

KPIT TECHNOLOGIES LIMITED (erstwhile KPIT ENGINEERING LIMITED)

Registered & Corporate Office - Plot-17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Hinjawadi, Taluka - Mulshi, Pune - 411057
Phone : +91 20 6770 6000 | grievances@kpit.com | www.kpit.com | CIN : L74999PN2018PLC174192

PART I: STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

₹ in million (except per share data)

Particulars	Quarter ended			Year ended
	June 30, 2020 (Unaudited)	March 31, 2020 (Audited) (Refer note 10)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Revenue from operations	4,927.10	5,562.28	5,057.51	21,561.69
Other income :				
- Net gain on investments carried at fair value through profit and loss	3.21	47.43	-	-
- Interest and dividend income on investments	10.11	8.36	3.23	31.09
- Others (Refer note 4)	15.06	68.43	11.33	252.08
Total income	4,955.48	5,686.50	5,072.07	21,844.86
Expenses				
Cost of materials consumed	0.52	8.24	51.54	78.23
Changes in inventories of finished goods and work-in-progress	-	9.15	(3.51)	6.65
Employee benefits expense	3,286.14	3,727.91	3,257.56	14,287.28
Finance costs (Refer note 5)	49.31	44.96	45.81	198.20
Depreciation and amortization expense	330.03	293.95	238.23	1,080.48
Net loss on investments carried at fair value through profit and loss	-	-	46.44	56.92
Other expenses (Refer note 4)	996.53	1,065.61	1,013.21	4,235.92
Total expenses	4,662.53	5,149.82	4,649.28	19,943.68
Profit before exceptional items, share of equity accounted investee and tax	292.95	536.68	422.79	1,901.18
Exceptional items (Refer note 7)	-	(64.15)	(24.66)	(95.09)
Profit before share of equity accounted investee and tax	292.95	472.53	398.13	1,806.09
Share of profit/(loss) of equity accounted investee (net of tax)	-	-	-	-
Profit before tax	292.95	472.53	398.13	1,806.09
Tax expense				
Current tax	109.12	158.40	135.40	617.63
Deferred tax (benefit)/charge	(58.42)	(66.87)	(47.38)	(279.29)
Total tax expense	50.70	91.53	88.02	338.34
Profit for the period	242.25	381.00	310.11	1,467.75
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(5.44)	0.82	(14.31)	(29.10)
Income tax on items that will not be reclassified to profit or loss	2.94	1.73	(0.16)	6.56
Items that will be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations	26.91	122.08	(13.72)	218.11
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	64.57	(75.70)	(4.89)	(114.38)
Bargain purchase gain on business acquisition	-	-	39.95	41.58
Income tax on items that will be reclassified to profit or loss	(22.56)	26.45	1.71	39.97
Total other comprehensive income/(loss)	66.42	75.38	8.58	162.74
Total comprehensive income for the period	308.67	456.38	318.69	1,630.49
Profit attributable to				
Owners of the company	240.17	371.36	306.89	1,465.90
Non-controlling interests	2.08	9.64	3.22	1.85
Profit for the period	242.25	381.00	310.11	1,467.75
Other comprehensive income attributable to				
Owners of the company	65.63	73.96	8.24	160.45
Non-controlling interests	0.79	1.42	0.34	2.29
Other comprehensive income for the period	66.42	75.38	8.58	162.74
Total comprehensive income attributable to				
Owners of the company	305.80	445.32	315.13	1,626.35
Non-controlling interests	2.87	11.06	3.56	4.14
Total comprehensive income for the period	308.67	456.38	318.69	1,630.49
Paid up equity capital (face value ₹ 10 per share)	2,689.02	2,688.80	2,685.02	2,688.80
Other equity				7,780.77
Earnings per equity share (face value per share ₹ 10 each)*				
Basic	0.89	1.38	1.14	5.46
Diluted	0.89	1.38	1.14	5.44

*EPS are not annualised for the interim periods.

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Notes:

- The above unaudited consolidated financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their respective meetings held on August 3, 2020. These unaudited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and provisions of the
- The Statutory auditors of the Company have conducted a limited review of the above consolidated financial results of the Company for the quarter ended June 30, 2020. An unqualified opinion has been issued by them thereon.

3 Standalone information:

Sr No	Particulars	Quarter ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Audited) (Refer note 10)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
a	Revenue from operations	1,761.58	2,177.80	2,082.59	9,552.50
b	Profit before tax	160.31	289.49	359.81	1,973.80
c	Net profit for the period	145.84	268.48	313.88	1,784.47
d	Other comprehensive income/(loss)	39.51	(46.84)	(17.65)	(97.21)
e	Total comprehensive income	185.35	221.64	296.23	1,687.26

4 Details of foreign exchange gain/ (loss) included in above results:

Particulars	Quarter ended			Year ended
	June 30, 2020 (Unaudited)	March 31, 2020 (Audited) (Refer note 10)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Foreign exchange gain (net) included in other income	-	65.92	1.68	223.93
Foreign exchange (loss) (net) included in other expenses	(18.46)	-	-	-

5 Details of finance costs:

Particulars	Quarter ended			Year ended
	June 30, 2020 (Unaudited)	March 31, 2020 (Audited) (Refer note 10)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Finance cost on lease liabilities as per IND-AS 116 Leases	32.48	24.57	21.98	90.74
Net foreign exchange loss considered as finance cost*	0.70	8.27	-	29.43
Interest expense on working capital loan and term loan	11.39	9.13	17.35	61.24
Other interest expense	4.74	2.99	6.48	16.79
Total finance costs	49.31	44.96	45.81	198.20

*As per para 6 (e) of Ind AS 23 "Borrowing costs", 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.

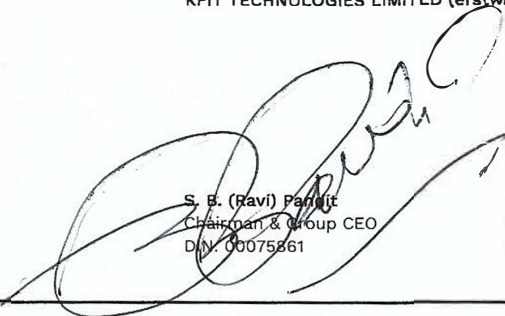
- The consolidated results of the Company are available on the Company's website, www.kpit.com and also on the website of the BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com, where the shares of the Company are listed.
- In line with its re-defined strategy to focus only on Software led services and solutions for Mobility and discontinue hardware dominated products, the Company has :
 - completed the conditions precedents towards the disinvestment of its business related to telematics hardware products consisting VTS - AIS 140, OBITS (On Bus Integrated Telematics Systems complying to UBS-II specifications), and telematics products for School buses to Minda Industries Ltd. The initial consideration of ₹ 170.00 million is accounted for during the quarter ended on June 30, 2019, and an expense of ₹ 18 million and ₹ 31.20 million are incurred during the quarter ended on September 30, 2019 and December 31, 2019 respectively towards the obligations related to the sale of business and the same is accounted for as an Exceptional Item.
 - during the year ended March 31, 2020, provided for exposure in its joint venture company in the business in "KIVI-Smart Bus WIFI" towards loan of ₹ 11.8 million.
 - during the year ended March 31, 2020, entered into a definitive agreement with leading manufacturing company in India towards disinvestment of its business related to Defense and Aeronautic hard-ware products. The upfront consideration of ₹ 56 million is recognised on completion of the closing.
 - during the quarter ended March 31, 2020, on prudent assessment, written-off its inventories of ₹ 64.15 million including the related GST credit.
 - Sparta Inc, a subsidiary of Birlasoft Limited entered into a settlement agreement for an ongoing lawsuit over last few years with Copart Inc. Both the parties have reached an amicable settlement agreement for USD 2.8 million (₹ 195.94 million) payable by Sparta Inc to Copart Inc. with no party admitting any liability or wrong doing, resulting in the Court dismissing the case. As defined in the composite scheme of arrangement between the parties, the Company through its Subsidiary in USA has reimbursed Sparta Inc. fully and the same has been accounted for during the quarter ended on June 30, 2019 for USD 2.8 million (₹ 195.94 million). With this outcome, the matter related to Copart is closed and there is no further exposure for the Company.
- The Board of Directors of the Company at its meeting held on July 26, 2019 had approved a merger scheme of its wholly owned subsidiary Impact Automotive Solutions Limited with its parent company KPIT Technologies Limited. The merger scheme application seeking approval has been subsequently filed with National Company Law Tribunal (NCLT) on September 27, 2019. The application is pending for approval.
- The Group has taken into account the possible impacts of COVID-19 in preparation of the above consolidated financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases and impact on effectiveness of its hedging relationships. The Group has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports upto the date of approval of the above consolidated financial results and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial results may differ from that estimated as at the date of approval of the consolidated financial results.

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- 10 The figures for the quarter ended March 31, 2020 as reported in these financial results, are the balancing figures between the audited figures in respect of the full financial year and unaudited published year to date figures upto the end of the third quarter of the relevant financial year.
- 11 Mr. Vinit Teredesai has resigned from the position of Chief Financial Officer and Key Managerial Personnel of the Company with effect from June 12, 2020. Ms. Priyamvada Hardikar, Senior Vice President & Head of Finance, has been appointed as Chief Financial Officer and Key Managerial Personnel for the purpose of the Companies Act, 2013 and SEBI Regulations with effect from June 12, 2020.

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

Place : Pune
Date : August 03, 2020


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


Kishor Patil
CEO & Managing Director
DIN: 00076190

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PART II: SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

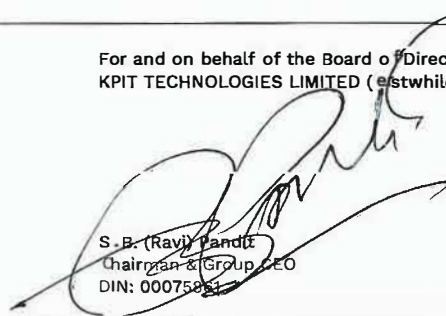
₹ in million

Sr No	Particulars	Quarter ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Audited) (Refer note 3)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Segment revenue				
	Americas	2,079.08	2,208.89	2,106.62	8,917.46
	UK & Europe	2,072.27	2,464.31	1,946.67	8,856.28
	Rest of the World	2,000.48	2,429.64	2,408.96	10,539.83
	Total	6,151.83	7,102.84	6,462.25	28,313.57
	Less : Inter segment revenue	1,224.73	1,540.56	1,404.74	6,751.88
	Revenue from operations	4,927.10	5,562.28	5,057.51	21,561.69
2	Segment results - Profit before tax and interest				
	Americas	681.82	596.06	601.19	2,521.54
	UK & Europe	24.54	183.04	19.53	329.99
	Rest of the World	333.94	326.25	366.07	1,354.71
	Total	1,040.30	1,105.35	986.79	4,206.24
	Less:				
	- Finance costs	49.31	44.96	45.81	198.20
	- Other unallocable expenditure (net of unallocable income)	698.04	523.71	518.19	2,106.86
	Profit before exceptional items, share of equity accounted investee and Exceptional items	292.95	536.68	422.79	1,901.18
	Exceptional items	-	(64.15)	(24.66)	(95.09)
	Profit before share of equity accounted investee and tax	292.95	472.53	398.13	1,806.09
	Share of profit/(loss) of equity accounted investee (net of tax)	-	-	-	-
	Profit before tax	292.95	472.53	398.13	1,806.09
3	Segment assets				
	Americas	1,975.05	1,523.32	2,288.18	1,523.32
	UK & Europe	2,111.35	2,278.51	2,287.23	2,278.51
	Rest of the World	1,276.04	1,382.06	1,390.14	1,382.06
	Total	5,362.44	5,183.89	5,965.55	5,183.89
	Unallocated assets	13,144.97	11,166.73	11,343.11	11,166.73
	Total assets	18,507.41	16,350.62	17,308.66	16,350.62
4	Segment liabilities				
	Americas	668.01	287.93	244.33	287.93
	UK & Europe	239.82	280.62	142.42	280.62
	Rest of the World	463.11	350.77	270.31	350.77
	Total	1,370.94	919.32	657.06	919.32
	Unallocated liabilities	6,495.50	4,926.02	6,955.11	4,926.02
	Total liabilities	7,866.44	5,845.34	7,612.17	5,845.34

Notes:

- Segment assets other than trade receivables, unbilled revenue and contract assets, 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
- The cost incurred during the year to acquire Property, plant and equipment and Intangible assets, Depreciation / Amortisation and non-cash expenses are not attributable to any reportable segment.
- The figures for the quarter ended March 31, 2020 as reported in these financial results, are the balancing figures between the audited figures in respect of the full financial year and unaudited published year to date figures upto the end of the third quarter of the relevant financial year.

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


S. B. (Ravi) Pandit
Chairman & Group CEO
DIN: 00075881


S. B. (Ravi) Patil
Managing Director
DIN: 00076190

Place : Pune
Date : August 03, 2020

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