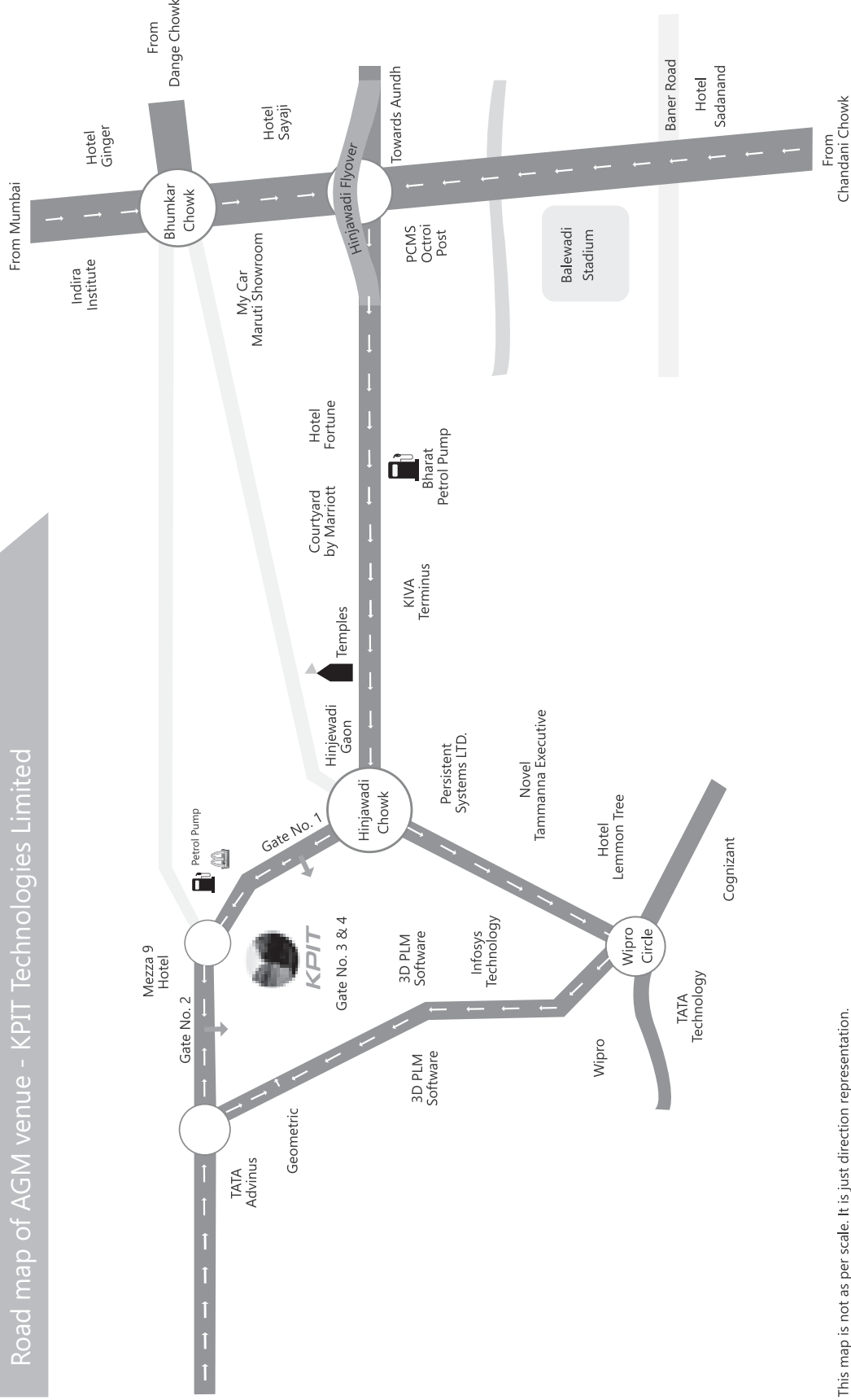
- XIII. The Company has appointed Mr. Jayavant Bhave, Proprietor, J. B. Bhave & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process and ballot process in a fair and transparent manner.
- XIV. The Chairman will, at the end of discussion on the resolutions on which voting is to be held, allow voting by use of "Ballot Paper" for all those members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting

and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.kpit.com) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed.



Road map of AGM venue - KPIT Technologies Limited



This map is not as per scale. It is just direction representation.



KPIT TECHNOLOGIES LIMITED

CIN: L72200PN1990PLC059594

Registered & Corporate Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjawadi, Pune – 411057, India.

Tel.: +91 20 6652 5000 | Fax: +91 20 6652 5001 | Email: connectwithus@kpit.com | Website: www.kpit.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No / Client Id:	
DP ID:	

I / We, being the member(s) of _____ shares of the above named Company, hereby appoint:

- 1) Name: _____ Email Id: _____ Address: _____

 _____ Signature: _____ or failing him / her
- 2) Name: _____ Email Id: _____ Address: _____

 _____ Signature: _____ or failing him / her
- 3) Name: _____ Email Id: _____ Address: _____

 _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting of the Company to be held on Wednesday, August 23, 2017 at 10.30 a.m. at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057 and at any adjournment thereof in respect of such resolutions as are listed below:

Resolutions:

- To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017, together with the reports of the Auditors and the report of the Board of Directors thereon.
- To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2017, together with the reports of the Auditors thereon.
- To declare dividend for the financial year ended March 31, 2017.
- To appoint a Director in place of Mr. S. B. (Ravi) Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
- To ratify the appointment of Statutory Auditors.
- To re-appoint Ms. Lila Poonwalla as an Independent Director.
- To re-appoint Dr. R. A. Mashelkar as an Independent Director.
- To re-appoint Mr. Adi Engineer as an Independent Director.
- To re-appoint Prof. Alberto Sangiovanni Vincentelli as an Independent Director.

Signed this ____ day of _____ 2017.

Signature of the shareholder

Signature of proxy holder(s)



Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. The proxy, in order to be effective, must be duly filled, stamped, signed and deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

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Corporate Leadership Team

S. B. (Ravi) Pandit	Chairman & Group CEO
Kishor Patil	CEO & Managing Director
Sachin Tikekar	President & Board Member
Pawan Sharma	CEO - Solutions & Services
Pankaj Sathe	Head - Europe and CMO
Anup Sable	Chief Technology Officer
Anil Patwardhan	Chief Financial Officer
Abhishek Sinha	Chief People and Operations Officer



www.kpit.com

KPIT Technologies Limited

35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC,
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connectwithus@kpit.com

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