KPIT

Creating Innovative Experiences with Digital and Engineering

Annual Report
2017-18

Technologies for a better world

Board of Directors

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Chairman & Group CEO

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CEO & Managing Director

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Director

Adi Engineer
Director

Prof. Alberto Sangiovanni Vincentelli
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B V R Subbu
Director

Dr. Klaus Blickle
Director

Nickhil Jakatdar
Director

Anjan Lahiri
Director

Alka Bharucha
Director

Sneha Padve
Company Secretary

Anil Patwardhan
Chief Financial Officer (upto May 23, 2018)

Vinit Teredesai
Chief Financial Officer

Auditors
B S R & Co. LLP
Chartered Accountants
7th & 8th Floor,
Business Plaza,
Westin Hotel Campus,
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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
- 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 it today and our actions and plans for the years to come.

"The year that went by"

Overall Financial Snapshot

In FY18, our revenues grew by 14.8% in $ terms and the bottom line depicted a growth of 6.02%. In ₹ terms, the overall revenue growth stood at 10.3%. The services revenue showed a growth of 13.4% in $ terms, while there was a growth of 50%+ in the products revenue, albeit on a smaller base.

Our operating profitability for FY18 was similar as compared with the previous year. Having said that, we started the year with lower profitability margin than last year and showed improvement in the operating profitability quarter on quarter, every quarter.

We continued our focus on the Strategic Customers and are witnessing early results of the investments made by us over the last couple of years in account management. We are seeing larger deals and larger pipeline buildup from the strategic customers. When we started the year, we had laid down a goal of achieving a 10% growth in revenue with zero growth in headcount. I am happy to state that we achieved a constant currency growth of 12%+ with only a 3% addition in headcount. As a result, we could improve on the utilization levels and thus improve on operating profitability every quarter.

At the beginning of the year, we had laid down 4 priority areas to focus on viz. Growth, Profitability, Delivery Excellence and People & Processes.

Growth: The focus on industry verticals, strategic customers, technology investments and targeted new accounts has yielded us good results. Engineering, Digital and PLM were the major growth areas for us during the year. We also laid emphasis on alignment of practice and pre-sales in these growth areas and geographies which gave us a good growth trajectory during the year. Our technology investments channelled through Practice Development Forums (PDFs) and the CTO Organization have helped us create best-in-class, vertical focussed offerings for our customers, feeding growth in the strategic customers.

Profitability: As you would recollect we had excess people as compared to the revenues generated, when we started FY18. Our goal was to bring the alignment between headcount and revenues after considering various factors like skillsets, geography locations, non-billable headcount and employee pyramid. I am happy to state that we made good progress on this front during the year and our headcount addition during the year was substantially lower than the revenue growth achieved.

Another area of profitability improvement was productivity increase and automation. We have in-house developed best-in-class productivity improvement and automation platforms based on self-learning and artificial intelligence algorithms which have helped us win new AMS deals with better profitability. We continued the rigor in cashflow during the year and ended the year with a healthy Net Cash Balance. We realize the importance of boosting the share of offshore revenues and increasing onsite billing rates and are focusing even more sharply on these areas to expand profitability.

Delivery Excellence: Over the last two years, we have invested in delivery excellence to ensure flawless delivery and enhanced customer satisfaction, which has yielded positive results for us. We increased the rigor on Multi Level Reviews (MLRs) and weekly cadence with the customers. We focussed on enriched Program Management and continued improving the Risk Management Framework with clear documentation and communication with the customers.

People and Processes: We continued our focus and investments on people development and enrichment. **KPIT Continuous Improvement Training Program** is our flagship Employee Training and Certification Program focusing on developing technical, domain, process, project management and leadership skills. Over 8,000 employees covered as part of this program, with over 5,000 employees certified with their yearly targets of credit points. We brought in most of the enabling functions under the purview of continuous education, achieving 75% certifications at closure of the year. **PACE** (Program for Academic Collaboration & Engagement) is our university collaboration program to engage, attract and nurture young talent from campuses. We launched the **KPIT EDx Platform**, an online platform to disseminate knowledge anytime & anywhere. This platform will help deliver online content to PACE partners, customers and internal & external stake holders. **GENESIS** is our flagship Graduate Engineer Trainee Program across SBUs. Through this program we ensure that freshers go through a rigorous technical and soft skill training before they join the projects. We have extended GENESIS to US locations and the same is gaining fast momentum. Our other initiatives include **PMDP** (Project and Program Management certifications) aligned with international standard such as PMI PMP®, **LMP** (Leaders in the Making Program) focused on middle management, **Think Digital** and **Higher Education Initiatives**. Under the Higher Education Initiatives, **KPIT and Coventry University** collaboration for two programs – **M. Tech in Automotive Electronics** and **MBA in Strategic Engineering Management** has been awarded one of the most prestigious awards under the category of "Outstanding Course Team" during the Annual Excellence Awards to celebrate the 175th year of the Coventry University's formation. On the process side, we are working on making processes simple, clear, nimble and non-duplicate, which is an ongoing process.

Technology and Innovation

Innovation has always been on the forefront of our business strategy. The KPIT CTO Function is our R&D arm and is responsible for Technology Incubation, Co-innovating with customers, fostering a culture of innovation not only within the organization but also in the business ecosystem and carrying out advanced research in collaboration with research labs and academia. We drive innovation by having a consolidated view of technologies across our organization and create innovative leadership offerings. In this regard, the CTO function focuses not only on turning ideas into viable offerings, but they work with delivery functions and customers to ensure first successful implementation of the incubated product, service or solution in the customer environment. KPIT's Innovation Framework enables an environment conducive to free exchange of ideas and nurturing a culture of innovation within and outside the organization - among employees, academia, research labs, start-ups, etc. KPIT's Innovation Council, a part of the Innovation Framework has on board, many experts from the industry and academia. The council is guided by Padma Vibhushan Shri Dr. R.A. Mashelkar and it serves as a forum to provide updates on the innovation related activities conducted by KPIT around the year. The KPIT CTO function is **accredited as a research and development facility by the Department of Scientific and Industrial Research (DSIR) under the Ministry of Science and Technology**. This recognition is a proof of our excellence in the research domain, successful technology demonstrations from time to time and strong connect with academia and research institutions.

The total number of patents filed by KPIT as at the end of FY18 stood at 58, including 53 patents with complete specifications. As at the year end, we have 40 granted patents across different geographies. Most of these patents are in the domain of electric and hybrid technologies, ADAS (Advanced Driver Assistance Systems), BMS (Battery Management Systems), Infotainment, VLSI (Very Large Scale Integration) and High Performance Computing.

FY2018 was the fourth 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 **'Next Generation Energy and Transportation Solutions'**. This year we received over **12,000 registrations** from more than **600 engineering and science colleges**. Highlight for this year was the increased participation from **premier institutes (IITs, NITs) from 9 to 28**. We also had participation from **63 of top 100 institutes across India**, the list as published by the MHRD (NIRF rankings). Team Electrodes from Indian Institute of Technology, Kharagpur won the Platinum award of ₹1 million, for their project Bacteria Powered Battery.

Digital @ KPIT

Over the last three years, we have been investing in digital technologies to create business solutions for our customers. With expertize and leadership in engineering, IOT is the leading area of digital for the Company. Today's businesses function in real-time, integrated ecosystems, where quick decisions must be made based on a steady stream of information from sources like wearable devices, smart assets and intelligent machines. The complexity of integration has increased dramatically, but the expectations to provide access to intuitive, uninterrupted and safe technologies for operations, persist. KPIT is working with its customers to transform operational processes to deliver quick value, streamline operations, better manage assets and improve compliance with regulations.

Our digital approach to market concentrates on five major areas viz. Smart Factory, Asset Optimization, Supply Chain Management, Employee Experience and Digital Customer Experience. Business driven digital solutions are focused on connected manufacturing, intelligent supplier management, digital customer experience 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 created the role of the Chief Digital Officer (CDO) last year. It is important to create '#ThinkDigital Culture' amongst employees across all levels. For the concept of digital to be; ingrained into everyone's minds within the organization, an overhaul in ideology, skillset and corporate ambiance is needed. To enable this, the CDO team has devised a well-constructed digital strategy that identifies and develops digital solutions to improve in-campus productivity, creates awareness of the power of digital using traditional branding techniques, partners with customers for key events that highlight our relevant digital competencies to the right target audience and enables upskilling of employees through focused workshops, trainings and expert talks. A digitally enabled workforce thus has set the tone towards improving people productivity.

"The Year Ahead"

Our growth over the last 6 quarters has been at the top end of the industry. We are a growth oriented Company and thus we are happy to get back on the industry leading growth path, though we will be focused more on profitable growth going forward. We have guided for a constant currency revenue growth of 8% to 10% during FY19 as compared to the last year. We believe our operational EBITDA Margin will be in the range of 11.5% to 12.5%. The actual reported EBITDA will be lower due to one-time restructuring (merger-demerger) related expenses in FY18. In the MD&A section of this annual report, we have a detailed note on the proposed merger and demerger scheme announced during the year.

In the coming year, we have specific focus on Customers, People, Technology & Innovation and Delivery Excellence. These four areas of focus would help us achieve better growth and profitability. I would like to spend some time explaining the thought process and the 4 initiatives we would pursue:

Customers: Growth is important, equally important is the value we deliver to the customer and the quality of the revenues that we generate. Majority of actions in this regard are:

1. Growth from Strategic Accounts (T40)
2. Growth led by focused practices
3. Opening of Named New Accounts
4. Large Deals with SBU(practices)/IBU (Industry Vertical) collaboration

People: We will continue to focus on people development and retention via emphasis on:

1. Localized Global (Glocal) Delivery Model
2. People Development – Cross Skilling, Certification, Up Skilling
3. Focus on Internship and Apprenticeship in India and global delivery locations
4. Becoming a H1 independent Company.
5. Top Block Performers Attrition Control

Technology and Innovation: Technology is at the core of everything we do. Innovation is a way of life for us. To further on technology and innovation we would focus on the following:

1. Technology Leadership through focused investments
2. Technology roadmaps for every focus practice
3. Technology roadmap for every strategic account
4. Deep relationships with customer CTO/R&D Head
5. Technology mentoring

Delivery Excellence: Since the last 2 years, we have created a centralized delivery excellence function to ensure on-time and flawless delivery. Delivery excellence will be achieved through:

1. Identification of high risk programs and added rigor in monitoring these programs
2. Increased customer experience/satisfaction through delivery excellence
3. Focus on in-time and in-cost delivery
4. Delivery led growth in strategic accounts
5. Rigor on Multi Level Reviews, weekly cadence with customers

"The Years Ahead"

The IT industry has been witnessing sweeping changes in the last couple of years and the traditional IT services market is shrinking. At the same time, there are many opportunities created with the advent of newer technologies, led by digital. In such a scenario, it is important for IT firms to be nimble and proactive. This is especially true for mid-sized firms. We believe it is necessary for mid-sized IT firms to create a niche for themselves and seek leadership in the areas they operate. With this thought process, we announced the scheme of merger and demerger in January of this calendar year. While we have detailed on the same in the MD&A section of this report, post the regulatory approvals, we will have two focused companies (One $500+ mn Digital Enterprise Company and the other a $250+ mn Engineering company focused on the automotive vertical), with a potential to succeed in their respective domains. We believe there is significant potential for value creation in both these companies. I am happy to say, we are progressing well on the regulatory front as far as the time lines are concerned. We have initialized the business familiarization process and leadership interactions for the first two levels of leadership for both the companies. I am glad about the similarity and comfort in the culture and values of the two organizations. I believe, the whole process to be over by the end of this calendar and am excited with the prospects for both the companies, going forward.

KPIT Mission & Purpose

Our mission is to become a Technology Company that cares. Our Aspiration is to create Technologies for a Better World. 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.

We have returned to the growth way, which is in our DNA. I am confident of maintaining sustainable, profitable growth momentum going forward, 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.

Warm Regards,
Sincerely yours,

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

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

Dear Stakeholders,

FY17-18 was a landmark year, where we regained our position as one of the top growth companies in the industry and announced a major restructuring aimed at value creation for all stakeholders including customers, investors and employees. As a Company, we continued our focus on transformation in both Business IT as well as Engineering. The Business IT revolution was towards a Digitally led Enterprise Business and in Engineering towards a technology led solutions business focused on Automotive and Mobility.

We crossed the $ 500 million mark and ended FY 2018 with revenues of $ 567.64 million, a Y-o-Y growth of 15%. Let us have a little deeper look at the growth in FY18. Amongst the SBUs, Product Engineering Services (PES) and Products showed significant growth along with Digital and ePLM in the Business IT area. Europe was the highest growing geography, followed by APAC. Our Product business also had successful launch of Revolo (Electric Bus), Maximus-Pro (two-wheeler navigation++) and AIS 140 solution (for commercial vehicles), while we made substantial progress on few other products.

The profit for the year stood at ₹2.53 billion, registering a growth of 6% over last year. In FY17, we had an exceptional gain on account of sale of our functional safety business, to the tune of ₹260.9 million. Excluding this one-time gain in FY17, the profit for FY18 grew by 19% over FY17. We continued to focus on cash generation during the year and ended the year with a gross cash balance of ₹6.3 billion as compared to ₹4.6 billion as of last year end. The net cash position was even better at ₹3.18 billion as compared to ₹770 million last year end.

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

BUSINESS UPDATE

ENGINEERING

Product Engineering Services (PES) SBU grew by 32% on a Y-o-Y basis with revenue share at 34%.

In PES, we are focused on embedded electronics solutions for the Automotive vertical. We are investing in the right areas of R&D spend by the Auto OEMS for creating IP led solutions, tools, platforms and software products relevant to these R&D areas. During the last year, our major growth came from Autonomous Driving (AD-ADAS), Electric Powertrain (ePowertrain), Diagnostics and AUTOSAR. Germany is an important market for us, not only from the customer point of view, but also from the talent acquisition angle. We have built a global delivery model with integrated teams across India (Pune/Bangalore), Germany (Munich), US (Detroit), Brazil (Sao Paulo), China (Shanghai) and Thailand (Bangkok). We continue to strive for the leadership position in Automotive Embedded Electronics space and going forward our key focus areas would revolve around CLEAN (ePowertrain), SMART (Autonomous), CONNECTED (Infotainment) and SAFE (Diagnostics, Security) with AUTOSAR as the standardization platform. 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.

Products & Platforms (P&P) SBU grew by 53.8% on a Y-o-Y basis with revenue share at 4.7%.

KPIT products combine imagination with stringent quality controls and rigorous testing. We bring passion, agility and a collaborative spirit of constant refinement. We go to great lengths to ensure our products are SMART, SAFE AND SUSTAINABLE and that we are bringing you, *technologies for a better world*.

Eicher Trucks & Buses, part of VE Commercial Vehicle, recently forayed into the electric bus segment and has formed a partnership with KPIT for its indigenously developed electrification technology, 'REVOLO'. VE Commercial Vehicles will integrate REVOLO on its industry leading bus platform - 'Skyline Pro'. The new smart electric bus Skyline Pro E will be manufactured at VECV's state-of-the-art manufacturing facility in Indore, Madhya Pradesh. With the electrification technology and the buses being developed in India, these vehicles truly embody the 'Made in India, for India' promise. We have received the ARAI Certification (Homologation) for 'REVOLO' powered Electric Bus developed with Eicher. We have expanded our mobility solution portfolio by launching India's first ARAI certified AIS-140 compliant vehicle telematics system and emergency button solution. The AIS-140 regulation, applicable from April 1, 2019, mandates a vehicle tracking device and one or more emergency button(s) in all existing and new public service vehicles.

Going forward, we will continue to focus on software products mainly in the mobility and transportation areas and also work towards making the P&P SBU break even by the end of FY19.

BUSINESS IT

Digital Transformation (DT) SBU grew by 15.3% on a Y-o-Y basis, contributing to 10.3% to the overall revenues. The overall digital revenues including digital in SAP and Oracle are around 30% of the Business IT revenues and grew by almost 20% in FY18.

Our Digital SBU primarily focuses on Enterprise Asset Management, Customer Experience, IoT, Factory Automation and Supply Chain Management. Our Supplier Network Management solutions help evaluate supplier portfolios, identify possibilities to reduce costs and provide users with right information at the right time to take opportune actions. Through data analytics and visualization tools, we provide supply chain intelligence that can help customers act on low quality, overpriced or low volume suppliers. Social business networks are enabling employees to leverage the mechanics of social communities, such as Like, Follow, Rate and Comment. These new digital conversational norms are fostering natural collaboration between employees, partners and customers, thus creating a mutually beneficial ecosystem for the business and its customers. Our offerings in this area revolve around advanced knowledge management capabilities, data categorization and search capabilities, best practice feature sets and agile project execution. We have successfully implemented Enterprise Asset Management (EAM) solutions running on over 10 million vehicles, 1 million+ heating systems and 5,000+ power generators. Our bundled intelligent telematics systems have also been successfully deployed and running in over 10,000 buses. Our EAM solutions help customers understand asset condition, manage optimum asset usage and performance by managing intelligent flow of information and make smarter decisions by leveraging real time asset data. Our offerings in the areas of user experience have a highly focused user-centered approach towards creation of applications, portals, software and implementation methodologies to blend user goals and business objectives. We believe, going forward, the key growth areas would be connected products (IoT), factory automation, robotic process automation, digital manufacturing, Artificial Intelligence and Smart Glass. Digital would continue to lead the growth in Business IT for us in FY19.

Integrated Enterprise Solutions (IES) SBU grew by 6% on a Y-o-Y basis with revenue share at 31% while **SAP SBU** marginally declined by 0.8% with revenue share at 20%.

KPIT has a strong team of 2,000+ Oracle professionals that help customers transform their business by eliminating complexity and simplifying IT. Our unique blend of focused industry experience, deep technical expertise and rich set of IP built on Oracle platform makes us the preferred partner for providing comprehensive Oracle services. We have been investing in creating industry focused solutions, tools, methodologies, accelerators and frameworks to enhance our customer experience in our focus verticals. We are an Oracle Platinum Partner with 20+ specializations and the only Oracle partner to have 3 advanced specializations in Oracle JD Edwards. Our areas of focus include JD Edwards, Oracle Cloud, Master Data Management (MDM), Supply Chain Optimization, Fusion middleware, E-business suite and business intelligence among others. We see good traction in JDE on Oracle Cloud, Infor, Supply Chain solutions and MDM Cloud. We believe we should see industry average growth in IES for the next year with improved margins.

In SAP, we have aligned our offerings with SAP's business strategy and we are working towards strengthening our overall digital capabilities. Consistently ranked as a leader in SAP services by industry analysts, we provide full lifecycle solutions for SAP licensing, consulting, implementation and support with an industry focused approach. Our multi-certified, global SAP workforce maintains deep technical and functional understanding of the entire SAP technology landscape with dedicated practices for ERP, Cloud HCM, Customer Engagement, Digital Commerce, IoT, Analytics and Platform Solutions (S/4 HANA) that empower our customers to accelerate speed to business value. KPIT has been named as a strategic partner by SAP to deliver express innovation services for SAP® Leonardo Internet of Things (IoT) accelerator packages. As part of the collaboration, KPIT will build and offer solution accelerators in specific domain areas of expertise for Connected Goods & Assets, Connected Fleet, Predictive Maintenance and Asset Intelligence Networks. The key growth areas in SAP are S/4 HANA, Hybris, SuccessFactors, Leonardo and Integrated Business Planning (IBP) solutions. SAP will have a flattish first half of FY19 and will return to moderate growth in the second half. We are also working on profitability improvement in the SBU and will see the results also coming through by the second half of FY19.

In the ever-changing business and technology environment, companies should ensure that their existing applications landscape and IT infrastructure are up to date, well connected and adaptable to be easily integrated with newer technologies. Through our **Application and Infrastructure Management Services (AIMS)**, we help organizations optimize their IT infrastructure and rationalize application portfolio, to gain maximum business value, drive growth and drive cost efficiencies. With the aid of our 1,200+ consultants we have delivered 40+ global, large engagements in this area. Our Application Management Services help organizations optimize and integrate operations, reduce costs, focus on their core objectives and drive business growth. We provide services in various infrastructure domains such as data center, networking, client services and information security.

Recognitions

- KPIT has been positioned by **Gartner Inc. in the niche players quadrant of the 2018 "Magic Quadrant for Oracle Application Services, Worldwide" and named in the 2018 "Critical Capabilities for Oracle Application services, worldwide."**

- **KPIT has been recognized as a market leader in a recent Cloud services report, published by ISG**, a leading technology research and advisory firm. **According to the ISG Provider LensTM Cloud Services Quadrant Report, KPIT was named among the leading providers for the "SAP Services" quadrant.**

- **KPIT has been named as a strategic partner by SAP to deliver express innovation services for SAP® Leonardo Internet of Things (IoT) accelerator packages**. As part of the collaboration, KPIT will build and offer solution accelerators in specific domain areas of expertise for Connected Goods & Assets, Connected Fleet, Predictive Maintenance and Asset Intelligence Networks.

- **KPIT has been selected as the 2018 Winner of the SAP Hybris Americas Delivery Partner Of The Year**. The SAP Hybris Partner Awards are a long-standing tradition, where SAP recognizes the best of the best in the partner ecosystem.

INDUSTRY BUSINESS UNIT (IBU) UPDATE

The Automotive and Transportation IBU grew by 23% with revenue share at 43%. The Manufacturing IBU marginally declined by 2% with revenue share at 30% while the Energy IBU grew by 22% with revenue share at 12%. For Utilities, the Y-o-Y growth was 95% with revenue share at 6%.

In the Automotive and Transportation vertical, we have a clear leadership and domain expertise in embedded electronics with focus on five main areas viz. Powertrain (Electric and Traditional), Autonomous Driving (AD-ADAS), Connected Vehicles (Infotainment), Vehicle Diagnostics, AUTOSAR and security. These are the very areas where there are large investments being made and planned to be made by the global auto majors. We believe there is a huge growth opportunity in these areas in the next 3-5 years, if not more. We are committed to making technology investments to develop our own IPs, tools, software products and platforms to enhance our growth and fortify our leadership position in the Automotive and Transportation vertical.

The Consumer and Industrial Goods industry faces numerous challenges due to volatility in global markets, intense competition, cost pressures, changing business models and ever changing expectations of consumers. However, amidst these challenges lie many opportunities that are largely led by technological advancements. We provide services, best practices, deep knowledge and expertise in Industrial Goods domain to help clients optimize value chain and become more productive. We partner with CPG companies to help them reorganize their IT, rationalize application portfolio and standardize systems, infrastructure and data across global locations.

In Life sciences industry, we see growing momentum for IoT programs for service enablement, while there is higher adoption of cloud solutions in regulatory compliance sensitive areas like track and trace, MDM, PLM. There is strong demand for MDM as companies continue to digitally transform their business processes and innovate business models. Technologies enabling modern/connected/IoT Manufacturing 4.0 are also gaining pace. Some of the key areas where we are investing and developing offerings include cold chain management, Blockchain, integrated smart glass applications, DaaS and CPQ cloud solution for medical device manufacturers.

In Hi-Tech industry, there is unpredictable demand while product lifecycles are becoming shorter. There is also emergence of new business models and supporting technologies. The industry has been witnessing frequent M&As which emphasize the need for right solutions and joint GTM strategy. There is also growing opportunity with complex supply chain networks. We are offering solutions to address these trends- PLM/ALM solutions, IoT, Big Data and Analytics solutions/ CPQ, Cloud readiness, Data Quality and MES Solution/Stratos M&A, HighTECH Edge/ Channel management, Remote Service and Warranty Analytics/ Global Trade management, IFRS services among others.

The economic uncertainties and changing market dynamics in the Energy industry create several challenges and related opportunities. Companies face pressure related to margins and regulatory compliance, scarcity of resources and skilled people and increasing operational costs, among others. We provide ways to modernize business processes, better connect systems with newer technologies, gain insights for quick and better decision making and optimally utilize resources and skills. Energy companies have unique requirements for supply chain, contracts, procurement, material planning, asset management and revenue accounting. Technologies that can bring a transformational change to the business span Cloud, Mobility, Internet of Things (IoT), Big Data and Analytics, PLM, M2M, GIS, Product and Portfolio Management, Asset Management, RFID and Barcoding, High Performance Computing, End User Computing, Portals, In-memory Database, Robotics/Drones, ERP, Social Media/ Collaboration, CRM and Modern Supply Chain solutions.

The modern utility faces an array of challenges due to growing demand, stricter regulations, environmental mandates and consumer expectations. These challenges require strategic technology investment and innovation. The major trends in the industry today are convergence of information and operations technology, increased use of connected devices, increasing regulatory requirements, changing customer engagement models, focus on renewable energy generation and innovations in operations. We enable organizations in the Utilities industry to excel by focusing on innovative technology, synchronizing people, process and technology and streamlining business processes across a full breadth of applications. Our focus areas include Operations Excellence, Workforce Enablement, Business Transformation, Customer Experience and Digital Transformation.

GEOGRAPHY UPDATE

During the year FY2018, Europe was the highest growing geography for us with Y-o-Y growth of 36% and revenue share at 19.5%. Asia has been the fastest growing geography for us for the last couple of years, grew by 29% and contributed to 17% of the annual revenues. US, which is our largest geography with a revenue share of 63% grew by 6.5% Y-o-Y.

Europe led the growth in FY18 and we expect high growth to continue in this geography in FY19, led by Germany. Industry trends like Industry 4.0 and electrification are compelling customers to take spending decisions. Automotive Engineering and Digital Technologies in med devices and industrials are the leading traction areas in the geography. We are investing in onsite subject matter experts and sales specialists in the German and Nordics markets, which are the prime growth markets for us, within Europe geography. We now have a 400+ strong delivery team in Germany, mainly servicing German Auto OEMs. We are hiring the right talent in Germany to pursue further growth opportunities.

In the ASEAN region, we see good demand for supply chain and logistics solutions, IoT adoption in our focus verticals and transportation solutions with focus on safety, efficiency and connectivity. We have established a Thailand technical center as an Engineering hub in the ASEAN region, with focus on electric powertrain. The Japan-Korea-China market continues to see good traction in Engineering viz. ADAS, diagnostics and infotainment. In India, we are seeing renewed interest for our ITS solution, demand for AIs-140 regulation solutions and SAP HANA. We believe, Asia geography will continue to see high growth for us.

US Geography is a key geography for us, being our largest revenue contributor. Our positioning in the market has improved in growth areas like ADAS, Diagnostics, Infotainment, SAP S/4, Hybris, Oracle Cloud, Smart Manufacturing, ePLM and IMS. We are focusing more on annuity and multi practice deals and have built a good pipeline for the same in the US region. We continue to hire talent from local universities in the US. We are fortifying our onsite program management for enhancing delivery excellence out of the US. We expect US geography to perform better in terms of growth in FY19 as compared to this year.

PEOPLE INITIATIVES

Human Capital is arguably the most critical asset for us and we have been focusing on strengthening the same with enhanced focus and investments on hiring the right talent, imparting the right training and retaining the desired talent. We have detailed the training initiatives across the Company in the Chairman's letter in this annual report.

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.

INFRASTRUCTURE

As at FY18 end, we have a total seating capacity of 12,300+ seats in India, of which 9,000+ seats are occupied. During this year, we developed 1,000 seats in Pune Hinjewadi Phase III as the first phase of the project. The Second Phase of another 1,000 seats are nearing to completion and we intend to occupy the same during FY19.

STRATEGIC UPDATE

In January 2018, we announced a transaction of merger and demerger involving KPIT and Birlasoft. Birlasoft is a part of the $1.6 billion diversified CK Birla Group.

The merger of KPIT and Birlasoft will create a $700+ million entity which will immediately demerge into two separate companies :

- KPIT Technologies ($220+ million revenue company, post-merger), a global leader in Automotive Engineering and Mobility Solutions, which will evolve from the existing Engineering business of KPIT.

- Birlasoft (a $500+ million revenue company, post-merger), a new Digital Business IT Services company, focusing on the mid-tier IT space formed by combining Birlasoft with the KPIT's IT business.

The merger and demerger process, post approval from the regulatory bodies will bring in the much-required focus in both IT as well as Engineering Businesses and thus enhance the potential of growth, profitability and thus, value creation, in the individual businesses. Though this is well understood, it is important to also understand the thought process behind the structure and the partner chosen for the same.

We believe that from the perspective of customers, as well as from the perspective of our employees, a certain type of company is important for us to merge with, for the ITSS business. Our customers are used to getting the attention that a mid-sized company gives to them. Thus from the size perspective, Birlasoft is among the right sized companies to partner with. We see many other merits in working with Birlasoft. First, this is the part of the CK Birla Group. Hence we believe that it would have long-term interest in the Company, which will take care of our customers and employees. Secondly, if we were to look at the offerings, Birlasoft offerings are very complimentary to our offerings. In our case, the ERP revenues are 50%+ of our total revenues, whereas in their case the non-ERP revenues, especially the digital and application development revenues are 85% of their revenues. Thus, the two companies put together in the business IT area, will have a complete suite of end-to-end solutions in the IT services domain. We believe that the knowledge and the depth that Birlasoft has in digital revenues will add more value to the digital technology revenues that we have and therefore we can be very well known in that segment also. Additionally, the Industry Verticals of the two companies are also complimentary. We work largely in the Manufacturing and Energy domain. Birlasoft mainly works in the BFSI and Media verticals, though they also have some Manufacturing revenues. This is as far as the complementarity of the offerings and verticals are concerned.

As important as what you offer, is the person that you work with. The Birlasoft Leadership team is led by Anjan Lahiri, CEO Birlasoft. Anjan started his career with Wipro then he worked with Cambridge Technology Partner, which as you would recollect has been known as the high-end Strategic IT Consulting Company. We believe that the kind of technologies that we have built over the years will get substantial boost if we can give a consulting edge to it. Also, the Birlasoft leadership team under Anjan, along with the KPIT IT leadership team have the capability, experience and hunger to grow to next level. The cultural fit in terms of values, employee focus and customer focus is very strong.

Thus, we feel comfortable about the leadership, we feel comfortable about their ability to bring results, to work in a consultative manner with customers and to take care of our customers and employees. Therefore, we think that together the companies can do well growing forward.

Now let us explain a bit more on the structure. As you know, the KPIT promoters currently own little under 20% of the Company. At such a low level of ownership, it is very difficult to get a strategic partner for the IT business, whom we can guarantee a reasonable shareholding. Hence, doing a demerger first was not an attractive deal. The current structure enables the strategic partner to get close to 40% ownership in the merged IT entity. Additionally, a demerger first would not have ensured a certainty to the merger of the two IT businesses of KPIT and Birlasoft happening. This uncertainty would have been detrimental to the customer relationships and employee satisfaction. Additionally, this structure is efficient from taxation perspective as well. The current structure of merger and demerger is tax neutral on the company books. Hence, we believe the current structure of doing a merger first and then a demerger, is one of the best options available to the Company for the ultimate benefit of all the stakeholders.

BUSINESS OUTLOOK

The FY18 growth was one of the best in the industry and we expect to continue the path of strong growth in FY19. Based on the current visibility we expect constant currency growth in FY19 to be in the range of 8% - 10%.

We expect growth during next year to be led by Engineering, Digital Technologies and ePLM. We will keep our focus on profitability improvement - primarily driven by growth, more offshoring, improved utilization and delivery excellence with focus on automation. 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

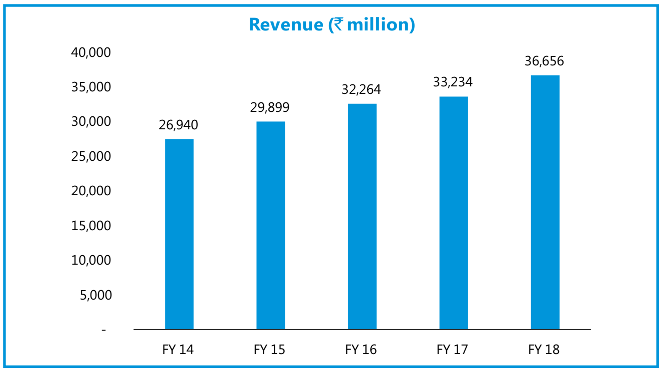
Sachin Tikekar
Whole-time Director

Financial highlights

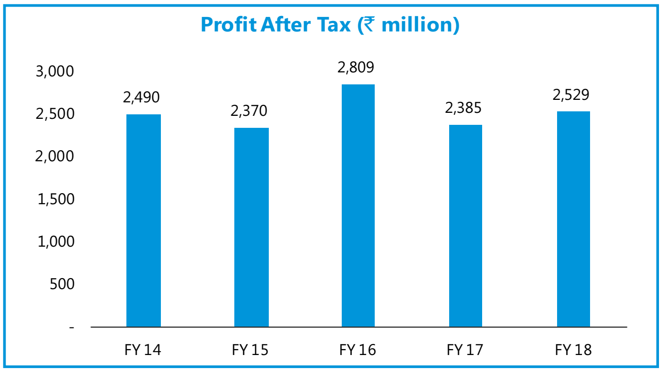
(₹ in million)

	FY 2018	FY 2017
CONSOLIDATED INCOME STATEMENT		
Sales ($ million)	567.64	494.39
Sales	36,655.82	33,233.61
Gross Profit	10,723.42	9,685.04
EBITDA*	3,738.11	3,747.19
Interest	104.32	135.98
Depreciation/Amortization	843.00	826.64
Other Income (Net of Exchange gain/loss)	450.42	206.60
Profit Before Tax	3,241.21	2,991.17
Profit After Tax	2,528.54	2,385.05
CONSOLIDATED BALANCE SHEET		
Share Capital	379.03	376.39
Reserves & Surplus	17,790.13	15,448.24
Total Shareholder's Funds	18,169.16	15,824.63
Non-controlling Interest	35.67	16.86
Non-Current Liabilities	1,505.85	1,696.41
Current Liabilities	7,618.26	7,746.29
Total Equity & Liabilities	**27,328.94**	**25,284.19**
Fixed Assets	4,334.61	3,967.78
Goodwill on Consolidation	4,275.06	4,116.81
Other non-current assets	2,147.10	2,496.13
Current Investments	1,184.75	777.68
Trade Receivables	8057.00	7,843.39
Cash and cash equivalents	4,650.96	3,788.93
Other Current Assets	2,679.46	2,293.47
Total Assets	**27,328.49**	**25,284.19**
Key Ratios		
Revenue growth	10.30%	3.00%
EBITDA Growth	(0.24%)	(11.40%)
PAT Growth	6.02%	(15.09%)
Gross Profit Margin	29.25%	29.14%
EBITDA Margin	10.20%	11.28%
PAT Margin	6.90%	7.18%
SG&A to Revenue	19.06%	17.87%
ROE	14.88%	16.07%
Return on Capital	12.36%	13.24%
Debt to Equity	0.20	0.21
Cash/Total Assets	17.02%	14.99%
Basic Earnings Per Share (₹)	13.13	12.43

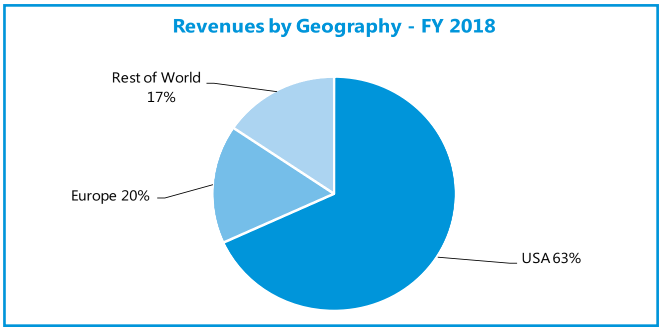
*EBITDA before exchange gain/loss and other income



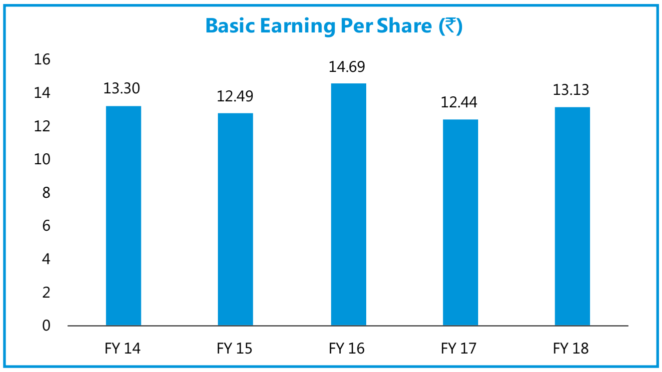
Revenue (₹ million)



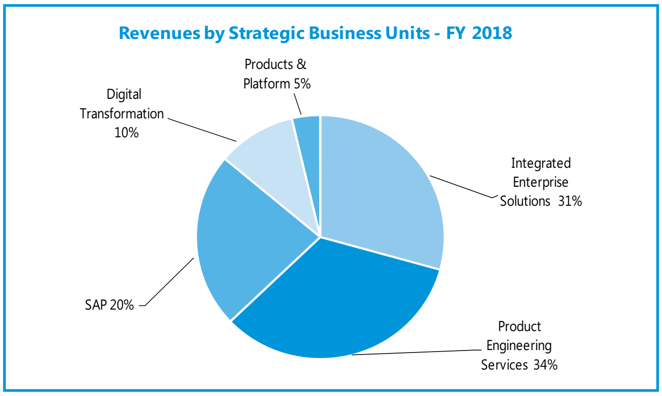
Profit After Tax (₹ million)



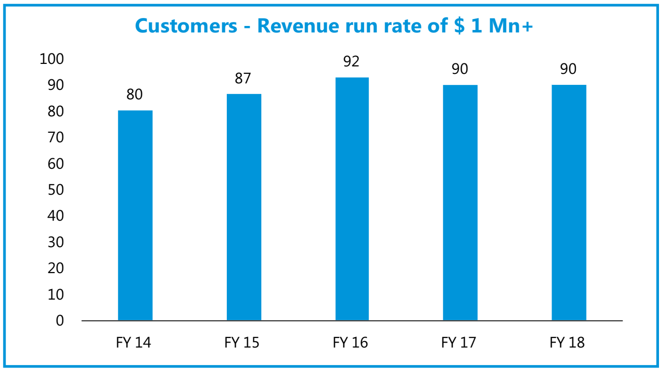
Revenues by Geography - FY 2018



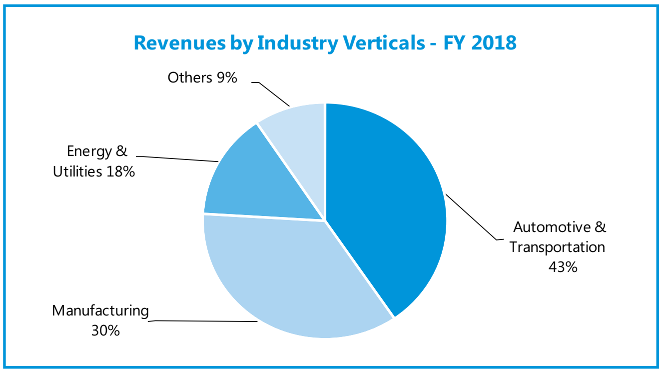
Basic Earning Per Share (₹)



Revenues by Strategic Business Units - FY 2018



Customers - Revenue run rate of $ 1 Mn+



Revenues by Industry Verticals - FY 2018

Dear Members,

The Directors are pleased to present the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2018.

Performance of the Company

(In million)

Particulars	Standalone 2017-18		Consolidated 2017-18	
	USD	₹	USD	₹
Revenue from operations	223.36	14,423.53	567.64	36,655.82
Profit before Tax (PBT)	31.07	2,006.62	50.19	3,241.21
Profit after Tax (PAT)	27.49	1,775.50	39.39	2,543.67

Result of Operations

During the year under review, the total revenues from operations (consolidated) increased to ₹ 36,655.82 million, a growth of over 10.30% of the previous year. Earnings before interest, tax, depreciation and amortization was ₹ 3,738.11 million on consolidated basis. Net profit after tax (consolidated) increased by 6.63% to ₹ 2,543.67 million.

In US Dollar terms, revenues from operations for the year on consolidated basis was ₹ 567.64 million as against ₹ 494.39 million during the previous year, a growth of 14.82%. Average realization rate was ₹ 64.58 per US Dollar.

Standalone sales for the financial year 2017-18 grew by 9.08% to reach ₹ 14,423.53 million. Net profit after tax increased to 4.88% to ₹ 1,775.50 million.

Dividend

The Directors are pleased to recommend a final dividend of ₹ 2.40/-per equity share of face value of ₹ 2/- each (120%) on the paid-up equity share capital of the Company for the year under review. The total pay-out will amount to ₹ 571.43 million including dividend distribution tax.

Share Capital

The issued, subscribed and paid-up capital of the Company as on March 31, 2018 is ₹ 394.99 million, consisting of 197,498,742 equity shares of ₹ 2/- each.

CRISIL Ratings

For the bank loan limits of ₹ 4,445.5 million, CRISIL has assigned the long term credit rating of AA-.

Quality and Information Security

Quality, Productivity and Innovation have been the three pillars that have driven our passion for continuous improvement in the way we determine and improve our process framework. This commitment to quality is ratified by our consistent endeavor in certifying ourselves to the best standards in the industry. In the past year, KPIT has been successfully certified on the Quality Management System on ISO 9001:2015.

We continue to improve our Quality focus through internal initiatives and by certifying against international standards. In accordance with this, we underwent an extensive CMMI-DEV® V1.3 (Development) appraisal which resulted in us being appraised at Maturity level 5 by the CMMI Institute. We also continue to maintain our certifications for Information Security Management (ISO 27001:2013) and for Business Continuity Management (ISO 22301:2012).

Productivity

Our productivity journey continues to be strengthened by the 600+ assets created in reusable repository by our practice teams. To further strengthen our competitive advantage in the AMS space, we have developed the Robotic Process Automation (RPA) Center of Excellence. Our experts have enabled some of our major customers to reap the benefits of RPA.

The bandwidth created by our productivity improvement initiatives is re-invested in learning and innovation through our crowdsourcing platform - my Time. On this platform, the employees get to select their areas of learning and innovation and accordingly complete a proof of concept. The framework enables them to collaborate with technocrats from across the organization and encourages growth and active exchange of knowledge.

Active learning and collaboration are a crucial part of the culture at KPIT. The Productivity Forum is a bi-annual platform for our project teams to share their innovations, best practices and learnings. The practice teams also share the latest tools, automations and industry best practices.

Institutional Shareholding

As on March 31, 2018, the total Institutional shareholding in the Company was 54% of the total share capital.

Merger Update

During the year under review, the Board of Directors of the Company approved a draft composite scheme for a) amalgamation of Birlasoft (India) Limited with the Company & b) Demerger of the engineering business into KPIT Engineering Limited, a wholly owned subsidiary of the Company. The Company has received approval for the proposed merger from Competition Commission of India (CCI) and has filed the scheme with the Stock Exchanges and Securities & Exchange Board of India (SEBI) for their approval. Consequent to approvals from SEBI, an application will be filed with the National Company Law Tribunal (NCLT) for seeking further directions.

Information about the Subsidiary Companies

As on March 31, 2018, the Company had 17 subsidiaries, including step-down subsidiaries.

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. Anant Talaulicar, Mr. Nickhil Jakatdar & Ms. Alka Bharucha, were appointed as Additional & Independent Directors of the Company for a period of 5 years w.e.f October 21, 2017, January 24, 2018 & May 23, 2018 respectively, subject to shareholders approval. Dr. Klaus Blickle & Mr. Anjan Lahiri were appointed as Additional Directors w.e.f January 24, 2018 & May 23, 2018 respectively.

Owing to his other business commitments and preoccupations, Mr. Sanjay Kukreja resigned from the directorship of the Company w.e.f. September 15, 2017. Dr. R.A. Mashelkar ceased to be a Director of the Company w.e.f. August 24, 2017. The Board places on record its appreciation and valuable services provided by them during their tenure.

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

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) till May 23, 2018;
3. Ms. Sneha Padve - Company Secretary.

   Mr. Vinit Teredesai has been appointed as the Chief Financial Officer of the Company w.e.f. May 24, 2018.

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.

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 wins multiple accolades at Dassault Systemes'® 2018 Value Solutions Sales Convention
- KPIT recognized with the Most Influential Marketing Leaders Award for the third consecutive year
- KPIT recognized at The CSR Journal Excellence Awards 2017
- KPIT wins Best Event-led Communication Campaign Award at the Indian Communications Summit 2017
- KPIT Woman Leader acknowledged as Science and Technology Leader of the Year 2017
- KPIT receives Special Recognition by UITP India
- KPIT wins Smart Cities India Award 2017
- KPIT wins ERP Cloud Partner of the Year Award for service excellence in India
- KPIT awarded 'Outstanding Green Vehicle Integrated Solution Provider of the Year' at 8th Green Vehicle Convention event, Beijing, China

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 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. There was no case on sexual harassment registered for the last year. As a part of our orientation programs for all new joinees, we mandate that they complete an e-learning module on the same as well.

Fixed Deposits

The Company has not accepted any deposits as on March 31, 2018.

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

KPIT always undertakes various activities 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 FY17-18 are:

- Replaced 1000 CFL (56/72W) with energy efficient LED lights (18/20W) (resulting into savings of 1.5 lakh units per year).

  Features of energy efficient Phase-3 campus:
- Sun path analysis done to design building North cladded with Glass and South mix of wall and Glass and cladded with fins to avoid direct sun rays
- The glazing along the south and west is in a form of Double Glazing with reflective glasses and aluminum fins. This reduces the heat load on the building
- A VRF with latest digital scroll energy efficient HVAC system installed
- Use of natural light by designing optimum building width
- Lighting load reduced substantially by using task lighting and using energy efficient LED lights

- UPS installed with latest energy efficient Modular technology with 98% efficiency
- Energy efficient equipment installed e.g. MRL lifts, Hydro Pneumatic pumping etc.
- Terrace kept vacant to adopt Solar (150 KVA)

Green Initiatives

The following initiatives were undertaken at the Company level to create awareness about importance of environmental protection and reducing pollution:

- At Maan village, Hinjawadi, in association with Hinjawadi Companies Association, KPIT planted 160 saplings.
- Water Conservation through Mass Volunteering supported 8 villages this year, benefitting 1,895 people with 1.5 million litres of water
- Covered 1 village under Government of Maharashtra's Jalyukta Shivar Abhiyan
- Through Zero Garbage Initiative 570 Chronic Black Spots have been eliminated
- Environment Week Celebration: The Environment Week on the "World Environment Day" is been celebrated for the past seven years since 2010
- Conservation of Private Forests in Koyna – Chandoli corridor by planting 5,000 saplings
- Aerial Reforestation in Bengaluru by 15,000 seed-ball bombings

Occupational Health and Safety Assessment Series (OHSAS)

The following activities were carried out by the Company under OHSAS in 2017-18:

- Health Risk Assessment was mandated during the GMC enrollment drive
- Zumba and Yoga was continued as a practice looking at the popularity
- Health Carnival was introduced for the first time in KPIT across all locations.
    - o Subsidized health check-up packages offered for employees
    - o BMI, Eye, Skin, Hair & Scalp analysis, Pulmonary test, Dietician and Dental Checkup was done free of cost for all employees
    - o Health checkup tools provided at a discounted price
    - o New apps were introduced to employees for buying medicines and booking for health check-ups at discounted rates
- On Occasion of International Women's Day "Anemia Free KPIT Campaign" was held
    - o Anemia awareness session was held
    - o Complete Haemogram test was held free of cost for women employees.
    - o Women found with deficiency was consulted by our in house doctor.
- Engagement through Wellness
    - o Laughter Session
    - o Masala Bhangra Sessions
    - o Tug of War
    - o Awareness session linked to the WHO days
    - o Newsletters are sent via Wellness ID on International days currently observed by the United Nations
    - o Skin and Scalp check-up camps on campus for employees
    - o "Health Warrior" – Various fitness challenges for employees
    - o "Health Tips for the week" mails shared with the employees
- o Iyengar Yoga sessions from renowned Yoga instructor, Rajashree Tupe
- Executive Health Check-ups for Senior Grade employees
- Health Check-ups for employees (35 years and above)
- Health Check-ups were done from HOD.life at discounted rates
    - o Anemia Profile
    - o Pancreas Profile
    - o Diabetes
    - o Lipid Profile

- o Kidney Profile
- o Iron deficiency
- o Vitamin D deficiency

Technology Absorption

Last year, we rolled out an initiative to implement integrated collaboration platform using Cisco's Web Ex 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, personalized meeting rooms for relevant users, meeting recording and sharing etc. As a logical next step, the same platform is getting upgraded to Cisco Spark - an app for continuous teamwork with video meetings, messaging, file sharing and white boarding.

Cyber security is becoming more and more important in the digital age. Advancement of digital technologies are enabling hackers to use smart algorithms to generate more sophisticated attacks. Traditional tools have too much dependency on people to continuously monitor and take preventive actions to protect organization from advance threats. However, it is difficult to protect customer and organizational assets from threats generated by Smart machines and cannot be defended just by Smart people. Hence, we relooked at our cyber security architecture and invested substantially in securing our infrastructure against advance threats in the digital age. In addition to Next Generation Firewall implementation to protect perimeter security, this year the implementation of the Next Generation firewall in datacenter (to monitor East to West traffic) was a major step forward. It is helping us in securing business applications and infrastructure from advanced threats even in the LAN and WAN network. We have increased the footprint and penetration of 'TRAPs' from Palo Alto Networks for Advance Threat Protection solutions on end points. This solution protects end user devices against Advanced Malwares and Exploits. Recently we also invested in another tool from Palo Alto Networks – 'Magnifier behavioral analytics'. This tool identifies behavioral anomalies to expose hard-to-detect threats, such as targeted attacks, malicious insiders, risky behavior and compromised endpoints. When used along with Next Generation Firewall, the tool efficiently and automatically identifies abnormal activity in the network while providing us with the exact information to rapidly evaluate potential threats, then isolate and remove those threats from the network before they can perform real damage.

On the smart Campus front we have taken our story to the next level and created more improved user experience by using technologies such as Face recognition and Voice based assistant. Integrating these technologies in Kassist App now with 'one click' reporting of incidents is done by scanning the QR codes applied in designated common areas. Voice based access to functionality has also been added.

A key focus area this year was on creating a 'Digital Lab', wherein we have designed and developed various solutions based on digital technologies to change the user experience in the office, optimizing cost and increase the productivity. Few applications that were born out of the lab are:

Book your seat: Employee can book his/her seat for a day or a week using KIOSK or app. Once the seat is booked by the time, user gets the appropriate network and VOIP phone gets configured as per the user profile. We also build a capability on adjusting the height of the workplace table using the same App.

Smart Mirror a mirror that doubles up as a voice assistant for providing information such as time to reach a place, eating place around, nearest exit in case of evacuation, game scores etc.

Under the aegis of the Digital Lab, we have also created a Centre of Excellence (CoE) with an aim to showcase transformational use cases that are built using digital technologies. The lab will be available for use by customers to co-innovate with us the solutions as per their need.

Another very strategic initiative we rolled out this year was '#Think Digital'. This initiative was to build digital culture across the organization ensuring all employees understand power of digital technologies to solve customer problems in innovative ways and also improve business productivity by task automation and process augmentation. We launched various e-learning modules to create digital mindset and we got excellent response by having 11,000+ employees becoming Digi Champ Certified. We also launched various technical training to reskill employees on new age digital technologies and also conducted workshops for customer facing teams to educate them on digital trends and solving customer problems differently.

To improve the effectiveness of systems and creating differentiated experience for employees, this year we have developed intelligent ERP by upgrading our Systems of Record to SAP S/4 Hana and building Systems of Engagement using cloud native technologies like microservices and containers. Also to improve in the moment effectiveness of employees, we are developing Systems of Intelligence using advance analytics. Some of the dashboards giving real time insights were already rolled out last year. We are working on predictive analytics in various business areas and will be rolled out soon to business users.

Research and Development (R&D) Activity

1. 'KPIT's Intelligent Transport System' received an award under the category 'Smart Urban Mobility' on 12th May 2017 at 'One Mega Event 2017'. The award was given by Shri D. N. Modi, IAS Commissioner - Gandhinagar Municipal Corporation.

2. KPIT received Special Recognition from UITP India for its entry 'Helping India double its public transport usage with smart and green technologies'. KPIT was selected by UITP India to acknowledge the bouquet of transportation solutions that it provides.

3. KPIT Technologies is a Frost & Sullivan 2018 Manufacturing Leadership Award winner. KPIT has been selected from a considerable pool of nominees to receive two prestigious awards for its Integrated Intelligent Transport System and its REVOLO projects.

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

R & D expenses for the year ended March 31, 2018

Particulars	Amount (₹ in million)	Key Project Details
Expensed in the statement of profit and loss (Refer Note 1)	199.11	Solar, Bus_Program (HEV), ITS Eng, Innovation
Capital work-in-progress	110.42	K-BIKE
Assets capitalized during the year	9.89	
Total	**319.43**	

Notes:

Out of total R & D expenditure of ₹ 199.11 million, eligible R & D revenue expenditure under Section 35(2AB) of the Income Tax Act, 1961, for the Company is ₹ 141.94 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 ₹ 9,969.73 million (previous year ₹ 9,586.28 million) and foreign exchange outgo (including imports) has been ₹ 494.55 million (previous year ₹ 705.62 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. Mr. Adi Engineer
3. Prof. Alberto Sangiovanni Vincentelli
4. Mr. Anant Talaulicar
5. Mr. Nickhil Jakatdar
6. Ms. Alka Bharucha

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	Impact Automotive Solutions Limited	Investment	NA	NA	367.50	Equity infusion
2	Impact Automotive Solutions Limited	Loan given	5 years	9.15% p.a.	100.00	Working capital loan
3	Yantra Digital Services Private Limited	Guarantee	3 years	NA	149.16	For setting up credit facilities
4	KPIT Engineering Limited	Investment	NA	NA	1.00	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

The Board of the Company approved, at its meeting held on January 29, 2018, a draft composite scheme for: (a) amalgamation of Birlasoft (India) Limited with the Company and (b) demerger of the engineering business of the Company into KPIT Engineering Limited, a wholly owned subsidiary of the Company, to be renamed as KPIT Technologies Limited, in terms of the Draft Scheme and other agreements that are to be executed between the Company, Birlasoft and other parties. The completion of the Proposed Merger and Proposed Demerger will be subject to terms of such agreements and receipt of necessary approvals, such as SEBI & NCLT.

Due to this the Business IT segment of the Company and the business run by Birlasoft (India) Limited will get merged into the Company whereas the engineering business of the Company will be demerged into new engineering Co and this is a material re-structuring activity undertaken by the Company. This is not likely to have any adverse impact on the Company, however, it will affect the financial position of the Company consequent to said merger & demerger.

Change in nature of business

KPIT is engaged in two business segments (i) the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology SBU) along with IMS and EPLM business; and (ii) engineering business which includes solutions of electronic or mechanical engineering and usage of this data for diagnostics, maintenance and tracking of assets and related connectivity solutions including data and analytics beyond embedded or mechanical engineering and their connectivity and integration with backend IT systems and platforms.

The Proposed Merger of Birlasoft into the Company and the subsequent Proposed Demerger will create two specialized companies focused on:

1. Business IT and consulting with strong expertise into enterprise resource planning, digital solutions and consulting with wider industry coverage

2. Deep domain expertise in auto engineering and mobility solutions

This will enable both companies to have sharp focus, retain and attract best talent, bring better value to customers and make necessary investments in building technologies and solutions. This will accelerate profitable growth and industry recognition in respective areas.

The engineering business of the Company includes solutions of electronic or mechanical engineering and usage of this data for diagnostics, maintenance and tracking of assets and related connectivity solutions including data and analytics beyond embedded or mechanical engineering and their connectivity and integration with backend IT systems and platforms and this will remain the core business of the new engineering Company, going forward.

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, has 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 14, 2018, 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, 2018, 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, 2018 and of the profit of the Company for the year ended March 31, 2018;

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 May 23, 2018.

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
May 23, 2018

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 venture

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

Part "A": Subsidiaries

(₹in million except exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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 Engineering Limited	Yantra Digital Services Private Limted *(Refer note 'i' below)*	KPIT Infosystems ME FZE, UAE *(Refer note 'g' below)*	KPIT Solutions GmbH, Germany *(Refer note 'e' below)*	Micro-Fuzzy Industrie-Elektronic GmbH, Germany *(Refer note 'e' below)*	KPIT Technologies Solucoes Em Informatica Ltda., Brazil *(Refer note 'c' below)*	Microfuzzy KPIT Tecnologia 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	NA	NA
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹ 10.35	₹ 80.62	₹ 92.28	₹ 65.04	₹ 80.62	₹ 65.04	₹ 80.62	₹ 65.04	₹ 1.00	₹ 1.00	₹ 1.00	₹ 17.74	₹ 80.62	₹ 80.62	₹ 19.60	₹ 19.60	₹ 50.46
Share capital	145.85	8.06	942.78	3,623.60	40.31	7.15	745.19	332.06	1,367.50	1.00	0.12	21.03	2.02	2.06	78.82	0.02	0.00
Reserves & surplus	(49.17)	183.79	522.66	(152.41)	68.42	862.38	83.88	38.30	(433.75)	(2.67)	30.39	229.82	55.44	140.60	(66.38)	14.85	521.54
Total assets (excluding 9 below)	206.86	111.50	2,746.44	7,096.12	144.99	1,415.19	1,900.56	2,249.66	1,255.41	(1.56)	434.48	353.70	260.21	693.76	73.47	2.38	654.91

(₹in million except exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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 Engineering Limited	Yantra Digital Services Private Limted *(Refer note 'i' below)*	KPIT Infosystems ME FZE, UAE *(Refer note 'g' below)*	KPIT Solutions GmbH, Germany *(Refer note 'e' below)*	Micro-Fuzzy Industrie-Elektronic GmbH, Germany *(Refer note 'e' below)*	KPIT Technologies Solucoes Em Informatica Ltda., Brazil *(Refer note 'c' below)*	Micro-fuzzy KPIT Tecnologia LTDA, Brazil (Formerly SYSTIME Global Solutions LTDA, Brazil) *(Refer note 'd' below)*	KPIT Technologies Corporation, Canada *(Refer note 'd' below)*
Total liabilities (excluding 5 & 6 above)	110.18	(80.35)	1,281.00	3,624.93	36.26	545.66	1,071.49	1,879.30	321.66	0.11	403.97	102.85	202.75	551.50	61.03	(12.49)	133.37
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.40	-	-	-
Turnover	265.60	250.69	3,016.50	14,910.16	344.43	2,866.04	1,964.22	5,966.53	717.52	-	91.67	564.87	545.69	1,542.27	381.03	28.97	1,341.65
Profit/ (Loss) before taxation	(20.79)	(16.51)	263.19	733.39	16.44	174.63	(85.85)	(133.82)	(30.26)	(2.67)	(136.58)	148.02	2.35	78.06	6.30	1.40	194.64
Provision for taxation	-	-	50.81	227.24	3.32	94.91	(0.37)	28.77	-	-	-	(0.03)	(0.83)	17.52	(0.07)	(0.94)	46.11
Profit/ (Loss) after taxation	(20.79)	(16.51)	212.38	506.15	13.12	79.72	(85.48)	(162.59)	(30.26)	(2.67)	(136.58)	148.05	3.18	60.54	6.37	2.34	148.53
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	58.33%	100%	100%	75%	100%	100%	100%

Notes :

a. 100% owned by KPIT Technologies (UK) Limited
b. 100% owned by KPIT Infosystems Incorporated, USA
c. 99.99% owned by KPIT Infosystems Incorporated, USA
d. 100% owned by SYSTIME Computer Corporation, USA
e. 100% owned by KPIT Technologies GmbH, Germany
f. Includes branch KPIT Technologies (UK) Limited Filial and KPIT Technologies (UK) Limited Italy Branch.
g. Include branches KPIT Infosystems ME FZE Australia branch and KPIT Infosystems ME FZE Korea Branch
h. During the previous year, the Company has sold its stake in KPIT medini Technologies AG.
i. 58.33% owned by Impact Automotive Solutions Limited

For and on behalf of the Board of Directors

Pune
May 23, 2018

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

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[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,
Phase - I, MIDC, 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, 2018 ('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, 2018 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, effective from 1 July, 2015 and the revised Secretarial Standards effective from 1 October 2017.

(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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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-

- The board of directors of the company at its meeting held on 29 January 2018 has approved the draft Composite Scheme of Arrangement amongst the Company, KPIT Engineering Limited and Birlasoft (India) Limited and their respective creditors and shareholders.

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

Place: Pune
Date: 23 May 2018

Annexure 3(a)

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

Employee Name	Age (Yrs.)	Designation	Qualification	Exp. (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	68	Chairman & Group CEO	Chartered Accountant, CWA & MS (Management)	43	01-Apr-14	37.07	Kirtane & Pandit LLP, Chartered Accountants
Kishor Patil	56	CEO & Managing Director	Chartered Accountant	34	28-Dec-90	30.21	Kirtane & Pandit LLP, Chartered Accountants
Sachin Tikekar	50	Whole - time Director	MBA (Strategic Management & International Finance)	24	14-Sep-93	29.25	KPIT Infosystems Incorporated
Anup Sable	49	EVP & CTO- CTO Team	BE – Mechanical	30	17-Oct-94	12.26	The Automotive Research Association of India
Mandar Marulkar	45	Vice President - CDO	BE-Electronics	24	10-May-04	10.20	Tata Home Finance
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.							
NIL							

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
May 23, 2018

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

Information as per Rule 5(2) of Chapter XIII, 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	Exp. (Yrs)	Date of Joining	Remuneration received (₹)	Particulars of previous Employment
S.B (Ravi) Pandit	68	Chairman & Group CEO	Chartered Accountants, CWA & MS (Management)	43	01-April-14	37.07	Kirtane & Pandit LLP, Chartered Accountants
Kishor Patil	56	CEO & Managing Director	Chartered Accountant	34	28-Dec-90	29.63	Kirtane & Pandit LLP, Chartered Accountants
Sachin Tikekar	50	Whole - time Director	MBA (Strategic Management & International Finance)	24	14-Sep-93	29.25	KPIT Infosystems Incorporated
Anup Sable	49	EVP & CTO-CTO Team	B.E. (Mechanical)	30	17-Oct-94	12.22	The Automotive Research Association of India
Mandar Marulkar	45	Vice President - CDO	B.E. (Electronics)	24	10-May-04	10.20	Tata Home Finance
Natraj N	48	Senior Vice President - Global Head SBU	Bachelor in Physics, Diploma in Engineering	27	6-May-15	9.43	Hexaware Technology
Abhishek Sinha	46	Chief People and Operations Officer	B.Tech	24	5-Nov-13	8.57	Infosys Limited
Anil Nashikkar	58	Vice President - SBU Head	B.E.(Electronics & Telecommunication)	32	23-Aug-99	7.96	Mastech Inc
Anil Patwardhan	60	Chief Financial Officer	Chartered Accountant	36	5-Oct-98	7.87	Praj Industries Limited
Rajesh Janwadkar	49	Sr. Vice President - Global Head SBU	BE (Civil)	28	3-Sep-98	7.60	CG Smith Software

For and on behalf of the Board of Directors

Pune
May 23, 2018

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#	58.19
		Mr. Kishor Patil#	46.51
		Mr. Sachin Tikekar#	44.39
		Ms. Lila Poonawalla	3.77
		Dr. R. A. Mashelkar*	Not Applicable
		Mr. Adi Engineer	3.56
		Prof. Alberto Sangiovanni Vincentelli	4.38
		Mr. B V R Subbu	3.00
		Mr. Anant Talaulicar*	Not Applicable
		Dr. Klaus Blickle*	Not Applicable
		Mr. Nickhil Jakatdar*	Not Applicable
		#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. *Not applicable as figures for 2017-18 are for the part of the year.	
ii.	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mr. S. B. (Ravi) Pandit$	22.59
		Mr. Kishor Patil$	13.55
		Mr. Sachin Tikekar$	17.96
		Ms. Lila Poonawalla	12.56
		Dr. R. A. Mashelkar*	Not Applicable
		Mr. Adi Engineer	10.40
		Prof. Alberto Sangiovanni Vincentelli	10.32
		Mr. B V R Subbu	24.47
		Mr. Anant Talaulicar*	Not Applicable
		Dr. Klaus Blickle*	Not Applicable
		Mr. Nickhil Jakatdar*	Not Applicable
		Mr. Anil Patwardhan (CFO)	-6.61
		Ms. Sneha Padve (CS)	8.29
		$ 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 2017-18 are for the part of the year.	

iii.	The increase in the median remuneration of employees in the financial year	6.98%
iv.	The number of permanent employees on the rolls of the Company	10,050 employees as on March 31, 2018.
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 7.24% Average increase in the remuneration of Directors and other Key Managerial Personnel is 16.72%
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
May 23, 2018

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, 2018

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 Shareholder's 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 2018									
1	No. of Options Outstanding at the beginning of the year	247,020	70.60	4,685,172	92.48	150,000	2.00	965,150	103.70
2	Options Granted during the year	0	0.00	0	0.00	0	0.00	110,000	131.20
3	Options Forfeited/Surrendered during the year	12,214	70.60	250,642	102.18	0	0.00	58,150	103.70
4	Options Lapsed during the year	8,842	70.60	126,430	75.03	0	0.00	0	0.00
5	Options Exercised during the year	72,026	70.60	1,205,677	84.43	15,000	2.00	27,950	103.70
6	Total number of shares arising as a result of exercise of options	72,026	0.00	1,205,677	0.00	15,000	0.00	27,950	0.00
7	Money realised by exercise of options (₹)	5,085,035.6	0.00	101,795,309.1	0.00	30,000	0.00	2,898,415	0.00
8	Number of options Outstanding at the end of the year	153,938	70.60	3,102,423	95.53	135,000	2.00	989,050	106.76
9	Number of Options vested & exercisable at the end of the year	153,938	70.60	2,225,423	92.27	111,000	2.00	516,250	103.70
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

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	12			
	Method of Accounting	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 2018 whose:**				
(a)	Exercise price equals market price	0.00	0.00	0.00	48.98
(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 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

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 2018	179	169	121.85	212.50
	The weighted average market price of options exercised during the year ended March 2017	148	143	164.65	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 2017-18 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 (₹)**	**No. of Options granted**	**Exercise Price (₹)**
a.	Rajeeb Nath	Nil		Nil		Nil		50,000	131.2
b.	Patrick Kys	Nil		Nil		Nil		30,000	131.2
c.	Milind Joshi	Nil		Nil		Nil		30,000	131.2

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	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	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 2018:

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	0.00	0.00	6.71
2	Expected Life (in years)	0.00	0.00	0.00	3.76
3	Expected Volatility	0.00	0.00	0.00	41.22
4	Dividend Yield	0.00	0.00	0.00	0.84
5	Exercise Price	0.00	0.00	0.00	131.20
6	Price of the underlying share in market at the time of the option grant (₹)	0.00	0.00	0.00	131.20

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 publicy 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 divided 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-18	31-Mar-17
1	Employee Option plan expense	29.22	58.43
2	Total liability at the end of the period	197.98	168.76

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:

Details related to Trust

i) General Information of the Scheme

Particulars	**Details**				
Name of the Trust	KPIT Technologies Employees Welfare Trust				
Details of the Trustee(s)	**Sr. No.**	**Name**	**Address**	**Occupation**	**Nationality**
	1	Mr. Shriharsh Ghate	68 Shailesh Society, Ganesh Nagar, Pune - 411052.	Service	Indian
	2	Mr. Sudheer Tilloo	Amit Blossom, 12th Lane, Prabhat Road, Pune - 411004.	Service	Indian
	3	Mr. Suhas Deshpande	101, Bhosale Saptasur Apts, Plot N-61/62, Bhosale Nagar, Pune - 411007.	Service	Indian
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	₹ 332,152,914/-				
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	9,305,344
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**
	1,320,653	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	7,984,691	

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	8,420,296	4.28
Acquired during the year	Nil	0.00
Sold during the year	Nil	0.00
Transferred to the employees during the year	1,320,653	0.67
Held at the end of the year	7,099,643	3.61

For and on behalf of the Board of Directors

Pune
May 23, 2018

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

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

a. **"Act"** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

b. **"Board"** refers to Board of Directors of KPIT Technologies Limited.

c. **"Company"** refers to KPIT Technologies Limited pursuant to this Policy.

d. **"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 bebeneficial 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.

Weblink: (https://www.kpit.com/company/investors/corporate-governance)

Annexure 6

FORM NO. 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 arrangement 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)
1. KPIT Infosystems Inc. (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
2. KPIT Technologies (UK) Limited (KPIT UK) [Wholly Owned Subsidiary of KPIT Technologies Limited (KPIT India)]	Contract for providing off-shore software development and consultancy services to KPIT UK	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 UK; - KPIT UK will pay to KPIT India 88% of the fees that is due to KPIT UK, 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
May 23, 2018

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

Annexure 7

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) Zero Garbage Project
   3) Chhote Scientists
   4) Teach for India
   5) Smart India HACKATHON
   6) Sparkle
   7) Avartan Gurukul Project

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: ₹ 2,296,431,762/-

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 45,928,635/-

5. Details of CSR spent during the financial year are included in Notes to Accounts in Standalone Financial Statements (Refer note 44.1). The total spent referred in the annexure below includes direct spend of ₹ 27,169,490/- and employee participation cost of ₹ 21,202,703/-

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

(Amount in ₹)

(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)	1,500,000	1,586,427	1,586,427	Agency: In Association with Jnana Prabodhini

(Amount in ₹)

(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**
2	Zero Garbage Project	Ecological balance	Pune (Maharashtra)	1,500,000	1,384,740	1,384,740	Agency: In Association with Janwani
3	Environment Week	Ecological balance	Pune (Maharashtra)	1,000,000	1,153,603	1,153,603	Direct
4	Conservation of Private Forests in Koyna-Chandoli Corridor	Ecological balance	Pune (Maharashtra)	4,400,000	4,491,389	4,491,389	Agency: In Association with Wildlife Research and Conservation Society (WRCS)
5	Chhote Scientists	Promoting education	Pune (Maharashtra)	14,500,000	15,792,456	15,792,456	Agency: In Association with Jnana Prabodhini
6	Teaching Classes at Thayimane, Bangalore	Promoting education	Bangalore (Karnataka)	1,500,000	1,654,332	1,654,332	Agency: In Association with Shri Vidya Vikas Kendra
7	Teach For India	Promoting education	Pune (Maharashtra)	500,000	508,102	508,102	Agency: In Association with Teach for India
8	Lila Poonawalla Girls Education program	Promoting education & women empowerment	Pune (Maharashtra)	900,000	900,000	900,000	Agency: In Association with Lila Poonawalla foundation
9	School Kit Drive	Promoting education	Pune (Maharashtra) Bangalore (Karnataka)	350,000	357,954	357,954	Agency: In Association with Seva Sahayog Foundation
10	Sparkle	Promoting education	Pune (Maharashtra)	12,000,000	12,271,772	12,271,772	Direct
11	Smart India HACKATHON 17	Promoting education	Pune (Maharashtra)	2,000,000	2,286,161	2,286,161	Agency: In Association with Inter Institutional Inclusive Innovations Center (I4C)
12	Vidya Poshak Susnadhi Project	Promoting education	Hubli & Dharwad (Karnataka)	500,000	500,000	500,000	Agency: In Association with Vidya Poshak
13	Navkshitij	Special education for differently abled	Pune (Maharashtra)	100,000	184,736	184,736	Agency: In Association with Navkshitij
14	Donation to MSLTA	Training to promote Olympic Sports	Pune (Maharashtra)	3,200,000	3,442,412	3,442,412	Agency: In Association with MSLTA

(Amount in ₹)

(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**
15	KPIT Better World	Ecological balance	Pune (Maharashtra)	3,000,000	322,384	322,384	Direct
16	Avartan Gurukul Project	Protection of Art & Culture	Pune (Maharashtra)	600,000	600,000	600,000	Agency: In Association with Avartan Gurukul
17	Anti - Honking Campaign	Ecological balance	Mumbai (Maharashtra)	100,000	85,725	85,725	Agency: In Association with Transport Commissioner Office
18	Mahila Adhyayan Kendra	Promoting education & women empowerment	Dewas (Madhya Pradesh)	625,000	625,000	625,000	Agency: In Association with Mahila Adhyayan Kendra
19	Tribal Mensa Nurturing Program	Promoting education & women empowerment	Pune (Maharashtra)	200,000	200,000	200,000	Agency: In Association with Mensa India
20	Torna Rajgad Parisar Samajonati Nyas	Promoting education	Pune (Maharashtra)	25,000	25,000	25,000	Agency: In Association with Torna Rajgad Parisar Samajonati Nyas
	TOTAL			**48,500,000**	**48,372,193**	**48,372,193**	

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
May 23, 2018

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 on March 31, 2018

[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, 2nd 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	99.46

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	Yantra Digital Services Private Limited 9D, Floor-GRD, Plot-149/151, Karsandas Building, Raja Rammohan Roy Marg, Bangarwadi Prarthana Samaj, Girgaon Mumbai - 400004	U72900MH2016PTC274472	Subsidiary	58.33	2(87)(ii)

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of the shares held	Applicable Section
3	KPIT Engineering Limited Plot No.17,Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka - Mulshi, Hinjawadi, Pune - 411057	U74999PN2018PLC174192	Subsidiary	100	2(87)(ii)
4	KPIT Technologies (UK) Limited Ground Floor, The Annexe Hurst Grove, Sandford Lane, Hurst, Berkshire RG10 0SQ, UK.	N.A.	Subsidiary	100	2(87)(ii)
5	KPIT Technologies France 10 Avenue Franklin D Roosevelt 75008, Paris, France.	N.A.	Subsidiary	100	2(87)(ii)
6	KPIT Technologies GmbH Adams-Lehmann-Straße 109, 80797 Munich, Germany.	N.A.	Subsidiary	100	2(87)(ii)
7	KPIT Technologies Netherlands B.V. Westerdoksdijk 423, 1013 BX, Amsterdam, The Netherlands.	N.A.	Subsidiary	100	2(87)(ii)
8	KPIT Infosystems Incorporated 379, Thornall Street, Edison, NJ 08837, USA.	N.A.	Subsidiary	100	2(87)(ii)
9	KPIT Technologies Corporation 8120-128 Street, Surrey BC V3W 1R1, Canada.	N.A.	Subsidiary	100	2(87)(ii)
10	Systime Computer Corporation 379, Thornall Street, Edison, NJ 08837, USA.	N.A.	Subsidiary	100	2(87)(ii)
11	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)
12	MicroFuzzy KPIT Tecnologia LTDA, Brasil (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)
13	Sparta Consulting Inc. 111, Woodmere Road, Suite 200, Folsom, California 95630, USA.	N.A.	Subsidiary	100	2(87)(ii)
14	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)
15	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)

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of the shares held	Applicable Section
16	KPIT Solutions GmbH Detmolder Straße 235, 33605, Bielefeld, Germany.	N.A.	Subsidiary	100	2(87)(ii)
17	Micro Fuzzy Industrie-Elektronic GmbH Taunusstr. 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	8,440,430	-	8,440,430	4.27	8,440,430	-	8,440,430	4.27	-
b	Central Government	-	-	-	-	-	-	-	-	-
c	State Government(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	28,910,692	-	28,910,692	14.64	28,910,692	-	28,910,692	14.64	-
e	Bank & FII	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**37,351,122**	-	**37,351,122**	**18.91**	**37,351,122**	-	**37,351,122**	**18.91**	-
(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)	**37,391,122**	-	**37,391,122**	**18.93**	**37,391,122**	-	**37,391,122**	**18.93**	-
B	**PUBLIC SHAREHOLDING**									
(1)	Institutions									
a	Mutual Funds	2,237,428	12,000	2,249,428	1.14	11,705,046	-	11,705,046	5.93	4.79
b	Banks/FI	193,846	2,000	195,846	0.10	33,584	-	33,584	0.02	(0.08)
c	Central Government	-	-	-	-	165,974	-	165,974	0.08	0.08
d	State Government(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-

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	
f	Insurance Companies	-	-	-	-	365,000	-	365,000	0.18	0.18
g	FIIs	25,555,066	-	25,555,066	12.94	-	-	-	-	(12.94)
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others									
(i)	Foreign Portfolio Investor (Corporate)*	76,450,920	-	76,450,920	38.71	91,134,186	-	91,134,186	46.14	7.43
(ii)	Foreign Mutual Fund	2,795,318	-	2,795,318	1.42	3,184,394	-	3,184,394	1.61	0.19
(iii)	Alternate Investment Funds	-	-	-	-	195,792	-	195,792	0.10	0.10
	Sub-Total (B)(1)	**107,232,578**	**14,000**	**107,246,578**	**54.30**	**106,783,976**	**-**	**106,783,976**	**54.06**	**(0.24)**
(2)	Non-Institutions									
a	Bodies Corporate									
i	Indian	3,883,711	22,000	3,905,711	1.98	12,086,977	4,000	12,090,977	6.12	4.14
ii	Overseas	7,776,000	-	7,776,000	3.94	-	-	-	-	(3.94)
b	Individuals									
i	Individual Shareholders holding nominal share capital up to ₹ 1 lakh	21,400,893	605,237	22,006,130	11.14	17,801,800	420,735	18,222,535	9.23	(1.91)
ii	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4,907,818	90,000	4,997,818	2.53	10,395,139	90,000	10,485,139	5.31	2.78
c	Others									
i	Clearing Members	825,561	-	825,561	0.42	751,139	-	751,139	0.83	0.41
ii	Market Maker	20,785	-	20,785	0.01	6,541	-	6,541	-	(0.01)
iii	Non Resident Indians	2,585,808	-	2,585,808	1.31	2,432,607	-	2,432,607	1.23	(0.08)
iv	Friends & Associates	106,420	434,000	540,420	0.27	105,120	433,000	538,120	0.27	-
v	Foreign Nationals	201,446	-	201,446	0.10	147,070	-	147,070	0.07	(0.03)
vi	Hindu Undivided Families	696,019	-	696,019	0.35	659,250	-	659,250	0.33	(0.02)
vii	Trusts	-	-	-	-	5,575	-	5,575	-	-
	Sub-Total (B)(2)	**42,404,461**	**1,151,237**	**43,555,698**	**22.05**	**44,391,218**	**947,735**	**45,338,953**	**23.39**	**1.34**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**149,637,039**	**1,165,237**	**150,802,276**	**76.36**	**151,175,194**	**947,735**	**152,122,929**	**77.45**	**1.09**

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	
C	SHARES HELD BY CUSTODIAN FOR ADRs AND GDRs	-	-	-	-	-	-	-	-	-
D	Non Promoter-Non Public (KPIT Technologies Employees Welfare Trust)	9,305,344	-	9,305,344	4.71	7,984,691	-	7,984,691	4.04	(0.67)
	GRAND TOTAL (A+B+C+D)	196,333,505	1,165,237	197,498,742	100	196,551,007	947,735	197,498,742	100	0.43

* The category Foreign Portfolio Investor (Corporate) includes Foreign Institutional Investor w.e.f. September 2017.

ii) Shareholding of Promoters

Sr. No.	Shareholder Name	Shareholding at the beginning of the year				No. of shares held 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	-	-	239,000	0.12	-	-	-
3	Mr. Chinmay Pandit	38,620	0.02	-	-	38,620	0.02	-	-	-
4	Ms. Prachi Pandit	4,000	0.00	-	-	-	-	-	-	-
5	Mr. Kishor Patil	2,989,080	1.51	2,300,000	1.16	2,989,080	1.51	2,435,000	1.23	-
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	803,800	0.41	-	-	840,800	0.43	-	-	0.02
11	Ms. Saroj Tikekar jointly with Mr. Sachin Tikekar	37,000	0.02	-	-	-	-	-	-	(0.02)

Sr. No.	Shareholder Name	Shareholding at the beginning of the year				No. of shares held 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	
12	Proficient Finstock LLP	28,609,782	14.49	14,305,555	7.24	28,609,782	14.49	20,117,418	10.19	-
13	K and P Management Services Private Limited	300,910	0.15	-	-	300,910	0.15	-	-	-
14	Ms. Hemalata Shende	40,000	0.02	-	-	40,000	0.02	-	-	-
	Total	**37,391,122**	**18.93**	**16,605,555**	**8.41**	**37,391,122**	**18.93**	**22,552,418**	**11.42**	-

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				
	Inter-se transfer from Prachi Pandit on August 9, 2017	4,000	0.00	239,000	0.12
	At the end of the year			239,000	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
4	Ms. Prachi Pandit				
	At the beginning of the year	4,000	0.00	4,000	-
	Increase/Decrease during the year				
	Inter-se transfer to Nirmala Pandit on August 9, 2017	(4,000)	0.00	(4,000)	-
	At the end of the year			-	-
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

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
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	803,800	0.41	803,800	0.41
	Increase/Decrease during the year				
	Inter-se transfer through transmission from Saroj Tikekar on May 19, 2017	37,000	0.02	840,800	0.43
	At the end of the year			840,800	0.43
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				
	Inter-se transfer through transmission to Sachin Tikekar on May 19, 2017	(37,000)	(0.02)	(37,000)	(0.02)
	At the end of the year			0	0.00
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	-	-	24,234,330	12.27
	At the end of the year			24,234,330	12.27

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
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. Hemalata 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			-	-
2	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	(330,750)	(0.17)	8,669,250	4.39
	At the end of the year			8,669,250	4.39
3	KPIT Technologies Employees Welfare Trust				
	At the beginning of the year	9,305,344	4.71	9,305,344	4.71
	Increase/Decrease during the year	(1,320,653)	(0.67)	7,984,691	4.04
	At the end of the year			7,984,691	4.04
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			-	-
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	Bengal Finance & Investment Private Limited*				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	5,000,000	2.53	5,000,000	2.53
	At the end of the year			5,000,000	2.53
7	Acacia Partners, LP				
	At the beginning of the year	4,800,000	2.43	4,800,000	2.43
	Increase/Decrease during the year	-	-	4,800,000	2.43
	At the end of the year			4,800,000	2.43
8	Acacia Institutional Partners, LP				
	At the beginning of the year	4,597,575	2.33	4,597,575	2.33
	Increase/Decrease during the year	-	-	4,597,575	2.33
	At the end of the year			4,597,575	2.33
9	Government Pension Fund Global				
	At the beginning of the year	2,550,968	1.29	2,550,968	1.29
	Increase/Decrease during the year	1,191,167	0.60	3,742,135	1.89
	At the end of the year			3,742,135	1.89
10	Ashish Kacholia*				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	3,525,000	1.78	3,525,000	1.78
	At the end of the year			3,525,000	1.78
11	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
12	Small cap World Fund, INC#				
	At the beginning of the year	3,036,444	1.54	3,036,444	1.54
	Increase/Decrease during the year	(3,036,444)	(1.54)	-	-
	At the end of the year			-	-
13	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds*				
	At the beginning of the year	2,209,941	1.12	2,209,941	1.12
	Increase/Decrease during the year	833,421	0.42	3,043,362	1.54
	At the end of the year			3,043,362	1.54

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
14	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, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2017.

* Not in the list of Top 10 shareholders as on April 1, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2018.

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
3	Mr. Sachin Tikekar				
	At the beginning of the year	803,800	0.41	803,800	0.41
	Increase/Decrease during the year	37,000	0.02	840,800	0.43
	At the end of the year			840,800	0.43
4	Ms. Lila Poonawalla				
	At the beginning of the year	130,000	0.07	130,000	0.07
	Increase/Decrease during the year	-	-	130,000	0.07
	At the end of the year			130,000	0.07
6	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
7	Ms. Sneha Padve (Key Managerial Personnel - Company Secretary)				
	At the beginning of the year	60	0.00	60	0.00
	Increase/Decrease during the year	-	-	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	3,473.59	11.97	-	**3,485.55**
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**	**12.23**	-	**3,494.13**
Change in Indebtedness during the financial year #				
• Addition	-	0.36	-	0.36
• Reduction	675.32	-	-	675.32
Net Change	**(675.32)**	-	-	**(674.96)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,802.52	11.97	-	2,814.49
ii) Interest due but not paid	2.15	0.63	-	2.78
iii) Interest accrued but not due	1.90	-	-	1.90
Total (i + ii + iii)	**2,806.57**	**12.59**	-	**2,819.17**

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	38.86	30.47	29.64	**98.97**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.59	-	**0.59**
	(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)	**38.86**	**31.06**	**29.64**	**99.56**
	Ceiling as per the Act	221.71 (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 2017-18.

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	Mr. Nickhil Jakatdar	
1	Independent Directors							
	• Fee for attending board/ committee meetings	0.29	-	0.27	0.06	0.07	-	**0.69**
	• Commission	2.52	0.85	2.38	2.93	0.85	0.25	**9.78**
	• Others	-	-	-	-	-	-	-
	Total (1)	**2.81**	**0.85**	**2.65**	**2.99**	**0.92**	**0.25**	**10.47**

Sr. No.	Particulars of Remuneration	Mr. B V R Subbu	Dr. Klaus Blickle	Mr. Sanjay Kukreja**	Total
2	Other Non-Executive Directors				
	• Fee for attending board/ committee meetings	0.09	0.02	-	**0.11**
	• Commission	2.00	1.45	-	**3.45**
	• Others	-		-	-
	Total (2)	**2.09**	1.47	-	**3.56**
	Total (B) = (1+2)				**14.03**
	Total Managerial Remuneration				**98.14**
	Overall Ceiling as per the Act	243.88 (being 11% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).			

* Dr. R. A. Mashelkar ceased to be Director of the Company w.e.f. August 24, 2017.

** Mr. Sanjay Kukreja ceased to be Director of the Company w.e.f. September 15, 2017.

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	30.47	4.13	8.08	**42.68**
(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.59	-	-	**0.59**
(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	**31.06**	**4.13**	**8.08**	**43.27**

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
May 23, 2018

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

GLOBAL OUTLOOK

2017 has been a year of recovery for the global economy. Global stock markets have roared high during the year with the MSCI index of bourses in 47 countries up by 22%. This was largely fueled by growth in developed nations. China managed to maintain its rate of expansion, dismissing fears over a potential slowdown and rising debt while the Eurozone surprisingly managed recovery after years of uncertainty. The global oil price also went up sharply in 2017, primarily due to increased demand from factories globally, mainly China. However, the major highlight of the year was cryptocurrency. Amidst fears of an upcoming crash, Bitcoin's value has risen from $1,000 in the beginning of the year to almost $20,000 by the middle of December 2017.

On the tech-front, cutting-edge and disruptive technologies which dominated 2017 included Artificial Intelligence, Robotics, Cloud, Machine Learning, Engineering R&D, Sophisticated Security Solutions and Blockchain. These are only expected to grow bigger and better, next year.

- With large volumes of available data and users trying to analyze that data to determine patterns and user behavior, there will be growing significance of **artificial intelligence, machine learning with data analytics and business intelligence.** Digital twin will be a keyword as it indicates virtual replica integrated with its physical asset for seamless transition of data and analytics. Besides industrial Internet of Things (IoT), other industries are also expected to implement it to improve their asset management and operational efficiency.

- Chatbots are the automated, human-like chat responders and over the last few years their adoption has been more of an experiment. However, during 2018 it is expected to become more mainstream mainly for customer service and support activities. **AI-powered chatbots** are learning to respond to customer queries based on customers' previous history in a chat session with executives. As per estimates, the market for robo advisor will be $ 255 billion by 2020 and $ 70 billion for AI analytics. Another source predicts, 75% of technology teams to use AI in one or more business applications or services by 2018.

- Business users are working towards making **natural language processing** a reality to improve human-computer interface. It will facilitate the user to develop accurate results from computers based on their exact needs and requirements, thus eliminating any intermediate source.

- Along with wide availability of data there is also the persistent threat of theft and data abuse. Therefore, to ensure privacy of data and its correct usage, **data protection laws** are being tightened and countries worldwide are designing data protection frameworks.

- Governments and larger enterprises have been a bit slower in terms of **cloud adoption**. But it is an ongoing process, as they are analyzing all the aspects before adopting the cloud infrastructure, including the security aspects of the data being put up on cloud.

- The move towards **Edge Computing** is driven by mobile computing, decreasing cost of computer components and the sheer number of networked devices in the IoT. With Edge Computing on the rise, it makes cloud smarter with analytics, reduces response time drastically and helps conserve network resources.

- **Blockchain** provides a distributed, secure and unique system of records, thus providing a strongly encrypted authentication mechanism that restricts breaking in. As per estimates, the aggregate valuation of blockchain token rose 4X, almost above $100 billion. While in 2016 and 2017 it has been mostly used by financial institutions and banks, in 2018 its market segment is likely to include other industries as well like automotive, healthcare and educational institutions.

INDUSTRY GROWTH ESTIMATES

- Worldwide IT spending is projected to total $3.7 trillion in 2018, a 6.2% increase from 2017.

- The enterprise software spending is estimated to reach $391 billion in 2018 as compared to $352 billion in 2017, a growth of 11.1%.

- The IT services spending is estimated to reach $1,003 billion in 2018 against $933 billion in 2017, a growth of 7.4%.

The global technology industry saw a growth of 4.3% in 2017 with global IT-BPM market (excl. hardware) at $1.3 trillion in 2017. The sub-segment with fastest growth was packaged software which grew by 7.7%.

FY18 Outlook for Indian IT-BPM Industry

The industry is expected to grow around 8% from $ 154 billion in FY2017 to $ 167 billion in 2018.

- The Indian IT-BPM exports is expected to grow by 7.7% to reach $ 126 billion in FY2018.

- The IT-BPM domestic market is likely to grow by 8% to $ 41 billion (excl. eCommerce).

(Data Source: Gartner, NASSCOM, Industry Reports)

INDUSTRY TRENDS

The **Manufacturing Industry** is undergoing transformation as manufacturers are converging digital technology with physical assets. They are combining sophisticated hardware with innovative software, sensors and massive amount of data and analytics to produce smarter products, efficient processes and connected network of customers, suppliers and manufacturers. Some of the key exponential technologies that will shape up better during 2018 include blockchain, which is predicted to grow at 61.5% CAGR between 2016-21 growing from $0.2 billion to $2.3 billion in 2021. Currently it is being used to generate accurate and transparent information, improve just-in-time logistics, reduce erroneous orders and improve inventory turnover. It can also contribute to improve supply chain and procurement. Artificial Intelligence (AI) market is predicted to grow from $8 billion in 2016 to $72 billion in 2021, thus growing at 55.1% CAGR. Manufacturers are using AI to enable collaborative robotics, automated workflows based on predictive analytics, optimize equipment and plant effectiveness and for better recruitment and retention of manufacturing experts. Going forward it could be amalgamated into other technologies like robotics and drones to improve overall efficiency. It is expected that by 2020, 75% of global manufacturing operations could use 3D-printed tools, jigs and fixtures for production of finished goods. The 3D printing market is expected to rise from $13 billion in 2016 to $36 billion in 2021, thus attaining CAGR of 22.3%. This technology is being used for prototype tooling and functional end-use parts manufacturing in various manufacturing industries. Advanced Robotics spending is predicted to grow from $92 billion in 2016 to $225 billion in 2021, growing at a CAGR of 19.7%. Discrete and process manufacturing industries use robotics technology for assembly, welding, painting and mixing as part of manufacturing process. Collaborative robots are being used for tasks such as metal fabrication, packaging, testing and inspection, parts assembly and loading-unloading activity. The future definitely is in automation, using robotics and cognitive technologies, combined with advances in data and analytics.

IoT has been part of the manufacturing revolution for some time now, mainly in areas such as real-time production monitoring, improving overall equipment effectiveness, production yield rates and efficiency. Investment in IoT is expected to grow from $737 billion in 2016 to $1,521 billion in 2021 at a CAGR of 15.6%. It has helped manufacturers add visibility on the shop floor and reduce time-to-market for products and solutions. However, coupled with big data, its potential could be leveraged further in managing material costs, products price and demand fluctuations and developing smart connected assets and operations, thus enabling an autonomous production environment. The Digital Design, Simulation and Integration (DDSI) market is expected to grow at a CAGR of 12.4% from $25 billion in 2016 to $45 billion in 2021. 3D CAD modelling is used to design, test and validate designs prior to tool manufacturing. It fosters design collaboration and provides the environment to share best practices in digital manufacturing. It could also enable digital integration and access to digital data across manufacturing life cycle. IoT along with additive manufacturing and advanced analytics could fasten the design cycle and further reduce time-to-market. The spending in advanced analytics is expected to grow from $136 billion in 2016 to $232 billion in 2021, a CAGR of 11.3%. Manufacturers are accelerating their pace for adopting advanced analytics to bring in higher efficiency in their plants and processes. The cybersecurity market is predicted to grow at a CAGR of 7.7% from $81 billion in 2016 to $117 billion in 2021. With the emergence of connected and smart manufacturing and digital supply networks, there is higher emphasis on cybersecurity due to intersection of cyber and physical infrastructure. The fastest growing segments within cybersecurity are security testing, security services including IT outsourcing and identity access management. These technologies are fast changing the who, what and where of work across manufacturing organizations and companies need to quickly adapt to this transformation to evolve, grow and thrive in the future.

Over the past few years, **Automotive and Transportation Industry** has witnessed major technological shift through convergence of various technologies and industries with automobiles, thus developing intelligent and smarter automobiles. 2018 is going to be no different. Market researchers predict that a high-end car will contain more than $6,000 worth of electronics in the next five years, driving a $160 billion automotive electronics market in 2022. The car of the future will be Electrified, Autonomous, Safe, Connected, Customizable and Shared. To enable this, the engineering R&D budgets of auto manufacturers will be constantly on the rise in the coming years. Findings of the 2017 scoreboard reveal that the automobile industry is the world's third largest industry in terms of R&D and the largest one in European Union and Japan.

In 2018, the sale of electric cars is expected to cross 5% in the U.K. and reach close to 12% in the US market. By 2030, 55% of all new car sales could be electric cars. With decline in the battery prices for EVs, it is becoming more affordable contributing to improvement in sales. In a study conducted by Nissan in 2017, it was found that there has been a 75% drop in the number of gas stations in the U.K. over the last 40 years. It was also projected that by summer 2020, the number of gas stations will drop to 7,870, while EV charging stations will grow to around 7,900, a growth of more than 90%. In US, there are 23 plug-in electric car variants and 36 hybrid car variants available today and nearly every car maker has announced significant investment for an electric future.

After Google and UBER, the industry may also witness many other automotive players launching their own version of autonomous vehicles during this year. The global autonomous vehicles market is expected to grow at a CAGR of 41.61% during the period 2018-2022 and major OEMs are expected to launch vehicles with level 3 capabilities during this year. 40% of the mileage driven in Europe could be covered by autonomous vehicles in 2030. Last year saw emergence of AI in autonomous drive testing and development and this year may witness car manufacturers and Tier I suppliers turn towards ethernet as such vehicles require greater degree of data fusion.

Due to safety benefits and cost-effective nature of 3D printed cars, automakers are expected to make big investments in this technology during the year. Currently cars are devised to endure 3-5 crashes and last for around 7-10 years. But 3D printing can help in developing a vehicle on a solid chassis with the exterior body devised for single crash and replace just the outer body cost effectively, while retaining the chassis of the vehicle. Another technology which is catching pace in the automotive industry is blockchain as it helps to eliminate counterfeiting in the industry and enable transparency and fair pricing strategies. As per an industry estimate, 10%-15% of connected vehicle transactions are expected to be on blockchain by 2025. This technology ensures secure transactions which can be processed faster and it is already adopted in initial stages by car makers like Porsche and Renault. OEMs could use this technology to enhance their overall cybersecurity for vehicles, validate software bills of materials, enable secure micro payments, strengthen identity management and improve data validation.

The concept of car sharing has become quite common even in emerging economies like APAC and EMEA regions. It is expected that by 2030, one out of every 10 cars sold will be a shared vehicle. Car leasing is becoming a viable option for consumers who like to change their cars often. Technologies such as telematics, equipped in leased vans to monitor car usage to in-car navigation which acknowledge the vehicle location and eco-driving training for better on-road performance, are fast emerging. With IoT and connected devices, the adoption rate of connected vehicles is expected to rise steadily over the next 5 years. There will be growing significance of big data in the industry during the year as governments have mandated all new cars to digitally communicate, starting 2020. More car makers are adopting interconnected features which will allow app developers to adapt their offerings to cross platform users on mobile, tablet and the web. With digitization and connectivity, there are large volumes of data which is enabling innovative revenue streams such as data monetization for the industry. The use of cloud technology has impacted the automobile production from design and operation to the servicing of physical systems, thereby reducing costs and wastage. Gartner predicts a quarter billion cloud connected cars on the road by 2020. This technology is offering a car user everything from next-level navigation systems to V2V communication and infotainment features, while also supporting the evolution of autonomous vehicles. During this year, the industry will take further steps to integrate their engineering and design activities with the cloud and they also need to pay greater attention to security features in the cloud environment.

The **Oil & Gas Industry** has been lagging in exploiting the full potential of new technologies, but now it is on the cusp of a transformation. These emerging technologies along with push for reduced environmental impact is altering the industry. Through reengineering technology, oil & gas companies need to transform their IT delivery models from the top down and bottom up to gain more speed and flexibility. Companies have started using cloud computing, automation and similar technologies to transform their back-office systems, operations and product offerings. With digitization, humans and machines have become co-workers, thus complementing each other's efforts in the workplace. Thus, companies need to redesign their legacy practices around automation. Companies need to provide enterprise data sovereignty to convert the available data into accessible, understandable and actionable information. They need to make relevant investments in data architecture, integration, governance and its security. These companies need to implement digital capabilities like cloud, cognitive, AI, blockchain, IoT, machine learning in their core functional areas to transform their businesses and unlock the value.

With digital reality, there is a change in the way individuals and organizations interact with the data. Such technical innovations like Augmented Reality (AR), Virtual Reality (VR), Drones and 3D printing are helping oil & gas companies to use the technology and create business opportunities. Blockchain technology is a keyword across all major industries and oil & gas is no exception. Its usage lies in areas such as land administration, supply chain, finance, inventory, operations and marketing. Companies need to begin standardizing on the technology to drive future blockchain opportunities viz. integrating multiple blockchains within a single value chain. Over the years, Application Programming Interfaces (APIs) have enabled seamless interaction between solutions and systems. They also bring forth technology assets which can be reused to drive greater ROI in IT investments and offer its consumers a medium to use existing data more creatively. Going forward, it could help in areas such as contracting, pricing, servicing and even marketing a venerable but still valuable technology.

During last year, the **Utility Industry** witnessed trends like changing fuel mix, declining power prices, increasing customer demand for renewables, the proliferation of Distributed Energy Resources (DERs) and strengthened commitment to boost resilience and cybersecurity. This year, digitization will further move into the spotlight as utilities will rapidly deploy advanced technologies to create growth opportunities. The global smart utilities management market is expected to register a CAGR of 18.46%, during the forecast period (2018–2023). With growth in renewables energy, the technology will become more smart and scalable with lower construction, operating and maintenance costs and produced energy will also become more cheap. In 2009, it cost just under $300 to generate 1 MW of electricity using solar panels. In 2016, the cost was down to $100. The capacity of renewables will double between 2016-2026 and Asian countries are leading this development. This will urge energy providers to adapt their business model, create new business partnerships and new charging models.

Many utilities are currently setting up Advanced Metering Infrastructure (AMI) for meeting administrative requirements, green power initiatives and additional business benefits. These AMI meters have contributed towards collecting large volumes of data, but utilities have not yet well leveraged the value of that data. The primary interface for any large-scale AMI system is the Meter Data Management Systems (MDMS) and increased investments in smart grid systems are driving the growth for these systems globally. There is higher adoption of intelligent and smart solutions driven by the expanding population living in urban areas (58% by 2025) and the overall growth of urban population (81% of total population that are living in cities). It is estimated that the smart home market may be worth $138 billion by 2023. Smart meters enable consumers to keep a track of their real-time energy consumption and limit their energy costs. Thus, smart meters will constitute a major share in this smart home market. It also empowers consumers to drive more flexible service and billing systems. The ease of managing, monitoring and controlling home appliances and devices at any time and location is increasing consumer acceptance for smart homes. The emergence of the IoT, technologies like near field communications, wearables and smartphones, Wi-Fi, Bluetooth and ZigBee protocols has further increased the demand for the smart cities market.

(Data Source: Industry Reports)

OUR STRATEGY

We have been focusing on key industry verticals and it is our mission to improve the state of the industries we serve by using our expertise in technology and processes. Businesses leverage technology to drive meaningful innovation for staying ahead of the competition. Our clients, globally, trust us as a partner in innovation because we understand their industry and unique needs and help them differentiate their businesses with our innovation-led products and solutions in which, we invest or co-invest. Our knowledge ecosystem of advanced technologies, purpose-driven engineering and co-innovation network is built to engineer breakthrough technologies and bring simplicity to complex environments. We focus on envisioning and enabling a cleaner, greener, intelligent world-a world that is self-sufficient, sustainable and efficient. We provide technologies that help our clients succeed, such that the products and solutions they offer to their end-customers are of high quality, targeted, affordable, energy efficient and use less material and improve the state of industries they operate in. KPIT, in collaboration with its clients and its suppliers, works toward improving the world through technology and engineering innovations.

We are a Company that cares for:

1. Customer Relationships
2. Our Employees
3. Knowledge Pursuit and
4. The World that we live in.

Our personality as a Company can be best defined as follows:

1. **Customer Focused**

   We understand our customers and their challenges better and deliver solutions that meet their business purposes.

2. **Innovative**

   We use technology to drive meaningful innovation and sustainability

3. **Collaborative**

   We encourage people in our ecosystem to connect and collaborate to share ideas and work together towards meeting customer purposes.

4. **Agile**

   We anticipate, adapt and respond to new possibilities and changing technologies

5. **Passionate**

   We are passionate about our work and it drives us to become the best at what we do.

6. **Trust-Worthy**

   Our colleagues, customers and other members in our ecosystem know us as honest, reliable and responsible partners.

7. **Socially Responsible**

   We are environmentally conscious, both in our personal and professional lives.

Currently the revenue profile of KPIT includes two streams of revenues. One is Business IT which mainly includes ERP, Digital, PLM, IMS and AMS. The second stream is Engineering which is predominantly automotive embedded electronics, digital, IoT and a little bit of mechanical design. In the first stream we are more of a IT Services Company and in the second we are more of a technology led ER&D Company focused on the automotive vertical. The total number of customers that receive both these services from us can be counted on the fingers of a single hand. This mix of revenues sometimes confuses our identity and does not give any significant benefits to our customers. This also negatively affects the valuation. Therefore, after prolonged thought, discussions with relevant advisors, debates within the management and board, we thought it is important for all the stakeholders to separate the two businesses. We also believe that if we segregate the two, we can give adequate management attention to each of the two streams and then we can have two separate entities, each of which can grow substantially and be known well in their respective domains. Thus, with this thought process, in January this year, we announced a transaction of merger and demerger involving KPIT Technologies Limited ("KPIT") and Birlasoft (India) Limited ("Birlasoft"). Birlasoft is a part of the $ 1.6 billion diversified CK Birla Group.

- The merger of KPIT and Birlasoft will create a $ 700+ million entity which will immediately demerge into two separate companies;
- KPIT ($ 220+ million revenue Company, post-merger), a global leader in Automotive Engineering and Mobility Solutions, which will evolve from the existing Engineering business of KPIT;
- Birlasoft (a $ 500+ million revenue Company, post-merger), a new Digital Business IT Services Company, focusing on the mid-tier IT space formed by combining Birlasoft with the KPIT's IT business.

Thus, as per the sequencing of the proposed merger and demerger, Birlasoft will first merge into KPIT and then the engineering business of KPIT will be demerged into a separate entity. Every shareholder of the combined KPIT+Birlasoft entity will get one share of the newly demerged engineering entity, which also will be listed. The merged IT Company will be known as Birlasoft and the demerged engineering entity will be named KPIT Technologies Limited.

We believe once the proposed merger and demerger is effected, subject to all required regulatory affairs, we will have two focused companies with a potential to succeed in their respective domains. We believe there is significant potential for value creation in both these companies.

The IT Company, Birlasoft will become amongst the largest midcap IT companies with core focus on digital. We believe that it will have a proper mix of ERP and digital revenues. We believe that it will be able to service customers both in BFSI as well as the manufacturing verticals, it would have a balanced portfolio and a starting revenue of $500 million, which puts in the possibility of bidding for decent sized contracts in the IT domain.

The Engineering Company, KPIT, will be sharply focused on automotive engineering and as you know we have been speaking about the automotive world being up for a major change and almost all these changes are driven by software. We are very well known in that domain. We work in practically every cutting-edge area on automotive electronics and hence have good potential of growth and profitability.

FINANCIAL PERFORMANCE

REVENUES

During this year, our $ revenue crossed the 500 million mark and stood at $567.64 million, a Y-o-Y growth of 14.8% against $494.39 million in FY17. In ₹ terms, revenue for the year grew by 10.30% to ₹ 36,655.82 million against ₹ 33,233.61 million in FY17. We saw well balanced growth during the year across business units, geographies and industry verticals. Our engineering business led the growth well followed by digital business, products and platforms and PLM business.

Total Revenues	FY2017	FY2018	Growth
Sales in $ million	494.39	567.64	14.82%
Sales in ₹ million	33,233.61	36,655.82	10.30%

Amongst the geographies, growth was primarily led by Europe with 31% Y-o-Y growth followed by APAC with 23.6% Y-o-Y growth. In US geography there was a marginal growth of 2.3% during the year. The growth in Europe was driven by our engineering business mainly segments like ePowertrain, ADAS and diagnostics. APAC geography has been consistently growing and the key growth areas are engineering, products & platforms and digital business. US is our largest geography and the growth drivers for this region are Infor, Oracle Cloud, engineering and digital technologies.

Revenues by Geography (₹ million)	FY2017	FY2018	Growth
US	22,563.85	23,119.40	2.46%
Europe	5,559.56	7,191.76	29.36%
ROW	5,110.20	6,344.66	24.16%

Amongst the SBUs, Products & Platforms SBU led the growth with 47.7% Y-o-Y growth while PES SBU grew by 27.05% and DT SBU grew by 10.76% on a Y-o-Y basis. In IES SBU there was a marginal growth of 1.75% while SAP SBU saw a Y-o-Y decline of 4.66%. As mentioned earlier, Engineering, Products and Platforms and digital business units were the leading growth drivers for the Company during this year and we expect this momentum to continue. We also witnessed steady momentum in the Oracle ERP business.

Revenues by Business Segment (₹ million)	FY2017	FY2018	Growth
Integrated Enterprise Solutions	11,141.97	11,303.08	1.45%
Automotive	11,015.32	14,227.24	29.16%
SAP	7,697.75	7,357.80	(4.42%)
Others	3,378.57	3,767.70	11.52%

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

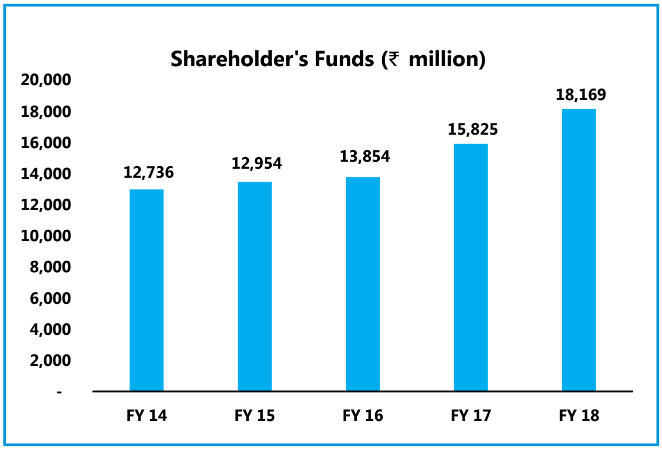
PROFITABILITY

Our EBITDA margin for the year stood at 10.2% against 11.28% in FY17, a dip of 108 bps. The PAT for the year stood at ₹ 2,528.54 million, a Y-o-Y growth of 6.02% against ₹ 2,385.05 million in FY17. The realized rate for the year was ₹ 64.58/$ against ₹ 67.22/$ in FY17. There were wage hikes given during the year effective April 1, 2017. We incurred around ₹ 169 million as expenses towards the merger-demerger transaction during the year, of which ₹ 129 million were incurred during last quarter of the year. Also during last year FY17, we had an exceptional gain on account of sale of our functional safety business to the tune of ₹ 260.9 million. Excluding this one-time gain, the profit for FY18 grew by 19% over FY17. The tax expense for the year was ₹ 697.54 million against ₹ 605.73 million in FY17.

Profitability improvement is our constant objective and therefore measures like improving people utilization, productivity and revenue mix will continue going into next year to ensure steady operating margins for the year.

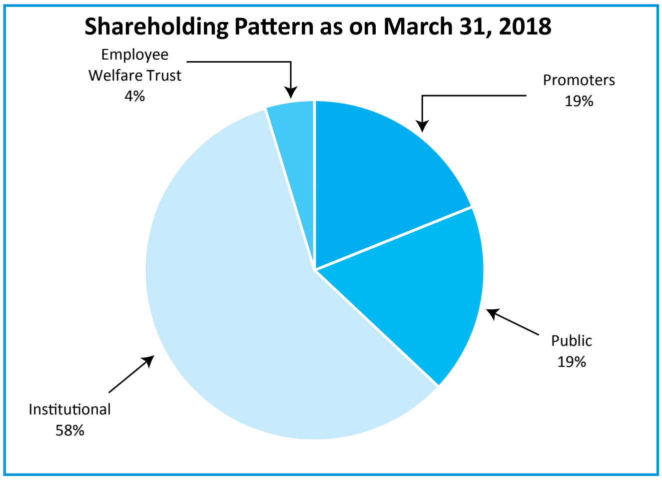
Profits (₹ million)	FY2017	FY2018	Growth
EBITDA	3,747.19	3,738.11	(0.24%)
PAT	2,385.05	2,528.54	6.02%

SHAREHOLDERS' FUNDS



SHAREHOLDING PATTERN

Our shareholders include promoters, renowned domestic and financial institutional investors and individuals. As on March 31, 2018 our shareholding structure was as follows:



Institutional Holding of More than 1% as on March 31, 2018

Foreign Institutional Investors
Ruane Cunniff & Goldfarb Inc. (Acacia Partners)
Fidelity Group
New Horizon Funds
Vanguard Funds
Blackrock Institutional Trust Company
LSV Emerging Markets
Government Pension Fund Global
Acadian AMC
Dimensional Fund Advisors

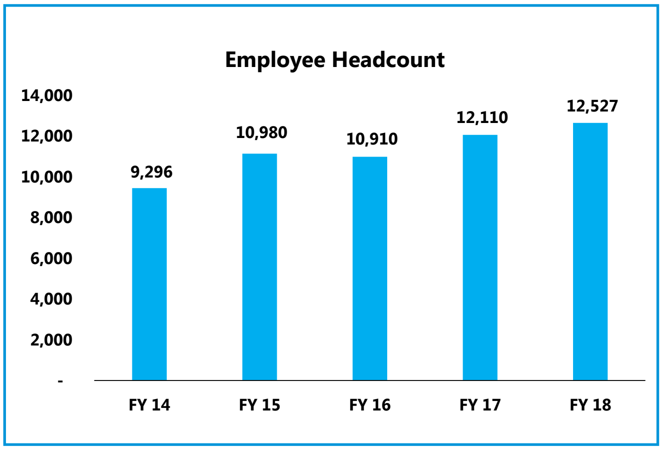
LIQUIDITY

The cash balance as at March 31, 2018 stood at ₹ 6,266 million while total debt was ₹ 3,088 million comprising of ₹ 970 million of term loan and ₹ 2,188 million of working capital loan. Thus, the net cash balance as at March 31, 2018 stood at ₹ 3,178 million. Our DSO stood at 71 days. We continuously focused on cash generation during the year which led to improvement in our overall cash position.

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.

Enterprise Risk Management

Corporate strategies and business models are significantly influenced by emerging global risks emanating from disruptive technology advancements, increased cyber-attacks, highly volatile markets, increased landscape of regulatory compliances and aggravated political risks. To address these risks, KPIT continues to adopt comprehensive, structured approach to implement ERM. The Company is committed to continually enhancing and updating risk management framework and capabilities for sustainability of business and to generate long term growth and value for its stakeholders

Risk Management Overview

To accomplish the mission of "creating technologies for better world", KPIT has integrated ERM with its defined strategies which includes focus on growth, improvement in profitability, delivery excellence, people and processes. As a vertically focused Company, growth and profitability are impacted by significant changes in technology domains and industry verticals, in which the Company operates viz Automotive and Transportation vertical, Manufacturing vertical, Energy and Resources vertical and Utilities vertical.

Technology disruption with electrification, autonomous driving and new mobility ideas are prominent emerging trends in Auto vertical while manufacturing vertical is witnessing increased demand for digitization, artificial intelligence and other technologies like robotics, cognitive computing, big data & analytics etc. which are in preliminary stages of adoption. Energy and utilities vertical is influenced by geopolitical challenges, volatility in oil prices and stringent compliances. The Company has implemented robust risk management framework which incorporates evaluation and management of global risks including those prevailing in industry verticals.

Risk Management Governance

The Company has defined governance structure in risk management framework and same is implemented by a rigorous and systematic risk review process to identify, assess, monitor, manage and report risks throughout the organization, from the board level to business unit level.

The Board is overall responsible for risk management including accountability for effective risk governance and assuring adequacy for existence of effective risk management systems.

The Risk Management Committee (RMC)is entrusted to review and approve the risk management policy and it also monitors exposure of the Company to risks, as part of periodical reviews conducted.The first top ten prioritized risks are discussed with and approved by RMC.

The executive management team is responsible for articulating strategic objectives of the Company and implementing ERM under the direction of RMC and sharing periodical updates with them.

For every risk identified, there are defined risk owners who are assigned to define and implement risk mitigating action plans. Quarterly risk status is reviewed and monitored by risk owners of respective business units and enabling functions of the Company.

The risk office works closely with executive management and risk owners for overall deployment of mitigating action plans and monitoring their effectiveness and is responsible for maintaining and updating risk register.

Risk Management Framework

Risk management framework approved by the RMC, provides assurance on existence of effective internal controls and assists in achievement of strategic objectives. The framework provides integrated approach to manage risks and ensures that same is pervasive across the organization.

Risk management policy, which is fundamental of framework, articulates scope and objectives of ERM and defines governance structure by identifying roles and responsibilities of various stakeholders of ERM. The framework mandates for maintaining and periodically updating the risk register, with details of risk viz risk category, risk owner, mitigating actions and status of risk. The same provides a consolidated view to the management of risks being faced by the Company along with their impact. The framework entails following detailed procedures for overall approach to risk.

- **Risk Identification**

  As the Company is exposed to continually changing risks that may impede achievement of strategic objectives, it is imperative to proactively identify existing and emerging threats as well as opportunities. The Company identifies risks based on monthly internal business review meetings, quarterly internal audits, periodic assessment of various business processes, need based management audits, annual operating plans, discussions in Board meetings. Comprehensive risks identified are documented in the risk register under broad categories viz strategic risk, financial risk, operational risk, legal and compliance risk, reputational risk, physical and security risk, economic and political risk.

- **Risk Evaluation and Assessment**

  In risk assessment, risks are effectively analyzed and evaluated on the basis of probability of occurrence (likelihood) and impact of risks are determined. Based on the outcome, risks are prioritized and identified for close monitoring.

- **Risk Mitigation and Treatment**

  For every risk identified, risk response strategies are provided by respective risk owners and discussed with the management. Risks are mitigated and treated considering organization's risk tolerance and appetite. Risks can be treated by either accepting the risk or avoiding or transferring or mitigating risk so as to reduce the probability and impact of an adverse risk event to an acceptable threshold. Mitigating actions deployed are reviewed on periodical basis for their progress and effectiveness to address the risk.

- **Risk Monitoring**

  At KPIT, risk monitoring is a continuous process which assists in determining effectiveness of risk treatments and mitigating plans undertaken for existing risks, updating status of risk and its prioritization, identification of emerging risks.

- **Risk Reporting and Review**

  Risks are reported and reviewed periodically once in a year by the Board, twice in a year by the RMC, Quarterly by CEO & MD, along with the risk officer.

Summary of Key Risks

Top ten risks are those risks that are critical and have impact on achievement of strategic objectives of the Company. These risks are –

1. **Inability to grow within defined target accounts**

   As significant revenues are generated from the focused industry verticals, it is imperative for the Company to grow and manage relationships with the customers from these verticals. To help customers reap benefits of vertical focused solutions and to accelerate profitable growth, the Company continues to focus on strategic customer accounts, which are identified as GAM (Global Account Management) accounts.

   GAM is a framework that aims to achieve long term sustainable business growth in selected customer accounts through mutually beneficial association with these customers. Strategic customer accounts are selected on the basis of customer revenue size, alignment to our focused verticals and offerings and potential for business growth. These accounts are managed by dedicated account managers and sponsored by executive management.

   Growth in business from strategic customers is monitored by comparing Q–Q revenue growth, along with corresponding growth or decline of potential deals with these customers. This growth is compared with overall Company growth to conclude on the status of risk.

   The risk is mitigated by increased collaboration between IBUs (Industry Business Units) and SBUs (Strategic Business Units) cross selling, carving large deals, focus on delivery excellence by introduction of new initiative (SGSG – Start Green and Stay Green) which aims to provide value delivery to the customers. To accelerate growth in GAM accounts, programs are conducted for account managers to build account management competencies. Further, the Company has also invested for growth in account mining and new account acquisition viz enterprise account.

2. **Low gross margins**

   Profitability is significantly influenced by customers' spending patterns, competitive pricing pressure and increasing employee and other operational costs. Given people-intensive nature of our business, employee related metrics viz utilization, bench has impact on the profitability of business. This risk is measured by comparing actual gross margins against budgeted gross margins.

   The Company continues to mitigate this risk by meticulous review of employee utilization and productivity, improvement in employee pyramid, control on bench, reduction in subcontractor costs, increased automation, scaling up strategic customer accounts and focus on more annuity based revenues, increased in charge out ratio, monitoring of actual revenues against best estimates. The Company has implemented effective tool to enhance contribution governance. This tool caters to complex pricing requirements and facilitates comparison and analysis of actual contribution against deal contribution.

3. **Top Talent Management**

   Ability to attract and retain talent, including new skills and capabilities pertaining to emerging technologies, is a prevailing challenge in the industry, in which we operate. This risk is measured by tracking annualized attrition of high performers and new lateral hires attaining top block within year of joining.

   The Company believes that employee attrition is detrimental to its growth and same is monitored by embedding talent acquisition, retention and talent grooming with right competencies, as an integral part of strategic objectives. This is achieved by making significant investments and efforts to strengthen people function and focus on various employee engagements.

Employee competencies are enhanced by trainings imparted by learning organization unit (Ecode). Additionally, collaborative program with reputed universities is designed for employees to acquire knowledge and higher qualification. Under PACE (Program for Academic Collaboration and Engagement) initiative, the Company continues to partner with colleges to engage, attract and nurture freshers. KAIZEN initiative continues to focus and enhance various competency skills while ASPIRE provides platform for job rotation. Further, initiatives for employee recognition, increased connect of management with top blockers, emphasis on employee development and retention has assisted in curtailing attrition.

4. **Rupee Appreciation**

Significant revenue is generated by the Company in foreign currency while considerable costs are incurred in INR. Thus, it is vital for the Company to reduce its vulnerability to major exchange rate movements that could adversely impact profit margins. The risk is measured by comparing actual hedging rate against the planned rate.

To limit the impact of exchange volatility, the Company follows a prudent forex hedging policy which is reviewed periodically by the Management and the Board.

5. **Geo-political risks**

The Company has presence across multiple geographies and geopolitical uncertainty and instability can render challenging for smooth business execution. Restrictions on mobility of skilled professionals by few countries has resulted in increase in cost and thus exerted pressure of margins. This risk is reviewed diligently and mitigated by increased focus on onsite talent acquisition, control on visa filing, exploring offshore work execution and development of onsite global delivery centers.

6. **Growth in Product and Platforms business (P&P)**

The traditional transportation paradigms are shifting due to rising fuel prices, increased traffic congestions, merging smart city technologies etc. and to address these challenges, the Company focuses on its engineering product business which provides sustainable transportation by creating mobility that is safer, greener and more connected. Product business encompass deployment of ITS (Intelligent Transport System), automotive infotainment software (KIVI),Konnect (solution for transforming automotive devices connectivity), KPIT diagnostics and connectivity platform (KDCP) and other similar products. This risk is measured by comparing actual growth rate of product and platform business against its budgeted growth rate.

The Company continues to make investments and undertake efforts in developing product business by focus on winning opportunities with large corporates for existing products, providing innovative solutions for smart cities and working towards electrification of public transport.

7. **Operational liability risk**

Customer engagement is critical for customer oriented business like ours. Ineffective customer relationships may impact our core operational areas and lower revenues or might result in additional costs to the Company. This may culminate in claims for damages by customer which may adversely affect profit margins.

This risk is measured by comparing potential value of claims against predefined threshold claim limit. Various parameters are considered while deriving at the possibility of claim viz –number of defects reported by customer, delayed project execution or defective deliveries or products, poor customer satisfaction scores, long disputed outstanding or issues and any other aspect considered relevant for determining the possibility of claim.

The Company mitigates this risk by scrupulous review of customer contracts, insuring risks, strengthening program management capability across the regions by single framework and training on program methodology for transformational deals. It also focuses on effective customer delivery management both for offshore and onsite with reference to skills and quality of resources.

8. **Management of large deal delivery**

With the focus on growth from key customers, the Company has entered into large deals with some of the strategic customers. These deals entail superior program management capabilities including effective project execution and timely and seamless coordination between onsite and offshore teams dispersed at various geographical locations. Large deals are generally complex and any delay in execution might impact profit margins. The risk is measured by comparing actual gross margin on all running large deals against contracted gross margins.

This risk is mitigated by accurate scoping of deals, hiring of resources with domain capabilities, enhanced project program management and customer connect, strengthening of quality assurance processes, periodical review by management with reference to governance executed by delivery excellence teams.

9. Reputation Risk

Increasing geopolitical instabilities, vulnerability of data breaches and cyber-attacks, other operational challenges, ineffective corporate governance etc. can impair Company's reputation resulting in repercussions like significant revenue loss, reduction in customer base, undermine relationships with key stakeholders that can have enduring effects on business sustainability.

The Company is vigilant and fosters right culture to eliminate damage to reputation and brand. A committee comprising of cross functional teams is entrusted to review and strengthen Company policies viz disciplinary policies & procedures, to ensure compliance of core value systems of the Company which includes enforcement of employee safety, corporate branding, data protection etc. Any violations or misconducts or breach of policies identified, are discussed and actions are initiated for resolution of issues.Employees and stakeholders are sensitized towards values of the Company by periodical communication through various forums.

10. Liquidity risk – cash flow

Volatility in financial markets, foreign currency fluctuations, changes in regulatory environment mandates resilient practices for liquidity management. Inability to meet contractual and contingent financial obligations when they become due, results in liquidity risk which may impact business operations.

To ensure adequacy of funds to meet financial obligations, the Company meticulously reviews liquidity position which includes active monitoring of cash flow and cash flow projections, reinforcing adequate controls with reference to procurements viz capex, effective deployment of funds, control on Days Sales Outstanding (DSO) by rigorous focus on enhancing timely collection from the customers and setting up adequate lines of credit from bankers of the Company.

Corporate Governance Philosophy:

Corporate Governance essentially involves balancing the interests of various stakeholders of the Company such as shareholders, management, customers, suppliers, financiers, government and the community. 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. It includes the processes through which organization's objectives are set and pursued in the context of the social, regulatory and market environment. 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, 2018, 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, 2018

Sr. No.	Name of Director	Category of Directorship at KPIT	Relationship with the Directors	No. of Director ships held in Public Companies*	No. of Committee Membership in Companies@	No. of Chairmanship in Committees@
1	Mr. S. B. (Ravi) Pandit, Chairman	Executive	None	5	2	Nil
2	Mr. Kishor Patil, CEO & Managing Director	Executive	None	5	2	Nil
3	Mr. Sachin Tikekar, Whole-time Director	Executive	None	2	Nil	Nil
4	Ms. Lila Poonawalla	Independent	None	8	2	3
5	Mr. Adi Engineer	Independent	None	2	2	Nil
6	Prof. Alberto Sangiovanni Vincentelli	Independent	None	1	Nil	Nil
7	Mr. Anant Talaulicar	Independent	None	1	1	Nil
8	Mr. B V R Subbu	Non-Executive	None	1	Nil	Nil
9	Dr. Klaus Blickle	Non-Executive	None	1	Nil	Nil
10	Mr. Nickhil Jatakdar	Independent	None	1	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 2017-18, a separate meeting of the Independent Directors of the Company was held on February 14, 2018.

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 programs 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. In the Annual General Meeting held on August 23, 2017, the Company reappointed Ms. Lila Poonawalla, Mr. Adi Engineer and Prof. Alberto Sangiovanni Vincentelli as Independent Directors of the Company for a term of five years, from April 1, 2017. Dr. R. A. Mashelkar ceased to be a Director with effect from August 24, 2017 and Mr. Sanjay Kukreja resigned as a Director with effect from September 15, 2017. During the year under review, the Board re-appointed Mr. Anant Talaulicar as Additional and Independent Director of the Company for a further period of five years from October 21, 2017 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dr. Klaus Blickle was appointed as an Additional Director and Mr. Nickhil Jakatdar was appointed as an Additional and Independent Director w.e.f. January 24, 2018, subject to the approval of the shareholders in the ensuing Annual General Meeting. Mr. Anjan Lahiri, nominee of Birlasoft (India) Limited has been appointed as an Additional and Nominee Director and Ms. Alka Bharucha has been appointed as an Additional and Independent Director of the Company w.e.f. May 23, 2018, subject to the approval of the 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. Kishor Patil, 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;
- Noting of resolutions passed by circulation;
- 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;
- 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, 2018, 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	1,30,000	0.07
	Total	**1,30,000**	**0.07**

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. Additional Board meetings are held, whenever necessary.

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

a) April 26, 2017;

b) July 19, 2017;

c) October 31, 2017;

d) January 24, 2018;

e) January 29, 2018 and

f) February 16, 2018.

Table 3: Number of Board meetings and the attendance of Directors during FY 2017-18

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	6	Yes
4	Ms. Lila Poonawalla	6	6	Yes
5	Mr. Adi Engineer	6	6	Yes
6	Prof. Alberto Sangiovanni Vincentelli	6	4	-
7	Mr. Anant Talaulicar	6	6	-
8	Mr. B V R Subbu	6	4	-
9	Dr. Klaus Blickle	2	1	-
10	Mr. Nickhil Jakatdar	2	-	-
11	Dr. R. A. Mashelkar#	2	-	Yes
12	Mr. Sanjay Kukreja##	2	-	-

*Including attendance by videoconference or teleconference.

#ceased to be Director of the Company with effect from August 24, 2017.

##ceased to be Director of the Company with effect from September 15, 2017.

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, Board Committees of the Company were reconstituted. Quality Council was merged as a part of the Board meeting and Risk Management Committee was merged into the Audit Committee, w.e.f. October 31, 2017. As a result, the committees as on March 31, 2018 are – Audit Committee, Nomination and Remuneration (HR) Committee, Stakeholders Relationship Committee, ESOP Allotment Committee and Corporate Social Responsibility (CSR) 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 other committees meet as and when the need arises. 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 Audit Committee was reconstituted with effect from October 31, 2017 consisting of three Independent Directors, Ms. Lila Poonawalla is the Chairperson of this Committee, Mr. Adi Engineer & Mr. Anant Talaulicar 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 2017-18, the Audit Committee met five times – April 25 & 26, 2017, July 18 & 19, 2017, October 30 & 31, 2017, January 23 & 24, 2018 and January 29, 2018. 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*	2	2
3	Mr. Adi Engineer	5	5
4	Mr. Anant Talaulicar**	2	2

*upto October 30, 2017.

**with effect from October 31, 2017.

B. Nomination and Remuneration (HR) Committee

Composition

The Company has set-up a Nomination and Remuneration (HR) Committee. During the year, Mr. Sanjay Kukreja resigned from the directorship of the Company and hence, he ceased to be a member of the Committee. Mr. B V R Subbu was co-opted as the member of the Committee in place of Mr. Sanjay Kukreja. The Committee now 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. B V R Subbu 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 four times during the year – April 25, 2017, July 18, 2017, October 30, 2017 and January 23, 2018. 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	4	4
2	Ms. Lila Poonawalla	4	4
3	Mr. S. B. (Ravi) Pandit	4	3
4	Mr. Sanjay Kukreja**	2	-
5	Mr. BVR Subbu#	1	1

**upto September 14, 2017.

#with effect from October 31, 2017.

C. Stakeholders Relationship Committee

Composition

The Board has formed a Stakeholders Relationship Committee to look into shareholder-related matters. During the year, the Committed was reconstituted and Ms. Lila Poonawalla was appointed as the Chairperson of the Committee in place of Dr. R. A. Mashelkar. 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. As required under SEBI (LODR) Regulations, 2015, the Company files with the stock exchange(s) within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter and the same is placed before the Board on a quarterly basis.

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 matters 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 January 23, 2018. 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	Ms. Lila Poonawalla, Chairperson*	1	1
2	Mr. S. B. (Ravi) Pandit	1	1
3	Mr. Kishor Patil	1	1

*with effect from October 31, 2017.

D. Quality Council

During the year under review, Quality Council was merged as a part of the Board meeting with effect from October 31, 2017.

Meetings

The Council has met once during the year – July 18, 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	1	1
2	Ms. Lila Poonawalla	1	1
3	Mr. Kishor Patil	1	-
4	Prof. Alberto Sangiovanni Vincentelli	1	-

E. Innovation Council

During the year under review, the Innovation Council has been delinked from the Board Committees and is being run as an independent council with effect from October 31, 2017.

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 25, 2017 and October 30, 2017. The details of meetings and attendance are given in Table 8.

Table 8: 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	1
2	Mr. Adi Engineer	2	2
3	Mr. Sachin Tikekar	2	2

H. Risk Management Committee

During the year, the Risk Management Committee was merged with the Audit Committee with effect from October 31, 2017 and the powers of the said Committee to monitor and review the risk management plan of the Company was delegated to the Audit Committee.

Meetings

The Committee met once during the year on July 18, 2017. The details of meetings and attendance are given in Table 9.

Table 9: 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	1	1
2	Mr. Adi Engineer	1	1
3	Mr. S. B. (Ravi) Pandit	1	1

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, 2018. 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 10.

Table 10: Remuneration paid to Executive Directors in FY 2017-18

(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	14.13	9.18	11.17
PF	1.79	0.85	0.40
Leave Encashment	0.32	0.24	0.28
Variable Performance Incentive	22.62	20.21	17.79
Perquisites	-	0.59	-
Bonus	-	-	-
Notice Period	6 months	6 months	6 months
Severance fees	Notice pay	Notice pay	Notice pay
Total	**38.86**	**31.06**	**29.64**

*Does not include USD 4,800 paid to Mr. Sachin Tikekar by KPIT Infosystems Incorporated, USA, during FY 2017-18.

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 `13.23 (previous year `10.50 million) to the Non-Executive Directors of the Company for the financial year 2017-18. 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 2017-18 are given in Table 11.

Table 11: Remuneration to Non-Executive Directors

(Amount in ₹ million)

Name of Director	Commission	Sitting Fees
Ms. Lila Poonawalla [Chairperson - Audit Committee and Risk Management Committee]	2.52	0.29
Dr. R. A. Mashelkar [Chairman – Innovation Council]	0.85	Nil
Mr. Adi Engineer [Chairman - Nomination & Remuneration (HR) Committee]	2.38	0.27
Prof. Alberto Sangiovanni Vincentelli	2.93	0.06
Mr. B V R Subbu	2.00	0.09
Mr. Anant Talaulicar	0.85	0.07
Dr. Klaus Blickle	1.45	0.02
Mr. Nickhil Jakatdar	0.25	Nil
TOTAL	**13.23**	**0.80**

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 2017-18 is ₹13.23 million. 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 aseparate 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. Kishor Patil 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.

During the year, Dr. Klaus Blickle was appointed as an Additional Director and Mr. Nickhil Jakatdar was appointed as an Additional and Independent Director w.e.f. January 24, 2018, subject to the approval of the shareholders in the ensuing Annual General Meeting. Mr. Anjan Lahiri, nominee of Birlasoft (India) Limited has been appointed as an Additional and Nominee Director and Ms. Alka Bharucha has been appointed as an Additional and Independent Director of the Company w.e.f. May 23, 2018, subject to the approval of the shareholders in the ensuing Annual General Meeting. Detailed resume of Mr. Kishor Patil, Dr. Klaus Blickle, Mr. Nickhil Jakatdar, Mr. Anjan Lahiri and and Ms. Alka Bharucha are 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, 2017 to March 31, 2018, are given in the 'Additional Shareholder Information' section in this Annual Report.

iii) General body meetings

Table 12: 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
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.	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.	1) Re-appointment of Mr. Sachin Tikekar, Whole-time Director for a period of five years.
August 23, 2017 (2016-17)	KPIT Technologies Ltd. Auditorium SDB II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057	10.30 A.M.	1) To re-appoint Ms. Lila Poonawalla, (DIN: 00074392) as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation. 2) To re-appoint Dr. R. A. Mashelkar (DIN: 00074119) as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation. 3) To re-appoint Mr. Adi Engineer (DIN: 00016320) as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation. 4) To re-appoint Prof. Alberto Sangiovanni Vincentelli (DIN: 05260121) as an Independent Director of the Company for a period of five years from April 1, 2017, not liable to retire by rotation.

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) There are no relationships between the Directors of the Company, inter-se.

H. Dividend Distribution Policy

Pursuant to 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).

V. 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. 117 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 3 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, 2018.

Pune
May 23, 2018

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 2018, 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: 23 May 2018

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, 2017 to March 31, 2018 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, 2017 to March 31, 2018 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, 2017 to March 31, 2018.

   (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	**Kishor Patil**	**Anil Patwardhan**
May 23, 2018	CEO & Managing Director	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 27th AGM**	:	August 29, 2018, 11.30 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.	**Record Date**	:	August 22, 2018
6.	**Dividend Payment Date**	:	After August 29, 2018, but within the statutory time limit of 30 days, subject to shareholders' approval.
7.	**Financial Year**	:	April 01, 2017 - March 31, 2018.
8.	**Financial Calendar for 2018-2019 (tentative and subject to change)**		
	Financial reporting for the first quarter ending June 30, 2018	:	July 25, 2018
	Financial reporting for the second quarter ending September 30, 2018	:	October 24, 2018
	Financial reporting for the third quarter ending December 31, 2018	:	January 23, 2019
	Financial reporting for the last quarter and year ending March 31, 2019	:	April 24, 2019
	Annual General Meeting for the year ending March 31, 2019	:	August, 2019
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 – 400051. **NSE Code: KPIT**
	BSE Limited	:	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. **BSE Code: 532400**
	ISIN Number of the Company	:	INE836A01035

The Company has paid the Annual Listing Fee for the Financial Year 2018-19 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. The share transfers are carried out within a period of fifteen days from the date of receipt of request for transfer, provided, all the documents received are in order.

12. **Dematerialization of shares and liquidity:**

As on March 31, 2018, 99.52% 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, 2018:**

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, 2018:**

Category	No. of shares held	% of total share capital
Promoters	**37,391,122**	**18.93**
Public	**152,122,929**	**77.02**
Mutual Funds	14,889,440	7.54
Foreign Institutional Investors	91,134,186	46.14
Foreign Portfolio Investors	76,450,920	38.71
Bodies Corporate	12,090,977	6.12
Non-Resident Indian	2,432,607	1.23
Others	31,575,719	15.99
Non-Promoter – Non-Public	**7,984,691**	**4.04**
TOTAL	**197,498,742**	**100.00**

15. **As on March 31, 2018, 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	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	8,669,250	4.39	Foreign Portfolio Investor (Corporate)
3	KPIT Technologies Employees Welfare Trust	7,984,691	4.04	Non-Promoter-Non-Public
4	New Horizon Opportunities Master Fund	6,500,000	3.29	Foreign Portfolio Investor (Corporate)
5	Bengal Finance & Investment Private Limited	5,000,000	2.53	Other Bodies Corporate
6	Acacia Partners, LP	4,800,000	2.43	Foreign Portfolio Investor (Corporate)
7	Acacia Institutional Partners, LP	4,597,575	2.33	Foreign Portfolio Investor (Corporate)
8	Government Pension Fund Global	3,742,135	1.89	Foreign Portfolio Investor (Corporate)
9	Ashish Kacholia	3,525,000	1.78	Public
10	Acacia Conservation Fund LP	3,430,056	1.74	Foreign Portfolio Investor (Corporate)
TOTAL		**76,858,489**	**38.91**	

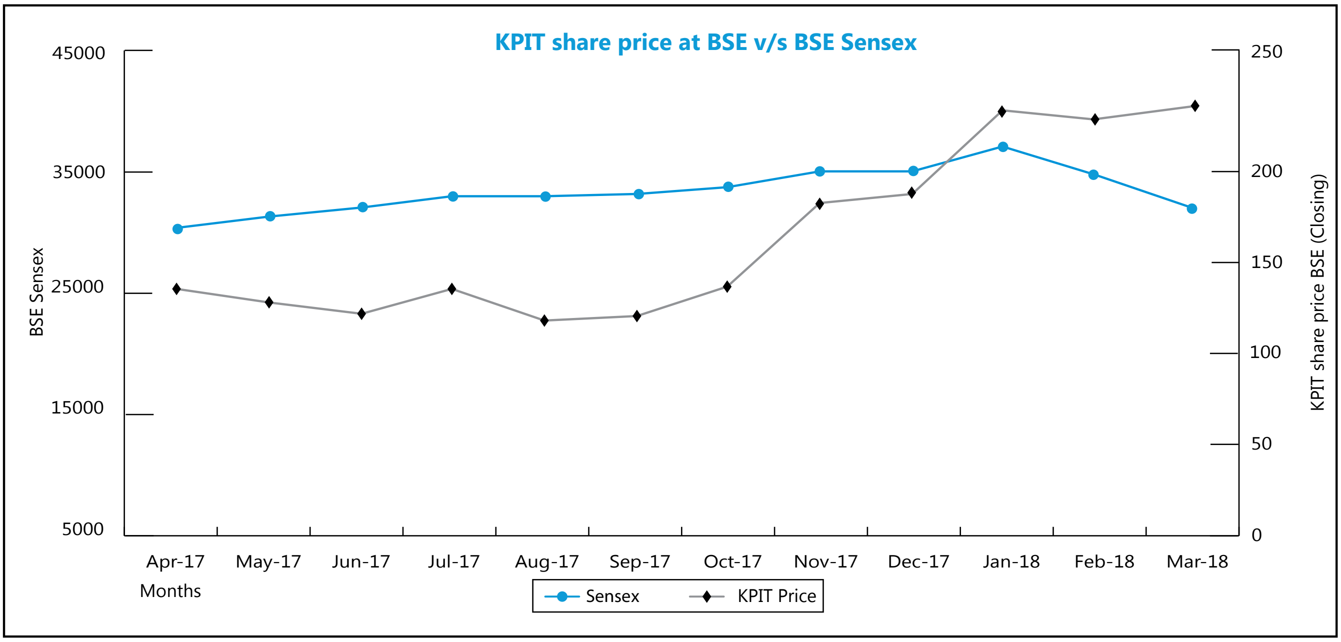
16. **Distribution Schedule as on March 31, 2018:**

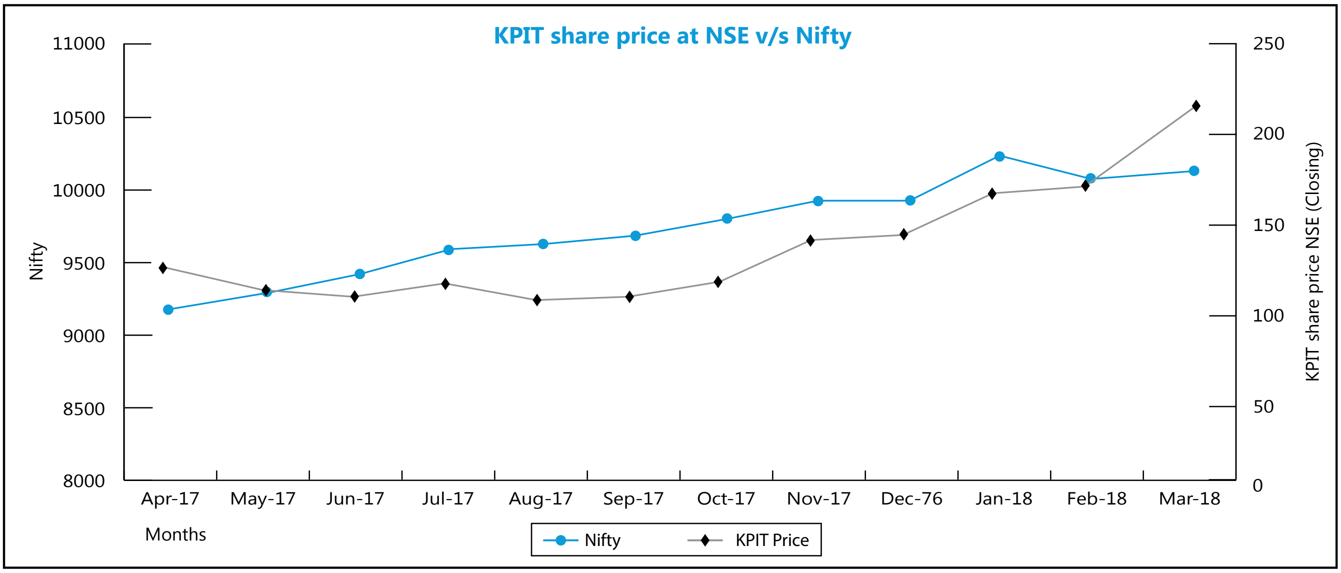
Quantity of Shares	Shareholders		Face Value of shares held (₹)	%
From – To	Number	%		
1 - 5,000	48,919	96.99	21,516,488.00	5.45
5001 – 10,000	623	1.23	46,68,470.00	1.18
10,001 - 20,000	352	0.70	52,21,242.00	1.32
20,001 – 30,000	81	0.16	20,32,364.00	0.51
30,001 – 40,000	81	0.16	29,29,260.00	0.74
40,001 – 50,000	38	0.08	17,20,168.00	0.44
50,001 – 1,00,000	106	0.21	78,66,764.00	1.99
1,00,001 & above	239	0.47	349,042,728.00	88.37
TOTAL	**50,439**	**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 '17	133.65	126.55	129.43	12,887,324	133.40	126.40	129.49	1,451,822	14,339,146
May '17	133.90	110.00	124.57	14,908,502	134.25	110.15	124.63	1,617,718	16,526,220
June '17	127.80	106.10	119.76	18,150,620	127.70	106.10	119.63	2,435,756	20,586,376
July '17	138.70	116.55	129.82	85,411,678	138.75	116.85	129.65	7,249,635	92,661,313
Aug '17	131.00	104.05	116.99	20,523,461	131.25	104.60	116.98	2,491,119	23,014,580
Sept '17	127.20	112.05	119.24	20,142,113	127.30	112.25	119.16	2,248,343	22,390,456
Oct '17	149.60	121.30	130.97	29,149,001	149.50	121.05	130.83	3,335,384	32,484,385
Nov '17	181.70	145.00	164.74	48,722,477	181.80	144.70	164.55	5,216,237	53,938,714
Dec '17	181.70	151.65	169.03	36,713,231	181.50	152.35	168.87	3,612,661	40,325,892
Jan '18	223.40	180.60	202.54	80,206,001	223.30	180.95	202.44	9,757,958	89,963,959
Feb '18	227.15	189.35	208.35	63,426,599	226.75	190.05	208.21	3,600,899	67,027,498
Mar '18	236.35	200.00	221.08	45,415,954	236.40	205.80	220.96	1,848,784	47,264,738

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





19. Details of dividend in the Unpaid/Unclaimed Dividend Accounts as on March 31, 2018 :

(₹ in million)

Year	Balance	Date of completion of 7 years*
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	0.49	August 15, 2020

(₹ in million)

Year	Balance	Date of completion of 7 years*
For the financial year 2013-2014	1.51	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)	0.63	September 27, 2023
For the financial year 2016-17 (Final)	1.24	September 26, 2024

*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.

Accordingly, during the year, the Company transferred an amount of ₹ 176,870/- being the unclaimed dividend pertaining to the financial year 2009-2010 to the Investors Education and Protection Fund (IEPF). Further, 165,974 corresponding shares were transferred to IEPF Authority as required under the above referred rules. 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, 2017 to March 31, 2018:

Sr. No.	Nature of request/complaints	No. of pending requests/ complaints as on April 1, 2017	No. of requests/ complaints received	No. of requests/ complaints processed	No. of pending requests/ complaints as on March 31, 2018
1	Change of Address	Nil	4	4	Nil
2	Bank Details/Mandate/Electronic Clearing Services	Nil	4	4	Nil
3	Stop Transfer/Procedure for Duplicate Share certificate	Nil	67	67	Nil
4	Revalidation of warrants/Issue of fresh drafts	Nil	66	66	Nil
5	Issue of Duplicate Share Certificate	Nil	1	1	Nil
6	Correction of Name	Nil	2	2	Nil
7	Change of Signature	Nil	1	1	Nil
8	Confirmation of Details	Nil	8	8	Nil
9	Unclaimed Share Certificate	Nil	3	3	Nil

Sr. No.	Nature of request/complaints	No. of pending requests/ complaints as on April 1, 2017	No. of requests/ complaints received	No. of requests/ complaints processed	No. of pending requests/ complaints as on March 31, 2018
10	IEPF Shares – unclaimed dividend	Nil	1	1	Nil
11	Stop transfer removal	Nil	1	1	Nil
12	Procedure for transmission / deletion / transposition	Nil	1	1	Nil
13	Dematerialization of shares	Nil	1	1	Nil
	Total	**Nil**	**160**	**160**	**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, 2017	65	49,000
(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, 2017 to March 31, 2018.	1	500
(iii)	Number of shareholders to whom shares were transferred from shares in the Unclaimed Suspense Account during the period from April 1, 2017 to March 31, 2018.	1	500
(iv)	Number of shares transferred to IEPF authority during the year	44	1,12,000
(v)	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the end of the year from April 1, 2017 to March 31, 2018.	20	38,000

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 28, 2017	Audited consolidated financial results for the quarter and year ended March 31, 2017.	The Financial Express & Loksatta
July 21, 2017	Unaudited consolidated financial results for the quarter ended June 30, 2017.	The Financial Express & Loksatta
November 2, 2017	Unaudited consolidated financial results for the quarter and half year ended September 30, 2017.	The Financial Express & Loksatta
January 26, 2018	Unaudited consolidated financial results for the quarter and nine months ended December 31, 2017.	The Financial Express & Loksatta
May 25, 2018	Audited consolidated financial results for the quarter and year ended March 31, 2018.	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.

23. **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 the 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 medallist 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 close to 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. Ms. Poonawalla 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, Impact Automotive Solutions Limited, Nihilent Technologies Limited and Bajaj Housing Finance Limited. Ms. Poonawalla 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. Ms. Poonawalla 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.

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. 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. Mr. Anant Talaulicar was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well. He worked as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking various general management positions. Since 2004, Mr. Talaulicar has also led the Cummins India Foundation which has implemented sustainable community initiatives such as model villages and higher education. He has served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association in the past.

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.

Dr. Klaus Hermann Blickle has extensive experience in Aviation, Marine and Engineering Technology, as well as Consumer Electronics with over 20 years of Automotive (OEM and Tier1) experience. He has held various senior executive positions in Germany, China, UK, USA and Canada. From 1985 to 1987, he was the Head of Engineering for Sell Aviation of Buderus AG and from 1988 he was a Managing Director within the Blohm & Voss Group. In 1992, he joined the Audi/Volkswagen Group. Within the Group, he held various Vice President (VP), Executive VP and CEO Positions until 2001. He then joined the Tier1s - ASC/ Prechter Holding (CTO & President), Tesma/Magna (CEO & President), EDAG (CEO & President) and has also served as the CEO & President of the Worldwide Automotive divisions of Harman International. His style of management is straight forward, down to earth and future oriented. Since 2012, he has been managing his own business (KB GmbH) and was a founding member/ investor of two small companies (startups). He is a non-resident Board Member of the College of Engineering University of Michigan. As interim CEO, Dr. Klaus managed and restructured Telefunken SE in 2013/2014. Dr. Klaus was raised and educated in India and the United Kingdom. He has served in the Armed Forces of the German Army for 18 months as national service and later studied Applied Physics (M.Sc./Diploma). He received his Doctorate in 1984.

Mr. Nickhil Jakatdar is currently the CEO and Co-founder of Vuclip, a global leader in the Video-on-Demand space, funded by Temasek, Foxconn and Pacific Century Cyber Works (PCCW). Prior to Vuclip, Mr. Jakatdar founded and ran various start-ups, such as Timbre Technologies (acquired by Tokyo Electron), Command CAD (acquired by Cadence Design Systems) and Praesagus (acquired by Cadence Design Systems). He is also the founding member of the Bhau Institute of Innovation, Entrepreneurship and Leadership in Pune and is an investor and advisor to Campfire Labs (acquired by Groupon), flutter.io (acquired by Google), Bash Gaming (acquired by GSN), Shoptimize, Pay Activ, Viewics (acquired by Roche), Jombay, Mezi (acquired by American Express) and Blend, among others. He has been the recipient of many awards from various organizations, including the Lifetime Achievement Award from College of Engineering, Pune, the Institute of Electrical and Electronics Engineers (IEEE), Best Paper Award in Transactions on Semiconductor Manufacturing and the Berkeley Distinguished Pioneer Award. He has to his credit more than 20 conference papers and more than 60 issued patents. Mr. Jakatdar completed his Bachelors of Engineering (B.E.) in Electrical Engineering in 1995 from the College of Engineering, Pune and his MS and Ph.D in Electrical Engineering and Computer Science from the University of California - Berkeley in 2000.

Mr. Anjan Lahiri holds Masters in Business Administration, University of Florida, USA and is a Bachelor of Technology from Birla Institute of Technology India. Mr. Lahiri has rich and varied experience of around 28 years in Information Technology sector. Currently, he is a Managing Director and Chief Executive Officer at Birlasoft (India) Limited. Prior to this, Mr. Lahiri was Whole Time Director and Chief Executive Officer at Sasken Communication Technologies Limited. His previous roles with Mindtree Limited, Cambridge Technology Partners and Wipro Infotech complement his experience. Mr. Lahiri received the Michael Tokarz award given to the topmost graduating student in the MBA Program of the Warrington College of Business at the University of Florida in Gainesville and Valedictorian speaker at the MBA graduation ceremony.

Ms. Alka Bharucha holds B. A. (Hons.) and LL.B, University of Bombay, LL.M, University of London, Solicitor, High Court Mumbai and Supreme Court of England and Wales. She is a Member of Bar Council of Maharashtra and Goa, Bombay Incorporated Law Society. She is also an Advocate on Record, Supreme Court of India. Ms. Bharucha began her career with Mulla & Mulla & Craigie Blunt & Caroe, and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which since inception has been ranked by RSG Consulting, London among the top fifteen firms in India. For years, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal, etc. amongst India's leading lawyers. Ms. Bharucha chairs the transactions practice at Bharucha & Partners. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Her general corporate work includes the establishment of mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. She has particular experience acting for financial services clients as well as those in the telecommunications, power and logistics sector and is also actively engaged in representing trans-national corporations for investments in retail, defense and manufacturing space.

R&D Activities

The Chief Technology Office (CTO) functions to enable innovation, technology, research and development at KPIT. The CTO drives the R&D activities at KPIT

R&D for Customers

❖ **K-GRIP**

K-GRIP is a tool developed for automotive diagnostics

Challenges in Automotive Diagnostics:

- Individual Warranty Claims of large US Automotive OEMS > 1 billion US$ per year
- No Trouble Found(NTF) is the biggest contributor to Warranty Claims
- >50% of Warranty cost is due to electrical/electronics components.

Note: NTF is used when a returned product from the field (which is assumed to be the problem component) is found to meet functional and dimensional requirements as per standard validation tests.

Highlights of our solution:

- Uses Network Based Vehicle Diagnostic model and Diagnostic Trouble Codes (DTCs)
- Multifold improvement in time, cost and accuracy of diagnostics
- Dynamic & simultaneous reasoning using specific evidences

Advantages:

- Reduced Warranty Cost
- Feedback loop for Model Improvement
- Centralized diagnostic repository
- Accurate logging of test and repair data
- Accurate & Quick Diagnostic
- Reduced dependence on expert
- Reduced NTF scenarios

❖ **KPIT Integrated Test Environment (KITE)**

This is a cloud based automated testing platform for improving test automation, reducing manual testing effort, thus improving test productivity as well as quality. This is a technology agnostic framework. Various software projects within KPIT are being benefited by this tool.

Novelty:

- Virtual automated testing ecosystem for IT, Engineering
- Integrated application tracking and testing such as connectivity testing
- Asynchronous testing to simulate field conditions
- Distributed remote testing to optimize hardware test benches
- Pluggable architecture to host plugins for CAN, Robot, Camera etc.
- Unattended automated testing mode using runtime impact analysis of failures
- Alexa integration for voice activated test initiation and status updates

Technology Development & Research Projects.

❖ **Autonomous Vehicle Technology for India**

Problem Statement:

- Two major pain areas of commuters on Indian roads:

  Road Safety: 1 death every 4 minutes due to road accidents

  Driving Comfort: 35 mins to 2 hours – Average commute time per day in Indian metros

Solution

Sensor fusion based Collision Avoidance & Traffic Jam Assist:

- Approach:

  Build a system to mimic Human Driver

  Vision as main input – Camera as a Sensor

  Relative distance between vehicles – LIDAR /Radar/ Ultrasonic Sensors

- Fuse these two inputs to generate required intelligence to reduce the speed of the vehicle to avoid collision.

- Solution:

  Low footprint Convolutional Neural Network (CNN) to identify objects on road

360 Degree LIDAR providing relative distance information

Control Algorithm to control brake, throttle & steering

Mechatronics to actuate brake, throttle & steering

❖ **Urban Transport Planning**

Urban Transport Planning has many challenges such as trip start and destination analysis, most common routes taken by commuters, mode of transport, residential and commercial area wise distribution of population visits, roads with max traffic density, existing public transport routes and capacity v/s demand, short trip analysis within zones, optimized routes and capacity.

Challenges:

o Unavailability of analysis based on reliable data for transport and traffic planning

o Huge dependency on survey data which is non-reliable, inaccurate and collected over smaller sample size

Approach:

o Mobile phone data captured for users in anonymous form.

o Mobile network event captured by telecom.

o Anonymized mobile network data used for travel pattern analysis.

o Transport planning is being done based on this data.

Fostering Innovation

❖ **Patents**

Domain wise breakup of all patents filed

Automotive (ADAS) – 15

Automotive (Hybrid) – 13

Automotive (MEDS) – 4

Energy - 4

Others (VLSI, embedded, high performance computing, signal processing, etc.)- 22

Total patents filed in this FY- 9 patents (2 complete specifications and 7 provisional)

Total no. of patents granted in this FY-10

We have filed our first design patent this year. The patent is for the unique design of the display module developed by the team.

Patent Description (filed):

Patent title	Application Type	Description
Adaptive Throttle System	Complete specification	The idea is a control apparatus to control the engine throttle valve. The system, basically consists of a throttle motor and a planetary gear train that receives input from the motor which is coupled to sun gear of the gear train for motorized actuation of the throttle valve. Output to throttle valve is provided from planetary carrier of the gear train through a flexible cable. ECU of the engine controls throttle motor for actuation of the throttle valve during motorized mode of operation based on inputs from various sensors. The gear train gets inputs from accelerator pedal as well, which is connected to ring gear of the gear train through another flexible cable for manual mode of operation which gets overriding priority over motorized mode. A screw-nut type locking mechanism is also provided to have flexibility to switch between manual and motorized control of throttle valve.

Patent title	Application Type	Description
System and method for lane detection	Complete specification	This is a system and method for lane detection capable of providing a warning to a driver of a vehicle in case the vehicle deviates from the detected lane. The method consists of receiving a plurality of images captured by an image capturing device, pre-processing the received plurality of images to obtain a Region of Interest (RoI) in the plurality of images, and obtaining one or more edge features over the RoI, extracting one or more ridge features based on processing of the RoI, detecting an indication of a footpoint of one or more probable lane lines based on the extracted ridge features, detecting a potential lane based on the footpoint of the one or more probable lane lines, applying a mask on the one or more edge features to obtain relevant edges, and detecting a final lane based on the extracted relevant edges and based on the footpoint of the one or more probable lane lines.
SOC Based Gateway Module	Provisional application	The idea is a unique configurable SOC gateway module that consists of asoftware component and a hardware component. The gateway module is configured to provide for multiprotocol translation and switching, flagging wrong source in real time using AUTOSAR and network management. This will provide advantages in performance improvement and flexibility needed during development as well as the product life cycle.
Adaptive Braking System	Provisional application	An adaptive braking system with various sensors is proposed. The braking system consists of an electro mechanical unit that includes a twin pushrod along with a bush for transferring the linear motion from the screwshaft to the push rod and, in turn, to a brake booster. The system consists of a screw mechanism after a bush that translates turning motion of a gear nut to linear motion of a screw shaft. An ECU effectuates the EMU, wherein the ECU is configured with one or more sensors to measure the required vehicle parameter(s) and provide feedback thereto.
System and Method for Pedestrian Detection	Provisional application	The solution is a system and method for pedestrian detection during day time and collision warning. The system utilizes vision based technique for pedestrian detection. The images are captured by a forward-looking camera placed in the rear-view mirror enclosure assembly of the vehicle. The captured images are further processed to detect the pedestrian. In an embodiment, the system uses scanning window selection by taking different resolutions for far, middle and near region images. Further, the system uses three-level classifier for improved accuracy of pedestrian detection. According to an embodiment, scan toggle implementation is used to increase the rate of frames/second (FPS). This solution improves the range of detection and quality of detection.

Patent title	Application Type	Description
A Metal Bipolar Plate Design	Provisional application	This is a unique method of construction of a bipolar plate for a fuel cell stack. The bipolar plate is formed by using a unique method of stamping or machining operation. The bipolar plate is fabricated with different flow fields on either side of the plate. One is an anode side having serpentine flow over which hydrogen gas (H_2) flows and the other is a cathode side having parallel flow over which air (O_2) flows. As a single bipolar plate is designed to include both anode and cathode on either side, it eliminates the need to weld two separate plates.
Clamping arrangement for fuel cell stack	Provisional application	This is a unique clamping arrangement for securing a fuel cell stack which provides for applying and maintaining adequate and uniform pressure across the fuel cell stack. Through the clamping arrangement, the fuel cell stack is pressed between two end plates and then secured in a way, such that adequate and uniform pressure is maintained across the fuel cell stack. In various embodiments, the assembly for a clamping arrangement consist of either a single point clamping with disc springs, or an array of tube springs, or a honeycomb structured silicone rubber or a foam layer. This arrangement is designed such that it can also adapt to irregularities in components owing to thermal expansion or manufacturing constraints and continue to maintain a uniform and adequate pressure across the fuel cell stack.
Cooling arrangement for fuel cell stack	Provisional application	The idea relates to a cooling arrangement for a fuel cell stack that consists of a radiator block integrated into the fuel cell stack assembly. The cooling system for the fuel cell stack consists a conducting plate disposed between fuel cells that has provisions to allow flow of a coolant across it. Reaction gases come in contact with the coolant path, while remaining insulated from the coolant, and heat exchange occurs. The heated coolant then flows through the radiator block where it is cooled and then pumped back into the fuel cell stack for recirculation. The radiator block is designed to be part of the fuel cell stack assembly. This design minimizes any additional space required for the radiator block and also reduces the energy required to pump the coolant due to reduction in physical distance. The radiator block also provides structural support in the fuel cell stack assembly and serves as mounting pillars for end plates mounted on the radiator block.

Patent title	Application Type	Description
Autonomous variable compression ratio engine with continuous variable transmission	Provisional application	An autonomous variable compression ratio engine with continuous variable transmission is disclosed. The system of the present invention is provided with a modified crank with: a pair of counterweight, a pair of leaf spring on one side of the counterweight and a linking mechanism for CVT connecting rod on other side of the counterweight in order to connect the modified crank to the power shaft. The crankshaft is connected to the counterweight via a pair of leaf spring. In ideal running condition, the crank rotates as per the conventional engine, as the stress applied is less than the stresses in the pair of leaf springs. As the load applied increases above set threshold, the counterweight moves away from central axis X, the piston moves downward and the leaf springs are deformed. This results in smoother transformation of engine from no load condition to high load condition. As the counterweight moves away from central axis X, power shaft shifts towards the Y axis. This shift also moves the hollow sheave to get maximum RPM at the clutch variator. The centrifugal force at modified crank causes the engine to achieve the benefits of variable compression ratio as well as helps in achieving the continuous variable transmission.
D 302623	Display Module	This is a design patent for the unique display module of one of our products.

Patent Description (Granted):

Patent No.	Country of Grant	Patent Title	Description
JP6141365(B2)	Japan	Method and System for Parallelization of Sequential Computer Program Codes	This is a method and system for parallelization of sequential computer program code. An automatic parallelization system includes a syntactic analyzer to analyze the structure of the sequential computer program code to identify the positions to insert SPI to the sequential computer code; a profiler for profiling the sequential computer program code by preparing call graph to determine dependency of each line of the sequential computer program code and the time required for the execution of each function of the sequential computer program code; an analyzer to determine parallelizability of the sequential computer program code from the information obtained by analyzing and profiling of the sequential computer program code; and a code generator to insert SPI to the sequential computer program code upon determination of parallelizability to obtain parallel computer program code, which is further outputted to a parallel computing environment for execution and the method thereof.

Patent No.	Country of Grant	Patent Title	Description
MX348341 (B)	Mexico	Motor Assistance for a Hybrid Vehicle Based on Predicted Driving Range	This idea is for providing assistance to an internal combustion engine for a vehicle using an electric motor coupled to the engine. A driving range is predicted based on the historical driving range data. The historical driving range data includes one or more distances that the vehicle was driven during one or more previous driving cycles. The motor is selectively operated to provide assistance to the engine at predetermined operating conditions of the engine. The assistance provided to the engine at the predetermined operating conditions is determined based on the predicted driving range.
US9734560(B2)	U.S.	Method and System for Selectively Enhancing an image	This solution provides for selectively enhancing regions in an image. A digital image is read from an image source and is converted into a desired image model. One or more regions in the image having intensity values of pixels falling outside a pre-determined optimal intensity range are determined. The one or more regions in the image are then enhanced using a modeled light source of an optimal intensity such that the intensity value of pixels corresponding to the one or more regions in the image fall within the pre-determined optimal intensity range.
JP6153528 (B2)	Japan	System and Method for Battery Monitoring	A method and system for estimating the State-Of-Charge (SOC) and State-Of-Health (SOH) of a battery is disclosed. The method accurately determines the battery SOC by estimating the values of the recurring constants determined by the battery parameters based on the current and SOC values obtained during the charging and discharging cycle of the battery.
AU2016203887 (B2)	Australia	A power assisting system	A modular power assisting system that is adaptable to a vehicle/ engine driven system so as to be operated/powered by electric system and/or its original power system has been disclosed. The synergistic combination of the motor system; motor control system and energy storage device coupled to the regenerative braking system enables the power assisting system of the present invention to adapt to the vehicle/engine without involving substantial modifications in engine, power train, drive train and vehicle. The engine and electric motor exploits advantages of each of the power source based on the operating conditions of the vehicle/engine driven system by selectively responding to the engine's power demands so as to enhance fuel efficiency, reduce undesirable emissions and provide better drivability.
JP6240369(B2)	Japan	A System and Method for Determining State of Charge of a Battery	A method for Battery (SOC) is disclosed which uses both the direct method and the indirect method (not used at the same time), alternately as indicated by battery current status. This method compensates for the exiting modeling errors and parameter estimation errors to provide an accurate SOC estimation. The method computes the DC offset and the battery capacitance to compensate for the exiting modeling errors and parameter estimation errors.

Patent No.	Country of Grant	Patent Title	Description
US9858165 (B2)	U.S.	Method and apparatus for designing vision based software applications	This is an apparatus and method for designing vision based software applications. The system consists a media file generation module to automatically generate a plurality of media objects from input media content by applying different values of a set of parameters to the input media content. The plurality of media content contains information representing distinct real life scenarios and distinct environmental conditions. A performance evaluation module processes each of the plurality of media objects using a vision based software application and evaluates performance of the vision based software application for each of the plurality of media objects based on the processing of the plurality of media objects. An application re-designing module re-designs the module of the vision based software application based on the evaluated performance in distinct real life scenarios and environmental conditions.
US 14/915,142	U.S.	Retrofit System for Converting a Vehicle into One of a Hybrid Electric Vehicle (HEV) and Electric Vehicle (EV)	A retrofit system for configuring a vehicle into a hybrid electric vehicle or electric vehicle is provided. The system consists an Electric Power Source (EPS) having one or more motors to provide fail safe torque to the vehicle and harness braking energy for charging one or more batteries, one or more attachable Electric Power Gear Assemblies (EPGA) configured to couple the one or more motors to a propeller shaft for providing the torque to the vehicle, and an electronic control unit coupled to the EPS for dynamically controlling functioning of the one or more motors based on the running conditions to drive the vehicle. The motor controller actuates one or more motors based on the torque and power required to drive the vehicle.
EP 2477835	Europe	Motor Assistance for a Hybrid Vehicle Based on User Input	A method of providing assistance for an internal combustion engine in providing driving power for a vehicle using an electric motor coupled to the engine is provided. The motor is selectively operated to provide assistance to the engine at predetermined operating conditions of the engine. The assistance provided to the engine at one or more of the predetermined operating conditions is determined based on one of a plurality of motor assistance profiles. The motor assistance profile upon which the assistance is determined is selected from among the plurality of motor assistance profiles based on an expected driving range provided by a user of the vehicle.
IN292492	India	A System For Detecting, Locating And Tracking A Vehicle	This solution provides for locating, tracking and detecting a vehicle at night time. The method includes steps of segmentation, validation, clustering, tracking and physical parameter estimation for detection of vehicles. The system utilizes entropy based image segmentation for raw image obtained from multichannel camera.

Publications for FY 2017-2018

#	Paper Title	Conference	Domain
1	Numerical Simulation and Flow Analysis of Rear Transfer Ducts Using AcuSolve	Altair Technology Conference - 2017	Computational Fluid Dynamics (CFD)
2	Trajectory planning and fuzzy control for perpendicular parking	2017 IEEE International Conference on Multi sensor Fusion and Integration for Intelligent Systems	Autonomous Driving
3	Actuator domain architecture: strategy for optimizing weight reduction and CO2 emission	SAE world Congress 2018	Design optimization-Methods and application
4	Suspension health monitoring and failure prognosis through onboard SoC and cloud based reporting	SAE world Congress 2018	System diagnostics and prognostics
5	Design and implementation of Adaptive Range LIDAR System (ARLS) for autonomous braking assistance at high speeds in automobiles	SAE world Congress 2018	Autonomous systems
6	Simulation test bench of EV power system towards fault analysis	2018 Biennial International Conference on Power and Energy Systems: Towards Sustainable Energy (PESTSE) -IEEE	Electric power system, fault simulation, EV fault analysis
7	Practical approaches for detecting DoS Attacks on CAN network	WCX World Congress Experience	Automotive Cybersecurity

KPIT Sparkle 2018

This was the fourth 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 '**Next Generation Energy and Transportation Solutions**'. This year we received over 12,000 registrations from more than 600 engineering and science colleges, highlights for this year was the increased participation from premier institutes (IITs, NITs) from 9 to 28. We also saw an increase participation 63 of top 100 institutes across India, the list as published by the MHRD (NIRF rankings).

The 30 finalists of KPIT Sparkle 2018 showcased their projects at a public exhibition, held at the premises of the event's academic partner, Pimpri Chinchwad College of Engineering (PCCOE), Pune.

The finalists were evaluated based on the novelty, affordability, and commercial viability of the proposed ideas. The winners of the contest were evaluated by a panel of eminent jurors and announced at an award ceremony on 18th February 2018, where cash prizes of over INR 20 Lakhs were awarded to them.

This year the projects which came to finale were implemented on actual vehicles. There were Green Technology projects like energy production using Fuel Cell and Hydrogen being used as fuel for automotive applications, compressed air engines. Interesting projects like climate control without using refrigerants, recycling of plastic to form building material. Projects which were aimed at end user convenience like a dynamic time table for busses depending on ridership, predictive path for ambulances, overtake assistance systems etc. Projects which dealt with Safety like Vehicle flow optimization, collisions avoidance systems, Smart Helmets etc.

At the grand finale of KPIT Sparkle 2018, the winners were felicitated with cash prizes and medals. Students were awarded in the presence of Dr. K Radhakrishnan, Former Chairman, Indian Space Research Organization (ISRO) and Harkesh Mittal, Adviser, Member Secretary, National Science & Technology Entrepreneurship Development Board (NSTEDB). The august gathering also included Mr. Ravi Pandit, Chairman and Group CEO, KPIT Technologies Limited and Dr. R A Mashelkar, Chairman, KPIT Innovation Council and Dr. AM Fulambarkar, Principal, PCCOE, in addition to the jurors.

Team Electrodes, a single-member team represented by **Ramya Veerubhotla** from the Indian Institute of **Technology, Kharagpur**, won the top **Platinum Award of KPIT Sparkle 2018.** Ramya showcased a prototype of a **flexible and disposable battery, powered by bacteria from sewage water, using eyeliner-coated paper electrodes.** The winner received a **cash prize of INR 10 lakhs.**

Team name	College name	Description	Award
Team Electrodes	INDIAN INSTITUTE OF TECHNOLOGY KHARAGPUR	Bacteria Powered Battery	Platinum
Team SmartGears	SAHYADRI COLLEGE OF ENGINEERING & MANAGEMENT	Smart Helmet	Gold
Team Nanoknocks	PUNE VIDYARTHI GRIHA'S COLLEGE OF ENGINEERING	Organic Nano Material for cleaning Oil Spills	Silver 1
Team Thermo	PAD. DR. D. Y. PATIL INSTITUTE OF ENGINEERING, MANAGEMENT & RESEARCH PIMPRI CHINCHWAD COLLEGE OF ENGINEERING	Converting Waste Heat into electricity	Silver 2
Team PathPredictor	NATIONAL INSTITUTE OF TECHNOLOGY HAMIRPUR	Predictive Path Analyzer for Priority vehicles	Most popular

Community Initiatives

Transforming communities through employee engagement

KPITes join villagers at Kusgaon for well excavation

Community Initiatives at KPIT has been a long-standing tradition, since its formative days. Leveraging on our strengths of people and technology, KPIT has been maneuvering itself through the social and environmental scape, trying to better the world, through select focus areas. KPIT works with the belief that responsible volunteering has the ability of imparting a long-lasting impact, with constant emphasis on quality of the impact than quantity. At KPIT, we aim to create a more equitable and inclusive society by supporting communities that lead to sustainable transformation and social integration.

Community Contribution is one of the seven core values at KPIT. It has a significant mention in our Mission and Vision statement and reflects 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:

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

ENVIRONMENT

KPIT is committed towards giving our future generations a sustainable world through efficiency in our business operations and conservation of natural resources. Here are few project categories and projects that we undertook this year:

Key projects under Environment focus area

Water Conservation through Mass Volunteering

KPITes working on Vanrai Dam

Five years of water conservation: In the last few years, the water situation in Maharashtra has gotten worse resulting in severe droughts, leading to drinking water scarcity and agricultural crisis. The electrification of the villages has indirectly intensified the problem through deep borewell technologies, leading to increased extraction of groundwater from wells and surface storages. To mitigate the severity of the problem and append the existing support structure, KPIT took up two villages of Kusgaon and Metpilawar in Pune district this year. As a result, three farm ponds of 1.3 lakh litres each were achieved, with villagers playing a partner's role in executing these ponds. These ponds have been made accessible to 400 villagers and livestock, hoping to support them through the dry spells of the year. 154 KPITes, took charge of their social responsibility in ensuring this project was realized.

KPITes shedding sweat at Metpilawar village

Well excavation and construction at Guhini village, Pune District

KPIT, under its Water Conservation through Mass Volunteering Initiative, constructed a second fresh drinking water well in Guhini village, Pune district, Maharashtra. This project, intended to address the potable water scarcity for the months when the nearby natural spring dries out. It was a collaboration between KPIT, Jnana Prabodhini and the villagers of Guhini.

A unique three-way partnership, KPIT and the villagers contributed with funds and sweat hours in realizing this structure. As a result, the village of Guhini, with a population of 800, will now be tanker-free even in the arid months of the year.

Well excavation and construction at Guhini village, Pune

This initiative was made possible with the guidance of Jnana Prabodhini, KPIT's NGO partner. The well has been constructed on the land of a generous donor, Shri Shripati Jadhav, measuring 40 ft deep and 40 ft in diameter, with a water holding capacity of 1.1 million litres.

Drinking water distribution system in Kamre Budruk village, Pune District

Replicating the efforts from the successful drinking water distribution system project from Kashedi in 2015-16, KPIT engaged with its partner NGO, Jnana Prabodhini at Kamre Budruk village. This project being in tandem with our CSR objective of water conservation, KPIT volunteers conducted a survey of drought conditions in villages near Pune. It was observed that although Kamre Budruk village (15 km away from Bhatghar dam near Pune) falls in water catchment area of Bhatghar dam, it is still facing acute drought issue. The only source of drinking water in this village is a natural reservoir that is drying out, thus creating a dependency on the government aided water tankers.

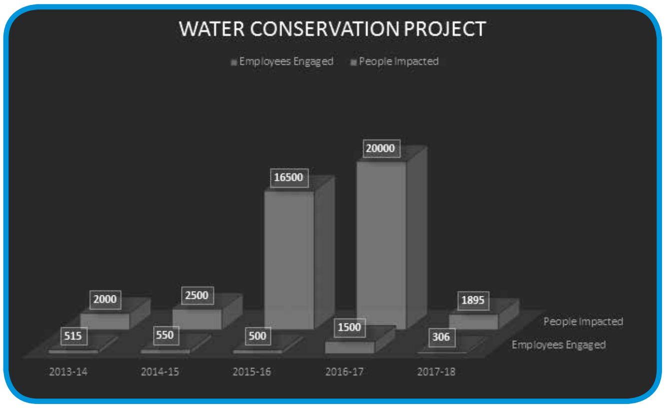
Being a small village with scarce population, there are limitations in the way Government can fund to resolve drinking water issue of the village. After consultation with local government authorities and Jnana Prabodhini's irrigation experts, KPIT decided to pump water into that natural reservoir from the backwaters of Bhatghar dam.

The project involved pumping water to a height of 150 meters by installing a pipeline (2" diameter) of 1,500 meters. This water will be pulled by a submersible pump of 10Hp. These efforts will result in a huge relief to the drought conditions faced by the villagers.

The uniqueness of the project lies in the synergism, wherein, the Government tackles the drought condition, corporates commit to social responsibility and voluntary organizations execute these efforts. After observing this commitment, villagers have started digging a channel for installing the pipe line. The villagers are now getting ample amount of drinking water.

Through its water conservation initiatives, KPIT has managed to support below numbered beneficiaries.

- Number of villages covered: 8
- Total number of beneficiaries: 1,895
- Water Conserved (Litres): 1.4 million
- Total number of employees engaged: 306



Afforestation: Seed Bombing/Aerial Reforestation

Process of seed ball making and dispersing

Masanobu Fukuoka's (a Japanese Farmer) revolutionizing idea to planting, also, sometimes known as Aerial Reforestation, is a technique of introducing vegetation to land by throwing or dropping seed balls in mostly rugged and inaccessible terrains. Although, through its propagation across geographical boundaries, the process has seen alteration and medication being inculcated, the intent of seed dormancy within the ball until suitable conditions are met for germination remains at the heart of it.

The process involves kneading locally available clay, soil, indigenous cow dung and urine into a dough like consistency. This is then followed by inserting seeds of indigenous tree species and sun drying them to increase the shelf life. KPIT employees in Bengaluru took part in three seed ball making gatherings, hosted by local NGOs and nature groups, in amassing close to 15,000 seed balls. Over the course of the monsoon season, we frequently visited a chosen hilly site of Muddenahalli near Nandi Hills, on the outskirts of Bengaluru, to bomb these seed balls.

Seed ball dispersal with Team PEG at Muddenahalli

150+ volunteers from KPIT Bengaluru took part in this process of reforestation this year, with subsequent visits showing promise of seeds germinating into plantings. Seed bombing, based on variability of conditions, has a success rate of anywhere from 10% – 30%.

Afforestation: Sapling Planting and Plantation Care

The primary forest cover of our country stands at barely 3%. The rate at which these forests are being plundered, leaves our future generations with an insurmountable challenge for survival. Encroaching in the name of development and adequacy has been furthering the availability of the green gold our country once hugely possessed.

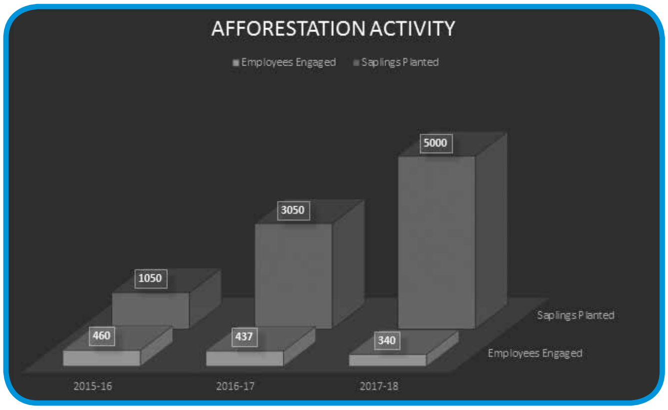
Planting Activity by KPITes at Koyna

Clearly, the need of the hour is to pull up the socks and be responsible for our future generations. KPIT, as a socially responsible organization, has taken up to the task of restoring forests, to bring back some semblance in the forested environment. In Maharashtra, the Koyna - Chandoli corridor has been a recipient of KPIT's afforestation efforts. Following up with previous year's efforts, KPIT aligned its afforestation efforts with the monsoon, ensuring 5,000 more saplings were planted, aggregating with the previously planted ones, with an overall survival rate of 90%. Beyond planting, KPITes also laboured in watering the saplings and mulching them to ensure care and see to it that they grow to live. The efforts of two KPIT offices of Pune and Mahape over multiple visits, including 340 volunteers have ensured a tiny parcel of green promise.

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

- Creation of oxygen hubs and increase in carbon sequestration
- Reduction in atmospheric temperature
- Rise of mini ecosystems
- Increase in bird migration and flourishing flora

Mulching Activity by KPITes at Koyna



KPIT Afforestation activity graph for past three years

KPIT Better World

KPIT Better World Theme, 2018

A global, crowdsourcing contest, **KPIT BetterWorld** focuses on leveraging niche technologies to address issues in the areas that are essential for our existence and to make the world a better place to live. The invitation was extended to tech students, start-ups, tech-boutiques and scientific associations from across the globe to present affordable technology-led solutions to create a positive and far-reaching impact on the environment. Contest to feature challenges on diverse themes, starting with the first competition addressing issues of water scarcity. The theme of the first edition is 'water', which will focus on finding solutions around extracting water from thin air and measuring groundwater stock and surface water flow.

Why the spotlight on water extraction from thin air and groundwater conservation?

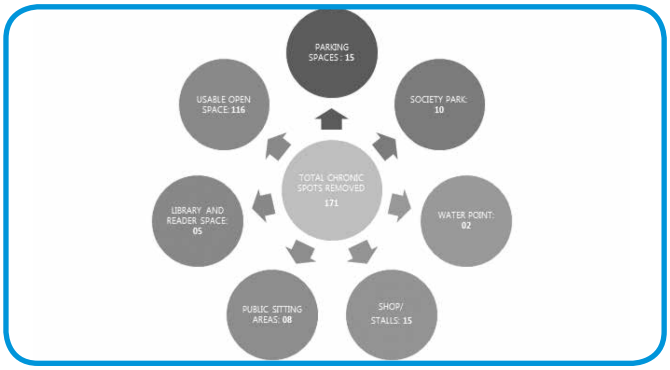
- Limited access to fresh and clean drinking water
- Shrinking groundwater resource

The contest so far has received 182 nominations with 25 unique ideas.

Zero Garbage Project

In 2013, the Zero Garbage Project was initiated for improving 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.

Since inception of this project, our Chairman and Group CEO, Mr. S. B. (Ravi) Pandit, has been a deeply engaged mentor in execution of the Zero Garbage Project. With KPIT's support and coordination, Janwani, a Pune-based voluntary organization, has been successful in showing positive results in all municipal wards. In the process, a total of 5.5Lac(approx.) properties have been reached covering 20 prabhags. Since April 2017, 567 chronic spots have been eliminated in the 20 prabhags, with 171 spots given an alternate use such as water points, society park, parking spaces etc., to make the wards zero-garbage wards.

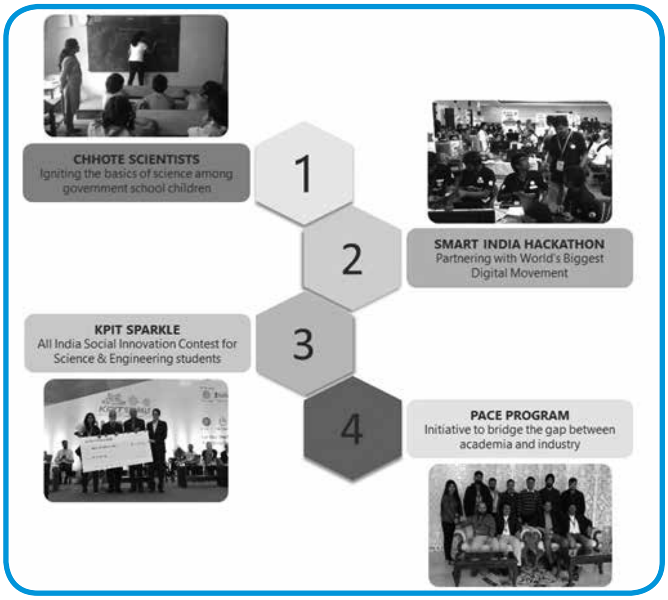


Use of Space after Removal of Chronic Spots

Within the project, Janwani has also been collecting e-waste for scientific disposal. As accounted, close to 10 tons of e-waste has been collected this past year from societies and bungalows, commercial establishments and educational institutes.

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 STEM (Science, Technology, Engineering and Math) as a career choice and develops the acumen of an individual towards constant learning.



Key projects under Education focus area

Chhote Scientists

Chhote Scientists has been at the forefront of KPIT's Educational initiatives under the CSR umbrella. An effort to bridge the learning gap in classroom and real-life application of science, the influence is mushrooming into a larger picture.

What began as an effort of impacting 800 children in around 20 schools in Pune in the first year, is now seen reaching out to 177 schools in the current calendar year with 15,000 students being exposed to it, across 15 cities of India.

Chhote Scientists in session at Pune

In 2017-18, Chhote Scientists has expanded to new venues of Mysuru, Dharwad and Hubballi, catering the program to 3,500 children in 60 schools. KPIT has partnered with Talent Quest for India (TQI) and Youth for Seva (YFS) in Mysuru, under the NGO partnership model. The uniqueness of this partnership is such that it now has 20 medical and pharmacy students (not just undergraduate engineers) coming together in delivering the program. With as many volunteers, KPIT could reach out to 240 students at seven government schools.

Chhote Scientists in session at Mysuru

Following up on the tracks of last year's college partnership with Jalna College in Pune, KPIT this year, partnered with NMKRV Girls College and NMIMS from Bengaluru, and brought out the program to ten more schools in Bengaluru. 60 volunteers, through as many sessions, engaged 820 students for an exciting and hands-on Chhote Scientists program. Such kind of partnerships have not only helped in reaching larger number of schools, but also have brought about evident changes in the young college going aspirants, bringing their leadership and people management qualities to the fore.

Chhote Scientists Workshop in session at NMKRV College, Bengaluru

Chhote Scientists, made strides in expanding its circle of knowledge-sharing to Hubballi, under the Project titled 'Lab on Bike', reaching out to ten schools with not just Chhote Scientists, but with practical science curriculum using demo models. Through this program 980 students were benefited. Likewise, in Dharwad, with Vidya Poshak, a voluntary organization, playing the host, 2,500 children across 43 schools were benefitted from KPIT Chhote Scientists program. While 'Lab on Bike' had a dedicated teacher delivering the sessions to schools in Hubballi, Dharwad saw 80 of Vidya Poshak scholars and non-scholars partake in running the sessions.

Chhote Scientists in session at Hubballi

In terms of direct engagement, KPIT's volunteers have taken up 25 schools across three locations of Pune, Mahape and Bengaluru, putting a minimum of four office hours to justified use at government schools, promoting active science-based learning. Cumulatively, 550 volunteers with 1,100 hours have made Chhote Scientists a valuable prospect for volunteering.

Chhote Scientists in session at Bengaluru

vSolve 2018

A problem solving competition that vSolve is, the event across locations turned out to be a stellar one. Pune's vSolve competition this year saw 220 students from 41 schools compete in solving the problem statement of Electricity Generator and Wind Weight Lifting. What was unique this year was the newly anointed 10 schools with Atal Tinkering Labs (ATL) joining the competition with a separate challenge to tackle. They had to solve the mystery of Smart Room, wherein the participating children had to make use of Internet of Things (IoT).

vSolve 2018 contestants at KPIT Pune with their working models and ATL students with their working on Smart Room

Bengaluru this year saw two separate editions of vSolve being organized. KPIT volunteered schools were invited to our Bengaluru office for the vSolve competition. The 20 participating teams not only competed in solving a science gaming circuit of building an electric car and solving an optical maze among other steering competitions, but also were indulged in floor walks to DENSO's Offshore Development Centre (ODC). Four teams hosted all the children, interacting with them over their interest in science, showing them demos of the clusters and engaging them in a frolicking time. Earlier, the children were shortlisted for the competition through a round of selection process involving Multiple Choice Questions (MCQ) test.

vSolve 2018 contestants at KPIT Bengaluru building electric car and learning about clusters in the ODCs

Ten other schools from across Bengaluru, engaged through college students, saw ten teams of four participants each in the vSolve competition. The engagement apart from the main competition included a film-screening-based interaction. The main competition hosted the similar science gaming circuit that was keenly contested. The top prize, although a formality, was taken by MES School, while Kathriguppe and Subramanyapura Schools bagged the other prizes. One of the schools, run by the Ragigudda Trust, hosted this edition of vSolve competition.

Mysuru, debuting with the program, hosted 42 finalists from seven schools in a day long engagement apart from the main stage competition. Competition involved a treasure hunt to be solved, to gain the materials for building their respective demos.

The twin cities of Hubballi and Dharwad had lion's share of participants for vSolve this year in Karnataka. Hubballi with its ten schools had 34 finalists take part in the finals, while Dharwad witnessed 52 finalists partake with their science demos, built at the competition venue. The demos being consistent with Chhote Scientists' themes, saw some awe-inspiring construction of scientific understanding by the children. Hydraulic Pressure Bridges - an extension of pressure and buoyancy, Rockets and Water Rockets - based on Newton's Laws of Motion, Saline Alarm - working on gravity and simple electrical circuitry were some of the examples from the exhibition. Other noteworthy demos included candy vending machine, principle behind washing machine, sustainable village model based on renewable energy sources and constellation of stars.

vSolve 2018 contestants at Mysuru, Hubballi & Dharwad

At Harali, Pune District, 11 schools came together for their edition of vSolve competition this year. In all, 63 students partook in the competition, with class 8 students given a problem statement resulting in making a Parachute, while class 9 students were competing to construct a Wind Mill.The contestants made use of the available resources and showed the presence of mind to innovate with tricks and fixes to get the models working. The event was organized and managed by Jnana Prabodhini.

Participants at vSolve competition Harali, Kolhapur district

Coinciding with National Science Day/Week were the vSolve competitions, with occasions being graced by eminent scientists and educationalists such as Dr. Unnat Pandit – Operations Head, Atal Tinkering Labs and Shri. Shridhar Udagatti – Retd. Scientist, Baba Atomic Research Center, Govt. of India.

Dr. Unnat Pandit from NITI Aayog at vSolve 2018, Pune and Dr. Shridhar Udagatti from BARC at Chhote Scientists 2018, Dharwad

Across all the Chhote Scientists centers in Karnataka, the participating children, in the vSolve competition, were handed a special custom-made package of two pens, two pencils and a seed pencil. Through these stationaries children were enticed to care more for the environment through a conscious behavior. The seed pencil, that had a capsule filled with seeds at the head, was for children and teachers to take it back home and plant them after the pencil had initially served its purpose at school. Jeev, KPIT's gifting partner, hand crafted these packages especially for the children of Chhote Scientists.

Special custom-made gift for participating children

Chhote Scientists in USA

As part of the CSR activities in Columbus, USA, this third session of Science Learning Event for Kids (as an extension of our 'Chhote Scientist' initiative in India) was hosted by KPIT at the Columbus city library. 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 light. Based on the local requirements, Chhote Scientists is being shaped into an engaging hands-on initiative in USA.

Atal Innovation Mission's ATL Labs

In February 2018, KPIT signed a two-year Statement of Intent (SOI) with NITI Aayog (National Institution for Transforming India), Govt. of India, to support, mentor and select Atal Tinkering Labs (ATL) for secondary level school children across the country. ATLs are open-ended workspaces where students can give shape to ideas through hands-on 'do-it-yourself' learning modules and acquire critical skills to innovate with technology.

KPIT signing the Statement of Intent with NITI Aayog to mentor ATL children

In association with Atal Innovation Mission (AIM), KPIT will select ten ATLs across Jammu & Kashmir, Chhattisgarh and the North-Eastern states to help augment learning by deputing an Innovation Guardian, to nurture talent and develop an innovative mindset among students. Through this partnership, KPIT's Chhote Scientists program will be circulated among ATL schools as a foundation program.To augment learning, KPIT will organize workshops, boot camps, innovation contests and science exhibitions during the course.

Apart from this major development, this year's vSolve Competition saw ten ATL schools from Pune and adjoining places, join the problem-solving race, indicating a deeper working connection with higher aspirations in years to come.

On National Science Day, for NITI Ayog, a workshop imparting hands-on experience in making Dual LED circuit board, was organized for all ten ATL Labs in Pune. Students were introduced to handling soldering and discreet components of electronics.

ATL Workshop by KPIT & Jnana Prabodhini in Pune

Sparkle 2018

KPIT has always believed in fostering innovation and trusts that technologies can better the world. As a part of this initiative, we run KPIT Sparkle every year. In its fourth year now, the theme for KPIT Sparkle 2018 was Next Generation Energy and Transportation Solutions. The grand finale of KPIT Sparkle 2018 was attended in huge numbers by innovators, technologists and public. It was a spectacle worth watching, as young innovators were crowned for their innovative projects. The event was held on February 17 & 18, 2018 at the Pimpri Chinchwad College of Engineering (PCCOE), Akurdi, Pune.

This year the contest attracted participation from 600+ colleges in 25 Indian states, representing an astonishing 12,000+ students through 1,500+ projects. Highlights for this year was the increased participation from premier institutes (IITs, NITs) from 9 to 28. Department of Science and Technology (DST) on boarded as Knowledge Partner for KPIT Sparkle 2018. KPIT plans to take winning and promising Sparkle ideas to the next level for actual application using DST incubation centers, through various DST schemes.

The top 30 shortlisted ideas showcased their prototypes during the finale and won total cash prizes worth ₹ 21 Lakhs.

This two-day grand finale began on February 17, 2018 with various technical sessions by experts from technology leaders such as Google, MathWorks, NVIDIAand KPIT. The finale concluded on February 18, 2018 with thorough evaluation of finalists' projects by distinguished jury panel headed by Padma Vibhushan Dr. R. A. Mashelkar. The award ceremony was graced by the presence of Padma Bhushan Dr. K. Radhakrishnan (Ex-Chairman, ISRO) and Shri Harkesh Mittal (Advisor, Ministry of Science and Technology, Head – NSTEDB).

Day1: Eminent speakers endorsing KPIT Sparkle

Day2: Actual Sparkle 2018 Contest

Smart India Hackathon 2018: World's Biggest Digital Movement

KPIT partnered with the Ministry of Human Resources and Development (MHRD) in organizing the Smart India Hackathon (SIH) 2018, pitted as world's largest digital nation-building initiative. The Hackathon aims at harnessing the creativity and technical expertise of students from various technology institutes across the country.

As part of the partnership, KPIT was responsible to ensure smooth execution of the final event of the Software edition at the nodal center in Noida. Volunteers from KPIT were also involved in the initial screening of the entries received for the competition. Furthermore, KPIT also conferred the KPIT Inspiration Award to the teams ranking sixth at each of the 28 centers, nationally, hosting the finale.

KPIT, which brings profound expertise in developing clean and intelligent technologies for the automotive industry, will be steering the automotive and smart vehicle segment of the Hardware edition. Mr. B V R Subbu, Automotive industry veteran and a Board Member at KPIT will be chairing the evaluation committee of the segment. This edition of SIH will be conducted in the month of June 2018.

The Smart India Hackathon witnessed participation from 27 Central ministries/departments and 17 State Governments, which have sent around 340 problem statements. In the finale, 1,296 teams participated, comprising of students from Engineering, Management, and MCA (Masters in Computer Applications) background.

Smart India Hackathon 2018, Noida

Computer Training Centre at Kamalkot, Jammu & Kashmir

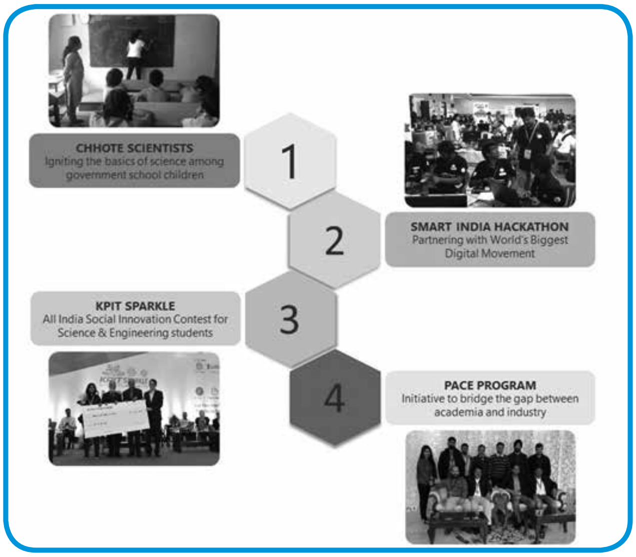
KPIT and Aseem Foundation, with support of the Indian Army, launched a computer training centre at Kamalkot, a village close to the Indian Line of Control (LoC) in Baramullah district. The computer centre, which will be run by Aseem Foundation and supported by KPIT, was inaugurated and handed over to the villagers of Kamalkot by Major General R.P. Kalita SM, VSM, the GOC Baramulla Division and Mr. Chinmay Pandit, AVP, KPIT.

Students from Kamalkot and nearby villages around the Indian Line of Control (LoC)

The center will be used to provide a six - month basic computer Training to students from nearby villages. 60 students from 10 villages have already enrolled themselves for the same. The course has been registered with Education Ministry of Jammu and Kashmir State Government. A certificate will be awarded by KPIT to the students at the end of six months. After completion of the course, the students will acquire jobs and do individual Desktop Publishing (DTP) work as their own business. Bright students will be supported for further computer education too.

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.



Key projects under Employee Engagement focus area

Blood Donation

A regular in our annual calendar of events, KPIT acknowledges the shortage of blood available in cases of medical emergencies. With barely 50% of blood requirements met annually, the supply, since cannot be manufactured, thus should only be donated by generous donors. The frequency varying from two to four donation camps conducted across multiple centers, KPIT ensures that it is doing its share of duty in supplying needed units of blood, in partnership with blood banks such as Rashtrotthana Blood Bank in Bengaluru, Jankalyan Blood Bank, DM Hospital in Pune, and Samarpan Blood Bank and Vamanrao Oka Raktapedhi Mumbai blood bank in Mahape.

This year's camps received an appreciable response from employees across all locations resulting in 1,120 units of blood, benefiting 3,300 lives.

KPIT Centre	No of Units	Supporting Blood Bank
Pune	750	Jankalyan Blood Bank and DM Hospital
Bengaluru	320	Rashtrotthana Blood Bank
Mahape	60	Samarpan Blood Bank and Vamanrao Oka Raktapedhi

KPIT's Blood Donation Camps this year

Sign Language Workshop

KPIT, in association with EnAble India Community, organized Sign Language Workshop at Bengaluru office. The workshop was a repeat of previous year's two-day workshop, with added attraction of volunteering options with EnAble community and associated beneficiaries. Owing to its popularity, the workshop had 48 participants attending the two hour session. Participants were given a kick-starter lesson in spelling names using sign language, thereby learning the alphabets of Indian Sign Language. One wherein the communication is done using two hands as against one in American Sign Language. The session progressed into participants learning how to exchange greetings and to denote places and things of common usage in our everyday life.

Sign Language Workshop in session at KPIT Bengaluru

Meet the Legends

Motivational talk series at KPIT this year witnessed the following legends, in their respective spaces, graced us and encouraged employees towards social service.

Dr. (s) Ravindra and Smitha Kolhe

Dr. (s) Ravindra & Smitha Kolhe

Inspiring generations, transforming one of Maharashtra's poverty-stricken regions into a malnutrition-free zone, are Dr.(s) Ravindra and Smita Kolhe. An incredible journey of theirs reads of having improved health outcomes of Melghat, helping villages gain electricity, connecting roadways and developing primary health care centres. Their striving journey for the community's sake can be regarded as nothing but selfless.

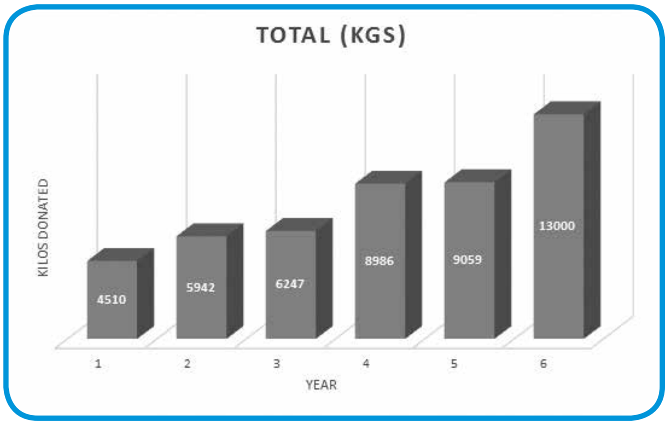
Anand Shinde

A photographer, known as "The Elephant Whisperer", is renowned for his unique ability to communicate with and calm traumatized elephants. Trunk Call – Anand's Wildlife Foundation aims to have a sustainable future for elephants and a harmonious coexistence for wildlife and human communities. In collaboration with Kerala Forest Department, Trunk Call has worked to keep the elephants out of stress and trauma across all elephant centers in Kerala.

Anand Shinde

Annadaan – Each One Feeds One

Food is the basic requirement for all living beings. KPIT, each year, conducts this food collection drive, wherein the employees are requested to set aside a fist-full of grains every day, for a period of three weeks. Employees from KPIT Pune and Mahape locations participated in amassing 13 tons of food grains and groceries for this year, expected to feed nearly 16 foster care homes in drought areas, working for destitute and special children.



Annadaan (2013-14 to 2017-18)

Cook-A-Meal

In addition to the collection and distribution of food grains to foster care homes, this year, we felt the need in KPIT Bengaluru to visit these foster homes and spend some time there. To make this engagement an interesting and motivating one, we gathered at the foster care homes or NGOs to cook a meal for the people at those homes and share a meal with them.

KPITes cooking up meals for Children and Elderly at foster care homes in Bengaluru

Our visit to Ashraya Seva Trust, an old age home for ladies, turned out to be a very emotional one for all who shared a meal together. The visit to 'Need Base India's Rainbow Homes' turned out to be quite an experience for our volunteers. For starters, they not only realized the difficult conditions these children were brought out of, but also how fortunate for them to have had an opportunity with Need Base India, to make a more meaningful life for themselves. 63 volunteers over three events got engaged in dishing out tasty meals while bridging the gap between the fortunate and the lesser fortunate of the society.

Know-n-Grow your food

Taking the food-based initiatives a step further, Know-n-Grow your food was undertaken by 31 volunteers in Pune, who made the trip to Velha, for rice plantation. Supported by Torna Rajgad Vastigrah, an NGO in Velha, employees engaged in two hours of toiling, planting rice saplings in a two-acre paddy field. A similar association with Initiatives for Development Foundation (IDF), an organization working for betterment of farmers and farm related practices through adoption of cooperatives approach. The first step of the program was a visit to a farmer in Ammanaghatta, near Gubbi taluk, 110 kms from Bengaluru. KPIT's 35 employees visited this location, where they not just heard the host speak, but also managed to clear a patch of land and sow a vegetable patch themselves.

These visits were to create awareness among consumers, the current inorganic practices in agriculture and contrasting natural farming. KPIT volunteers making these trips to the farms, carried back host of knowledge and freshly prepared value-added goodies.

KPITes taking to the fields near Bengaluru & Pune

Sports Day with Enable Community

Enable Community organized a sports day on December 1, 2017 in Bengaluru. 21 volunteers from KPIT were vested with the responsibility of guiding the events through to completion. What was unique about this event, was that the participants (85 in number) were all specially abled. The day began, events took off, only for rain to intervene and play spoilsport. But, the rain gave our volunteers a chance to interact with these participants and learn the effective usage of sign language.

KPIT at Enable Community's Sports Day for the Specially Abled in Bengaluru

Community Initiatives, USA

The two main events KPIT Columbus joined hands with were 'Day of Caring' and 'Day of Service'. There were around 1,400 volunteers who participated in the events. Volunteers from different organizations participated in community building activities by cleaning and repairing public places like park, river front etc. They also participated in building and repairing homes of old and poor people in the community, as well as repairing and assembling computers for donation.

KPIT sponsored these volunteering activities as part of United Way initiatives

'Day of Caring' and 'Day of Service' initiatives as part of KPIT CSR, USA

Awards and Accolades

The CSR Journal Excellence Awards 2017 saw corporate and NGOs receive recognition for their unique initiatives, through a live judging process, conducted by an 11-member panel jury, consisting of senior-level bureaucrats, internationally recognized social-change makers and leading public figures. This decorated evening welcomed a gathering of over 250 personnel from the social responsibility sphere.

KPIT's sustainability project – 'Water Conservation through Mass Volunteering' was unanimously selected as the First Runner-Up in the environment category. This project is a brainchild of Mr. S.B. (Ravi) Pandit, implemented with the guidance of Tushar Juvekar and various employees of KPIT.

Tushar Juvekar, CSR Head at KPIT, receiving the award

During the Youth for Seva CSR Conclave, held in March 2018, KPIT was recognized as a Corporate Engagement Champion for its flagship initiatives of "Water Conservation through Mass Volunteering" and Chhote Scientists. Viswa Narayanan S. and Sachin Pandit of KPIT were also felicitated as Employee Volunteer Champions, for their selfless volunteering stint with KPIT and outside.

The CSR Conclave is a platform for leaders from the corporate and development sector, along with CSR experts, policy makers and organizations studying trends and patterns of volunteering, they come together, to not just identify potential projects to contribute funds, but also to devise models to involve employees and inculcate a culture of volunteering, there by building a sense of inclusion, promoting sustainability and maximizing impact.

KPIT receiving the award

KPIT in Print Media

गावातील पाण्याचा हिशेब मांडण्याची गरज

पिंपरीचे आयुक्त हर्डीकर यांचे मत; गुहिणी येथे विहिरीचे लोकार्पण

गुहिणी (ता. भोर) : विहिरीतील पाण्याच्या पूजनप्रसंगी मान्यवर.

'पाण्याचा हिशेब मांडा'

श्रावण हर्डीकर यांच्या हस्ते गुहिणीतील विहिरीचे लोकार्पण

भोर येथील गुहिणीतील विहिर बांधकामाच्या उद्घाटनप्रसंगी मान्यवर.

NITI Aayog to help students innovate

New Delhi: IT-based consulting firm KPIT technologies has announced its two-year statement of intent with National Institution for Transforming India, NITI Aayog, to promote innovative skills among the students of senior secondary level as part of the government's Atal Innovation Mission (AIM).

Under the (AIM), the central government aims at creating open-ended workshops at select Atal Tinkering Laboratories (ATL), which will allow students to learn through the mode of 'do-it-yourself' and help them acquire critical skills.

The purpose of this joint initiative is to push students to understand the concepts of science, technology, engineering and mathematics (STEM) through new-age technologies including robotics, Internet of Things (IoT) and 3D printing.

"KPIT will enable us to augment our vision of promoting grass-root innovators with a bottom-up approach and set the precedence for greater public-private partnerships in advancing the country's education system," said R Ramanan, mission director of NITI Aayog.

KPIT will further provide two volumes of booklets named 'Chhote scientists' that will help around 2,500 schools to prepare curriculum and teaching aids.

Additional teacher's training programmes will also be conducted for Atal Tinkering Laboratories. —ANI

KPIT ties up with NITI for Atal Labs

KPIT TECHNOLOGIES HAS tied up with the NITI Aayog for supporting Atal Tinkering Labs (ATL) to promote innovation among school children. KPIT has signed a two-year statement of intent with the think-tank to support and mentor select ATLs for secondary level school children under the Centre's flagship programme, Atal Innovation Mission (AIM). ATLs are open-ended work spaces where students can give shape to their ideas through hands-on 'do-it-yourself' learning modules and acquire critical skills to innovate with technology.

KPIT signs two-year SOI with NITI Aayog

ST CORRESPONDENT
reporters@sakaaltimes.com

Pune: KPIT Technologies has signed a two-year statement of intent (SOI) with NITI Aayog (National Institution for Transforming India) to support and mentor select Atal Tinkering Laboratories (ATL) for secondary level school children across the country, under the central government's flagship programme, Atal Innovation Mission (AIM).

ATLs are open-ended workspaces where students give shape to their ideas through hands-on 'do-it-yourself' learning modules and acquire critical skills to innovate with technology.

They go beyond the school curriculum, work with tools to understand concepts in science, technology, engineering, and mathematics (STEM), including chemistry, electronics, robotics, IoT (Internet of Things), 3D printing and improve inventiveness. The labs are equipped with low-cost prototyping tools such as 3D printers, robotics, electronics and communications kits.

ATLs are open-ended workspaces where students give shape to their ideas through hands-on 'do-it-yourself' learning modules.

R Ramanan, Mission Director, Atal Innovation Mission, and Anup Sable, Chief Technology Officer at KPIT signed the partnership agreement at the NITI Aayog office in New Delhi.

KPIT will depute an Innovation Guardian for nurturing creative talent and innovative mindset of students and leverage its network of employees and customers to induct volunteers for the programme. To augment learning, KPIT will organise workshops, boot camps, innovation contests, and science exhibitions.

R Ramanan said, "The government's emphasis is on giving impetus to building a knowledge economy that represents growth led by education, a robust R&D culture and a fast-evolving entrepreneurial ecosystem. With this partnership, KPIT will enable us to augment our vision of promot[ing] grass-root innovators wi[th] bottom-up approach and precedence for greater p[ub]lic-private partnerships advancing the country's [ed]ucation system."

KPIT will provide [...] volumes of Chhote Sc[ien]tist booklets to help [...] 2,500 schools under the A[...] initiative to prepare cur[ric]ulum and teaching aids [...] will provide an online tes[t]ing aid for execution of [...] referenced experiments [...] the booklets for entry-le[vel] ATL students. In collabo[ra]tion with its partner N[...] Jnana Prabodhini, K[PIT] will work on developing advanced syllabus wh[ich] will be at the next leve[l] the scientific learning [im]parted through the Ch[hote] Scientists platform.

In the future, KPIT, in [as]sociation with the Atal [In]novation Mission, will c[on]duct teachers' training [pro]grammes for ATLs, ap[ply] psychometric tests to m[ea]sure improvement in [sci]entific temperament of [stu]dents, and potentially c[ome] up with quarterly new[slet]ters for all ATL scho[ols].

Write with paper, pencils; watch them grow into plants

Jiv is a startup founded by two classmates during their post graduation, with a target audience of kids aged nine to 15 years

కేపీఐటీ స్మార్ట్ ఇండియా హ్యాకథాన్

న్యూఢిల్లీ: ఐటీ కన్సల్టెన్సీ, ప్రొడక్ట్ ఇంజినీరింగ్ విభాగంలో అగ్రగ[...] సంస్థగా పేరొందిన కేపీఐటీ టెక్నాలజీస్ తాజాగా ప్రభుత్వ భాగస్వామ్య[...] మార్చి 30, 31 తేదీలలో స్మార్ట్ ఇండియా హ్యాకథాన్-2018ను నిర్వహి[...] ప్రట్లు తెలిపింది. ఈ సందర్భంగా కేపిఐటీ సీఈవో, సహభాగస్వామి [...]ండిట్ మాట్లాడుతూ దేశంలోని యువ సాంకేతిక నిపుణుల అవసరం ఎ[...]ంది. యువతకు ప్రోత్సాహాన్ని అందించేందుకే స్మార్ట్ ఇండియా హ్యాక[...] ర్వహిస్తున్నాం. ప్రభుత్వ భాగస్వామ్యంతో ఈ కార్యక్రమాన్ని చేపడుత[...] ుని అన్నారు.

సూర్య Tue, 27 March 2018
epaper.suryaa.com//c/27375511

Hackathon challenge

The KPIT Technologies, a global technology company specialising in IT consulting and product engineering, in partnership with the Government will organise the Smart India Hackathon, 2018. It is the world's largest nation-building initiative to harness the innovative brilliance of the youth and develop digital products for solving some of the country's pressing problem.

Smart India Hackathon, in its second year, has two editions. The grand finale of the Software edition will be a 36-hour software product development competition, to be held on March 30 and 31, whereas the newly-introduced hardware edition, scheduled in June, will entail the teams working five straight days to build their hardware solutions.

Ravi Pandit, co-founder, Chairman and Group CEO, KPIT, said: "We believe that the young technical talent in India will be pivotal in transforming the country's innovation and start-up landscape by providing solutions that

As part of the partnership, KPIT will be responsible to ensure smooth execution of the final event of the software edition at the nodal center in Noida. Its volunteers were also involved in the initial screening of the entries received for the competition. Furthermore, it will also confer the KPIT Inspiration Award to the teams ranking sixth at each of the 28 centers nationally hosting the finale.

KPIT, which brings profound expertise in developing clean and intelligent technologies for the automotive industry, will be steering the automotive and smart vehicle segment of the hardware edition. BVR Subbu, auto industry veteran and a Board of Director at KPIT will be chairing the evaluation committee of the segment.

The Smart India hackathon witnessed participation from 27 Central ministries, departments, and 17 State governments which have sent around 340 problem statements. In the finale, 1296 teams will be ...

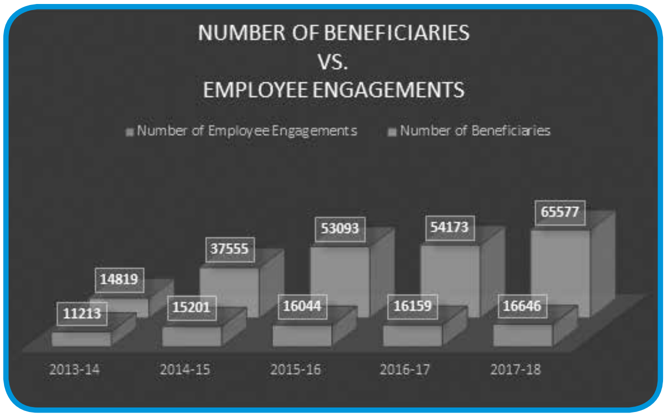
Employee Engagements v/s Beneficiaries of our CSR initiatives

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 any given year.

For the year 2017-18, an estimated 65,000 people benefited as a direct result of 16,646 employees' engagements in various community initiatives through KPIT.

We, at KPIT, are proud to announce that, in adherence to our objective to achieve employee engagements for the FY 17-18, we could successfully reach out to a diverse community of beneficiaries and engage employees in newer meaningful CSR initiatives.



Employee Engagements Vs. Number of Beneficiaries

Voice of Volunteers

It was on March 9, 2018 that I got an opportunity to visit the Turahalli forest for exciting activities lined up for the day, with KPIT. As a fresher, I was so afraid of how life is going to be at KPIT. However, this day made me realize that the upcoming days are going to be very exciting. It was such an awesome experience out there. Yes, I am talking about the CSR activity, where I was accompanied by Bharath, Vijetha and Soumya.

- Neha Wantamutte, KPIT Bengaluru

Mulched.

Just like how we KPITes did mulching for hundreds of little bamboos to preserve the water level at their roots. We got mulched too, to preserve our connection with nature and peace within ourselves. Team work and enthusiasm of individuals towards work helped us to cover more ground. We took a walk in silence within the forest to absorb and enjoy its beauty, and there we witnessed variety of trees and wildlife. We reached our destination and sunset brought end to a beautiful and tiresome day.

- Sandeep Hangaragi, KPIT Bengaluru

I personally have always wondered about the hard work those people need to do and experiencing it and being in their shoes was something out of the box. So, it was an amazing experience overall. Looking forward for more :)

- Shraddha Dande, KPIT Pune

Voice of Beneficiaries

Reforestation activity in private land supported by KPIT, is something like god gift for me. I realized the importance of conservation of forest on my own land. Apart from cash crop trees, I also started planting indigenous trees that conserve water, benefiting me in long run by enriching the nature.

- Sakpal, Farmer from Koyna

It was an awesome first experience in my student life on the part of my professional journey. Based on my internship program I was a part of KPIT's CSR activities which concentrated on CHHOTE SCIENTISTS, under education sector. Majority of the students were excited in scientific activities and teachers provided support to completethe activities. All the employees in KPIT provided a wonderful platform for us to understand about CSR activities in a corporate organization.

- Matthews, CSR Intern, PBMMPGC

The time I spent in 'Chhote Scientists' as an intern from February 5 to 24, 2018 was a memorable one. It was rich in experience sharing and helped me discover my potential. The program helped many of us understand how CSR projects work from the Corporate and NGO angles. As a group, we got time to visit schools as a part of the program and interaction without having a common language was challenging. We thank KPIT for an opportunity to work closely on a CSR project.

- Anjali, CSR Intern, PBMMPGC

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L72200PN1990PLC059594
2. **Name of the Company:** KPIT Technologies Limited
3. **Registered address:** 35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjawadi, Pune - 411057
4. **Website:** www.kpit.com
5. **E-mail ID:** connectwithus@kpit.com
6. **Financial Year reported:** 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Computer programming, consultancy and related activity – Code 62011
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

   KPIT business can be broadly divided into two buckets –

   A. Services and Solutions Business (S&S) includes:

      1. Product Engineering
      2. Digital Transformation and
      3. Business IT

   B. Product & Platforms (P&P).

For details please refer Board's report which forms a part of this Annual Report.

9. **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
3	APAC	China
		United Arab Emirates
		Australia
		Japan
		Korea
		Singapore
4	Africa	South Africa

   (b) Number of National Locations:

   1. Pune, Maharashtra
   2. Mumbai, Maharashtra
   3. Bengaluru, Karnataka
   4. Chennai, Tamil Nadu
   5. Noida, Uttar Pradesh

10. **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

1. **Paid up Capital (₹)** – 394.99 million
2. **Total Turnover (₹)** – 14,423.53 million
3. **Total profit after taxes (₹)** - 1,775.50 million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (₹)** – The Company was required to spend ₹ 45.93 million towards Corporate Social Responsibility. During the year, the Company has spent and paid ₹ 27.17 million (Previous year ₹ 25.61 million) towards Corporate Social Responsibility through external people, 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. In addition, the Company spent ₹ 21.20 million on account of usage of its internal resources on CSR, thereby aggregating to a total of ₹ 48.37 million.
5. **List of activities in which expenditure in 4 above has been incurred-**

   1) Water Conservation Program
   2) Zero Garbage Project
   3) Chhote Scientists
   4) Teach for India
   5) Smart India HACKATHON
   6) Sparkle
   7) Avartan Gurukul Project

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	MicroFuzzy Industrie-Elektronic GmbH	Subsidiary of KPIT Technologies GmbH
7	KPIT Infosystems Incorporated	Wholly owned subsidiary
8	Sparta Consulting Inc.	Subsidiary of KPIT Infosystems Incorporated
9	KPIT Technologies Solucoes em Informatica LTDA.	Subsidiary of KPIT Infosystems Incorporated
10	SYSTIME Computer Corporation	Wholly owned subsidiary
11	KPIT Technologies Corporation	Subsidiary of Systime Computer Corporation
12	Microfuzzy KPIT Tecnologia LTDA.	Subsidiary of Systime Computer Corporation
13	KPIT (Shanghai) Software Technology Co. Limited	Wholly owned subsidiary
14	KPIT Infosystems ME FZE	Wholly owned subsidiary
15	Impact Automotive Solutions Limited	Wholly owned subsidiary
16	Yantra Digital Services Private Limited	Subsidiary of Impact Automotive Solutions Limited
17	KPIT Engineering Limited	Wholly owned subsidiary

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, it is 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:

   1. DIN: 02918460
   2. Name: Mr. Sachin Tikekar
   3. 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	Not Applicable								
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)									

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, no complaints were registered with SEBI.

The Company's code of conduct outlines and creates 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.

It is applicable to all, 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).

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. Creating sustainable products is at the core of KPIT's mission & vision. We work with the leading OEMs and Tier 1s to innovate products that are energy-efficient, reduce fossil fuel dependence, lower emission & promote use of alternative power sources to help our customers minimize their carbon footprint.

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?

   KPIT focuses on envisioning and enabling a cleaner, greener, intelligent world - a world that is self-sufficient, sustainable and efficient. We provide technologies that help our clients succeed, such that the products and solutions they offer to their end-customers are of high quality, targeted, affordable, energy efficient and use lesses material and improve the state of industries they operate in. KPIT, in collaboration with its clients and its suppliers, works toward improving the world through technology and engineering innovations.

   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:

   Being an IT Company, we generate e-waste like laptops, computers, monitors, servers, etc. Apart from this we also generate electrical waste like wires etc. 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 Shivar Abhiyan, Zero Garbage, Tree plantation, Teaching the under privileged schools, donating school kits in association with agencies etc.

   Fifteen recycled and organic product stalls were organized on the occasion of World Environment Day at KPIT Bengaluru, promoting eco-consciousness in our consumption habits. Three more such stalls were organized in Pune and Mahape, showcasing NGOs and small scale eco-entrepreneurs. The vendors were given a free-of-cost platform to showcase and promote their products and services.

5. 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:

   - 70% of the water treated through sewage treatment plant and is recycled and used for gardening purpose
   - 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

1. Please indicate the total number of employees.

   10,050

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   6% of employees are hired through contractors and sub-contractors.

3. Please indicate the number of permanent women employees.

   24.4% are women employees.

4. Please indicate the number of permanent employees with disabilities.

   Less than 1%.

5. Do you have an employee association that is recognized by management.

   No.

6. What percentage of your permanent employees are members of this recognized employee association?

   Not applicable.

7. 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.

   No complaints were received relating to child labour, forced labour, involuntary labour and sexual harassment during the year.

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

   (a) Permanent Employees: 38.38%

   (b) Permanent Women Employees: 41.60%

   (c) Casual/Temporary/Contractual Employees: 2.71%

   (d) Employees with Disabilities: The Company does not segregate the employees based on special ability but based on requirements, preferences are provided.

   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:

   Digi Champ Certification:

   A strategic initiative we rolled out this year was '#Think Digital'. This initiative was to build digital culture across the organization ensuring all employees understand power of digital technologies to solve customer problems in innovative ways and also improve business productivity by task automation and process augmentation. We launched various e-learning modules to create digital mindset and we got excellent response by having 11,000+ employees becoming DigiChamp Certified.

   Program for Academic Collaboration and Engagement (PACE):

   Our PACE initiative believes in the adage of "catch them young," by attracting quality talent from campuses to make them KPIT ready. We have built industry academia model with strategic Industry-academia-based partnerships with 20+ premier institutions across India.

As part of the model, we inculcate the KPIT culture by drafting industry and KPIT relevant courses and extensive training and internship opportunities for a short duration to faculty members (from these partner institutes). Every student will undergo KPIT offered elective while they are in their final semester to make them industry ready.

GENESIS:

Graduate Engineering Trainees (GET) & Graduate Non-Engineering Trainees (GNET) begin their journey in KPIT with Genesis in order to get aligned to the SBUs and practices. This is the program spread over 8 to 10 weeks of dedicated in house training programs and will make a fresh engineer be project ready. The learning during this program is devised on Problem/Project based learning led by Academies and subject matter experts in the practices. The engineer becomes well acquainted with KPIT driven processes, technologies and practices by the end of this learning duration.

INTERNSHIP:

Partnering with 40+ top notch Universities/Institutes in India and working towards to ensure internship opportunities to Post Graduate students primarily in cutting edge and state of the art technologies, we offer long term internship projects to students. The projects assigned are very contemporary and relevant to the industry problems and challenges. Academies and mentors will guide the students in the projects. Those who complete the internship with a successful project submission will be extended career opportunities in KPIT.

CONTINOUS EDUCATION:

ECoDe Kaizen:

To cater to the prerogative of lifelong learning which is the need of the hour, this role-based certification program looks at streamlining SBU practices with certification and prowess honing skills across Technology, Project Management, Domains, Processes, Professional Skills and Leadership Development for employees globally at various experience levels. This allows them to move on to the next level in their career paths and helps them get cross-skilled and stay relevant.

Training on Demand:

To provide an opportunity for business leaders to raise a request for relevant training for themselves or their team members and provide a seamless time bound service. Training on Demand (ToD) system is a platform through which ECoDe can capture & service business/project specific learning requirements raised by business swiftly which is over and above the ECoDe | KAIZEN program. Thereby, enhancing the overall learning experience.

LEADERSHIP DEVELOPMENT INSTITUTE:

Developing professional skills at multiple stages of career is a critical need of business leaders today. The KPIT Leadership Institute focuses on developing five core competencies – Communication Excellence, Professional Excellence, People Leadership, Client Centricity and Personal Excellence for employees at various stages of the career. Identifying the leaders of tomorrow from multiple grades of employees, calls for a specially devised program that covers the above competencies through blended learning, coaching, mentoring & action learning projects. Based upon a multi-tiered pyramid model, LDP operates on multiple sub-modules owned exclusively by the Executive Leadership Team and Members of the Board, fortifying potential candidates towards accelerated career augmentation.

100X100 – A LEADERSHIP DEVELOPMENT PROGRAM:

An exclusive program for chosen high performers and high potentials from amongst managers of managers, designed and delivered in collaboration with IIM-Indore to ensure future KPIT leaders receive world-class orientation. The program focuses on ensuring organic growth in leadership through exposure to 8 leadership tenets like Humility, Walk the Talk and others; a comprehensive understanding of leading change, the Mentoring Framework; all designed and customized to sharpen the skills of the aspirants. This rigorous program is especially engrossed in ensuring that the participants emerge as the talent pool through whom KPIT will conquer newer frontiers.

LEADERS IN MAKING PROGRAM (LMP):

A first-time manager undergoes several people and process related challenges. To overcome these challenges, the LMP program is designed to enhance the managerial competencies of associates who have transitioned into a people management role. Moving beyond theory, the program focuses on the practical application of the management principles, explores business operations and financial aspects while fine tuning one's personal edge. It aims to spruce up skills in 4 competencies: People Leadership, Customer Excellence, Business & Operational Excellence and Communication Excellence; thus, providing a comprehensive curriculum to help managers sharpen their managerial effectiveness in the workplace.

LEADERS IN FAST TRACK (LIFT):

A program for high potential, mid-level associates to build skills that enables them to take on subsequent managerial roles and responsibilities. Action Learning Projects and a Mentor-Protégé Framework to help achieve Individual Development Plans; all blended with interactive workshops on Emotional Intelligence, communicating with Power & confidence and many others, Leader Videos, E-learning platforms are just some of the offerings that enable the associates to think and grow in alignment with KPIT goals and vision.

PROFESSIONAL SKILLS DEVELOPMENT:

A fresh engineering graduate, needs to discover and assimilate certain behavioral competencies that will help them to align to the corporate culture along with being able to communicate with different stakeholders. These young graduates go through an intensive behavioral skills program of 40 hours, specifically designed to drive this change in mind set and behavior. To continually elevate KPIT-ian skills, a well laid out Continuous Education Program offers a choice of over 25 professional skills development programs related to Communication Excellence, Personal Excellence, Professional Excellence, Client Centricity and People Leadership.

PROJECT MANAGEMENT DEVELOPMENT PROGRAM (PMDP):

PMDP is offered to associates who are currently playing the role of Project Lead, Project Manager, Sr. Project Manager and Program Manager. The PMDP framework is well aligned with the international standard such as PMI PMP® and is completely hands on with a pragmatic approach in training delivery. Programs are classified as per the grades and are called PMDP Foundation, PMDP Silver and PMDP Gold. These programs are being developed in collaboration with IIM's & top business schools.

HIGHER EDUCATION INITIATIVE:

Learning is an incessant process and KPIT truly believes in creating a conducive learning environment for the employees. The Higher Education Initiative (HEI) at KPIT encourages KPIT Full Time Employees (FTE) for continuing education, leading to Master's Degree from reputed Indian and Overseas Universities. This is to enable employees to acquire higher professional knowledge in areas of their interest and/or those that align with the growing business needs of the organization, including Product Engineering, Information Technology and Management education and allied fields. Ongoing programs being offered are MBA in Strategic Engineering Management and M. Tech in Automotive Electronics in collaboration with Coventry University.

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 2017-18 are focused on key initiatives to ensure significant impact. The initiatives are implemented through 4 focus areas:

   i) **Environment:** Making this planet a better place to live in

ii) **Education:** Transforming lives through science and technology education

iii) **Energy:** Developing innovate solutions for efficient energy consumption and renewable supply

iv) **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?

   19 complaints were received relating to human rights and all were resolved during the year.

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 extend 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.

   (http://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.

   (http://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 2017-18.

   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.

   The following green initiatives were undertaken at the Company level to create awareness about importance of environmental protection and reducing pollution:

   - At Maan village, Hinjawadi, in association with Hinjawadi Companies Association, KPIT planted 160 saplings
   - Water Conservation through Mass Volunteering supported 8 villages this year, benefitting 1,895 people with 1.5 million litres of water
   - Covered 1 village under Government of Maharashtra's Jalyukta Shivar Abhiyan

- Through Zero Garbage Initiative 570 Chronic Black Spots have been eliminated
- Environment Week Celebration: The Environment Week on the "World Environment Day" is being celebrated for the past seven years since 2010
- Conservation of Private Forests in Koyna – Chandoli corridor by planting 5,000 saplings
- Aerial Reforestation in Bengaluru by 15,000 seed-ball bombings

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. Automotive Component Manufacturers Association of India (ACMA)

    d. International Association of Public Transport (UITP)

    e. 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 has also given inputs to ACMA related to Union Budget, automotive policy and to UITP related to taxation - GST on electric buses.

    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.

    KPIT received Special Recognition from UITP India for its entry 'Helping India double its public transport usage with smart and green technologies'. KPIT was selected by UITP India to acknowledge the bouquet of transportation solutions that it provides.

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 INR 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.

    As explorative and decentralized Educational Initiatives are conceived to be at KPIT, it has surpassed geographical boundaries and made way into new territories of expansion. With Assam and Arunachal Pradesh being the latest avenues for Atal Tinkering Labs' Teachers Training Workshop, Chhote Scientists among KPIT's educational initiatives has catered to scientific learning of children in newer cities of Mysuru, Hubballi and Dharwad in Karnataka this year. Each site of expansion has succeeded in delivering Chhote Scientists program by adopting one of the five models of delivery. The statement of Intent (SOI) signed with central government's NITI AAYOG and the Corporate Engagement Champion Award stands testimony to the progress made by KPIT on the educational front.

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 behavior 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 Audit of 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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements 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 41 (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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

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

Vijay Mathur
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

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 2018, 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 all of its fixed assets are verified 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 loan 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. The principal and the interest were not due for repayment during the year. 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 of the Act during the year.

(v) The Company has not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules made there under.

(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, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess 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, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2018, 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, Sales tax, Service tax, duty of customs, duty of excise, value added tax or goods and service tax, 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	2004-2011	53.16	Nil
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2006 – 2012	4.59	Nil
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2008-2012	24.50	Nil

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
Finance Act, 1994	Service tax	Central Excise & Service Tax Appellate Tribunal	July 2012 – March 2015	215.89	26.68
Finance Act, 1994	Service tax	Commissioner of Service Tax	October 2006 to March 2012	110.47	16.46
Central Sales Tax Act 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeals)	2008-11	0.90	0.02
Central Sales Tax Act 1956	Sales Tax	Deputy Commissioner of Sales Tax	2012-15	17.87	0.16

(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 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 has 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. Accordingly, paragraph 3(xii) of the Order is not applicable.

(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. Accordingly, Paragraph 3(xiv) of the Order is not applicable.

(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 be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Vijay Mathur
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

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 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of KPIT Technologies Limited ("the Company") as of 31 March 2018 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 with reference to financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Vijay Mathur
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

Balance Sheet

(Amount in ₹ million)

	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	2,888.95	1,917.46
Capital work-in-progress		68.06	735.54
Intangible assets	2B	745.93	435.55
Intangible assets under development		223.93	524.29
Investment in subsidiaries	3	5,907.46	5,538.96
Financial assets			
Loans	4	232.02	118.68
Other financial assets	5	10.12	22.02
Income tax assets (net)		641.02	618.07
Deferred tax assets (net)	6	785.85	502.96
Other non-current assets	7	64.83	95.10
		11,568.17	**10,508.63**
Current assets			
Inventories	8	27.72	74.99
Financial assets			
Investments	9	1,184.75	777.68
Trade receivables	10	5,477.33	5,005.65
Cash and cash equivalents	11	1,471.66	1,332.29
Other balances with banks	11	52.35	48.00
Loans	12	247.23	686.99
Unbilled revenue		464.50	323.71
Other financial assets	13	2.35	114.75
Other current assets	14	517.97	325.68
		9,445.86	**8,689.74**
TOTAL ASSETS		**21,014.03**	**19,198.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	379.03	376.39
Other equity	31	14,663.33	13,366.81
		15,042.36	**13,743.20**

Balance Sheet

(Amount in ₹ million)

	Note	As at 31 March 2018	As at 31 March 2017
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	662.06	985.31
Provisions	17	319.38	266.35
		981.44	**1,251.66**
Current liabilities			
Financial liabilities			
Borrowings	18	1,835.07	1,877.58
Trade payables	19	693.85	588.76
Other financial liabilities	20	1,150.70	1,227.43
Other current liabilities	21	885.73	253.83
Provisions	22	215.63	191.33
Income tax liabilities (net)		209.25	64.58
		4,990.23	**4,203.51**
TOTAL EQUITY AND LIABILITIES		**21,014.03**	**19,198.37**
Significant accounting policies	1		
Notes referred to above form an integral part of the standalone financial statements	2-44		

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: Mumbai
Date: 23 May 2018

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
DIN : 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Statement of Profit and Loss

(Amount in ₹ million)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	23	14,423.53	13,223.23
Other income	24	420.75	159.40
Total income		**14,844.28**	**13,382.63**
Expenses			
Cost of materials consumed	25	59.07	233.03
Changes in inventories of finished goods and work-in-progress	26	1.04	6.61
Employee benefits expense	27	9,241.75	7,965.40
Finance costs	28	48.31	85.39
Depreciation and amortization expense	2	725.30	711.44
Excise duty		0.63	27.59
Other expenses	29	2,787.11	2,370.73
Total expenses		**12,863.21**	**11,400.19**
Profit before exceptional items and tax		**1,981.07**	**1,982.44**
Exceptional items (Refer Note 44(5))		25.55	-
Profit before tax		**2,006.62**	1,982.44
Tax expense	43		
Current tax		456.71	376.90
Deferred tax (benefit)/charge		(225.59)	(87.40)
Total tax expense		**231.12**	**289.50**
Profit for the year		**1,775.50**	**1,692.94**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(43.48)	(23.42)
Income tax on items that will not be reclassified to profit or loss		12.76	6.32
Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		(128.69)	61.44
Income tax on items that will be reclassified to profit or loss		44.54	(21.27)
Total other comprehensive income		**(114.87)**	**23.07**
Total comprehensive income for the year		**1,660.63**	**1,716.01**
Earnings per equity share for continuing operations (face value per share ₹ 2 each)			
Basic	39	9.22	8.83
Diluted	39	8.91	8.47
Significant accounting policies	1		
Notes referred to above form an integral part of the standalone financial statements	2-44		

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: Mumbai
Date: 23 May 2018

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
DIN : 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Statement of cash flows

(Amount in ₹ million)

PARTICULARS	For the year ended 31 March 2018	For the year ended 31 March 2017
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	1,775.50	1,692.94
Adjustments for		
Income tax expense	231.12	289.50
(Profit)/Loss on sale of fixed assets (net)	(1.33)	(0.58)
Depreciation / Amortization	725.30	711.44
Write-down of slow moving inventory	25.97	17.84
(Profit)/Loss on sale of investment (net)	(25.55)	-
Interest expense	48.31	85.39
Interest income	(47.34)	(122.45)
Dividend income	(49.90)	(3.21)
Unrealised foreign exchange loss/(gain)	(199.93)	46.99
Provision for doubtful debts and advances (net)	104.64	(214.49)
Bad debts written off	11.54	135.16
Share based compensation expenses	13.44	30.73
Operating Profit before working capital changes	2,611.77	2,669.26
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(523.63)	(1,420.94)
Inventories	21.30	214.41
Loans, other financials assets and other assets	(123.91)	315.93
Trade Payables	117.87	90.65
Other financial liabilities, other liabilities and provisions	888.23	(51.84)
Cash generated from operations	2,991.63	1,817.47
Taxes Paid	(334.99)	(557.85)
Net cash from operating activities (A)	**2,656.64**	**1,259.62**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(997.21)	(1,664.43)
Proceeds from Sale of property, plant and equipment	1.69	5.90
Investment in Equity Shares of Subsidiaries	(368.50)	(500.10)
Purchase of investments carried at fair value through profit and loss (net)	(524.62)	(660.13)
Sale of investments carried at fair value through profit and loss	143.10	-
Loan (given to) / repaid by subsidiary	269.96	108.57
Interest received	58.24	134.73
Dividend received	49.90	3.21
Fixed Deposit with banks (net) having original maturity over three months	8.75	1,031.04
Net Cash used in investing activities (B)	**(1,358.69)**	**(1,541.21)**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term loan from banks	-	8.40
Repayment of Long term loan from banks	(647.65)	(335.23)

Statement of cash flows

(Amount in ₹ million)

PARTICULARS	For the year ended 31 March 2018	For the year ended 31 March 2017
Proceeds from Long term loan from other than banks	-	11.97
Repayment of Long term loan from other than banks	(8.70)	(8.75)
Proceeds from issue of Share Capital and application money	5.12	0.22
Proceeds from Working Capital loan (Net)	(72.53)	1,382.96
Proceeds from / (payments for) shares issued / purchased by Employee Welfare Trust (net)	107.17	28.26
Dividend paid including corporate dividend tax	(502.98)	(503.01)
Interest and finance charges	(47.43)	(79.90)
Net cash from /(used in) financing activities (C)	**(1,167.00)**	**504.92**
D] Exchange differences on translation of foreign currency cash and cash equivalents	**8.42**	**(0.04)**
Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	**139.37**	**223.29**
Cash & cash equivalents at close of the year (refer note 1 below)	1,471.66	1,332.29
Cash & cash equivalents at beginning of the year (refer note 1 below)	1,332.29	1,109.00
Cash surplus / (deficit) for the year	**139.37**	**223.29**
Note 1:		
Cash and cash equivalents include:		
Cash on hand	0.03	0.02
Cheques in Hand	7.24	15.70
Balance with banks		
- In current accounts	1,084.39	1,314.46
- In deposit account (with original maturity of 3 months or less)	380.00	2.11
Total Cash and cash equivalents	**1,471.66**	**1,332.29**

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

Place: Mumbai
Date: 23 May 2018

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
DIN : 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Statement of Changes in Equity

A Equity share capital

(Amount in ₹ million)

Balance as at 1 April 2016	**375.65**
Changes in equity share capital during 2016-17	0.74
Balance as at 31 March 2017	**376.39**
Changes in equity share capital during 2017-18	2.64
Balance as at 31 March 2018	**379.03**

B Other equity

(Amount in ₹ million)

	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	Amalg-amation reserve	Retained earnings	Remeasurement of the net defined benefit Plans (Refer note 35(2))	Effective portion of cash flow hedges (Refer note 30)	
Balance as on 01 April 2016	**0.63**	**19.40**	**40.00**	**3,904.43**	**110.33**	**354.00**	**51.40**	**7,332.16**	**(30.47)**	**33.74**	**11,815.62**
Profit for the year	-	-	-	-	-	-	-	1,692.94	-	-	1,692.94
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(17.10)	40.17	23.07
Total comprehensive income for the year	-	-	-	-	-	-	-	**1,692.94**	**(17.10)**	**40.17**	**1,716.01**
Transactions with owners recognized 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**	**(47.57)**	**73.91**	**13,366.81**
Balance as on 1 April 2017	**0.11**	**19.40**	**40.00**	**3,904.43**	**168.76**	**354.00**	**51.40**	**8,802.37**	**(47.57)**	**73.91**	**13,366.81**
Profit for the year	-	-	-	-	-	-	-	1,775.50	-	-	1,775.50
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(30.72)	(84.15)	(114.87)
Total comprehensive income for the year	-	-	-	-	-	-	-	**1,775.50**	**(30.72)**	**(84.15)**	**1,660.63**

Statement of Changes in Equity

(Amount in ₹ million)

	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	Amalg-amation reserve	Retained earnings	Remeasurement of the net defined benefit Plans (Refer note 35(2))	Effective portion of cash flow hedges (Refer note 30)	
Transactions with owners recognized directly in equity											
Dividends	-	-	-	-	-	-	-	(414.53)	-	-	(414.53)
Dividend distribution tax	-	-	-	-	-	-	-	(88.45)	-	-	(88.45)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Accumulated deficit of employee welfare trust	-	-	-	-	-	-	-	107.17	-	-	107.17
Share based payments to employees	-	-	-	-	29.22	-	-	-	-	-	29.22
Application money received during the year	2.48	-	-	-	-	-	-	-	-	-	2.48
Balance as on 31 March 2018	2.59	19.40	40.00	3,904.43	197.98	354.00	51.40	10,182.06	(78.29)	(10.24)	14,663.33

Significant accounting policies 1
Notes referred to above form an integral part of the standalone financial statements 2-44

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: Mumbai
Date: 23 May 2018

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
DIN : 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

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, associate/joint venture across multiple 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 23 May 2018.

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, except per share information, unless otherwise stated.

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 35 and note 42 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. 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 and net of goods and services tax 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 foreign 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, 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 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 the 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. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. 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.

1.8 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.

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 or 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.

1.19 Recent accounting pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind-AS 21 : The effects of changes in Foreign Exchange rates and new Ind-AS 115 : Revenue from Contracts with Customers. The amendments are applicable to the Company from 01 April 2018.

(i) Amendment to Ind-AS 21

Appendix B : Foreign Currency Transactions and Advance Consideration, has been incorporated to Ind AS-21. The amendment clarifies that the date of transaction to determine the spot exchange rate for translation, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability, when foreign currency consideration is paid or received in advance of the item it relates. If the transaction is recognised in stages, then a transaction date would be established for each stage.

The Company is evaluating the requirements and the impact of the amendment on the standalone financial statements.

(ii) Ind-AS 115 : Revenue from Contracts with Customers

TThe new standard will replace the existing revenue recognition standards Ind-AS 18: Revenue and Ind-AS 11: Construction Contracts.

The core principle of the new standard is that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Two methods of transition is permissible as per the standard:

Retrospective approach : As per this approach the standard will be applied retrospectively to each prior reporting period presented as per Ind-AS.
Cumulative catch-up approach : Under this approach the standard would be applied retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application.

The Company will adopt the standard from 01 April 2018, using the cumulative catch-up approach. The Company is evaluating the impact of the new standard on the standalone financial statements.

2A 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 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**
Gross carrying amount as at 1 April 2017	**449.52**	**474.08**	**255.30**	**918.80**	**136.81**	**6.71**	**14.55**	**293.34**	**2,549.11**
Additions	19.64	867.94	3.99	228.72	33.64	-	4.32	173.61	1,331.86
Disposal/retirements/ derecognition	-	-	-	1.71	0.03	-	-	0.56	2.30
Gross carrying amount as at 31 March 2018	**469.16**	**1,342.02**	**259.29**	**1,145.81**	**170.42**	**6.71**	**18.87**	**466.39**	**3,878.67**
Accumulated depreciation as at 1 April 2017	**12.32**	**51.62**	**36.25**	**401.44**	**31.16**	**4.40**	**4.88**	**89.58**	**631.65**
Depreciation	6.67	28.78	41.65	223.77	19.29	1.31	4.40	34.14	360.01
Disposal/retirements/ derecognition	-	-	-	1.58	0.02	-	-	0.34	1.94
Accumulated depreciation as at 31 March 2018	**18.99**	**80.40**	**77.90**	**623.63**	**50.43**	**5.71**	**9.28**	**123.38**	**989.72**
Carrying amount as at 1 April 2017	**437.20**	**422.46**	**219.05**	**517.36**	**105.65**	**2.31**	**9.67**	**203.76**	**1,917.46**
Carrying amount as at 31 March 2018	**450.17**	**1,261.62**	**181.39**	**522.18**	**119.99**	**1.00**	**9.59**	**343.01**	**2,888.95**

Note:

Refer note 16 and 18 for details of property, plant and equipment pledged as security for borrowings.

2B Intangible assets

(Amount in ₹ million)

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost (Refer note (i) & (ii))	Software	
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**
Gross carrying amount as at 1 April 2017	**276.29**	**818.01**	**1,094.30**
Additions	507.58	168.09	675.67
Gross carrying amount as at 31 March 2018	**783.87**	**986.10**	**1,769.97**
Accumulated depreciation as at 1 April 2017	**185.24**	**473.51**	**658.75**
Depreciation	110.12	255.17	365.29
Accumulated depreciation as at 31 March 2018	**295.36**	**728.68**	**1,024.04**
Carrying amount as at 1 April 2017	**91.05**	**344.50**	**435.55**
Carrying amount as at 31 March 2018	**488.51**	**257.42**	**745.93**

Notes:

(i) With respect to some of the intangible assets, change in the technology resulted in obsolescence of the assets and hence the assets were impaired during the year, resulting in an impairment loss of ₹ 17.64 million, recognised under depreciation and amortization expense in the Statement of Profit and Loss.

(ii) With respect to some of the intangible assets, the Company was unable to track separately the future economic benefits and the expected cash flows, but yielding results at the combined business level. Further, it was difficult to assess the period over which the benefits were expected to flow. Hence, during the previous year, 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.

3 Investment in subsidiaries

(Amount in ₹ million)

	31 March 2018	31 March 2017
Investments (Unquoted)		
Investments in equity instruments of subsidiaries (at cost)		
Systime Computer Corporation, USA A wholly owned subsidiary company incorporated in USA [204,082 (Previous year 204,082) common stock of issued equity, no par value]	469.36	469.36
KPIT Infosystems ME FZE, Dubai A wholly owned subsidiary company incorporated in Dubai [1 (Previous year 1) equity share of nominal value of AED 1,000,000]	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
KPIT Infosystems Incorporated, USA 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
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
KPIT (Shanghai) Software Technology Co. Limited, China 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
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
KPIT Technologies Solucoes EM Informatica Ltda. A subsidiary of KPIT Infosystems Incorporated 1,000 (Previous year 1,000) shares of Brazilian Reas 1 each fully paid up	0.04	0.04
Impact Automotive Solutions Limited A wholly owned subsidiary company incorporated in India 136,750,000 (Previous year 100,000,000) Equity shares of ₹ 10 each fully paid-up.	1,326.29	958.79
KPIT Engineering Limited A wholly owned subsidiary company incorporated in India 99,994 (Previous year Nil) Equity shares of ₹ 10 each fully paid-up.	1.00	-
	5,907.46	**5,538.96**

4 Loans

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties (Refer note 37)		
Loan to director	11.81	17.88
Loan to Impact Automotive Solutions Limited	101.33	-
Loans and advances to other than related parties		
Security deposits	115.56	95.86
Loan to employees	3.32	4.94
	232.02	**118.68**

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

5 Other financial assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Fixed deposits with banks	9.64	21.74
Interest accrued on fixed deposits	0.48	0.28
	10.12	**22.02**

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

6 Deferred tax assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
Deferred tax assets		
- Provision for doubtful debts and advances	59.57	27.35
- Provision for compensated absences	45.27	42.84
- Provision for gratuity	105.21	78.04
- Provision for CST	1.57	-
- Forward contracts designated as cash flow hedges	5.42	-
MAT credit entitlement	642.51	490.39
	859.55	638.62
Deferred tax liabilities		
- Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	71.47	92.70
- Forward contracts designated as cash flow hedges	-	39.12
- Others	2.23	3.84
	73.70	135.66
Net deferred tax asset	**785.85**	**502.96**

7 Other non-current assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Capital advances	9.38	34.75
Advance rentals	27.53	33.55
Prepaid expenses	7.52	7.49
Balance in Group Gratuity Trust Account	20.40	19.31
	64.83	**95.10**

8 Inventories

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Valued at the lower of cost and net realisable value)		
Raw materials (Refer note (i) below)	23.02	73.32
Work-in-progress	0.44	1.24
Finished goods	0.11	0.35
Stores and spares	4.15	0.08
	27.72	**74.99**

Note:

(i) During the year ended 31 March 2018, the Company has written-down its slow moving inventory of ₹ 25.97 million (Previous Year - ₹ 17.84 million) with corresponding effect on cost of materials consumed in the Statement of Profit and Loss.

9 Current investments

(Amount in ₹ million)

	31 March 2018	31 March 2017
Investments in equity instruments of other entities measured at fair value through Profit or Loss (unquoted)		
Investment in Sankalp Semiconductors Private Limited	-	117.55
Nil (Previous Year 771,000) equity shares of ₹ 2 each fully paid up		
Saraswat Co-operative Bank Limited	0.00*	0.00*
1 (Previous year 1) equity share of ₹ 10 each fully paid up		
Investments in Mutual funds measured at fair value through Profit or Loss (quoted)		
882,300 units (Previous year Nil units) Birla Sun Life Savings Fund - Daily Dividend - Regular Plan	88.47	-
234,874 units (Previous year Nil units) - Axis Liquid Fund - Daily Dividend	235.20	-
115,857 units (Previous year 170,108 units) Reliance Liquid Fund- Treasury Plan- Daily Dividend Option	177.21	260.05
184,588 units (Previous year Nil units) Kotak Floater Short Term- Daily Dividend	186.73	-

(Amount in ₹ million)

	31 March 2018	31 March 2017
1,838,983 units (Previous year 3,995,032 units) ICICI Prudential Money Market Fund - Daily dividend	184.24	400.08
309,076 units (Previous year Nil units) L&T Liquid Fund - Regular Daily Dividend Reinvestment Plan	312.90	-
	1,184.75	**777.68**

*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 30.

10 Trade receivables

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured)		
Considered good	5,477.33	5,005.65
Considered doubtful	187.61	81.50
	5,664.94	5,087.15
Less: Allowances for bad and doubtful trade receivables	187.61	81.50
	5,477.33	**5,005.65**

Notes:

(i) Trade receivables from related parties are disclosed in note 37.
(ii) The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 30

11 Cash and bank balances

(Amount in ₹ million)

	31 March 2018	31 March 2017
Cash and cash equivalents		
Cash on hand	0.03	0.02
Cheques in hand	7.24	15.70
Balances with banks		
- In current accounts	1,084.39	1,314.46
- In deposit accounts(with original maturity of 3 months or less)	380.00	2.11
	1,471.66	1,332.29
Other bank balances (includes unclaimed dividend of ₹ 6.84 million (Previous year ₹ 5.84 million))	52.35	48.00
	1,524.01	**1,380.29**

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

12 Loans

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties (Refer note 37)		
- Loan to KPIT Infosystems Incorporated, USA	-	390.16
- Loan to director	6.08	5.64
- Dues from subsidiaries	160.94	214.94
Loans and advances to other than related parties		
Other loans and advances		
- Loan to employees	1.60	1.52
- Security deposits	78.55	74.67
- Other receivables	0.06	0.06
	247.23	**686.99**

Note:
(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

13 Other current financial assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Forward contracts designated as cash flow hedges (Refer Note 30(3))	-	113.03
Interest accrued on fixed deposits	2.35	1.72
	2.35	**114.75**

Note:
(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

14 Other current assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Advance rentals	8.14	7.44
Employee advances		
- Considered good	50.90	54.41
- Considered doubtful	29.51	20.90
	80.41	75.31
Less: Provision for doubtful advances	29.51	20.90
	50.90	54.41
Advance to suppliers	56.30	31.65
Prepaid expenses	217.06	180.09
Balances with statutory authorities	185.57	52.09
	517.97	**325.68**

15 Equity share capital

(Amount in ₹ million)

	31 March 2018	31 March 2017
Authorized:		
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
Issued subscribed and fully paid up:		
189,514,051 (Previous year 188,193,398) equity shares of ₹ 2 each fully paid up	379.03	376.39
	379.03	**376.39**

15.1 The Company declares and pays dividends in Indian rupees. The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2018 is ₹ 474.00 million i.e. ₹ 2.40 per share (Previous year ₹ 434.50 million i.e. ₹ 2.20 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 2018 include ₹ 2.20 per share towards final dividend for the year ended 31 March 2017. Dividends during the year ended 31 March 2017 include ₹ 1.10 per share towards final dividend for the year ended 31 March 2016.

15.2 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.

15.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	(₹ million)	Number of shares	(₹ million)
Equity shares				
At the beginning of the year	188,193,398	376.39	187,826,334	375.65
Add: Shares issued on exercise of employee stock options	1,320,653	2.64	367,064	0.74
Outstanding at the end of the year	**189,514,051**	**379.03**	**188,193,398**	**376.39**

15.4 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.

15.5 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 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
Proficient Finstock LLP	28,609,782	14.49%	28,609,782	14.49%
Warhol Limited	-	-	19,483,674	9.86%

15.6 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 - NIL (Previous year 88,971,438 shares).

15.7 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 fulfill its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

16 Non-current borrowings

(Amount in ₹ million)

	31 March 2018	31 March 2017
Term loans		
- From banks (Secured)		
External Commercial Borrowing (ECB) (Refer note (i) & (ii) below)	647.59	966.63
Other loan (Refer note (iii) below)	3.70	5.84
- From other than banks (Refer note (iv) & (v) below)	10.77	11.97
Long term maturities of finance lease obligations (Secured)	-	0.87
(Secured against fixed assets obtained under finance lease arrangements) (Refer note 38(1))		
	662.06	**985.31**

Notes:

(i) The ECB loan consisted 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 carried interest rate of 6 months LIBOR + 220 basis points. This ECB loan has been repaid during the year.

(ii) The ECB loan consists 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 15 million.

(iii) Other term loans from bank are secured against property, plant and equipment 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 property, plant and equipment acquired under the loan arrangement. This loan has been repaid during the year.

(v) Term loan from other than banks consist of unsecured loan, carrying interest rate of 3% p.a. 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 30.

17 Provisions

(Amount in ₹ million)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Gratuity (Refer note 35(2))	319.38	266.35
	319.38	**266.35**

18 Current borrowings

(Amount in ₹ million)

	31 March 2018	31 March 2017
Loans repayable on demand		
- From banks (Secured)		
Working capital loans from banks (secured)(Refer note (i) below)	1,835.07	1,864.55
- From other than banks (secured)(Refer note (ii) below)	-	13.03
	1,835.07	**1,877.58**

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 0.58% p.a.

(ii) The loan from other than banks was secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. This loan has been repaid during the year.

(iii) Information about Company's exposure to interest rate risk, foreign currency risk & liquidity risk is disclosed in note 30.

19 Trade payables

(Amount in ₹ million)

	31 March 2018	31 March 2017
Total outstanding dues of micro enterprises and small enterprises (Refer note 32)	0.99	0.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	692.86	588.30
	693.85	**588.76**

Notes:

(i) Trade payable from related parties are disclosed in note 37.
(ii) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

20 Other current financial liabilities

(Amount in ₹ million)

	31 March 2018	31 March 2017
Current maturities of long term debt		
- from banks (secured)	326.15	653.40
(Refer note 16 - Term loan from banks for details of security and repayment terms)		
- from others (secured)	1.82	8.42
(Refer note 16 Term loan from other than banks for details of security and repayment terms)		
- Current maturities of finance lease obligations (Refer note 38(1))	0.87	0.95
Other than trade payables :		
Accrued employee costs	661.97	443.60
Unclaimed dividend	6.84	5.84
Payables in respect of fixed assets	129.01	110.95
Payable to subsidiaries (Refer note 37)	7.95	3.51
Security deposits	0.43	0.76
Forward contracts designated as cash flow hedges (Refer Note 30(3))	15.66	-
	1,150.70	**1,227.43**

Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 30.

21 Other current liabilities

(Amount in ₹ million)

	31 March 2018	31 March 2017
Unearned revenue	629.59	94.48
Advances from customers	3.64	7.23
Statutory remittances	252.50	152.12
	885.73	**253.83**

22 Provisions

(Amount in ₹ million)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Compensated Absences	158.72	158.69
- Gratuity (Refer note 35(2))	49.52	22.77
Other provisions		
- Provision for Onerous Contracts	0.66	-
- Service tax payable (net of tax paid under protest)	3.54	3.54
- Provision for warranty (Refer note 41(1))	3.19	6.33
	215.63	**191.33**

23 Revenue from operations

(Amount in ₹ million)

	31 March 2018	31 March 2017
Software services	14,346.09	12,974.96
Sale of products		
Finished goods	77.44	248.27
	14,423.53	**13,223.23**

24 Other income

(Amount in ₹ million)

	31 March 2018	31 March 2017
Interest income	47.34	122.45
Dividend income from current investments	49.90	3.21
Profit on sale of fixed assets (net)	1.33	0.58
Foreign exchange gain (net) (Refer note (i) below)	317.02	20.29
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	5.16	12.87
	420.75	**159.40**

Note:

(i) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ (113.03) million (Previous year - ₹ (51.59) million) (Refer note 30(3)).

25 Cost of materials consumed

(Amount in ₹ million)

	31 March 2018	31 March 2017
Inventory of materials at the beginning of the year	73.32	298.96
Purchases	8.77	7.39
Inventory of materials at the end of the year	23.02	73.32
	59.07	**233.03**

26 Changes in inventories of finished goods and work-in-progress

(Amount in ₹ million)

	31 March 2018	31 March 2017
Finished goods		
Inventories at the beginning of the year	0.35	4.91
Inventories at the end of the year	0.11	0.35
	0.24	4.56
Work-in-progress		
Inventories at the beginning of the year	1.24	3.29
Inventories at the end of the year	0.44	1.24
	0.80	2.05
	1.04	**6.61**

27 Employee benefits expense

(Amount in ₹ million)

	31 March 2018	31 March 2017
Salaries, wages and incentives	8,910.60	7,653.89
Contribution to provident fund (Refer note 35(1))	278.34	240.07
Share based compensation to employees (Refer note 42)	13.76	30.73
Staff welfare expenses	39.05	40.71
	9,241.75	**7,965.40**

28 Finance costs

(Amount in ₹ million)

	31 March 2018	31 March 2017
Interest expense (Refer note (i) below)	46.84	85.39
Net loss on foreign currency transactions and translations	1.47	-
(considered as finance costs)		
	48.31	**85.39**

Note:

(i) Includes amount of ₹ 0.14 million (Previous year - ₹ 0.22 million) pertaining to finance lease obligations.

29 Other expenses

(Amount in ₹ million)

	31 March 2018	31 March 2017
Travel and overseas expenses (net)	270.81	279.76
Transport and conveyance (net)	150.26	164.19
Cost of service delivery (net)	240.36	245.67
Cost of professional sub-contracting (net)	305.53	323.79
Recruitment and training expenses	102.55	107.85
Power and fuel	131.62	121.80
Rent (Refer note 38(2))	330.78	301.75
Repairs and maintenance -		
- buildings	1.59	5.14
- plant & equipment	246.25	245.45
- others	57.51	62.99
Insurance	97.34	83.46
Rates & taxes	37.64	7.12
Communication expenses (net)	71.64	82.08
Legal and professional fees (Refer note 44(2))	338.49	135.86
Marketing expenses	21.06	28.11
Printing & stationery	8.28	8.29
Auditors remuneration (net of taxes)		
- Audit fees	9.00	9.00
- Limited review of quarterly results	1.20	1.20
- Fees for other services	6.87	3.96
- Out of pocket expenses reimbursed	0.89	0.99
Bad debts written off	11.54	135.16
Provision for doubtful debts and advances (net)	104.64	(214.49)
Contributions towards corporate social responsibility (Refer note 44(1))	27.17	25.61
Miscellaneous expenses (net)	214.09	205.99
	2,787.11	**2,370.73**

Note:

(i) Certain expenses are net of recoveries/reimbursements from customers.

30 Financial Instruments

30.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2018 are as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets							
Investments	-	-	1,184.75	-	-	1,184.75	1,184.75
Trade receivables	5,477.33	-	-	-	-	5,477.33	5,477.33
Cash and cash equivalents	1,471.66	-	-	-	-	1,471.66	1,471.66
Other balances with banks	52.35	-	-	-	-	52.35	52.35
Loans	479.25	-	-	-	-	479.25	479.25
Unbilled revenue	464.50	-	-	-	-	464.50	464.50
Other financial assets	12.47	-	-	-	-	12.47	12.47
Total Assets	**7,957.56**	**-**	**1,184.75**	**-**	**-**	**9,142.31**	**9,142.31**
Liabilities							
Borrowings	2,497.13	-	-	-	-	2,497.13	2,473.54
Trade payables	693.85	-	-	-	-	693.85	693.85
Other financial liabilities	1,135.04	-	-	-	15.66	1,150.70	1,150.70
Total Liabilities	**4,326.02**	**-**	**-**	**-**	**15.66**	**4,341.68**	**4,318.09**

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		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
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	2,862.89	-	-	-	-	2,862.89	2,835.05
Trade payables	588.76	-	-	-	-	588.76	588.76
Other financial liabilities	1,227.43	-	-	-	-	1,227.43	1,227.43
Total Liabilities	**4,679.08**	**-**	**-**	**-**	**-**	**4,679.08**	**4,651.24**

30.2 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 financial assets and liabilities as on 31 March 2018:

(Amount in ₹ million)

Particulars	As at	Fair value measurement as at		
	31 March 2018	Level 1	Level 2	Level 3
Investments in Mutual funds	1,184.75	1,184.75	-	-
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Loan to Impact Automotive Solutions Limited	101.33	-	101.33	-
Derivative financial liabilities	15.66	-	15.66	-
Borrowings	2,473.54	-	2,473.54	-

The following table presents fair value hierarchy of assets and liabilities measured as on 31 March 2017 :

(Amount in ₹ million)

Particulars	As at	Fair value measurement as at		
	31 March 2017	Level 1	Level 2	Level 3
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	-

* 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 and loans given 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.

30.3 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.

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 ₹ 5,477.33 million and ₹ 5,005.65 million and unbilled revenue amounting to ₹ 464.50 million and ₹ 323.71 million as on 31 March 2018, 31 March 2017 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, 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**
Impairment during the year	213.99
Reversal of impairment on account of collection	(96.56)
Utilisation of allowance	(12.79)
Foreign exchange translation	1.47
Balance as on March 31, 2018	**187.61**

Trade receivables that were not impaired

(Amount in ₹ million)

Particulars	Carrying amount	
	31 March 2018	31 March 2017
Neither past due nor impaired	3,741.70	2,899.80
Past due 1- 30 days	953.04	954.08
Past due 31 - 90 days	423.29	995.16
Past due 91 - 180 days	229.31	71.69
More than 180 days	129.99	84.92

Unbilled revenue is not outstanding for more than 90 days.

iii. Cash and bank balances

The Company held cash and cash balances of ₹ 1,524.01 million and ₹ 1,380.29 million as on 31 March 2018 and 31 March 2017 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/associates/joint ventures. The Company has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries/associates/joint ventures on 31 March 2018.

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 2018	31 March 2017
Cash and cash equivalents	1,471.66	1,332.29
Other balances with banks	45.51	42.16
Investments in Mutual funds (quoted)	1,184.75	660.13
Fixed deposits with banks including interest accrued	12.47	23.74
Total	**2,714.39**	**2,058.32**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2018.

(Amount in ₹ million)

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Borrowings	1,835.07	326.68	328.20	1.20	5.98	2,497.13
Trade payables	693.85	-	-	-	-	693.85
Other financial liabilities	1,150.70	-	-	-	-	1,150.70

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	> 5 years	Total
Borrowings	1,877.58	325.30	651.63	8.38	-	2,862.89
Trade payables	588.76	-	-	-	-	588.76
Other financial liabilities	1,227.43	-	-	-	-	1,227.43

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 2018:

(Amount in ₹ million)

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	207.05	220.00	100.99	318.51	846.55
Trade receivables	2,537.52	711.31	259.72	864.95	4,373.50
Other financial assets (including loan)	301.48	85.55	60.34	49.20	496.57
Borrowings	(2,256.28)	(161.24)	-	-	(2,417.52)
Trade payables	(56.84)	(17.69)	(2.56)	(31.58)	(108.67)
Other financial liabilities	(346.23)	(5.85)	(4.50)	(1.14)	(357.72)
Net assets/(liabilities)	**386.70**	**832.08**	**413.99**	**1,199.94**	**2,832.71**

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2017:

(Amount in ₹ million)

Particulars	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**

For the year ended 31 March 2018, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 1.20% / (1.20)%

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)%.

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.

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 2018		31 March 2017	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	4.10	330.55	4.40	304.69
USD	39.35	2,559.49	36.65	2,376.33
GBP	1.60	147.66	1.00	80.88

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:

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	73.91	33.74
Gains/(losses) recognised in Other Comprehensive Income	(15.66)	113.03
Amounts reclassified to Statement of Profit and Loss	(113.03)	(51.59)
Deferred tax on fair value of effective portion of cash flow hedges	44.54	(21.27)
Balance at the end of the year	(10.24)	73.91

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:.

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	559.29	486.15
Financial liabilities	1,852.23	1,905.63
Variable rate instruments		
Financial assets	-	-
Financial liabilities	973.74	1,620.03

A change of 50 basis points in interest rates at the reporting date would have increased or decreased finance costs by ₹ 4.88 million (Previous year ₹ 8.10 million).

31 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 42 for further details.

32 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2018 is ₹ 0.99 million (Previous year - ₹ 0.46 million). Estimated interest due thereon is ₹ Nil (Previous year - ₹ Nil).

b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ 0.74 million (Previous year - ₹ 0.34 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 0.01 million (Previous year - ₹ 0.00 million).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2018 is ₹ 0.68 million (Previous year - ₹ 0.67 million).

d. The amount of further estimated interest due and payable for the period from 1 April 2018 to actual date of payment or 20 April 2018 (whichever is earlier) is ₹ 0.00 million.

33 Expenditure and Earnings in foreign Currency

A. Expenditure in foreign Currency

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Salaries and wages	184.22	180.99
Cost of professional subcontracting	36.00	43.17
Cost of service delivery	18.16	40.89
Recruitment and training expenses	17.16	2.97
Travelling expenses	9.16	12.93
Marketing expenses	5.98	8.04
Professional expenses	46.75	16.43
Finance charges	4.67	6.78
Other Expenses	22.63	8.20
Total	**344.73**	**320.40**

B. Earnings in foreign Currency

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Software services	9,959.39	9,562.00
Interest Income	10.24	24.28
Miscellaneous income	0.10	NIL
Total	**9,969.73**	**9,586.28**

34 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 2017-18		FY 2016-17	
	Balance	Maximum amount outstanding	Balance	Maximum amount outstanding
KPIT Infosystems Incorporated, USA (including interest)	-	393.89	390.16	513.37
Impact Automotive Solutions Limited (including interest)	101.33	101.33	-	-

35 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 ₹ 278.34 million (Previous year ₹ 240.07 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 2017-18	FY 2016-17
Present value of defined benefit obligation at the beginning of the year	289.13	226.75
Current service cost	45.83	51.26
Interest cost	21.02	17.82
Past service cost	-	-
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in demographic assumptions	43.10	-
b) changes in financial assumptions	(11.04)	20.43
c) experience adjustments	11.42	2.99
Liability Transferred out / Divestments	(0.47)	-
Benefits paid	(30.09)	(30.12)
Present value of defined benefit obligation at the end of the year	368.90	289.13

(Amount in ₹ million)

Analysis of defined benefit obligation	FY 2017-18	FY 2016-17
Present value of obligation as at the end of the year	368.90	289.13
Net (asset) / liability recognized in the Balance Sheet	368.90	289.13

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	FY 2017-18	FY 2016-17
Current service cost	45.83	51.26
Interest cost	21.02	17.82
Expenses recognized in the Statement of Profit and Loss	66.85	69.08

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2017-18	FY 2016-17
Actuarial loss / (gain)	43.48	23.42
Net (income)/expense recognized in the OCI	43.48	23.42

Actuarial Assumptions:	FY 2017-18	FY 2016-17
Discount rate	7.68%	7.27%
Salary Escalation	5.00%	5.00%

Attrition Rate	FY 2017-18	FY 2016-17
2 years and below	25.00%	20.00%
between 3 and 4 years	20.00%	20.00%
5 years and above	7.50%	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 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	FY 2017-18		FY 2016-17	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(24.45)	28.11	(33.34)	40.39
Future salary growth (1 % movement)	28.59	(25.25)	40.97	(34.29)
Attrition rate (1 % movement)	4.46	(5.23)	8.15	(9.64)

Maturity profile of defined benefit plan

(Amount in ₹ million)

Projected benefits payable in future years from the date of reporting	FY 2017-18	FY 2016-17
With 1 year	49.52	22.77
1-2 year	29.18	11.08
2-3 year	33.17	9.40
3-4 year	33.29	12.33
4-5 year	37.57	12.23
5-10 years	146.30	72.87

Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2017-18	FY 2016-17
Number of active members	10,853	10,243
Per month salary cost for active members (₹ million)	201.24	181.96
Weighted average duration of the projected benefit obligation (years)	9.00	15.00
Average expected future service (years)	7.00	13.00
Projected benefit obligation (PBO)	368.90	289.13

36 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.

37 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 SAS
	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
	KPIT Engineering Limited (w.e.f 08 January 2018)
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)
	Sparta Consulting Inc., USA (Through KPIT Infosystems Incorporated, USA)
	KPIT Technologies Soluções EM Informática Ltda. (Through KPIT Infosystems Incorporated, USA)
	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil (Through SYSTIME Computer Corporation, USA)
	KPIT Technologies Corporation, Canada (Through SYSTIME Computer Corporation, USA)
	MicroFuzzy Industrie-Elektronic GmbH, Germany (w.e.f. 01 December 2016 through KPIT Technologies GmbH, Germany)
Associate	Yantra Digital Services Private Limited, India (w.e.f. 05 October 2016 and upto 31 January 2018 through Impact Automotive Solutions Limited)
Joint Venture	Yantra Digital Services Private Limited, India (w.e.f. 01 February 2018 through Impact Automotive Solutions Limited)****

* During previous 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(upto 23 August 2017)	Independent Director
	Ms. Lila Poonawalla	Independent Director
	Prof. Alberto Sangiovanni Vincentelli	Independent Director
	Mr. Sanjay Kukreja (upto 15 September 2017)	Non- executive Director
	Mr. Anant Talaulicar	Independent Director
	Mr. Adi Engineer	Independent Director
	Mr. B V R Subbu	Non- executive Director
	Dr. Klaus Blickle (w.e.f. 24 January 2018)	Non- executive Director
	Mr. Nickhil Jakatdar (w.e.f. 24 January 2018)	Independent Director
	Mr. Anil Patwardhan	Chief Financial Officer
	Ms. Sneha Padve	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 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
Transactions with subsidiary companies*					
1	**KPIT Technologies (UK) Limited**				
	Investment in equity	NIL	827.08	NIL	827.08
	Sales	1,189.97	421.45	952.14	342.48
	Reimbursement revenue	97.84		60.96	
	Software service charges	0.33	(0.34)	0.06	0.19

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Advance given (net)	19.74	22.89	21.56	25.78
	Reimbursement of expenses (net)	54.20		49.62	
	Guarantee fees	0.04		0.41	
2	**KPIT Technologies France**				
	Investment in equity	NIL	215.97	NIL	215.97
	Sales	125.64	62.66	283.79	22.34
	Reimbursement revenue	5.05		9.53	
	Software service charges	NIL	(0.03)	0.40	(0.38)
	Advance given (net)	1.89	4.85	2.55	0.01
	Reimbursement of expenses (net)	2.70		4.95	
3	**KPIT Technologies GmbH, Germany**				
	Sales	797.18	471.90	590.91	220.66
	Reimbursement revenue	10.59		12.31	
	Software service charges	15.94	(13.46)	7.41	(17.59)
	Advance given (net)	11.44	15.08	10.03	12.73
	Reimbursement of expenses (net)	34.77		31.23	
4	**KPIT Infosystems Incorporated, USA**				
	Investment in equity	NIL	2,879.17	NIL	2,879.17
	Sales	4,825.49	1,816.63	4,522.60	2,144.87
	Reimbursement revenue	95.65		146.51	
	Software service charges	47.30	(33.44)	64.80	(61.73)
	Advance given (net)	33.99	19.43	37.69	142.51
	Reimbursement of expenses (net)	270.61		264.40	
	Guarantee fees	3.26		3.34	
	Repayment of loan granted to subsidiary**	393.89	NIL	134.77	390.16
	Loan granted to subsidiary	NIL		NIL	
	Interest income	6.70		20.20	
5	**Sparta Consulting Inc., USA**				
	Advance given (net)	1.71	71.32	0.32	2.16
	Reimbursement of expenses (net)	72.03		2.71	

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Reimbursement revenue	78.97	229.86	57.47	392.10
	Sales	700.60		701.63	
	Software service charges	NIL	NIL	0.01	(0.13)
6	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Investment in equity	NIL	128.84	NIL	128.84
	Sales	83.89	53.99	43.50	23.95
	Reimbursement revenue	5.71		0.92	
	Software service charges	1.52	(1.64)	2.83	(0.05)
	Advance taken (net)	NIL	2.72	0.16	5.44
	Reimbursement of expenses (net)	8.04		4.34	
7	**KPIT Technologies Corporation, Canada**				
	Sales	397.46	152.06	271.82	96.82
	Reimbursement revenue	5.29		0.82	
	Software service charges	0.01	(0.01)	0.24	(0.22)
	Advance given (net)	5.34	8.62	1.41	4.56
	Reimbursement of expenses (net)	26.72		13.25	
8	**KPIT Infosystems ME FZE, Dubai**				
	Investment in Equity	NIL	25.41	NIL	25.41
	Sales	NIL	(13.25)	NIL	(13.24)
	Reimbursement revenue	NIL		NIL	
	Advance taken (net)	0.11	0.31	NIL	0.26
	Advance given (net)	NIL		0.41	
	Reimbursement of expenses (net)	(0.08)		0.07	
	Guarantee fees	0.24		0.33	
9	**KPIT Infosystems ME FZE (Australia Branch)**				
	Sales	75.04	26.98	97.72	45.45
	Reimbursement revenue	2.31		11.09	
	Software service charges	0.83	3.40	0.14	4.19

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Advance taken (net)	0.38		NIL	
	Advance given (net)	NIL	0.31	0.67	1.37
	Reimbursement of expenses (net)	2.28		2.10	
10	**KPIT Infosystems ME FZE (Korea Branch)**				
	Sales	131.75	47.24	58.58	18.59
	Reimbursement revenue	0.06		0.32	
	Software service charges	0.81	(0.83)	NIL	NIL
	Advance taken (net)	0.31		NIL	
	Advance given (net)	NIL	1.74	1.48	3.74
	Reimbursement of expenses (net)	2.72		4.14	
11	**KPIT Technologies Netherlands B.V.**				
	Investment in Equity	NIL	34.30	NIL	34.30
	Sales	202.78	56.73	180.35	25.41
	Reimbursement revenue	1.74		1.01	
	Advance given (net)	1.42	1.80	3.64	0.69
	Reimbursement of expenses (net)	4.79		3.08	
12	**KPIT Technologies Soluções EM Informática Ltda.**				
	Investment in Equity	NIL	0.04	NIL	0.04
	Software service charges	0.52	NIL	26.73	(5.97)
13	**KPIT Technologies (UK) Limited (Sweden Branch)**				
	Sales	60.06	25.64	53.98	13.78
	Reimbursement revenue	1.81		3.13	
	Software service charges	NIL	0.79	(0.70)	0.67
	Advance given (net)	1.41		NIL	
	Advance taken (net)	NIL	2.09	0.02	1.14
	Reimbursement of expenses (net)	2.94		2.81	
14	**SYSTIME Computer Corporation, USA**				
	Investment in Equity	NIL	469.36	NIL	469.36
	Sales	373.16	229.50	653.31	233.37
	Reimbursement revenue	11.69		6.83	

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Software service charges	0.34	0.02	10.16	(6.77)
	Advance given (net)	4.22	(2.03)	3.02	8.91
	Reimbursement of expenses (net)	27.69		30.16	
15	**Impact Automotive Solutions Limited**				
	Investment in Equity	367.50	1,326.29	500.10	958.79
	Advance given (net)	0.29	1.90	0.26	1.87
	Reimbursement of expenses (net)	(0.26)		0.05	
	Loan granted to subsidiary***	100.00	101.33	NIL	NIL
	Interest income	1.48		NIL	
	Rent and administration charges	6.05	NIL	5.62	NIL
	Purchase of Components	7.90	NIL	NIL	0.01
	License Fees	18.85	1.87	NIL	178.53
	Sales	21.14		214.51	
16	**KPIT Solutions GmbH**				
	Reimbursement of expenses (net)	NIL	0.04	0.04	0.04
17	**KPIT medini Technologies AG**				
	Purchase of license	NA	NA	NIL	NIL
	Software service charges	NA		0.78	
18	**MicroFuzzy Industrie-Elektronic GmbH, Germany**				
	Sales	46.13	36.83	NIL	NIL
	Software service charges	1.92	(1.93)	NIL	NIL
19	**KPIT Engineering Limited**				
	Investment in Equity	1.00	1.00	NA	NA
	Reimbursement of expenses (net)	2.51	2.51	NA	NA
20	**Yantra Digital Services Private Limited, India**				
	Reimbursement of expenses (net)	(2.39)	(1.36)	NIL	NIL
Transactions with Key Management Personnel					
1	**Mr. S. B. (Ravi) Pandit**				

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Short term employee benefits	37.07	NIL	31.70	NIL
	Post employment benefit plans	1.79	NIL	1.48	NIL
	Reimbursement of expenses (net)	0.23	(0.04)	2.37	NIL
2	**Mr. Kishor Patil**				
	Short term employee benefits	29.63	NIL	26.65	NIL
	Post employment benefit plans	0.85	NIL	0.70	NIL
	Perquisites	0.59	NIL	0.70	NIL
	Repayment of loan granted	5.63	17.89	5.23	23.52
	Interest received	1.63	NIL	2.04	NIL
	Reimbursement of expenses (net)	0.31	(0.37)	2.44	(0.33)
3	**Mr. Sachin Tikekar**				
	Short term employee benefits	29.25	NIL	25.13	NIL
	Post employment benefit plans	0.40	NIL	0.33	NIL
	Reimbursement of expenses (net)	0.49	NIL	2.64	(0.05)
4	**Mr. Anil Patwardhan**				
	Short term employee benefits	7.87	NIL	8.42	NIL
	Post employment benefit plans	0.21	NIL	0.21	NIL
	Reimbursement of expenses (net)	0.03	NIL	0.32	NIL
5	**Ms. Sneha Padve**				
	Short term employee benefits	4.00	NIL	3.70	NIL
	Post employment benefit plans	0.13	NIL	0.12	NIL
	Reimbursement of expenses (net)	0.03	NIL	NIL	NIL
6	**Dr. Raghunath Anant Mashelkar**				
	Commission paid	1.85	NIL	2.63	NIL
	Sitting fees	NIL		0.10	
7	**Ms. Lila Poonawalla**				
	Commission paid	2.23	NIL	3.12	NIL
	Sitting fees	0.29		0.33	
8	**Prof. Alberto Sangiovanni Vincentelli**				

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (₹ million)	Balance as on 31 March 2018 Debit/(Credit) (₹ million)	Amount of transactions during the year (₹ million)	Balance as on 31 March 2017 Debit/(Credit) (₹ million)
	Commission paid	2.60	NIL	3.26	NIL
	Sitting fees	0.06		0.11	
9	**Mr. Anant Talaulicar**				
	Sitting fees	0.07	NIL	NIL	NIL
10	**Mr. Adi Engineer**				
	Commission paid	2.16	NIL	2.74	NIL
	Sitting fees	0.27		0.30	
11	**Mr. B V R Subbu**				
	Commission paid	1.61	NIL	2.32	NIL
	Sitting fees	0.09		0.12	
12	**Dr. Klaus Blickle**				
	Sitting fees	0.02	NIL	NA	NA
Transactions with relative of Key Management Personnel					
1	**Mr. Chinmay Pandit**				
	Short term employee benefits	4.18	NIL	4.16	NIL
	Post employment benefit plans	0.11	NIL	0.11	NIL
	Reimbursement of expenses (net)	0.54	(0.13)	0.29	NIL
2	**Mrs. Jayada Pandit**				
	Short term employee benefits	1.82	NIL	1.72	NIL
	Post employment benefit plans	0.06	NIL	0.05	NIL
3	**Mr. Shreyas Patwardhan**				
	Short term employee benefits	0.81	NIL	0.67	NIL
	Post employment benefit plans	0.02	NIL	0.02	NIL
	Reimbursement of expenses (net)	0.10	(0.01)	NIL	NIL
Transactions with enterprise over which Key Management Personnel have significant influence:					
1	**KP Corporate Solutions Ltd.**				
	Professional fees	1.45	(0.15)	1.51	0.01
2	**Kirtane & Pandit LLP**				
	Professional fees	3.27	(0.10)	0.14	0.03
3	**Proficient FinStock LLP**				
	Deposits for reappointment of directors	NIL	NIL	0.40	(0.40)

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 5.25% p.a. and is repayable on demand, not exceeding thirty six months from the date of loan granted. The loan was repaid by KPIT Infosystems Incorporated, USA during the current year.

*** The loan carries interest rate of 9.15% p.a. and is repayable on demand, not exceeding sixty months from the date of loan granted.

**** The investee is a subsidiary as defined under section 2(87) of the Companies Act, 2013. For the purpose of Ind-AS financial statements, the entity has been considered as a Joint Venture as defined under Ind-AS 28 : Investments in Associates and Joint Ventures.

38 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 2018 ₹ million	31 March 2017 ₹ million
Future minimum lease payments		
- not later than one year	0.91	1.09
- later than one year and not later than five years	NIL	0.91
- later than five years	NIL	NIL
Total future minimum lease payments	0.91	2.00
Amount representing future interest	0.04	0.18
Present value of future minimum lease payments	0.87	1.82
- not later than one year	0.87	0.95
- later than one year and not later than five years	NIL	0.87
- later than five years	NIL	NIL

Net carrying amount of assets held under finance lease as on 31 March 2018 is ₹ 451.17 million (31 March 2017 ₹ 439.51 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 2018 ₹ million	31 March 2017 ₹ million
Minimum lease payments		
- Not later than one year	295.10	275.39
- Later than one year and Not later than five years	897.43	1,021.44
- Later than five years	967.07	1,133.80

Total minimum lease payments	**2,159.60**	**2,430.63**

Rental expenses of ₹ 330.78 million (Previous year ₹ 301.75 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.

39 Basic and diluted earnings per share

Particulars		FY 2017-18	FY 2016-17
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	1,775.50	1,692.94
Weighted average number of equity shares	No. of shares	192,578,364	191,832,066
Earnings per share - Basic	₹	9.22	8.83
Effect of dilutive potential equity shares-			
Employee stock options (including shares held by Employee Welfare Trust)	No. of shares	6,600,204	8,020,201
Weighted average number of diluted equity shares	No. of shares	199,178,568	199,852,267
Earnings per share - Diluted	₹	8.91	8.47

40 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 2018.

Research and development expenditure debited to the Statement of Profit and Loss aggregating to ₹ 199.11 million (Previous year ₹ 188.53 million) has been incurred by the Company and disclosed under appropriate account heads. Out of total R & D expenditure incurred during the year ₹ 141.94 million (Previous year ₹ 125.61 million) is towards eligible R & D expenditure under section 35 (2AB). Also refer note 43.

The Company has set up a new facility for its R & D activities. Total capital expenditure on this facility is as follows, which is disclosed in respective fixed assets blocks:

Particulars	FY 2017-18 ₹ million	FY 2016-17 ₹ million
Building	NIL	NIL

Computers	9.65	3.31
Plant and Machinery	NIL	2.06
Office Equipments	0.24	NIL
Furniture and Fixtures	NIL	0.24

Capital expenditure incurred on various research and development projects is ₹ 110.42 million (Previous year ₹ 230.22 million)

41 Details of provisions and movements in each class of provisions as required by the Indian Accounting Standard (Ind-As) 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 2018 ₹ million	31 March 2017 ₹ million
Carrying amount as at the beginning of the year	6.33	4.54
Additional provision made during the year	0.24	3.07
Amount paid/utilized during the year	NIL	NIL
Unused amount reversed during the year	3.38	1.28
Carrying amount at the end of the year	3.19	6.33

The warranty provision is expected to be utilized over a period of one year.

2. Contingent liabilities

Sr. No.	Particulars	31 March 2018 ₹ million	31 March 2017 ₹ million
1	Outstanding bank guarantees in routine course of business	170.84	176.75
2	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems Incorporated, USA	650.44	648.39
3	Corporate guarantee provided by the Company for loan availed by associates/joint ventures in India	149.16	NIL
4	Corporate guarantee provided by the Company for loan availed by KPIT Infosystems ME FZE, Dubai	NIL	64.84
5	Corporate guarantee provided by the Company for loan availed by KPIT Technologies (UK) Limited	NIL	80.88
6	Income tax matters	NIL	5.25
7	VAT matters	18.57	1.75
8	Service tax matters (excluding interest and penalty)(Refer note (i))	311.16	737.25

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:

- ₹ 169.34 million (Previous year ₹ 524.11 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
- ₹ 46.56 million (Previous year ₹ 117.88 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 - ₹ 171.00 million (31 March 2017 ₹ 240.97 million).

b. Intangible assets - ₹ 8.94 million (31 March 2017 ₹ 26.98 million).

42 Share based payments

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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	247,020	70.60	324,988	70.60
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	12,214	70.60	6,904	70.60

Particulars	FY 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Exercised during the year	72,026	70.60	68,162	70.60
Lapsed during the year	8,842	70.60	2,902	70.60
Options outstanding at the end of year	153,938	70.60	247,020	70.60
Options exercisable at the end of the year	153,938	70.60	247,020	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 ₹ 178.93 (Previous year ₹ 147.66)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	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	0.32	153,938	1.21	247,020
₹ 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 2018 and 31 March 2017.

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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	4,685,172	92.48	5,176,953	91.83
Granted during the year	-	-	30,000	151.60
Forfeited / surrendered during the year	250,642	102.18	252,179	102.21
Exercised during the year	1,205,677	84.43	269,602	77.51
Lapsed during the year	126,430	75.03	-	-
Options outstanding at the end of year	3,102,423	95.53	4,685,172	92.48
Options exercisable at the end of the year	2,225,423	92.27	2,994,772	85.61

The weighted average market price of the options exercised under Employees Stock Option Scheme - 2006 on the date of exercise during the year was ₹ 168.65 (Previous year ₹ 143.38)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	42,903	0.50	215,603
₹ 50 to ₹ 100	1.22	1,138,740	1.77	1,984,848
₹ 100 to ₹ 150	4.49	1,920,780	5.41	2,454,721
₹ 150 to ₹ 200	NIL	NIL	6.18	30,000

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 2017-18	FY 2016-17
1. Exercise price (₹)	NIL	151.60
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	151.60
3. Weighted average fair value of options granted (₹)	NIL	59.36
4. Expected life of the option (years)	NIL	3.76
5. Risk free interest rate (%)	NIL	7.29%

Particulars	FY 2017-18	FY 2016-17
6. Expected volatility (%)	NIL	42.50%
7. Dividend yield (%)	NIL	0.73%

The Company recorded an employee compensation cost of ₹ 13.21 million (Previous year ₹ 29.52 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.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	150,000	2.00	155,000	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	15,000	2.00	5,000	2.00
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	135,000	2.00	150,000	2.00
Options exercisable at the end of the year	111,000	2.00	68,000	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 ₹ 121.85 (Previous year ₹ 164.65)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	3.91	135,000	4.90	150,000

₹ 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 2017-18	FY 2016-17
1. Exercise price (₹)	NIL	NIL
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	NIL
3. Weighted average fair value of options granted (₹)	NIL	NIL
4. Expected life of the option (years)	NIL	NIL
5. Risk free interest rate (%)	NIL	NIL
6. Expected volatility (%)	NIL	NIL
7. Dividend yield (%)	NIL	NIL

The Company recorded an employee compensation cost of ₹ 0.15 million (Previous year ₹ 0.31 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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	965,150	103.70	1,051,500	103.70
Granted during the year	110,000	131.20	-	-
Forfeited / surrendered during the year	58,150	103.70	86,350	103.70
Exercised during the year	27,950	103.70	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	989,050	106.76	965,150	103.70

Options exercisable at the end of the year	516,250	103.70	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 ₹ 212.50 (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	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	4.71	989,050	5.50	965,150
₹ 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 2017-18	FY 2016-17
1. Exercise price (₹)	131.20	NIL
2. Price of the underlying share in market at the time of the option grant (₹)	131.20	NIL
3. Weighted average fair value of options granted (₹)	48.98	NIL
4. Expected life of the option (years)	3.76	NIL
5. Risk free interest rate (%)	6.71%	NIL
6. Expected volatility (%)	41.22%	NIL
7. Dividend yield (%)	0.84%	NIL

The Company recorded an employee compensation cost of ₹ 0.40 million (Previous year ₹ 0.90 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.

43 Income taxes

The income tax expense consists of following:

Particulars	FY 2017-18 ₹ million	FY 2016-17 ₹ million
Tax expense		
Current tax	456.71	376.90
Deferred tax (benefit) / charge	(225.59)	(87.40)
Total tax expense	**231.12**	**289.50**

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 2017-18 ₹ million	FY 2016-17 ₹ million
Profit before tax	2,006.62	1,982.44
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	694.45	686.08
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of tax holiday, exemptions and deductions	(549.84)	(450.52)
Effect relating to prior years	(0.29)	NIL
Effect of permanent adjustments	28.39	19.42
Effect of differential overseas tax rates	55.98	33.10
Effect of unrecognized deferred tax assets	1.75	NIL
Others (net)	0.68	1.42
Total tax expense	**231.12**	**289.50**

During the year ended March 31, 2018 and March 31, 2017, 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 till March 2018. The weighted tax deduction is equal to 150% of such expenditures incurred.

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, 2018 and March 31, 2017, is as follows:

Particulars	FY 2017-18 ₹ million	FY 2016-17 ₹ million
Net deferred income tax asset at the beginning	502.96	430.51
MAT Credit entitlement for the year	152.12	131.26
Credits / (charge) relating to temporary differences	73.47	(43.86)
Temporary differences on other comprehensive income	57.30	(14.95)
Net deferred income tax asset at the end	785.85	502.96

The credit relating to temporary differences during the year ended March 31, 2018 are primarily on account of provision for doubtful debts & bad debts, provision for gratuity & property,plant and equipment . The charge relating to temporary differences during the year ended March 31, 2017 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.

44 Other disclosures and explanatory notes

1 The Company was required to spend ₹ 45.93 million towards Corporate Social Responsibility. During the year the Company has spent and paid ₹ 27.17 million (Previous year ₹ 25.61 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.

2 The Board of Directors of the Company at its meeting held on 29 January, 2018 have approved a draft composite scheme ("Draft Scheme") for: (a) amalgamation of Birlasoft (India) Limited ("Birlasoft") with the Company ("Proposed Merger"); and (b) demerger of the engineering business of the Company into KPIT Engineering Limited ("KEL"), a wholly owned subsidiary of the Company, ("Proposed Demerger"), to be renamed as KPIT Technologies Limited, in terms of the Draft Scheme and an implementation agreement, and other agreements that are executed between the Company, Birlasoft and other parties. During the year, the Company has incurred expenditure of ₹ 163.19 million towards enabling the execution of this transaction. The Company is in progress to obtain approvals from various regulatory authorities.

3 During the year, the Company has infused further equity of ₹ 367.50 million in its wholly owned subsidiary, Impact Automotive Solutions Limited.

4 The Company has consolidated the KPIT Technologies Limited Employee Welfare Trust.

5 During the year, the Company has sold of its entire stake in Sankalp Semiconductors Private Limited. The gain on disposal is recorded under exceptional items in the Statement of Profit and Loss.

6 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 2017-2018.

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: Mumbai
Date: 23 May 2018

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
DIN : 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Independent Auditors' Report

To the Members of
KPIT Technologies Limited (Holding Company)

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of KPIT Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter 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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit / loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, 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, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2018, and their consolidated profits (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 42.2B to the Consolidated Ind AS financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company's subsidiaries. Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of ₹1,152.70 million and net assets of ₹ 933.75 million as at 31 March 2018, total revenues of ₹ 726.43 million and net cash outflows amounting to ₹ 117.91 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 72.48 million for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. 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 this subsidiary and a joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

Our opinion above 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and joint ventures , as noted in the 'other matter' paragraph, 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 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 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 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures. Refer Note 42 (2) to the consolidated Ind AS financial statements.

   ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint ventures incorporated in India during the year ended 31 March 2018.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

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

Vijay Mathur
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

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 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the 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 2018, we have audited the internal financial controls with reference to financial statements of KPIT Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiary company and its joint venture, which is a company incorporated in India (collectively referred to as 'the Group'), as of that date.

Management's Responsibility for the internal financial controls

The respective Board of Directors of the Holding company, its subsidiary company and its joint venture, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

Meaning of internal financial control with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, its subsidiary company and its joint venture, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and one joint venture, which are companies incorporated in India, is based on the corresponding report of the auditor of such companies 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: Mumbai
Date: 23 May 2018

Consolidated Balance Sheet

(Amount in ₹ million)

	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	3,095.51	2,073.77
Capital work-in-progress		68.06	737.82
Goodwill	2B	4,275.06	4,116.81
Other intangible assets	2C	923.73	517.87
Intangible assets under development		247.31	638.32
Equity accounted investees	3A	97.07	-
Financial assets			
Investments	3B	10.40	10.35
Loans	4	175.51	156.35
Other financial assets	5	33.39	89.68
Income tax assets (net)		815.09	1,173.79
Deferred tax assets (net)	6	944.10	963.16
Other non-current assets	7	71.54	102.80
		10,756.77	**10,580.72**
Current assets			
Inventories	8	238.77	433.49
Financial assets			
Investments	9	1,184.75	777.68
Trade receivables	10	8,057.00	7,843.39
Cash and cash equivalents	11	4,650.96	3,788.93
Other balances with banks	11	398.34	112.88
Loans	12	105.88	93.88
Unbilled revenue		1,151.15	941.86
Other financial assets	13	65.73	136.48
Other current assets	14	719.59	574.88
		16,572.17	**14,703.47**
TOTAL ASSETS		**27,328.94**	**25,284.19**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	379.03	376.39
Other equity	35	17,790.13	15,448.24
Equity attributable to owners of the Company		18,169.16	15,824.63
Non-controlling interest		35.67	16.86
Total equity		**18,204.83**	**15,841.49**

Consolidated Balance Sheet

(Amount in ₹ million)

	Note	As at 31 March 2018	As at 31 March 2017
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	662.06	985.38
Other financial liabilities	17	156.14	131.67
Provisions	18	687.44	579.25
Deferred tax liabilities (net)	19	0.21	0.11
		1,505.85	**1,696.41**
Current liabilities			
Financial liabilities			
Borrowings	20	2,109.09	2,218.83
Trade payables	21	1,587.16	1,311.06
Other financial liabilities	22	1,826.78	2,173.73
Other current liabilities	23	1,446.23	1,126.58
Provisions	24	370.74	315.84
Income tax liabilities (net)		278.26	600.25
		7,618.26	**7,746.29**
TOTAL EQUITY AND LIABILITIES		**27,328.94**	**25,284.19**
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated 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: Mumbai
Date: 23 May 2018

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
DIN: 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Consolidated Statement of Profit and Loss

(Amount in ₹ million)

	Note	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
Revenue from operations	25	36,655.82	33,233.61
Other income	26	450.42	206.60
Total income		**37,106.24**	**33,440.21**
Expenses			
Cost of materials consumed	27	465.62	360.13
Changes in inventories of finished goods and work-in-progress	28	84.26	(104.02)
Employee benefits expense	29	22,921.23	20,905.25
Finance costs	30	104.32	135.98
Depreciation and amortization expense	2	843.00	826.64
Excise duty		18.84	33.15
Other expenses	31	9,380.83	8,552.77
Total expenses		**33,818.10**	**30,709.90**
Profit before exceptional items, share of equity accounted investee and tax		3,288.14	2,730.31
Exceptional items ((Refer note 45(1) & 45(5))		25.55	260.91
Profit before share of equity accounted investees and tax		3,313.69	2,991.22
Share of (loss) of equity accounted investees (net of tax)		(72.48)	(0.05)
Profit before tax		**3,241.21**	**2,991.17**
Tax expense	44		
Current tax		622.67	638.01
Deferred tax (benefit)/charge		74.87	(32.28)
Total tax expense		**697.54**	**605.73**
Profit for the year		**2,543.67**	**2,385.44**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(43.32)	(23.73)
Income tax on items that will not be reclassified to profit or loss		12.76	6.32
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		295.85	(273.48)
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		(128.69)	61.44
Income tax on items that will be reclassified to profit or loss		44.54	(21.27)
Total other comprehensive income		**181.14**	**(250.72)**
Total comprehensive income for the year		**2,724.81**	**2,134.72**
Profit attributable to			
Owners of the Company		2,528.54	2,385.05
Non-controlling interests		15.13	0.39
Profit for the year		**2,543.67**	**2,385.44**
Other comprehensive income attributable to			
Owners of the Company		177.46	(250.72)
Non-controlling interests		3.68	-
Other comprehensive income for the year		**181.14**	**(250.72)**

Consolidated Statement of Profit and Loss

(Amount in ₹ million)

	Note	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
Total comprehensive income attributable to			
Owners of the Company		2,706.00	2,134.33
Non-controlling interests		18.81	0.39
Total comprehensive income for the year		**2,724.81**	**2,134.72**
Earnings per equity share for continuing operations (face value per share ₹ 2 each)			
Basic	40	13.13	12.43
Diluted	40	12.69	11.93
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated 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: Mumbai
Date: 23 May 2018

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
DIN: 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Consolidated Statement of Cash Flows

(Amount in ₹ million)

PARTICULARS	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	2,543.67	2,385.44
Adjustments for		
Income tax expense	697.54	605.73
(Profit)/Loss on sale of fixed assets (net)	(0.91)	0.66
Share of loss of equity accounted investees (net of tax)	72.48	0.05
Depreciation / Amortization	843.00	826.64
Write-down of slow moving inventory	80.38	20.15
Interest expense	102.85	135.98
Interest income	(52.90)	(117.47)
Dividend income	(49.90)	(3.21)
Exceptional items	(25.55)	(260.91)
Provision for doubful debts and advances (net)	(391.24)	(333.45)
Bad debts written off	789.43	302.93
Share based compensation expenses	29.22	58.43
Unrealised foreign exchange loss/(gain)	176.08	(265.01)
Increase in purchase consideration payable for MicroFuzzy Industrie-Elektronic GmbH	34.58	-
Decrease in purchase consideration payable for KPIT Solutions GmbH	(60.80)	(8.88)
Operating Profit before working capital changes	4,787.93	3,347.08
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(834.66)	(819.86)
Inventories	114.34	(73.60)
Loans, other financials assets and other assets	(162.30)	(19.06)
Trade Payables	305.44	(40.17)
Other financial liabilities, other liabilities and provisions	449.42	(95.21)
Cash generated from operations	4,660.17	2,299.18
Income taxes paid	(585.96)	(668.84)
Net cash from operating activities (A)	**4,074.21**	**1,630.34**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,158.97)	(1,888.27)
Proceeds from sale of property, plant and equipment	2.14	11.20
Acquisition of subsidiary (net of cash acquired)	-	(441.85)
Proceeds from sale of investment in subsidiary	-	499.95
Sale of investments carried at fair value through profit and loss	143.10	-
Investment in equity accounted investees	(169.55)	(10.05)
Purchase of investments carried at fair value through profit and loss (net)	(524.62)	(660.13)
Payment of purchase consideration for acquisition of subsidiaries	(48.37)	(90.43)
Interest received	40.95	112.92
Dividend received	49.90	3.21
Fixed Deposit with banks (net) having original maturity over three months	(261.19)	961.60
Net Cash used in investing activities (B)	**(1,926.61)**	**(1,501.85)**

Consolidated Statement of Cash Flows

(Amount in ₹ million)

PARTICULARS	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term loan from banks	-	8.40
Repayment of Long term loan from banks	(647.65)	(335.23)
Proceeds from Long term loan from other than banks	-	11.97
Repayment of Long term loan from other than banks	(8.70)	(8.75)
Proceeds from issue of Share Capital and application money	5.12	0.22
Proceeds from Working Capital loan (net)	(139.94)	1,726.16
Proceeds from / (payments for) shares issued / purchased by Employee Welfare Trust (net)	107.17	28.26
Dividend paid including corporate dividend tax	(502.98)	(503.01)
Interest and finance charges paid	(96.87)	(126.77)
Net cash (used in)/from financing activities (C)	**(1,283.85)**	**801.25**
D] Exchange differences on translation of foreign currency cash and cash equivalents	**(1.72)**	**(0.04)**
Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	**862.03**	**929.70**
Cash and cash equivalents at close of the year (Refer note 1 below)	4,650.96	3,788.93
Cash and cash equivalents at beginning of the year (Refer note 1 below)	3,788.93	2,859.23
Cash Surplus / (deficit) for the year	**862.03**	**929.70**
Note 1 :		
Cash and cash equivalents include:		
Cash on hand	0.25	0.14
Cheques in Hand	238.62	85.10
Balance with banks		
- In current accounts	4,032.09	3,591.58
- In deposit accounts (with original maturity of 3 months or less)	380.00	112.11
Total Cash and cash equivalents	**4,650.96**	**3,788.93**

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

Place: Mumbai
Date: 23 May 2018

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
DIN: 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

Consolidated Statement of Changes in Equity

A Equity share capital

(Amount in ₹ million)

Balance as at 1 April 2016	**375.65**
Changes in equity share capital during 2016-17	0.74
Balance as at 31 March 2017	**376.39**
Changes in equity share capital during 2017-18	2.64
Balance as at 31 March 2018	**379.03**

B Other equity

(Amount in ₹ million)

	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	Remeasurement of the net defined benefit Plans (Refer note 36(2))	Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 32.3)			
Balance as on 01 April 2016	0.63	27.71	40.00	3,904.43	110.33	255.21	51.40	8,929.56	(31.22)	156.94	33.74	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)	-	-	-	-	-	-	-	-	(17.41)	(273.48)	40.17	(250.72)	-	(250.72)
Total comprehensive income for the year	-	-	-	-	-	-	-	2,385.05	(17.41)	(273.48)	40.17	2,134.33	0.39	2,134.72
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	-	58.43
Changes during the year	(0.52)	-	-	-	-	-	-	-	-	-	-	(0.52)	-	(0.52)
Changes in ownership interests in subsidiaries														
On acquisition of subsidiary (Refer note 45(2))	-	-	-	-	-	-	-	-	-	-	-	-	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	(48.63)	(116.54)	73.91	15,448.24	16.86	15,465.10

Consolidated Statement of Changes in Equity

(Amount in ₹ million)

	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	Remeasurement of the net defined benefit Plans (Refer note 36(2))	Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 32.3)			
Balance as on 01 April 2017	0.11	27.71	40.00	3,904.43	168.76	255.21	51.40	11,091.88	(48.63)	(116.54)	73.91	15,448.24	16.86	15,465.10
Profit for the year	-	-	-	-	-	-	-	2,528.54	-	-	-	2,528.54	15.13	2,543.67
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(30.56)	292.17	(84.15)	177.46	3.68	181.14
Total comprehensive income for the year	-	-	-	-	-	-	-	2,528.54	(30.56)	292.17	(84.15)	2,706.00	18.81	2,724.81
Transactions with owners recognised directly in equity														
Dividends	-	-	-	-	-	-	-	(414.53)	-	-	-	(414.53)	-	(414.53)
Dividend distribution tax	-	-	-	-	-	-	-	(88.45)	-	-	-	(88.45)	-	(88.45)
Accumulated deficit of employee welfare trust	-	-	-	-	-	-	-	107.17	-	-	-	107.17	-	107.17
Premium on issue of shares under ESOP scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments to employees	-	-	-	-	29.22	-	-	-	-	-	-	29.22	-	29.22
Application money received during the year	2.48	-	-	-	-	-	-	-	-	-	-	2.48	-	2.48
Changes in ownership interests in subsidiaries														
On account of exchange gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31 March 2018	2.59	27.71	40.00	3,904.43	197.98	255.21	51.40	13,224.61	(79.19)	175.63	(10.24)	17,790.13	35.67	17,825.80

Significant accounting policies 1

Notes referred to above form an integral part of the consolidated 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: Mumbai
Date: 23 May 2018

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
DIN: 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

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/joint venture/associate across multiple 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 23 May 2018.

1. Significant accounting policies

1.1 Basis of consolidation

The Consolidated Financial Statements relate to KPIT Technologies Limited ("the Company"), its subsidiary companies and its joint venture which constitutes "the Group" (Refer note 34).

a. Basis of preparation of consolidated financial statements

i. The financial statements of the subsidiary companies and the joint venture, 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 2018.

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, except per share information, unless otherwise stated.

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

Ind-AS 103, Business Combinations. Ind-AS 103 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 uncertainities in respect of defined benefit obligations and share based payments is included in note 36 and 43 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.

vi. Impact of any changes in the purchase consideration, after the measurement period, is recorded 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 and net of goods and services tax 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 foreign 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 the 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. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. 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.

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 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 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 or 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 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind-AS 21 : The effects of changes in Foreign Exchange rates and new Ind-AS 115 : Revenue from Contracts with Customers. The amendments are applicable to the Group from 01 April 2018.

(i) Amendment to Ind-AS 21

Appendix B : Foreign Currency Transactions and Advance Consideration, has been incorporated to Ind-AS 21. The amendment clarifies that the date of transaction to determine the spot exchange rate for translation, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability, when foreign currency consideration is paid or received in advance of the item it relates. If the transaction is recognised in stages, then a transaction date would be established for each stage.

The Group is evaluating the requirements and the impact of the amendment on the consolidated financial statements.

(ii) Ind-AS 115 : Revenue from Contracts with Customers

The new standard will replace the existing revenue recognition standards Ind-AS 18 : Revenue and Ind-AS 11 : Construction Contracts.

The core principle of the new standard is that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Two methods of transition is permissible as per the standard:

Retrospective approach : As per this approach the standard will be applied retrospectively to each prior reporting period presented as per Ind-AS.

Cumulative catch-up approach : Under this approach the standard would be applied retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application.

The Group will adopt the standard from 01 April 2018, using the cumulative catch-up approach. The Group is evaluating the impact of the new standard on the consolidated financial statements.

2A 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 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**
Gross carrying amount as at 1 April 2017	**449.52**	**474.07**	**286.01**	**1,104.73**	**183.27**	**6.74**	**19.50**	**335.46**	**2,859.30**
Additions	19.64	867.94	22.87	276.99	42.15	-	10.59	202.59	1,442.77
Foreign exchange translation	-	-	0.44	11.69	7.68	0.01	0.83	4.01	24.66
Disposal/retirements/derecognition	-	-	-	2.44	0.62	-	0.48	0.74	4.28
Gross carrying amount as at 31 March 2018	**469.16**	**1,342.01**	**309.32**	**1,390.97**	**232.48**	**6.75**	**30.44**	**541.32**	**4,322.45**
Accumulated depreciation as at 1 April 2017	**12.32**	**51.62**	**57.62**	**500.48**	**45.45**	**4.42**	**9.02**	**104.60**	**785.53**
Depreciation	6.67	28.78	44.23	267.64	26.81	1.31	7.46	43.80	426.70
Foreign exchange translation	-	-	0.28	12.03	1.83	-	0.73	2.89	17.76
Disposal/retirements/derecognition	-	-	-	1.87	0.38	-	0.38	0.42	3.05
Accumulated depreciation as at 31 March 2018	**18.99**	**80.40**	**102.13**	**778.28**	**73.71**	**5.73**	**16.83**	**150.87**	**1,226.94**
Carrying amount as at 1 April 2017	**437.20**	**422.45**	**228.39**	**604.25**	**137.82**	**2.32**	**10.48**	**230.86**	**2,073.77**
Carrying amount as at 31 March 2018	**450.17**	**1,261.61**	**207.19**	**612.69**	**158.77**	**1.02**	**13.61**	**390.45**	**3,095.51**

Note:

(i) Refer note 16 and 20 for details of property, plant and equipment pledged as security for borrowings.

2B Goodwill

(Amount in ₹ million)

	31 March 2018	31 March 2017
Carrying amount at the commencement of the year	4,116.81	3,846.99
Goodwill on sale of KPIT medini Technologies AG (Refer note 45(1))	-	(195.43)
Goodwill on acquisition of Micro Fuzzy Industrie-Elektronic GmbH (Refer note 45(2))	-	589.41
Impairment loss (Refer note (i) below)	-	(39.81)
Foreign exchange translation	158.25	(84.35)
Carrying amount at the end of the year	**4,275.06**	**4,116.81**

Note:

(i) During the previous year, 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 was unable to track separate revenue stream and it was difficult to assess the period over which benefits were expected to flow. And hence, the Group had impaired the goodwill with corresponding effect under depreciation and amortization expense in the Statement of Profit and Loss.

2C Other intangible assets

(Amount in ₹ million)

	Internally Generated		Other than Internally Generated	Total
	Product Development Cost (Refer note (i)&(ii))	Technical Knowhow	Software	
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)
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**
Gross carrying amount as at 1 April 2017	**330.26**	**9.51**	**874.14**	**1,213.91**
Additions	640.28	-	178.69	818.97
Foreign exchange translation	0.59	-	6.03	6.62
Disposal/retirements/derecognition	-	-	-	-
Gross carrying amount as at 31 March 2018	**971.13**	**9.51**	**1,058.86**	**2,039.50**

(Amount in ₹ million)

	Internally Generated		Other than Internally Generated	Total
	Product Development Cost (Refer note (i)&(ii))	Technical Knowhow	Software	
Accumulated amortisation as at 1 April 2017	**190.05**	**7.60**	**498.39**	**696.04**
Amortisation	146.85	1.90	267.55	416.30
Foreign exchange translation	1.08	-	2.35	3.43
Disposal/retirements/derecognition	-	-	-	-
Accumulated amortisation as at 31 March 2018	**337.98**	**9.50**	**768.29**	**1,115.77**
Carrying amount as at 1 April 2017	**140.21**	**1.91**	**375.75**	**517.87**
Carrying amount as at 31 March 2018	**633.15**	**0.01**	**290.57**	**923.73**

Notes:

(i) With respect to some of the intangible assets, change in the technology resulted in obsolescence of the assets and hence the assets were impaired during the year, resulting in an impairment loss of ₹ 17.64 million, recognised under depreciation and amortization expense in the Statement of Profit and Loss.

(ii) With respect to some of the intangible assets, the Company was unable to track separately the future economic benefits and the expected cash flows, but yielding results at the combined business level. Further, it was difficult to assess the period over which the benefits were expected to flow. Hence, during the previous year, 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.

3 Non current investments

(Amount in ₹ million)

		31 March 2018	31 March 2017
	Investments (Unquoted)		
3A	**Investments in equity accounted investees**		
	Yantra Digital Services Private Limited (including goodwill of ₹ 77.81 millions(Previous year Nil)) (Refer note 45(4))	169.60	0.05
	7,000 (Previous Year 5,000) equity shares of ₹ 10 each fully paid up		
	Less : Share of loss (restricted to the extent of investment in the previous year)	72.53	0.05
		97.07	-
3B	**Investments in equity instruments of other entities measured at fair value through profit or loss**		
	Lithium Urban Technologies Private Limited	10.00	10.00
	10,000 (Previous year 10,000) Compulsorily Convertible Preference shares of ₹ 1,000 fully paid up		
	Munchner bank	0.40	0.35
	100 (Previous year 100) equity share of € 50 each fully paid up		
		10.40	10.35
		107.47	**10.35**

4 Loans

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
- Loan to Director	11.81	17.88
Loans and advances to other than related parties		
- Security deposits	156.85	129.43
- Loan to employees	6.85	9.04
	175.51	**156.35**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

5 Other financial assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Fixed deposits with banks	21.49	31.88
Margin money deposits	10.54	23.42
Interest accrued on fixed deposits	1.36	0.49
Sale consideration receivable (Refer note 45(1))	-	33.89
	33.39	**89.68**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

6 Deferred tax assets (net)

(Amount in ₹ million)

	31 March 2018	31 March 2017
Deferred tax assets		
-Provision for doubtful debts and advances	72.12	252.89
-Provision for compensated abscences	137.00	170.05
-Provision for gratuity	105.21	78.05
-Provision for depreciation	10.10	35.51
-Forward contracts designated as cash flow hedges	5.42	-
-Others	51.69	74.19
-MAT credit entitlement	642.51	490.39
	1,024.05	1,101.08
Deferred tax liabilities		
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	79.95	93.31
-Forward contracts designated as cash flow hedges	-	39.12
-Others	-	5.49
	79.95	137.92
Net deferred tax asset	**944.10**	**963.16**

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 ₹ 56.44 million (Previous year - ₹ 59.01 million).

7 Other non-current assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Capital advances	10.65	36.64
Advance rentals	32.34	39.08
Prepaid expenses	8.15	7.77
Balance in Group Gratuity Trust Account	20.40	19.31
	71.54	**102.80**

8 Inventories

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Valued at the lower of cost and net realisable value)		
Raw materials (Refer note (i) below)	171.13	287.61
Work-in-progress	8.35	2.54
Finished goods	49.70	139.77
Stores and spares	9.59	3.57
	238.77	**433.49**

Note :

i) The Group has written-down its slow moving inventory of ₹ 80.38 million (Previous year ₹ 20.15 million) with corresponding effect on cost of materials consumed in the Statement of Profit and Loss.

9 Current investments

(Amount in ₹ million)

	31 March 2018	31 March 2017
Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted)		
Investment in Sankalp Semiconductors Private Limited	-	117.55
Nil (Previous Year 771,000) equity shares of ₹ 2 each fully paid up		
Saraswat Co-operative Bank Limited	0.00*	0.00*
1 (Previous year 1) equity share of ₹ 10 each fully paid up		
Investments in Mutual funds measured at fair value through profit or loss (quoted)		
(At cost or market value whichever is lower)		
882,300 units (Previous year Nil units) Birla Sun Life Savings Fund - Daily Dividend - Regular Plan	88.47	-
234,874 units (Previous year Nil units) - Axis Liquid Fund - Daily Dividend	235.20	-
115,857 units (Previous year 170,108 units) Reliance Liquid Fund- Treasury Plan- Daily Dividend Option	177.21	260.05
184,588 units (Previous year Nil units) Kotak Floater Short Term- Daily Dividend	186.73	-
1,838,983 units (Previous year 3,995,032 units) ICICI Prudential Money Market Fund - Daily dividend	184.24	400.08
309,076 units (Previous year Nil units) L&T Liquid Fund - Regular Daily Dividend Reinvestment Plan	312.90	-
	1,184.75	**777.68**

* 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 32.

10 Trade receivables

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured)		
Considered good	8,057.00	7,843.39
Considered doubtful	378.99	758.89
	8,435.99	8,602.28
Less: Allowances for bad and doubtful trade receivables	378.99	758.89
	8,057.00	**7,843.39**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

11 Cash and bank balances

(Amount in ₹ million)

	31 March 2018	31 March 2017
Cash and cash equivalents		
Cash on hand	0.25	0.14
Cheques in hand	238.62	85.10
Balances with banks		
- In current accounts	4,032.09	3,591.58
- In deposit accounts(with original maturity of 3 months or less)	380.00	112.11
	4,650.96	3,788.93
Other bank balances (includes unclaimed dividend of ₹ 6.84 million (Previous year ₹ 5.84 million))	398.34	112.88
	5,049.30	**3,901.81**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

12 Loans

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
- Loan to Director	6.08	5.64
Loans and advances to other than related parties		
Other loans and advances		
- Loan to employees	3.12	2.33
- Security deposits	96.62	84.20
- Other receivables	0.06	1.71
	105.88	**93.88**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

13 Other current financial assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Interest accrued on fixed deposits	3.79	2.29
Forward contracts designated as cash flow hedges (Refer Note 32(3))	-	113.03
Other receivables	21.80	21.16
Sale consideration receivable (Refer note 45(1))	40.14	-
	65.73	**136.48**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

14 Other current assets

(Amount in ₹ million)

	31 March 2018	31 March 2017
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	70.38	59.00
Employee advances		
Considered good	96.93	110.26
Considered doubtful	29.51	20.90
	126.44	131.16
Less: Provision for doubtful advances	29.51	20.90
	96.93	110.26
Balances with statutory authorities	234.53	159.20
Advance rentals	10.19	9.09
Prepaid expenses	301.83	237.33
Others	5.73	-
	719.59	**574.88**

15 Equity share capital

(Amount in ₹ million)

	31 March 2018	31 March 2017
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**
Issued subscribed and fully paid up:		
189,514,051 (Previous year 188,193,398) equity shares of ₹ 2 each fully paid up	379.03	376.39
	379.03	**376.39**

15.1 The Company declares and pays dividends in Indian rupees. The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2018 is ₹ 474.00 million i.e. ₹ 2.40 per share (Previous year ₹ 434.50 million i.e. ₹ 2.20 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 2018 include ₹ 2.20 per share towards final dividend for the year ended 31 March 2017. Dividends during the year ended 31 March 2017 include ₹ 1.10 per share towards final dividend for the year ended 31 March 2016.

15.2 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.

15.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	(₹ million)	Number of shares	(₹ million)
Equity shares				
At the beginning of the year	188,193,398	376.39	187,826,334	375.65
Add: Shares issued on exercise of employee stock options	1,320,653	2.64	367,064	0.74
Outstanding at the end of the year	**189,514,051**	**379.03**	188,193,398	376.39

15.4 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.

15.5 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 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
Proficient Finstock LLP	28,609,782	14.49%	28,609,782	14.49%
Warhol Limited	-	-	19,483,674	9.86%

15.6 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 - Nil (Previous year 88,971,438 shares)

15.7 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.

16 Non-current borrowings

(Amount in ₹ million)

	31 March 2018	31 March 2017
Term loans		
- From banks (Secured)		
External Commercial Borrowing (ECB) (Refer note (i) & (ii) below)	647.59	966.63
Other loan (Refer note (iii) below)	3.70	5.84
- From other than banks (Refer note (iv) & (v) below)	10.77	11.97
Long term maturities of finance lease obligations (Secured)	-	0.94
(Secured against fixed assets obtained under finance lease arrangements) (Refer note 39(1))		
	662.06	**985.38**

Notes:

(i) The ECB loan consisted 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 carried interest rate of 6 months LIBOR + 220 basis points. The ECB loan was repaid during the year.

(ii) The ECB loan consists 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 15 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 consisted of loan secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan was repaid during the year.

(v) Term loan from other than banks consist of unsecured loan, carrying interest rate of 3% p.a. 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 32.

17 Other non-current financial liabilities

(Amount in ₹ million)

	31 March 2018	31 March 2017
Other than trade payables		
Purchase consideration payable		
- MicroFuzzy Industrie-Elektronic GmbH (Refer note 45(2))	156.14	131.67
	156.14	**131.67**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

18 Long term provisions

(Amount in ₹ million)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Compensated Absences	366.02	311.19
- Gratuity (Refer note 36(2))	321.42	268.06
	687.44	**579.25**

19 Deferred tax liabilities (net)

(Amount in ₹ million)

	31 March 2018	31 March 2017
-Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	0.21	0.11
Net deferred tax liabilities	**0.21**	**0.11**

20 Current borrowings

(Amount in ₹ million)

	31 March 2018	31 March 2017
Loans repayable on demand		
- From banks		
Working capital loans from banks (secured) (Refer note (i) below)	2,109.09	2,205.80
- From other than banks (secured) (Refer note (ii) below)	-	13.03
	2,109.09	**2,218.83**

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 0.70% p.a.

(ii) The loan from other than banks was secured by way of first and exclusive charge on fixed assets acquired under the loan arrangement. The loan was repaid during the year.

(iii) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

21 Trade payables

(Amount in ₹ million)

	31 March 2018	31 March 2017
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	0.99	0.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,586.17	1,310.13
	1,587.16	**1,311.06**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

22 Other current financial liabilities

(Amount in ₹ million)

	31 March 2018	31 March 2017
Current maturities of long term debt		
- from banks (secured)	326.15	653.40
(Refer note 16 - Term loan from banks for details of security and repayment terms)		
- from others (Refer note 16 - Term loan from other than banks for details of security and repayment terms)	1.82	8.42
- Current maturities of finance lease obligations (Refer note 39(1))	0.94	5.47
Other than trade payables :		
Purchase consideration payable		
- KPIT Solutions GmbH, Germany	8.06	67.21
- MicroFuzzy Industrie-Elektronic GmbH (Refer note 45(2))	39.32	36.88
Payable to Joint Venture	1.36	-
Accrued employee costs	1,291.50	1,282.00
Unclaimed dividend	6.84	5.84
Payables in respect of fixed assets	134.05	112.57
Security deposits	1.08	1.94
Forward contracts designated as cash flow hedges	15.66	-
	1,826.78	**2,173.73**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 32.

23 Other current liabilities

(Amount in ₹ million)

	31 March 2018	31 March 2017
Unearned revenue	850.10	527.43
Advances from customers	4.64	9.77
Statutory remittances	591.49	589.38
	1,446.23	**1,126.58**

24 Short-term provisions

(Amount in ₹ million)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Compensated Absences	302.00	277.11
- Gratuity (Refer note 36(2))	49.57	22.81
Other provisions		
- Service tax payable (net of tax paid under protest)	3.54	3.54
- Provision for Onerous Contarcts	1.66	-
- Provision for warranty (Refer note 42(1))	13.97	12.38
	370.74	**315.84**

25 Revenue from operations

(Amount in ₹ million)

	31 March 2018	31 March 2017
Software services	35,884.12	32,948.88
Sale of products (gross)		
Finished goods	771.70	284.73
	36,655.82	**33,233.61**

26 Other income

(Amount in ₹ million)

	31 March 2018	31 March 2017
Interest income	52.90	117.47
Dividend income from current investments	49.90	3.21
Profit on sale of fixed assets (net)	0.91	-
Foreign exchange gain (net) (Refer note (i) below)	254.31	51.93
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income) (Refer note (ii) below)	92.40	33.99
	450.42	**206.60**

Notes:

(i) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ (113.03) million (Previous year - ₹ (51.59) million) (Refer note 32(3)).

(ii) Includes gain of ₹ 60.80 million arising on fair value change of purchase consideration payable for KPIT Solutions GmbH and loss of ₹ 34.58 million arising on change of purchase consideration payable for Micro Fuzzy Industrie-Elektronic GmbH.

27 Cost of materials consumed

(Amount in ₹ million)

	31 March 2018	31 March 2017
Inventory of materials at the beginning of the year	287.61	340.84
Purchases	349.14	306.90
Inventory of materials at the end of the year	171.13	287.61
	465.62	**360.13**

28 Changes in inventories of finished goods and work-in-progress

(Amount in ₹ million)

	31 March 2018	31 March 2017
Finished goods		
Inventories at the beginning of the year	139.77	32.52
Inventories at the end of the year	49.70	139.77
	90.07	(107.25)
Work-in-progress		
Inventories at the beginning of the year	2.54	5.77
Inventories at the end of the year	8.35	2.54
	(5.81)	3.23
	84.26	**(104.02)**

29 Employee benefits expense

(Amount in ₹ million)

	31 March 2018	31 March 2017
Salaries, wages and incentives	22,538.72	20,530.93
Contribution to provident fund (Refer note 36(1))	280.08	241.65
Share based compensation to employees (Refer note 43)	29.22	58.43
Staff welfare expenses	73.21	74.24
	22,921.23	**20,905.25**

30 Finance costs

(Amount in ₹ million)

	31 March 2018	31 March 2017
Interest expense (Refer note (i) below)	102.85	135.98
Net loss on foreign currency transactions and translations	1.47	-
(considered as finance costs)		
	104.32	**135.98**

Note:

(i) Includes amount of ₹ 0.19 million (Previous year - ₹ 1.45 million) pertaining to finance lease obligations.

31 Other expenses

(Amount in ₹ million)

	31 March 2018	31 March 2017
Travel and overseas expenses (net)	1,314.50	1,094.44
Transport and conveyance (net)	268.01	263.01
Cost of service delivery (net)	467.50	387.19
Cost of professional sub-contracting (net)	4,005.05	3,972.50
Recruitment and training expenses	171.30	162.91
Power and fuel	138.91	129.21
Rent (Refer note 39(2))	526.24	476.97
Repairs and maintenance -		
- buildings	3.38	6.07
- plant & equipment	269.24	263.66
- others	81.94	81.01
Insurance	110.40	89.72
Rates & taxes	82.71	44.11
Communication expenses (net)	201.72	186.98
Legal and professional fees (Refer note 45(6))	698.45	711.62
Marketing expenses	250.90	327.72
Loss on sale of fixed assets(net)	-	0.66
Printing & stationery	12.58	13.68
Auditors remuneration (net of taxes)		
- Audit fees	9.00	9.00
- Limited review of quarterly results	1.20	1.20
- Fees for other services	6.87	3.96
- Out of pocket expenses reimbursed	0.89	0.99
Bad debts written off	789.43	302.93
Provision for doubtful debts and advances (net)	(391.24)	(333.45)
Contributions towards corporate social responsibility (Refer note 45(7))	27.17	25.61
Miscellaneous expenses (net)	334.68	331.07
	9,380.83	**8,552.77**

Note:

Certain expenses are net of recoveries/reimbursements from customers.

32 Financial Instruments

32.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2018 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	-	-	1,195.15	-	-	1,195.15	1,195.15
Trade receivables	8,057.00	-	-	-	-	8,057.00	8,057.00
Cash and cash equivalents	4,650.96	-	-	-	-	4,650.96	4,650.96
Other balances with banks	398.34	-	-	-	-	398.34	398.34
Loans	281.39	-	-	-	-	281.39	281.39
Unbilled revenue	1,151.15		-	-	-	1,151.15	1,151.15
Other financial assets	58.98	40.14	-	-	-	99.12	99.12
Total financial assets	**14,597.82**	**40.14**	**1,195.15**	**-**	**-**	**15,833.11**	**15,833.11**
Financial liabilities							
Borrowings	2,771.15	-	-	-	-	2,771.15	2,747.56
Trade payables	1,587.16	-	-	-	-	1,587.16	1,587.16
Other financial liabilities	1,967.26	-	-	-	15.66	1,982.92	1,982.92
Total financial liabilities	**6,325.57**	**-**	**-**	**-**	**15.66**	**6,341.23**	**6,317.64**

The carrying value and fair value of financial instruments by categories as on 31 March 2017 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	-	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	3,204.21	-	-	-	-	3,204.21	3,177.66
Trade payables	1,311.06	-	-	-	-	1,311.06	1,311.06
Other financial liabilities	2,238.19	-	67.21	-	-	2,305.40	2,305.40
Total financial liabilities	**6,753.46**	**-**	**67.21**	**-**	**-**	**6,820.67**	**6,794.12**

32.2 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 financial assets and liabilities as on 31 March 2018:

(Amount in ₹ million)

Particulars	As at	Fair value measurement		
	31 March 2018	Level 1	Level 2	Level 3
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Investment in equity instruments of other entities	0.40	-	-	0.40
Investments in Mutual funds (quoted)	1,184.75	1,184.75	-	-
Derivative financial libilities	15.66	-	15.66	-
Borrowings	2,747.56	-	2,747.56	-

The following table presents fair value hierarchy of assets and liabilities as on 31 March 2017:

(Amount in ₹ million)

Particulars	As at	Fair value measurement		
	31 March 2017	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	3,177.66	-	3,177.66	-
Purchase consideration payable	67.21	-	-	67.21

Reconciliation of fair value measurement:

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
i) Unquoted investment in equity instruments classified as FVTPL (Level 3)		
Opening balance	127.90	117.55
Additions during the year	-	10.35
Disposals during the year	117.55	-
Exchange gain/(loss)	0.05	-
Closing during the year	**10.40**	**127.90**
ii) Purchase consideration payable classified as FVTPL (Level 3)		
Opening balance	67.21	162.88
Fair value changes recognised in the Statement of Profit and Loss	60.80	(8.88)
Finance costs recognised in the Statement of Profit and Loss	2.24	3.64
Paid during the year	(8.07)	(90.43)
Reclassification	(8.06)	-
Exchange gain/(loss)	(7.48)	-
Closing balance	**-**	**67.21**

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.

32.3 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 ₹ 8,057.00 million and ₹ 7,843.39 million and unbilled revenue amounting to ₹ 1,151.15 million and ₹ 941.86 million as on 31 March 2018 and 31 March 2017 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 genarated from top customer, refer note 33B and 33D.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables

Particulars	Amount (₹ million)
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**
Impairment during the year	610.50
Reversal of impairment on account of collection	(208.70)
Utilisation of allowance	(793.04)
Foreign exchange translation	11.34
Balance as on March 31, 2018	**378.99**

Trade receivables that were not impaired

Particulars	Carrying amount	
	31 March 2018	31 March 2017
Neither past due nor impaired	5,668.46	5,367.08
Past due 1- 30 days	1,292.53	1,307.17
Past due 31 - 90 days	486.83	467.89
Past due 91 - 180 days	454.32	264.11
More than 180 days	154.86	437.14

Unbilled revenue is not outstanding for more than 90 days.

iii. Cash and bank balances

The Group held cash and bank balances of ₹ 5,049.30 million and ₹ 3,901.81 million as on 31 March 2018 and 31 March 2017 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/associates/joint ventures. The Group has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries/associates/joint ventures.

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.

The liquidity position at each reporting date is given below:

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	4,650.96	3,788.93
Other balances with banks	391.50	107.04
Investments in Mutual funds (quoted) (non-trade)	1,184.75	660.13
Fixed deposits with banks (non-current portion) including interest accrued	26.64	34.66
Total	**6,253.85**	**4,590.76**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Borrowings	2,109.09	326.68	328.20	1.20	5.98	2,771.15
Trade payables	1,587.16	-	-	-	-	1,587.16
Other financial liabilities	1,826.78	156.14	-	-	-	1,982.92

The following are the remaining contractual maturities of financial liabilities as on 31 March 2017 :

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Borrowings	2,218.83	325.37	651.63	8.38	-	3,204.21
Trade payables	1,311.06	-	-	-	-	1,311.06
Other financial liabilities	2,173.73	-	131.67	-	-	2,305.40

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 Group 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 Group uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Group 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 2018:

(Amount in ₹ million)

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	207.05	220.00	100.99	318.51	846.55
Trade receivables	122.71	2.95	-	684.24	809.90
Other financial assets (including loan)	6.04	6.68	7.05	25.30	45.07
Borrowings	(2,256.28)	(161.24)	-	-	(2,417.52)
Trade payables	(23.36)	(10.43)	(2.13)	(21.78)	(57.70)
Other financial liabilities	(346.23)	(5.65)	-	-	(351.88)
Net assets/(liabilities)	**(2,290.07)**	**52.31**	**105.91**	**1,006.27**	**(1,125.58)**

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2017:

(Amount in ₹ million)

Particulars	US Dollars	Euros	Pound Sterling	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 above figures exclude amounts in local currency of foreign subsidiaries.

For the year ended 31 March 2018, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately (0.30)% / 0.30%.

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%.

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 2018		31 March 2017	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	4.10	330.55	4.40	304.69
USD	39.35	2,559.49	36.65	2,376.33
GBP	1.60	147.66	1.00	80.88

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:

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	73.91	33.74
Gains/(losses) recognised in other comprehensive income	(15.66)	113.03
Amounts reclassified to statement of profit and loss	(113.03)	(51.59)
Deferred tax on fair value of effective portion of cash flow hedges	44.54	(21.27)
Balance at the end of the year	(10.24)	73.91

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:

(Amount in ₹ million)

Particulars	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	831.39	309.34
Financial liabilities	2,126.32	2,249.28
Variable rate instruments		
Financial liabilities	973.74	1,613.02

A change of 50 basis points in interest rates at the reporting date would have increased or decreased finance costs by ₹ 4.88 million (Previous year ₹ 8.10 million).

33 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 Americas / Europe / APAC region. 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 predominently 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 directlyaffected 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 2018				31 March 2017			
		Americas	UK & Europe	Rest of World	Total	Americas	UK & Europe	Rest of World	Total
		₹ million	₹ million	₹ million	₹ million	₹ million	₹ million	₹ million	₹ million
a)	**Segment Revenue**								
	Revenue from External customers	23,314.53	7,445.81	15,101.30	45,861.64	22,751.66	5,782.33	13,375.32	41,909.31
	Less: Inter Segment Revenue	195.13	254.05	8,756.64	9,205.82	187.81	222.77	8,265.12	8,675.70
	Total Segment Revenue	23,119.40	7,191.76	6,344.66	36,655.82	22,563.85	5,559.56	5,110.20	33,233.61
b)	**Segment Results**	5,095.73	1,629.21	1,155.93	7,880.87	4,867.07	1,256.95	783.95	6,907.97
	Unallocated Corporate expenses (Net)				(4,591.21)				(4,162.36)
	Interest income				52.90				117.47
	Finance Cost				(104.32)				(135.98)
	Dividend income				49.90				3.21
	Exceptional Items				25.55				260.91
	Profit before share of equity accounted investees and tax				3,313.69				2,991.22
	Share of profit/(loss) of equity accounted investees (net of tax)				(72.48)				(0.05)

		31 March 2018				31 March 2017			
		Americas	UK & Europe	Rest of World	Total	Americas	UK & Europe	Rest of World	Total
		₹ million	₹ million	₹ million	₹ million	₹ million	₹ million	₹ million	₹ million
	Profit before tax				3,241.21				2,991.17
	Income Tax				(622.67)				(638.01)
	Deferred Tax				(74.87)				32.28
	Profit/ (Loss) after Tax				2,543.67				2,385.44
c)	**Allocated Segment Assets**	4,791.80	1,959.68	2,456.67	9,208.15	5,245.86	1,636.20	1,903.19	8,785.25
	Unallocated Segment Assets				1,536.40 *				1,760.44
	Unallocated Corporate Assets				16,584.39				14,738.50
	Total Assets				27,328.94				25,284.19
d)	**Allocated Segment Liabilities**	130.38	125.10	599.26	854.74	211.47	102.24	223.49	537.20
	Unallocated Segment Liabilities				5,166.34 *				4,963.45
	Unallocated Corporate Liabilities				3,103.03				3,942.05
	Total Liabilities				9,124.11				9,442.70
e)	**Cost incurred during the period to acquire Segment Non-current Assets**	-	-	-	-#	-	-	-	-
f)	**Depreciation / Amortisation**				843.00 #				826.64
g)	**Non cash expenses other than Depreciation / Amortisation**				-#				-

B) Business segments

		31 March 2018					March 31, 2017				
		Auto ₹ million	IES ₹ million	SAP ₹ million	Others ₹ million	Total ₹ million	Auto ₹ million	IES ₹ million	SAP ₹ million	Others ₹ million	Total ₹ million
a)	Segment Revenue	14,227.24	11,303.08	7,357.80	3,767.70	36,655.82	11,015.32	11,141.97	7,697.75	3,378.57	33,233.61
b)	Segment Assets	-	-	-	-	10,744.54*	-	-	-	-	10,545.69

* 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 interchangebly 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 ₹ 3,820.88 million (Previous year ₹ 2,743.65 million)

D) Major customer

Revenue from one customer, ₹ 4,438.86 million (Previous year ₹ 4,219.96 million), individually accounts for more than 10% of the Group's revenue.

34 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	82.63%	15,042.36	69.80%	1,775.50	-63.42%	(114.87)	60.94%	1,660.63
	(A)		**15,042.36**		**1,775.50**		**(114.87)**		**1,660.63**
B	**Subsidiaries:**								
I	**Indian:**								
	Impact Automotive Solutions Limited	5.13%	933.75	-1.20%	(30.42)	0.09%	0.17	-1.11%	(30.25)
II	**Foreign:**								
1	KPIT Technologies (UK) Limited	8.05%	1,465.44	8.35%	212.38	10.29%	18.64	8.48%	231.02
2	KPIT Infosystems Incorporated, USA	19.07%	3,471.18	19.90%	506.15	-0.04%	(0.07)	18.57%	506.08
3	KPIT Technologies France SAS	1.05%	191.85	-0.65%	(16.51)	-0.86%	(1.56)	-0.66%	(18.07)
4	KPIT (Shanghai) Software Technology Co. Limited, China	0.53%	96.68	-0.82%	(20.79)	-1.04%	(1.88)	-0.83%	(22.67)
5	KPIT Technologies Netherlands B.V	0.60%	108.73	0.52%	13.12	0.91%	1.65	0.54%	14.77
6	SYSTIME Computer Corporation, USA	4.78%	869.53	3.13%	79.72	0.63%	1.15	2.97%	80.87
7	KPIT Infosystems ME FZE, Dubai	1.38%	250.86	5.82%	148.05	3.85%	6.98	5.69%	155.03
8	KPIT Technologies GmbH, Germany (Subsidiary of KPIT Technologies (UK) Limited)	4.55%	829.07	-3.36%	(85.48)	8.71%	15.77	-2.56%	(69.71)
9	KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA. (Subsidiary of KPIT Infosystems Incorporated, USA)	0.07%	12.44	0.25%	6.37	0.58%	1.04	0.27%	7.41
10	Sparta Consulting Incorporation, USA (Subsidiary of KPIT Infosystems Incorporated, USA)	2.03%	370.35	-6.39%	(162.59)	8.07%	14.61	-5.43%	(147.98)
11	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil	0.08%	14.87	0.09%	2.34	0.05%	0.10	0.09%	2.44
12	KPIT Technologies Corporation (Subsidiary of SYSTIME Computer Corporation, USA)	2.86%	521.53	5.84%	148.53	1.19%	2.15	5.53%	150.68
13	KPIT Solutions GmbH, Germany (Subsidiary of KPIT Technologies GmbH, Germany)	0.32%	57.46	0.13%	3.18	-0.08%	(0.14)	0.11%	3.04
14	MicroFuzzy Industrie-Elektronic GmbH	0.59%	106.99	1.79%	45.41	0.05%	0.08	1.67%	45.49
15	KPIT Engineering Limited (incorporated on 08 January 2018)	-0.01%	(1.67)	-0.10%	(2.67)	0.00%	-	-0.10%	(2.67)
	(B)		**9,299.08**		**846.79**		**58.69**		**905.48**
C	**Joint Venture:**								
	Yantra Digital Services Private Limited	0.00%	-	-2.85%	(72.48)	0.00%	-	-2.66%	(72.48)
	(C)		-		**(72.48)**		-		**(72.48)**
D	**Non-Controlling Interest**	0.20%	35.67	0.59%	15.13	2.03%	3.68	0.69%	18.81
E	**Consolidation adjustments including intercompany eliminations**	-33.90%	(6,172.28)	-0.84%	(21.27)	128.98%	233.64	7.79%	212.37
F	Total (A+B+C+D+E)		**18,204.83**		**2,543.67**		**181.14**		**2,724.81**

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 43 for further details.

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 ₹ 280.08 million (Previous Year ₹ 241.65 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 :

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Present value of defined benefit obligation at the beginning of the year	290.87	227.86
Current service cost	46.27	51.56
Interest cost	21.15	17.91
Past service cost	-	-
Liability transferred out/Divestments	(0.47)	-
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in demographic assumptions	43.09	-
b) changes in financial assumptions	(11.11)	20.52
c) experience adjustments	11.34	3.21
Benefits paid	(30.15)	(30.19)
Present value of defined benefit obligation at the end of the year	370.99	290.87

(Amount in ₹ million)

Analysis of defined benefit obligation	FY 2017-18	FY 2016-17
Present value of obligation as at the end of the year	370.99	290.87
Net (asset) / liability recognized in the Balance Sheet	370.99	290.87

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	FY 2017-18	FY 2016-17
Current service cost	46.27	51.56
Interest cost	21.15	17.91
Expenses recognized in the Statement of Profit and Loss	67.42	69.47

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2017-18	FY 2016-17
Actuarial loss / (gain)	43.32	23.73
Net (income) / expense recognized in the OCI	43.32	23.73

(Amount in ₹ million)

Actuarial assumptions:	FY 2017-18	FY 2016-17
For Impact Automotive Solutions Limited		
Discount rate	7.86%	7.52%
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	7.68%	7.27%
Salary escalation	5.00%	5.00%
Attrition Rate		
- 2 years and below	25.00%	20.00%
- 3 years to 4 years	20.00%	20.00%
- 5 years and above	7.50%	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-18		Mar-17	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(24.64)	28.34	(33.51)	40.59
Future salary growth (1 % movement)	28.82	(25.45)	41.18	(34.47)
Attrition rate (1 % movement)	4.51	(5.29)	8.18	(9.68)

Maturity profile of defined benefit plan (Amount in ₹ million)

Projected benefits payable in future years from the date of reporting	FY 2017-18	FY 2016-17
Within 1 year	49.57	22.81
1-2 year	29.25	11.12
2-3 year	33.24	9.46
3-4 year	33.96	12.39
4-5 year	37.63	12.82
5-10 years	147.16	73.61
Thereafter	435.55	782.35

Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2017-18	FY 2016-17
For Impact Automotive Solutions Limited		
Number of active members	59	65
Per month salary cost for all active members (₹ million)	1.12	1.18
Weighted average duration of the projected benefit obligation (years)	12.00	12.00
Average expected future service (years)	18.00	18.00
Projected benefit obligation (PBO)	2.09	1.75
For KPIT Technologies Limited		
Number of active members	10,853	10,243
Per month salary cost for all active members (₹ million)	201.24	181.96
Weighted average duration of the projected benefit obligation (years)	9.00	15.00
Average expected future service (years)	7.00	13.00
Projected benefit obligation (PBO)	368.90	289.13

37 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Group from available information) as at 31 March 2018 is ₹ 0.99 million (Previous year - ₹ 0.93 million). Estimated interest due thereon is ₹ Nil (Previous year - ₹ 0.01 million).

b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ 5.34 million (Previous year - ₹ 0.46 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 0.06 million (Previous year - ₹ 0.00 million).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2018 is ₹ 0.76 million (Previous year - ₹ 0.70 million).

d. The amount of further estimated interest due and payable for the period from 1 April 2018 to actual date of payment or 20 April 2018 (whichever is earlier) is ₹ Nil.

38 Related party disclosures

A. Relationship between the parent and its subsidiaries

% voting power held

Sr. No.	Name of the subsidiary	Country of Incorporation	As at 31 March 2018	As at 31 March 2017
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
9	KPIT Engineering Limited (w.e.f 08 January 2018)	India	100	NA
Indirect subsidiaries				
10	KPIT Technologies GmbH, Germany (Subsidiary of KPIT Technologies (UK) Limited)	Germany	100	100
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.	N.A.

% voting power held

Sr. No.	Name of the subsidiary	Country of Incorporation	As at 31 March 2018	As at 31 March 2017
16	KPIT Solutions GmbH, Germany (Subsidiary of KPIT Technologies GmbH, Germany)	Germany	100	100
17	MicroFuzzy Industrie-Elektronic GmbH (Subsidiary of KPIT Technologies GmbH, Germany w.e.f. 01 December 2016)	Germany	75	75
Associate				
18	Yantra Digital Services Private Limited (Associate of Impact Automotive Solutions Limited w.e.f. 05 October 2016 upto 31 January 2018)	India	N.A.	50
Joint venture				
19	Yantra Digital Services Private Limited (Joint venture of Impact Automotive Solutions Limited w.e.f. 01 February 2018)**	India	58.34	N.A.

* During the previous 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.

** The investee is a subsidiary as defined under section 2(87) of the Companies Act, 2013. For the purpose of the consolidated Ind-AS financial statements, the entity has been considered as a Joint Venture as defined under Ind-AS 28 : Investments in Associates and Joint Ventures.

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 (upto 23 August 2017)	Independent Director
	Ms. Lila Poonawalla	Independent Director
	Prof. Alberto Sangiovanni Vincentelli	Independent Director
	Mr. Sanjay Kukreja (upto 15 September 2017)	Non- executive Director
	Mr. Anant Talaulicar	Independent Director
	Mr. Adi Engineer	Independent Director
	B V R Subbu	Non- executive Director
	Mr. Anil Patwardhan	Chief Financial Officer
	Dr. Klaus Blickle (w.e.f. 24 January 2018)	Non- executive Director
	Mr. Nickhil Jakatdar (w.e.f. 24 January 2018)	Independent Director
	Ms. Sneha Padve	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 2017-2018		FY 2016-2017	
		Amount of transactions during the year (₹) million	Balance as on 31 March 2018 Debit/(Credit) (₹) million	Amount of transactions during the year (₹) million	Balance as on 31 March 2017 Debit/(Credit) (₹) million
Transactions with KMP					
1	**Mr. S. B. (Ravi) Pandit**				
	Short term employee benefits	37.07	NIL	31.70	NIL
	Post employment benefit plans	1.79	NIL	1.48	NIL
	Reimbursement of expenses (net)	0.23	(0.04)	2.47	NIL
2	**Mr. Kishor Patil**				
	Short term employee benefits	29.63	NIL	26.65	NIL
	Post employment benefit plans	0.85	NIL	0.70	NIL
	Reimbursement of expenses (net)	0.31	(0.37)	2.71	(0.33)
	Perquisite value	0.59	NIL	0.70	NIL
	Repayment of loan granted	5.63	17.89	5.23	23.52
	Interest received	1.63	NIL	2.04	NIL
3	**Mr. Sachin Tikekar**				
	Short term employee benefits	29.25	NIL	25.45	NIL
	Post employment benefit plans	0.40	NIL	0.33	NIL
	Reimbursement of expenses (net)	0.49	NIL	2.76	(0.05)
4	**Mr. Anil Patwardhan**				
	Short term employee benefits	7.87	NIL	8.42	NIL
	Post employment benefit plans	0.21	NIL	0.21	NIL
	Reimbursement of expenses (net)	0.03	NIL	0.33	NIL
5	**Ms. Sneha Padve**				
	Short term employee benefits	4.00	NIL	3.70	NIL
	Reimbursement of expenses (net)	0.03	NIL	NIL	NIL
	Post employment benefit plans	0.13	NIL	0.12	NIL
6	**Dr. Raghunath Anant Mashelkar**				
	Commission paid	1.85	NIL	2.63	NIL
	Sitting fees	NIL		0.10	
7	**Ms. Lila Poonawalla**				
	Commission paid	2.23	NIL	3.12	NIL
	Sitting fees	0.35		0.39	
8	**Prof. Alberto Sangiovanni Vincentelli**				
	Commission paid	2.60	NIL	3.26	NIL
	Sitting fees	0.06		0.11	
9	**Anant Talaulicar**				
	Sitting fees	0.07	NIL	NIL	NIL
10	**Adi Engineer**				
	Commission paid	2.16	NIL	2.74	NIL
	Sitting fees	0.33		0.36	

Sr. No.	Name of related party	FY 2017-2018		FY 2016-2017	
		Amount of transactions during the year (₹) million	Balance as on 31 March 2018 Debit/(Credit) (₹) million	Amount of transactions during the year (₹) million	Balance as on 31 March 2017 Debit/(Credit) (₹) million
11	**B V R Subbu**				
	Commission paid	1.61	NIL	2.32	NIL
	Sitting fees	0.09		0.12	
12	**Dr. Klaus Blickle**				
	Sitting fees	0.02	NIL	NA	NA
Transactions with relative of KMP					
1	**Mr. Chinmay Pandit**				
	Short term employee benefits	4.18	NIL	4.16	NIL
	Post employment benefit plans	0.11	NIL	0.11	NIL
	Reimbursement of expenses (net)	0.54	(0.13)	0.33	NIL
2	**Mrs. Jayada Pandit**				
	Short term employee benefits	1.82	NIL	1.72	NIL
	Post employment benefit plans	0.06	NIL	0.05	NIL
3	**Mr. Shreyas Patwardhan**				
	Short term employee benefits	0.81	NIL	0.67	NIL
	Reimbursement of expenses (net)	0.10	(0.01)	NIL	NIL
	Post employment benefit plans	0.02	NIL	0.02	NIL
Transactions with enterprise over which KMP have significant influence					
1	**Kirtane & Pandit LLP**				
	Professional fees	3.27	(0.10)	0.14	0.03
2	**KP Corporate Solutions Limited**				
	Professional fees	1.45	(0.15)	1.51	0.01
3	**Proficient FinStock LLP**				
	Deposits for reappointment of directors	NIL	NIL	0.40	(0.40)
Transactions with associate/joint venture					
1	**Yantra Digital Services Private Limited**				
	Investment in equity shares	169.55	97.07	0.05	NIL
	Advance given	NIL	NIL	18.38	18.38
	Sale of services	5.22		NIL	
	Sale of component	220.78		NIL	
	Reimbursement of data link charges	16.90	176.98	NIL	NIL
	License fees	120.00		NIL	
	Reimbursement of expenses (net)	3.55		NIL	
	Loan given	NIL	NIL	6.00	NIL
	Repayment of loan including interest	NIL	NIL	6.06	NIL
	Interest income on loan given	NIL	NIL	0.06	NIL

Note : Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

39 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.

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 2018 ₹ million	31 March 2017 ₹ million
Future minimum lease payments		
- Not later than one year	0.98	5.74
- Later than one year and not later than five years	NIL	0.98
- Later than five years	NIL	NIL
Total minimum lease payments	0.98	6.72
Amount representing future Interest	0.04	0.31
Present value of minimum lease payments	0.94	6.41
- Not later than one year	0.94	5.47
- Later than one year and not later than five years	NIL	0.94
- Later than five years	NIL	NIL

Net carrying amount of assets held under finance lease as on 31 March 2018 is ₹ 451.19 million (31 March 2017 ₹ 441.44 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 2018 ₹ million	31 March 2017 ₹ million
Minimum lease payments		
- Not later than one year	453.12	393.10
- Later than one year and not later than five years	1,282.01	1,347.62
- Later than five years	1,104.60	1,243.13
Total minimum lease payments	**2,839.73**	**2,983.85**

Rental expenses of ₹ 526.24 million (Previous year ₹ 476.97 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.

40 Basic and diluted earnings per share

Particulars		FY 2017-18	FY 2016-17
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	2,528.54	2,385.05
Weighted average number of equity shares	No. of shares	192,578,364	191,832,066
Earnings per share – basic	₹	13.13	12.43
Effect of dilutive potential equity shares -			
Employee stock options (including shares held by Employee Welfare Trust)	No. of shares	6,600,204	8,020,201
Weighted average number of diluted equity shares	No. of shares	199,178,568	199,852,267
Earnings per share – diluted	₹	12.69	11.93

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 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 2018.

Research and development expenditure debited to the Statement of Profit and Loss aggregating to ₹ 199.11 million (Previous year ₹ 188.53 million) has been incurred by the Group and disclosed under appropriate account heads. Out of total R & D expenditure incurred during the year ₹ 141.94 million (Previous year ₹ 125.61 million) is towards eligible R & D expenditure under section 35 (2AB). Also refer note 44.

The Company has set up a new facility for its R & D activities. Total capital expenditure on this facility is as follows, which is disclosed in respective fixed assets blocks:

Particulars	FY 2017-18 ₹ million	FY 2016-17 ₹ million
Building	NIL	NIL
Computers	9.65	3.31
Plant and Machinery	NIL	2.06
Office Equipments	0.24	NIL
Furniture and Fixtures	NIL	0.24

Capital expenditure incurred on various research and development projects is ₹ 110.42 million (Previous year ₹ 230.22 million)

42 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 2017-18 ₹ million	FY 2016-17 ₹ million
Carrying amount as at the beginning of the year	12.38	14.86
Additional provision made during the year	4.12	5.17
Addition on account of acquisition	-	1.80
Amount paid/settled/utilized during the year	-	0.10
Unused amount reversed during the year	3.38	9.16
Exchange difference	0.85	(0.19)
Carrying amount at the end of the year	13.97	12.38

The warranty provision is expected to be utilized over a period of 1 year.

2. **Contingent liabilities**

A. **Taxes and guarantees**

Sr. No.	Particulars	As at 31 March 2018 ₹ million	As at 31 March 2017 ₹ million
1	Outstanding bank guarantees in routine course of business	180.17	176.75
2	Corporate guarantee provided by the Company for loan availed by Yantra Digital Services Private Limited, India	149.16	NIL
3	Income tax matters	0.59	5.84
4	VAT matters	18.57	1.75
5	Service Tax matters (excluding interest and penalty) (Refer note (i) below)	311.16	737.25

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:

- ₹ 169.34 million (Previous year ₹ 524.11 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.

- ₹ 46.56 million (Previous year ₹ 117.88 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).

B. **Other matters**

Today, a California jury delivered a verdict in a lawsuit that has been pending for over four years in District Court (USA). The lawsuit involved various claims brought by Copart, Inc. against Sparta Consulting, Inc., KPIT Infosystems, Inc. and KPIT Technologies Ltd., and Sparta Consulting, Inc.'s claims against Copart, Inc. While we do not yet have a copy of the jury's written decision (the "verdict form"), what we understand from the oral proceedings in court yesterday is that the jury awarded damages to both Sparta and Copart with respect to their respective claims. We understand the net result is an amount owing to Copart, Inc. approximately USD 16 million. The court set a further hearing on July 13, 2018, at which time the parties' respective motions regarding the jury's decision will be considered. After those motions are heard and considered, the court will issue its final written judgment. Even before the jury issued its verdict, the court had previously ruled that any direct claims against KPIT Technologies Ltd. should be dismissed as a matter of law. Sparta and KPIT Infosystems continue to vigorously deny any and all wrongdoing, and will continue to explore all possible challenges to the verdict per legal advice.

3. **Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for:

a. Property, plant and equipment - ₹ 173.29 million (Previous Year ₹ 242.27 million)

b. Intangibles - ₹ 8.94 million (Previous Year ₹ 26.98 million)

43 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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	247,020	70.60	324,988	70.60
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	12,214	70.60	6,904	70.60
Exercised during the year	72,026	70.60	68,162	70.60
Lapsed during the year	8,842	70.60	2,902	70.60
Options outstanding at the end of year	153,938	70.60	247,020	70.60
Options exercisable at the end of the year	153,938	70.60	247,020	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 ₹ 178.93 (Previous year ₹ 147.66)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	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	0.32	153,938	1.21	247,020
₹ 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 2018 and 31 March 2017.

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 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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	4,685,172	92.48	5,176,953	91.83
Granted during the year	-	-	30,000	151.60
Forfeited / surrendered during the year	250,642	102.18	252,179	102.21
Exercised during the year	1,205,677	84.43	269,602	77.51
Lapsed during the year	126,430	75.03	-	-
Options outstanding at the end of year	3,102,423	95.53	4,685,172	92.48
Options exercisable at the end of the year	2,225,423	92.27	2,994,772	85.61

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 168.65 (Previous year ₹ 143.38)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	42,903	0.50	215,603
₹ 50 to ₹ 100	1.22	1,138,740	1.77	1,984,848
₹ 100 to ₹ 150	4.49	1,920,780	5.41	2,454,721
₹ 150 to ₹ 200	NIL	NIL	6.18	30,000

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 2017-18	FY 2016-17
1. Exercise price (₹)	NIL	151.60
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	151.60
3. Weighted average fair value of options granted (₹)	NIL	59.36
4. Expected life of the option (years)	NIL	3.76
5. Risk free interest rate (%)	NIL	7.29%
6. Expected volatility (%)	NIL	42.50%
7. Dividend yield (%)	NIL	0.73%

The Group recorded an employee compensation cost of ₹ 16.81 million (Previous year ₹ 36.73 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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	150,000	2.00	155,000	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	15,000	2.00	5,000	2.00
Options outstanding at the end of year	135,000	2.00	150,000	2.00
Options exercisable at the end of the year	111,000	2.00	68,000	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 ₹ 121.85 (Previous year ₹ 164.65)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	3.91	135,000	4.90	150,000
₹ 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 2017-18	FY 2016-17
1. Exercise price (₹)	NIL	NIL
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	NIL
3. Weighted average fair value of options granted (₹)	NIL	NIL
4. Expected life of the option (years)	NIL	NIL
5. Risk free interest rate (%)	NIL	NIL
6. Expected volatility (%)	NIL	NIL
7. Dividend yield (%)	NIL	NIL

The Group recorded an employee compensation cost of ₹ 3.15 million (Previous year ₹ 6.06 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 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	965,150	103.70	1,051,500	103.70
Granted during the year	110,000	131.20	-	-
Forfeited / surrendered during the year	58,150	103.70	86,350	103.70
Exercised during the year	27,950	103.70	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	989,050	106.76	965,150	103.70
Options exercisable at the end of the year	516,250	103.70	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 ₹ 212.50 (Previous year ₹ Nil)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2017-18		FY 2016-17	
	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	4.71	989,050	5.50	965,150
₹ 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 2017-18	FY 2016-17
1. Exercise price (₹)	131.20	NIL
2. Price of the underlying share in market at the time of the option grant (₹)	131.20	NIL
3. Weighted average fair value of options granted (₹)	48.98	NIL
4. Expected life of the option (years)	3.76	NIL

5. Risk free interest rate (%)	6.71%	NIL
6. Expected volatility (%)	41.22%	NIL
7. Dividend yield (%)	0.84%	NIL

The Group recorded an employee compensation cost of ₹ 9.26 million (Previous year ₹ 15.64 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.

44 Income taxes

The income tax expense consists of following:

Particulars	FY 2017-18 ₹ Million	FY 2016-17 ₹ Million
Tax expense		
Current tax	622.67	638.01
Deferred tax (benefit)/charge	74.87	(32.28)
Total tax expense	**697.54**	**605.73**

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 2017-18 ₹ Million	FY 2016-17 ₹ Million
Profit before tax	3,241.21	2,991.17
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	1,121.72	1,035.18
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of income tax holiday, exemptions and deductions	(588.08)	(616.01)
Effect relating to prior years	(4.24)	(8.61)
Effect of permanent adjustments	52.47	42.75
Effect of differential overseas tax rates	57.05	91.71
Effect of unrecognized deferred tax assets	56.44	59.01
Others (net)	2.18	1.70
Total income tax expense	**697.54**	**605.73**

During the year ended 31 March 2018 and 31 March 2017, 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 150% of such expenditures incurred. Also refer note 41.

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 unrecognised deferred tax assets is ₹ 56.44 million (Previous year - ₹ 59.01 million).

On 22 December 2017, H.R. 1, originally known as the "Tax Cuts and Jobs Act" was signed into law ("US Tax Reforms"). The law provides for a federal tax rate reduction from a maximum rate of 35% to a flat rate of 21% with effect from 01 January 2018. During the year ended 31 March 2018 the US tax reforms has resulted in a negative impact of INR 88.74 million on account of re-measurement of deferred tax assets. The impact of US tax reforms is expected to be not significant for future periods.

Deferred tax

The gross movement in the deferred income tax account for the year ended 31 March 2018 and 31 March 2017, is as follows:

Particulars	FY 2017-18 ₹ Million	FY 2016-17 ₹ Million
Net deferred income tax asset at the beginning	963.05	954.74
Translation differences	(1.59)	(9.09)
MAT Credit entitlement for the year	152.12	131.26
Credits / (charge) relating to temporary differences	(226.99)	(98.91)
Temporary differences on other comprehensive income	57.30	(14.95)
Net deferred income tax asset at the end	943.89	963.05

The charge relating to temporary differences during the year ended 31 March 2018 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 2017 are 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.

Deferred tax liability on undistributed earnings of ₹ 1781.87 million as at 31 March 2018 (Previous year ₹ 1,279.17 million) of certain subsidiaries has not been recognised, as it is the intention of the Company to reinvest the earnings of these subsidiaries for the forseeable future.

45 Other disclosures and explanatory notes

1 During the previous year, the Group had 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 was 1 November 2016.

Details of the disposal are as follows:

A. Book values of net assets over which control was lost

Assets	Amount (INR 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 (INR 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.

2 **Acquisition of MicroFuzzy Industrie-Elektronic GmbH**

On 01 December 2016, the Group, through its wholly owned subsidiary KPIT Technologies GmbH, Germany, 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.

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	15.94
Total	**464.17**
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 for the year ended 31 March 2017. If the combination had taken place at 01 April 2016, the Group's revenue for the year ended 31 March 2017 would have been ₹ 33,728.32 million and the profit before tax would have been ₹ 3,011.38 million.

3 **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 2018	31 March 2017
MicroFuzzy Industrie-Elektronic GmbH	Germany	25%	25%

B. **Details of non-controlling interest**

Particulars	31 March 2018 (₹ million)	31 March 2017 (₹ million)
Accumulated balance of non-controlling interest	35.67	16.86
Total comprehensive income allocated to non-controlling interest	18.81	0.39

C. **Summarised balance sheet (before inter-company eliminations)**

Particulars	31 March 2018 (₹ million)	31 March 2017 (₹ million)
Non-current assets	110.78	63.71
Cash and cash equivalents	33.15	8.31
Current assets (excluding cash and cash equivalents)	396.90	234.75
Total	**540.83**	**306.77**
Trade payables	263.26	105.26
Current liabilities (excluding trade payables)	134.91	135.03
Total	**398.17**	**240.29**
Total equity	142.66	66.48
Attributable to:		
Owners of the Group	106.99	49.86
Non-controlling interest	35.67	16.62

D. **Summarised statement of profit and loss (before inter-company eliminations)**

Particulars	For the year ended on 31 March 2018 (₹ million)	For the four months ended on 31 March 2017 (₹ million)
Revenue	1,542.27	309.94
Other income	38.23	1.47
Total income	**1,580.50**	**311.41**
Employee benefits expense	689.53	161.89
Finance costs	2.75	2.93
Depreciation and amortization	22.06	6.59
Other expenses	788.11	135.52
Total expenses	**1,502.45**	**306.93**
Profit before tax	78.05	4.48
Current tax	17.52	2.93
Profit/(Loss) for the period	60.53	1.55
Other comprehensive income	-	-
Total comprehensive income	60.53	1.55

E. **Summarised cash flow information (before inter-company eliminations)**

Particulars	For the year ended on 31 March 2018 (₹ million)	For the four months ended on 31 March 2017 (₹ million)
Cash flow from:		
Operating activities	160.44	(20.08)
Investing activities	(57.24)	(11.77)
Financing activities	(79.82)	11.77
Net increase / (decrease) in cash and cash equivalents	23.38	(20.08)

4 Disclosure of interest in joint arrangement and associate

During the year, the Group has further invested 8.34% (Previous year 50%) in Yantra Digital Services Private Limited, a non-listed company based in Mumbai, India. Pursuant to this investment, the investee has become joint venture of the Company. The cumulative investment as on the reporting date is 58.34%. Investee is engaged in providing the wifi based entertainment in public transport.

The investee is a subsidiary as defined under section 2(87) of the Companies Act, 2013. For the purpose of the consolidated Ind-AS financial statements, the entity has been considered as a Joint Venture as defined under Ind-AS 28 : Investments in Associates and Joint Ventures.

A. **Summarised balance sheet**

Particulars	31 March 2018 (₹ million)	31 March 2017 (₹ million)
Non-current assets	359.06	65.79
Cash and cash equivalents	19.90	95.56
Current assets (excluding cash and cash equivalents)	55.52	40.88
Total	**434.48**	**202.23**
Non-current liabilities	108.09	-
Trade payables	48.76	89.62

Particulars	31 March 2018 (₹ million)	31 March 2017 (₹ million)
Current liabilities (excluding trade payables)	247.12	115.08
Total	**403.97**	**204.70**
Total equity	30.51	(2.47)
The Group's share in equity - 58.34% (Previous year 50%)	17.80	(1.23)
Carrying amount of the investment (after adjusting the share of loss)	97.07	-

B. **Summarised statement of profit and loss**

Particulars	For the year ended on 31 March 2018 (₹ million)	For the year ended on 31 March 2017 (₹ million)
Revenue	91.67	-
Other income	0.52	-
Total income	**92.19**	**-**
Employee benefits expense	24.56	-
Finance costs	9.16	0.06
Depreciation and amortization	92.70	-
Other expenses	102.33	2.51
Total expenses	**228.75**	**2.57**
Profit/(Loss) before tax	**(136.56)**	**(2.57)**
Current tax	-	-
Profit/(Loss) for the period	**(136.56)**	**(2.57)**
Other comprehensive income	-	-
Total comprehensive income	**(136.56)**	**(2.57)**
The Group's share of loss for the year	(71.25)	(1.29)
The Group's share of loss, restricted to the extent of investment	(72.48)	(0.05)

C. **Reconciliation of carrying amount of investment**

Particulars	31 March 2018 (₹ million)	31 March 2017 (₹ million)
Carrying amount at the start of the year	-	-
Additional investment	169.55	0.05
Share of loss	(72.48)	(0.05)
Carrying amount of investment	**97.07**	**-**

5 During the year, the Company has sold of its entire stake in Sankalp Semiconductors Private Limited. The gain on disposal is recorded under exceptional items in the Consolidated Statement of Profit and Loss.

6 The Board of Directors of the Company at its meeting held on 29 January 2018 have approved a draft composite scheme ("Draft Scheme") for: (a) amalgamation of Birlasoft (India) Limited ("Birlasoft") with the Company ("Proposed Merger"); and (b) demerger of the engineering business of the Company into KPIT Engineering Limited ("KEL"), a wholly owned subsidiary of the Company, ("Proposed Demerger"), to be renamed as KPIT Technologies Limited, in terms of the Draft Scheme and an implementation agreement, and other agreements that are executed between the Company, Birlasoft and other parties. During the year, the Company has incurred expenditure of ₹ 168.68 million towards enabling the execution of this transaction. The Company is in progress to obtain approvals from various regulatory authorities.

7 The Company was required to spend ₹ 45.93 million towards Corporate Social Responsibility. During the year, the Company has spent and paid ₹ 27.17 million (Previous year ₹ 25.61 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.

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: Mumbai
Date: 23 May 2018

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
DIN: 00075861

Sneha Padve
Company Secretary

Kishor Patil
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

KPIT's global presence

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Software Development Centres

SEZ Premises

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KPIT Technologies Limited

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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 towardsthe 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 Seventh Annual General Meeting of KPIT Technologies Limited will be held on Wednesday, August 29, 2018, at 11.30 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, 2018, 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, 2018, together with the reports of the Auditors thereon.

3. To declare dividend for the financial year ended March 31, 2018.

   [The Board has recommended dividend at ₹ 2.40 per equity share of ₹ 2/- each (at 120%)].

4. To appoint a Director in place of Mr. Kishor Patil (DIN: 00076190), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **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. Anant Talaulicar (DIN: 00031051), 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 October 21, 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."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to 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. Klaus Blickle (DIN: 07958328), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, 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 an ORDINARY 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. Nickhil Jakatdar (DIN: 5139034), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five years from January 24, 2018, 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 an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to 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. Anjan Lahiri (DIN: 06407055), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby appointed as a Nominee Director of the Company, 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 an ORDINARY 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. Alka Bharucha (DIN: 00114067), who was appointed as an Additional Director of the Company and whose term expires at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five years from May 23, 2018, 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
May 23, 2018

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. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

6. Proxies are requested to bring their valid photo identity proof at the meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed on **Wednesday, August 22, 2018.**

8. 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).

9. 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 vinit.teredesai@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.

10. 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.

11. 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 Registrar & Share Transfer Agent.

12. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a date, to be notified. In view of the same, the members are advised to dematerialize shares held by them in physical form.

13. 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.
    - 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.

14. 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.

15. 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.

16. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    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.

Accordingly, during the year, the Company transferred an amount of ₹ 176,870/- being the unclaimed dividend pertaining to the financial year 2009-2010 to the Investors Education and Protection Fund (IEPF). Further, 165,974 corresponding shares were transferred to IEPF Authority as required under the above referred rules.

17. Documents, if any, referred to in any item of business hereinabove will be available for inspection at the Company's registered office on all working days, except Saturday and holidays during 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting and will be made available at the meeting.

18. 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. – 2981.

19. 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.

20. 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.

21. 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 APPOINTMENT/ 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. Kishor Patil, aged 56 years, 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 close to 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. Mr. Patil possesses 34 years of experience.

The details of his directorship and membership of committees in other companies are as follows:

Directorship:

Name of the company	Designation
KP Corporate Solutions Limited	Director
K and P Capital Services Limited	Director
KPIT Engineering Limited	Director
Impact Automotive Solutions Limited	Director
K and P Management Services Private Limited	Director
Kirtane Pandit Foundation Private Limited	Director
KPIT Technologies (UK) Limited	Director
KPIT Infosystems Incorporated	Director

Name of the company	Designation
KPIT Technologies France	Director
KPIT Technologies GmbH	Director
Sparta Consulting Inc.	Director
KPIT (Shanghai) Software Technology Co. Limited	Director
KPIT Technologies Netherlands B.V.	Director
KPIT Technologies Solucoes em Informatica LTDA	Director
Systime Computer Corporation	Director
KPIT Technologies Corporation	Director
KPIT Infosystems ME FZE	Director

Membership:

Name of the company	Name of the committee	Chairman/ Member
Impact Automotive Solutions Limited	• Audit Committee	Member
	• Nomination and Remuneration Committee	Member

Mr. Patil is currently holding office as a CEO & Managing Director of the Company for a period of five years from July 2, 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. Patil consequent upon his re-appointment as a Director.

Mr. Patil attended all 6 meetings of Board of the Company during the year.

Mr. Patil holds 2,989,080 shares in the Company as on March 31, 2018.

Mr. Patil is not related to any other Director or key managerial personnel of the Company or the relatives of Directors or key managerial personnel.

Mr. Patil will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of a CEO & Managing 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.: 5

Mr. Anant Talaulicar, aged 57 years, was appointed as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting & as an Independent Director of the Company w.e.f. October 21, 2017 for a period of 5 years pursuant to the provisions of Section 149 of the Companies Act, 2013, on the recommendation of the Nomination & Remuneration (HR) Committee.

Mr. 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. Mr. Talaulicar was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well. He worked as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking various general management positions. Since 2004, Mr. Talaulicar has also led the Cummins India Foundation which has implemented sustainable community initiatives such as model villages and higher education. He has served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association in the past. Mr. Talaulicar possesses 32 years of experience.

The details of his directorships and membership of committees in other companies are as follows as on March 31, 2018:

Directorships

Name of the company	Designation
Remex Finance Private Limited	Director
Trihans Trading Private Limited	Director

He does not hold membership of any committees in other companies.

Mr. Talaulicar attended 6 meetings of Board of the Company during the year.

Mr. Talaulicar does not hold any shares in the Company as on March 31, 2018.

Details of Mr. Talaulicar's last drawn remuneration are given in the Corporate Governance report of this Annual report.

According to the provisions of the Companies Act, 2013, the appointment of independent director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the appointment of Mr. Talaulicar as an Independent Director in the Annual General Meeting for a period of five years from October 21, 2017, not liable to retire by rotation.

Mr. Talaulicar 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).

Mr. Talaulicar 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. Talaulicar fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for being appointed as an Independent Director and Mr. Talaulicar is independent of the management.

Considering the qualifications, experience, expertise and the accomplishments of Mr. Talaulicar, the Board of Directors is of the view that appointment of Mr. Talaulicar as an Independent Director will benefit the Company and hence, recommends the ordinary resolution set forth as Item No. 5 of the Notice for the approval of the shareholders.

Mr. Talaulicar is not related to any other director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Mr. Talaulicar 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 the other Directors or key managerial personnel or the relatives of directors or key managerial personnel is concerned or interested in the proposed resolution.

ITEM NO.: 6

Dr. Klaus Hermann Blickle, aged 63 years, was appointed as an Additional Director of the Company since January 24, 2018, who holds office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013.

Dr. Blickle has extensive experience in Aviation, Marine and Engineering Technology, as well as Consumer Electronics with over 20 years of Automotive (OEM and Tier1) experience. He has held various senior executive positions in Germany, China, UK, U.S.A. and Canada. From 1985 to 1987, he was the Head of Engineering for Sell Aviation of Buderus AG and from 1988 he was a Managing Director within the Blohm & Voss Group. In 1992, he joined the Audi/Volkswagen Group. Within the Group, he held various Vice President (VP), Executive VP and CEO Positions until 2001. He then joined the Tier1s - ASC/Prechter Holding (CTO & President), Tesma/Magna (CEO and President), EDAG (CEO and President) and has also served as the CEO and President of the Worldwide Automotive divisions of Harman International. His style of management is straight forward, down to earth and future oriented. Since 2012, he has been managing his own business (KB GmbH) and was a founding member/investor of two small companies (startups). He is a non-resident Board Member of the College of Engineering University of Michigan. As interim CEO, Dr. Klaus managed and restructured Telefunken SE in 2013/2014.

Dr. Klaus was raised and educated in India and the United Kingdom. He has served in the Armed Forces of the German Army for 18 months as national service, and later studied Applied Physics (M.Sc./Diploma). He received his Doctorate in 1984. Dr. Klaus possesses 33 years of experience.

The details of his directorship and membership in other companies are as follows as on March 31, 2018:

Directorship:

Name of the company	Designation
KB GmbH	Director

He does not hold membership of any committees in other companies.

Dr. Blickle has been appointed as director from January 24, 2018. From the date of his appointment till March 31, 2018, only 1 meeting of the Board of the Company was held which Dr. Blickle attended.

Dr. Blickle does not hold any shares in the Company as on March 31, 2018.

Details of Dr. Blickle's last drawn remuneration are provided in the Corporate Governance report of this Annual report.

Dr. Blickle, an Additional Director who holds office till the date of the ensuing Annual General Meeting and being eligible for appointment, it is proposed to approve the appointment of Dr. Blickle as a Director of the Company in the Annual General Meeting, liable to retire by rotation.

Dr. Blickle will be entitled to receive sitting fees and commission in the same manner as any other Director is entitled to.

Considering the qualifications, experience, expertise, the accomplishments of Dr. Klaus Blickle, the Board of Directors is of the view that appointment of Dr. Blickle as a Director will benefit the Company and recommends the ordinary resolution set forth as Item No. 6 of the Notice for the approval of the shareholders.

Dr. Blickle is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Dr. Blickle will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of 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

Mr. Nickhil Jakatdar, aged 46 years, was appointed as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting & Independent Director of the Company w.e.f. January 24, 2018 for a period of 5 years pursuant to the provisions of Section 149 of the Companies Act, 2013, on the recommendation of the Nomination & Remuneration (HR) Committee.

Mr. Jakatdar is currently the CEO and Co-founder of Vuclip, a global leader in the Video-on-Demand space, funded by Temasek, Foxconn and Pacific Century CyberWorks (PCCW). Prior to Vuclip, Mr. Jakatdar founded and ran various start-ups, such as Timbre Technologies (acquired by Tokyo Electron), CommandCAD (acquired by Cadence Design Systems) and Praesagus (acquired by Cadence Design Systems). He is also the founding member of the Bhau Institute of Innovation, Entrepreneurship and Leadership in Pune and is an investor and advisor to Campfire Labs (acquired by Groupon), flutter.io (acquired by Google), Bash Gaming (acquired by GSN), Shoptimize, Pay Activ, Viewics (acquired by Roche), Jombay, Mezi (acquired by American Express) and Blend, among others. He has been the recipient of many awards from various organizations, including the Lifetime Achievement Award from College of Engineering, Pune, the Institute of Electrical and Electronics Engineers (IEEE) Best Paper Award in Transactions on Semiconductor Manufacturing and the Berkeley Distinguished Pioneer Award. He has to his credit more than 20 conference papers and more than 60 issued patents.

Mr. Jakatdar completed his Bachelors of Engineering (BE) in Electrical Engineering in 1995 from the College of Engineering, Pune and his MS and Ph.D in Electrical Engineering and Computer Science from the University of California - Berkeley in 2000. Mr. Jakatdar possesses 18 years of experience.

The details of his directorship and membership in other companies are as follows as on March 31, 2018:

Directorship:

Name of the company	Designation
Next Leap Career Solutions Private Limited	Director
Vuclip Digital Media Private Limited	Director
Vuclip (India) Private Limited	Director
Causeway Healthcare Private Limited	Director

He does not hold membership of any committees in other companies.

Mr. Jakatdar has been appointed as director from January 24, 2018. From the date of his appointment till March 31, 2018 only 1 meeting of Board of the Company was held which Mr. Jakatdar could not attend.

Mr. Jakatdar does not hold any shares in the Company as on March 31, 2018.

Details of Mr. Jakatdar's last drawn remuneration are provided in the Corporate Governance report of this Annual report.

As per the provisions of the Companies Act, 2013, the appointment of independent director of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the appointment of Mr. Jakatdar as an Independent Director in the Annual General Meeting for a period of five years from January 24, 2018, not liable to retire by rotation.

Mr. Jakatdar 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).

Considering the qualifications, experience, expertise, the accomplishments alongwith the performance evaluation as an Independent Director of Mr. Nickhil Jakatdar, the Board of Directors is of the view that appointment of Mr. Jakatdar as a Director will benefit the Company and recommends the ordinary resolution set forth as Item No. 7 of the Notice for the approval of the shareholders.

Mr. Jakatdar is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Mr. Jakatdar 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. Anjan Lahiri, aged 53 years, a Nominee Director of Birlasoft (India) Limited, was appointed as an Additional Director since May 23, 2018 who holds office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013.

Mr. Lahiri holds Masters in Business Administration, University of Florida, USA and is a Bachelor of Technology from Birla Institute of Technology India. He has rich and varied experience of around 28 years in Information Technology sector. Currently, he is a Managing Director and Chief Executive Officer at Birlasoft (India) Limited. Prior to this, Mr. Lahiri was Whole-time Director and Chief Executive Officer at Sasken Communication Technologies Limited. His previous roles with Mindtree Limited, Cambridge Technology Partners and Wipro Infotech complement his experience.

Mr. Lahiri received the Michael Tokarz award given to the topmost graduating student in the MBA Program of the Warrington College of Business at the University of Florida in Gainesville and Valedictorian speaker at the MBA graduation ceremony. Mr. Lahiri possesses 28 years of experience.

The details of his directorships and membership of committees in other companies are as follows:

Directorship:

Name of the company	Designation
Birlasoft (India) Limited	Managing Director & Chief Executive Officer
Birlasoft Inc.	Director & Chief Executive Officer
Birlasoft (UK) Limited	Director
Enable Path LLC	Sole Member

He does not hold membership of any committees in other companies.

Mr. Lahiri does not hold any shares in the Company as on May 23, 2018.

Mr. Lahiri has been appointed as director from May 23, 2018.

Mr. Lahiri an Additional Director holds office till the date of the ensuing Annual General Meeting and being eligible for appointment, it is proposed to approve the appointment of Mr. Lahiri as a Nominee Director of the Company in the Annual General Meeting, not liable to retire by rotation.

Mr. Lahiri will be entitled to receive sitting fees and commission in the same manner as any other Director is entitled to.

Considering the qualifications, experience, expertise of Mr. Lahiri, the Board of Directors is of the view that appointment of Mr. Lahiri as a Nominee Director will benefit the Company and recommends the ordinary resolution set forth as Item No. 8 of the Notice for the approval of the shareholders.

Mr. Lahiri is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Mr. Lahiri will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration that the office of 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

Ms. Alka Bharucha, aged 61 years, was appointed as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting & Independent Director of the Company w.e.f. May 23, 2018 for a period of 5 years pursuant to the provisions of Section 149 of the Companies Act, 2013, on the recommendation of the Nomination & Remuneration (HR) Committee.

Ms. Bharucha chairs the transactions practice at Bharucha & Partners. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Her general corporate work includes the establishment of mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. Ms. Bharucha began her career with Mulla & Mulla and Craigie Blunt & Caroe and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which since inception has been ranked by RSG Consulting, London among the top fifteen firms in India. For years, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal, etc. amongst India's leading lawyers. Ms. Bharucha has particular experience acting for financial services clients as well as those in the telecommunications, power and logistics sector and is also actively engaged in representing trans-national corporations for investments in retail, defense and manufacturing space.

Ms. Bharucha holds B. A. (Hons.) and LL.B, University of Bombay, LL.M, University of London, Solicitor, High Court Mumbai and Supreme Court of England and Wales. She is Member of Bar Council of Maharashtra and Goa, Bombay Incorporated Law Society. She is also an Advocate on Record, Supreme Court of India. Ms. Bharucha possesses 26 years of experience.

The details of her directorships and membership of committees in other companies are as follows:

Directorship:

Name of the company	Designation
Honda Siel Power Products Limited	Director
Honda Cars India Limited	Director
Aditya Birla Finance Limited	Director
Aditya Birla Sun Life AMC Limited	Director
Ultratech Cement Limited	Director
Orient Electric Limited	Additional Director
Safalya Investments and Traders Private Limited	Director
Suyojit Investment and Engineering Private Limited	Director
Birla Estates Private Limited	Additional Director

Membership:

Name of the company	Name of the committee	Chairman/ Member
Honda Siel Power Products Limited	• Audit Committee	Member
Ultratech Cement Limited	• Audit Committee	Member
Orient Electric Limited	• Audit Committee	Member
	• Nomination and Remuneration Committee	Chairperson
	• Stakeholders' Relationship Committee	Chairperson
Honda Cars India Limited	• Audit Committee	Chairperson
	• Nomination and Remuneration Committee	Member

Ms. Bharucha has been appointed as director from May 23, 2018.

Ms. Bharucha does not hold any shares in the Company as on May 23, 2018.

As per the provisions of the Companies Act, 2013, the appointment of independent director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the appointment of Ms. Bharucha as an Independent Director in the Annual General Meeting for a period of five years from May 23, 2018, not liable to retire by rotation.

Ms. Bharucha 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).

Considering the qualifications, experience, expertise, of Ms. Bharucha, the Board of Directors is of the view that appointment of Ms. Bharucha as an Independent Director will benefit the Company and recommends the ordinary resolution set forth as Item No. 9 of the Notice for the approval of the shareholders.

Ms. Bharucha is not related to any other Director or key managerial personnel of the Company or relatives of Directors or key managerial personnel.

Ms. Bharucha 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 a resolution proposed to be considered at this 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 24, 2018 (9:00 a.m.) and ends on Tuesday, August 28, 2018 (5:00 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 22, 2018, 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. 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.

VI. 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 22, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bhagavant.sawant@linkintime.co.in.

VII. 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 22, 2018.

VIII. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at (https://www.evoting.nsdl.com/)

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: (https://www.evoting.nsdl.com/) either on a personal computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at (https://eservices.nsdl.com/) with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on (www.evoting.nsdl.com).

   b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on (www.evoting.nsdl.com).

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jbbhave@gmail.com. Please mention the e-mail ID of Scrutinizer with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on (www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of (www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

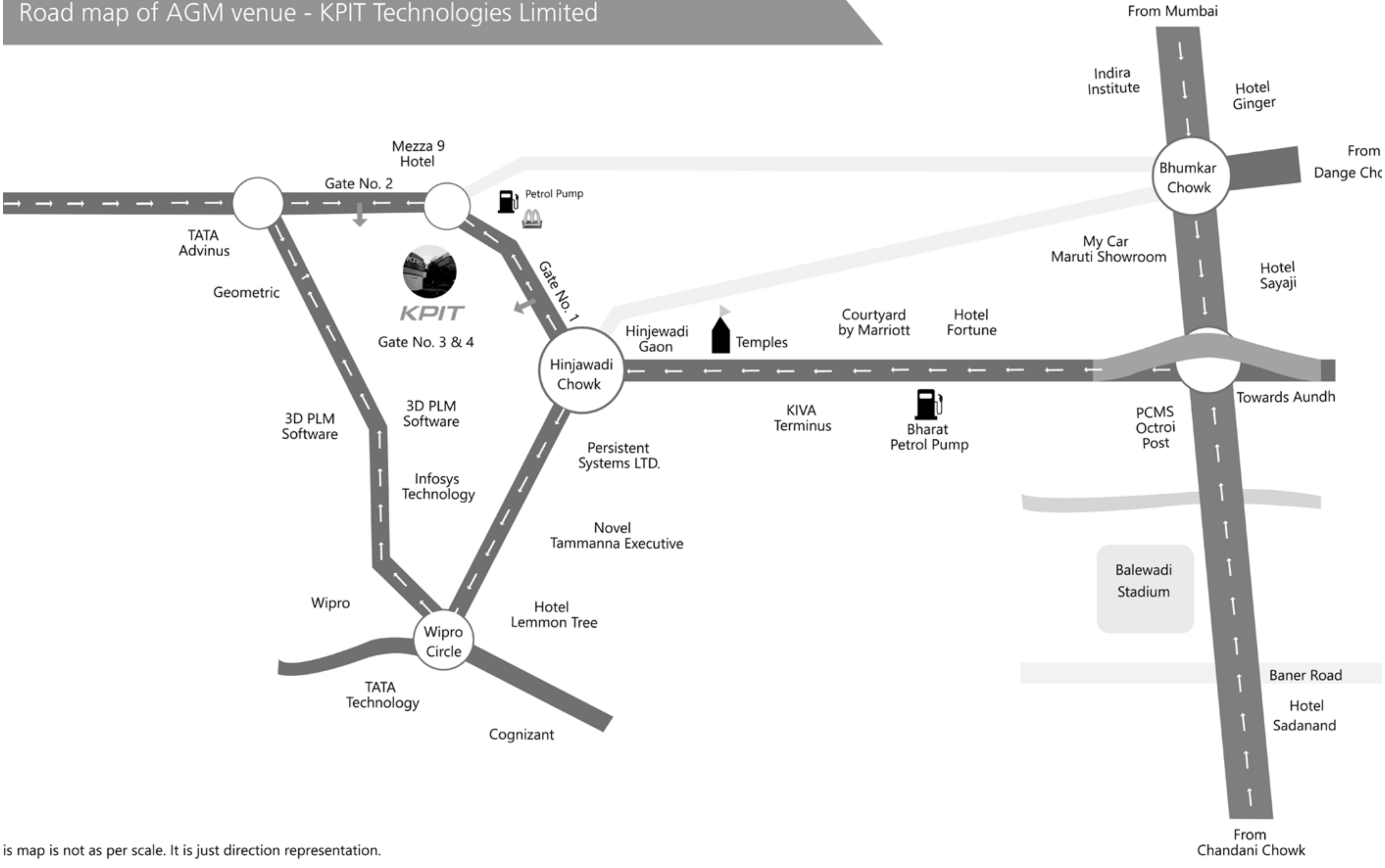
IX. The Company has appointed Mr. Jayavant Bhave, Proprietor, J. B. Bhave & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process and ballot process in a fair and transparent manner.

X. The Chairman will, at the end of discussion on the resolution 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.

XI. 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.

XII. 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



is 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 27th Annual General Meeting of the Company to be held on Wednesday, August 29, 2018 at 11.30 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:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018, 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, 2018, together with the reports of the Auditors thereon.
3. To declare dividend for the financial year ended March 31, 2018.
4. To appoint a Director in place of Mr. Kishor Patil, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Mr. Anant Talaulicar as an Independent Director.
6. To appoint Dr. Klaus Blickle as a Director of the Company.
7. To appoint Mr. Nickhil Jakatdar as an Independent Director of the Company.
8. To appoint Mr. Anjan Lahiri as a Nominee Director of the Company.
9. To appoint Ms. Alka Bharucha as an Independent Director of the Company.

Signed this _____ day of __________2018.

Signature of the shareholder

Affix Revenue Stamp

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.

Notes

Notes

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 (upto May 23, 2018)
Vinit Teredesai	Chief Financial Officer
Abhishek Sinha	Chief People and Operations Officer
Chinmay Pandit	President - Impact Automotive Solutions Limited

www.kpit.com

KPIT Technologies Limited

35 & 36, Rajiv Gandhi Infotech Park, Phase I, MIDC,
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