

KPIT First quarter Results FY 2016

KPIT Q1FY16 \$ revenue at \$ 118.32 Million, Net Profit at ₹ 444 .13 Million

EBITDA margins improve to 9.61%

On track as regards to the corrective actions towards profitable growth

Investor Release BSE: 532400 | NSE: KPIT

Pune, July 22, 2015: KPIT (BSE: 532400; NSE: KPIT), a vertical focused technology, IT consulting and product engineering solutions and services provider to automotive & transportation, manufacturing and energy & utilities corporations, today reported its consolidated financial results for the first quarter ended June 30, 2015.

Highlights for the quarter ended June 30, 2015

- \$ Revenue stood at 118.32 Million, a YoY growth of 2.7% and Q-o-Q decline of 3.3%.
- Services revenues grew by 3.42% sequentially
- EBITDA margins improved in Q1FY16 over Q4FY15 by 510 bps to 9.61%.

Management comments

Commenting on the performance of Q1 FY16, Ravi Pandit, Co-founder, Chairman & Group CEO, KPIT said, *"The performance for the quarter was in line with our expectations with good growth in SAP and enterprise solutions and lower revenues in products & platforms business due to the cyclical nature of that business. We are working on the operational excellence and people productivity improvement plans and are satisfied with the progress made during the quarter. We are confident of getting the results of these actions fully from Q3FY16 onwards"*

Kishor Patil, Co-founder, CEO & MD, KPIT said, *"We continue to invest in the right areas for growth and are witnessing good traction in engineering, digital, IoT and IMS. We have built a good pipeline in these areas and expect decent deal closures in the coming quarters."* He added, *"We are sharpening our vertical emphasis by creating innovative industry focused solutions, combining engineering and business IT, across our three focused verticals"*.

Update on Action Plans

As mentioned during the last quarter earnings call, we are working on improving operational efficiency and productivity across the organization. The major areas of focus for us can be summarized in 4 buckets:

1. Profitability improvement
2. People Development
3. Predictability
4. Growth

Profitability:

- The major area of work for profitability improvement is around operational efficiency, people productivity and delivery excellence. We have started working on employee utilization, enhancing and standardizing the Span of Control for senior and mid-level managers, establishing a strong training organization to help quickly absorb fresh graduates on projects, working on improving the employee pyramid by targeting at least 70% of the gross recruits to be fresh graduates and people productivity improvement. We have invested in tools and automation to drive productivity.
- We have also worked on the customer profile and are critically looking at the long tail of customers. Vertical alignment, customer size and profitability by customer are the deciding factors in customer profiling. We have gone one step below and scrutinized the project level profitability and initiated corrective actions wherever applicable and possible.
- The focus is on large project implementations and we have streamlined the estimation, contract management, quality control and change management process across the onsite and offshore delivery functions spanning all SBUs across geographies.

We have taken all the required actions and though some of the above will continue throughout the year, we are confident of seeing the positive impact of these actions on the financials from Q3FY16 onwards.

People Development:

- Under the Program for Academic Collaboration & Engagement (PACE), we have already partnered with 15 universities and academic institutions to address each stakeholder's need. This program gives significant visibility to acquire quality talent from campuses and attracts them to join the company. This year we will increase our partnership to more than 20 Institutions and coverage across all SBUs.
- We have established Academies aligned to SBUs and the GENESIS program executed through "BU specific academies" ensures that talent skill requirements and learning models are aligned and released to the respective projects in a timely manner.
- As we embark upon our FY16 journey, we are introducing a fortified certification program aligned to BU practices to take care of the competency development & certification requirements across Technology, Domain, Process, Project Management, Soft Skills and Leadership areas. In addition we will also focus on developing Account Management and Program Management Capabilities, as well as specific competencies for the Products and Platforms SBU.
- We have launched the new Performance Management Framework (KPMS). The framework entails a complete role based approach. It provides for clearer and better career growth streams, clarity on what a particular role entails on expectations and focuses extensively on developing and growing people internally.

With the above actions we are confident of getting the 'Right Talent' at the 'Right Time' and at the 'Right Cost'.

Predictability:

- Improving predictability across the organization is one of the key areas we have begun stressing on and the work here will continue on an ongoing basis. We have streamlined the processes for improving predictability across the geographies, helping us in improving the utilization and revenue leakage due to non fulfillment of open requirements.

Growth:

- We will continue to focus on our industry verticals and strategic customers to help better growth in the coming quarters. We have made investments over the past 18 months in the right areas and appropriate people to help fuel our future growth. We have done the requisite investments as follows:
 - Technologies & Offerings: We are stepping up our capabilities in some new areas where technology spend is increasing like digital technologies and IMS. We are jointly working with some customers as well as doing joint product developments with our Principals (Software Partners) on IOT & Analytics. KPIT has now become System Integrator of PTC – ThingWorx IoT (Internet of Things) Platform. ThingWorx is one of the well-known IoT platform for building applications for all types of domains to create, connect, operate and service. We are investing in building our next generation digital platform and related competencies. We are also building next generation AMS platforms that will help automate the way we do our business.
 - Products and Platforms: We are investing in newer software products in the areas of IoT and clean energy and a few of these products will hit the market in Q2FY16. We are also getting ready for the next generation ITS product which should also be ready for launch by the beginning of Q3FY16.
 - Subject Matter Experts and Front End: We have recruited more Subject Matter Experts (SMEs) and sales and account management people in the relevant markets. There also has been internal movement towards filling up account management positions.

With the above investments and most of the profitability actions done, we expect the focus to now shift to growth from Q2 onwards.

Q1 Financial Update**REVENUE UPDATE**

For Q1FY16, in \$ terms our revenue grew by 2.7% Y-o-Y while it declined by 3.3% on a Q-o-Q basis to \$ 118.32 Million. The services revenue (revenue excluding products & platforms) grew by 3.42% sequentially. Our ₹ revenue stood at ₹ 7,583.24 Million, a Q-o-Q decline of 0.6% while on Y-o-Y basis it grew by 10%.

- Broadly our business can be classified into 3 major areas, viz. Enterprise IT and consulting (IES, SAP, ES, IMS, EPLM), Product Engineering (PES) and Products and Platforms (PnP). In Q1, sequentially, Enterprise IT grew by 4.1%, Product Engineering grew by 1.8% and there was a substantial decline in Products & Platforms revenues.
- On a Q-o-Q basis, there was a decline of \$ 7.5 Million+ in our Products & Platforms SBU, mainly driven due to the cyclical nature of the Intelligent Transportation Solution (ITS) and other software products revenue. The ITS revenue declined by \$ 5 Million sequentially to \$ 1.16 Million in Q1FY16 as compared to \$ 6.13 Million in Q4FY15. The ITS revenues follow the sale of commercial buses in the country and thus the revenues are expected to grow in the subsequent quarters as the bus sales increase, a typical pattern every year. SAP SBU registered a strong 17% growth, followed by ES SBU reporting a 7.4% growth. PES SBU showed a marginal growth of 1.8%. There was a decline of 2.5% in IES SBU, majorly impacted by 8.2% decline in Cummins Account.
- In terms of geography, US showed good growth at 4.4% despite the decline in Cummins account. Europe declined by 4% and APAC had a decline of 29.5%, majorly due to the decline in ITS revenues.
- Amongst the top 10 customers, there was a growth of 6% in the top 2 to 5 customers and 1.8% in the Top 2 to 10 customers.
- We expect growth from Q2 onwards, including growth in the Products and Platforms SBU.

During this quarter we won deals across Engineering, SAP, JDE, EPLM, and ES. We also see an increased traction on opportunities in the areas of AMS & IMS combined, around SAP, Oracle, BI and ES. These opportunities are across all geographies, including Europe and Asia. Our investments in SBU & IBU and focus on large deals have started showing results. Our Strategic Client Engagement team is focusing on winning large annuity deals.

*All the revenue growth numbers mentioned under revenue update are in equivalent \$ terms.

PROFITABILITY

- The EBITDA margins for Q1FY16 were around 9.6% as compared with about 4.5% for Q4FY15.
- We had a one-time cost provision of around ₹ 275 Million and a revenue reversal of around ₹ 25 Million, totaling to one-time impact of ₹ 300 Million in Q4FY15. Thus the normalized EBITDA for Q4FY15 (excluding these one-time impacts) was around 8%.
- The \$/₹ realized rate for the quarter was ₹64.09/\$ as against ₹62.36/\$ for Q4FY15.
- As stated earlier, one of the key areas of improvement for us is tighter control on lateral hires, movement of people internally to higher roles and majority of fresh recruitment through hiring of fresh graduates. In Q1FY16, there was a net reduction of 141 people. We added 170 fresh graduates during the quarter. We plan to add around 300+ fresh graduates in Q2FY16. The actions related to people are not reflected in the headcount numbers for Q1FY16.
- In terms of SBU, there was a net addition of people in engineering and IMS and a net reduction in Business IT.
- The Profit before Tax for the quarter stood at ₹ 616 Million as compared with ₹ 146 Million for the previous quarter. In Q4FY15 there was a one-time tax credit and hence the tax provision for the quarter was negative ₹ 357 Million, which in Q1FY16 stands at ₹ 172 Million.
- The Net Profit for the quarter stood at ₹ 444 Million as compared with ₹ 503 Million for Q4FY15.
- The wages hikes will be effective from July 01, 2015, both for onsite and offshore employees.

CASH FLOW

Details	₹ Million
Cash Profit for Q1FY16	608
Working Capital Adjustments	546
Cash Generated from Operations	62
Fixed Assets + Dividend + ESOPs	349
Balance Cash Flow	(287)
M&A Payment (iCubed)	102
Debt Repayment	449
Total Surplus/(deficit) for the Quarter	(838)

- During the quarter, loans worth ₹ 449 Million were repaid out of which ₹ 156 Million was towards repayment of term loan and the balance towards working capital loans.
- The DSO as at the end of the quarter were 85 days, up by 3 days as compared to the last quarter.
- The Fixed Asset addition was mainly on account of two counts viz. expansion in our Bangalore facility where we see good growth in engineering and capital expense for the internal digitization within KPIT.

SBU Update

INTEGRATED ENTERPRISE SOLUTIONS SBU

- IES SBU has been working closely with Oracle Corporation, in taking cloud offerings to the market, which will enable acceleration of customer's digital transformation initiatives. We have seen significant success in winning new cloud deals, and are building new solutions on the cloud platform. We are investing in strategic platforms, technologies and solution offerings, like IoT, Social ERP, P2P automation etc. We are partnering with Oracle Corporation to deliver solutions for manufacturing industry in areas like field service and mobility. Our pricing model for cloud offerings, is very different from our traditional service business. We achieved

significant success in our implementations, like OTM cloud implementation, integrated value chain across on-premise and cloud based applications and pipeline meter billing system for utilities. We are witnessing momentum in our EBS business, which is important for our growth. Value Chain Execution (VCE), Value Chain Planning (VCP), and Fusion Middle Ware (FMW) provide us with a differentiator in the marketplace.

- Markets are rigorously shifting towards the converged model for IT services and IT infrastructure. The trend is moving towards Hybrid Cloud, automation of level1 and Digital Transformation of IT. The layer of Assured Security on hybrid cloud models coupled with our strong Global Partnerships & investments on automation, is giving us the edge as compared to competition. There is a significant increase in opportunities for end-to-end IT outsourcing. These are even extending to non-core IT services like Surveillance and RFID Management. There is an exponential demand across Europe and Asia markets as the US and UK continue to show regular growth trends. In IMS we are working on introducing New Workspace & ITaaS (IT as a Service) offering where we would be modelling the services on the principle of "We Take Your Pain" to engage in end-to-end deals with the customers, additionally targeting the Vendor management portfolio's for the customer's IT landscape. To accomplish this we are forming strategic alliances with partners across the Globe who would bring in the required skills and market reach for upcoming pipeline. We are also looking to add the Workflow Automation and converged Monitoring wrappers to our offerings portfolio which will provide an edge to the overall solutions that we are building for our customers.
- We intend to leverage our niche position in Product Lifecycle Management (PLM) by integrating Strategic Consulting, Extended PLM and Product Engineering Service offerings. We provide business value led consulting solutions in core PLM platforms of choice. We solve some of the complex problems faced by customers due to Mergers / Acquisitions. Customers prefer our IP Led solutions such as iLINK for integrating PLM with ERP systems and 'Legend' for handling large migrations involving heterogeneous Multi-CAD and Multi-PLM environments. We are known for our expertise in Material Compliance Solutions. Our Application Lifecycle Management (ALM) practice addresses complex problems faced by customers in embedded software development by integrating PLM + ALM solutions, coupled with process consulting. Our Enterprise cost management (ECM) solutions offer cost management consulting, leveraging value engineering and should cost solutions. We partner with ongoing cost reduction programs of our customers delivering significant benefits to our customers.
- During the quarter, Digital revenues in IES were around 5% of the total IES revenues.

PRODUCT ENGINEERING SERVICES AND PRODUCTS & PLATFORMS SBU

- We see healthy traction for our solutions in Advanced Driver Assistance Systems (ADAS). We are also witnessing pull in areas such as diagnostics, lane departure features as well as V2X-V2V communication, mainly from Indian customers. Along with Infotainment, functional safety is another area of growing interest, with rising number of captives keen to build competencies in the area of Functional safety ISO26262 consulting and training. We are focused on our investment in incubation of new practice offerings and new practices and we have initiated a new practice on Mechatronics, sensor optimization and IVHM.
- In Products & Platforms, there is an increased customer interest for our infotainment and connectivity platform across different transportation segments. In the area of our retrofit hybrid solution REVOLO, recently Government of India has launched FAME India Scheme (Faster Adoption and Manufacturing of Hybrid & Electric vehicles) under National Electric Mobility Mission Plan and Phase I of this scheme shall be implemented over a 2 year period i.e. FY16 and FY17 commencing from April 1st, 2015. We have applied for a pilot proposal under this scheme which has been approved in principle by the Project Implementation and Standing Committee (PISC) under Department of Heavy Industries and further proposal work is in process. We are also exploring new market segments both in terms of new geographies and new vehicle segments, in the Intelligent Transportation Solutions (ITS) space.
- During the quarter, Digital revenues in Products & Platforms were around 70% of the total SBU revenues.

THOUGHT LEADERSHIP

- KPIT participated in UITP- World Congress, Milan. The event provided a good platform to interact with senior members of Indian Transport Ministry & State Transport Utilities.
- KPIT participated and demonstrated its expertise in infotainment space at the Connected Devices Summit, Shanghai and presented on "Multi-Device Connectivity – The next UX Frontier".
- KPIT was invited to an expert panel on 'Bus Karo: City bus services' at annual event of EMBARQ India, a program under World Resource Institute (WRI) for transportation. The event was attended by industry experts, key government officials, two cabinet ministers and subject matter experts on public transportation.
- KPIT conducted a "medini analyze user conference" in Detroit, Michigan on May 28th 2015. Various OEMs and Tier 1s also presented on their experience using the medini analyze tool which in turn helped increase KPIT's credibility in the Automotive ecosystem.

SAP SBU

- During the quarter we started work on a few deals, which were delayed during Q4FY15. With growing significance of cloud based technologies like SuccessFactors, CEC, Hybris, CPQ and other emerging technologies like HANA, Hadoop and IoT, we are also transforming our business mix from traditional ERP to these innovative solutions. We have an early mover advantage in these areas along with established success stories. We are also developing different training programs for skill enhancement of our employees to align with these industry transformations. There is good growth momentum in the US geography. We continued winning deals in CRM, BI, SuccessFactors, S4/ HANA, Simple Finance, SAP Hybris and CPQ during the quarter.
- With significant increase in M&A activity mainly in manufacturing sub-verticals, we have been building solutions and accelerators designed for this industry, which have been adding value to our customers. We are also working with other companies in various complementary technology areas such as Hybris/ CEC.
- During the quarter, Digital revenues in SAP were around 22% of the total SAP revenues.

THOUGHT LEADERSHIP

- KPIT participated in "SAPPHIRE 2015" at Universal, Orlando in June 2015 and welcomed close to 700 attendees to the booth and party. With more than 7 conferences and demo sessions, KPIT had 8 customer champions who talked to attendees about their positive experiences working with KPIT and the business impact KPIT created for their business.
- KPIT received accreditation for a global partner quality program by SAP AG. The certificate was awarded by the SAP Partner Service Delivery organization for KPIT's demonstration of clear quality standards and processes and in recognition of quality, risk and project management framework improvements in alignment with quality principles from SAP.

ENTERPRISE SOLUTIONS SBU

- There is an increase in demand for CRM solution implementations, Support and version upgrade. We are also witnessing increased adoption of Microsoft solutions by existing customers in Collaboration area - content and portal, integration and cloud. The traction is primarily growing in US and Canada region. We continue to invest further in building solutions addressing Legacy Modernization needs of customer - e.g. Lotus Notes Applications migration to Microsoft SharePoint platform. We are also building Business Process Library covering key business areas (O2C, P2P & Customer Service) using BPMN compliant tools like ARIS and Provision.
- During the quarter, Digital revenues in ES were around 5% of the total ES revenues.

INDUSTRY UPDATE

- In the manufacturing vertical there are a few emerging disruptive technologies which are changing the traditional methods, processes and practices of manufacturers. These technologies are bringing forth new ways of doing things which help manufacturing companies to stay relevant and competitive in their end markets. These include IoT, Mobile, Social Media, Cloud and Predictive Analytics. With significant rise in data volumes, computational power and connectivity, emergence of analytics and business intelligence capabilities, new forms of human to machine interaction such as augmented reality systems and improvements in transferring digital instructions to the physical world such as advanced robotics and 3D printing, are driving manufacturing companies towards adoption of digital transformation.
- In the life sciences industry companies are investing in technologies such as e-clinical solutions supporting end-to-end clinical study management, alliance management tools for managing external relationships, business process management (BPM) for crafting flexible — yet organized — solutions quickly, and predictive modelling for understanding and leveraging data quickly.
- In the discreet manufacturing industry the challenge for manufacturers is to create agility in their operations by getting over the limitations of existing legacy systems, while preparing their people to manage the end-to-end process of product life cycle successfully. They are adapting to technologies such as supply chain enabled PLM, Cloud based PLM applications and cloud computing in manufacturing operations and model based manufacturing. Companies are working towards bringing forth the differentiation in their products as markets become competitive, while focusing on speed, profitability, quality and profitable outcomes.
- The global automotive industry is expected to report moderate growth in 2015. During the first half of the year North America continues to drive global light vehicle demand as vehicle sales in US & Mexico continue to rise. However the growth has slowed down in China market due to rising economic concerns and growing pressure by large cities to limit ownership. Despite this, the country is expected to be the strongest market of the year. Even in EU, car sales have experienced growth during the first half, driven by factors such as falling oil prices, weak currency, improving consumer sentiment, declining unemployment and the ECB's commitment to provide stimulus to the market. In emerging markets it has been a mixed scenario with growth in markets like India but uncertainties prevailing across markets like Russia and Brazil. In the automotive technology domain, the goal is to make vehicles safer, cleaner and connected and thus it is being driven by alternate powertrain, connectivity, IoT applications, over the air software updates, cyber security & data protection, voice and gesture control technologies.
- In the Oil & Gas industry most companies are continuing with their investments or are even planning to increase them further in digital technology space despite the fall in crude oil prices. The biggest investment areas for energy & utilities industry will be cloud, mobility, infrastructure and collaboration technologies. However over the next three to five years investments are expected to increase fast in big data and industrial IoT/ automation.

Technology Update

During this quarter we have filed one patent with complete specifications in the automotive domain. The total number of patents filed as on June 2015 quarter end stood at 60 including 46 patents with complete specifications filed.

Customer Highlights

- An American multinational pharmaceutical corporation selected KPIT for an E1 global implementation project for Tier-2 manufacturing locations. It includes Oracle JDE implementation on Oracle cloud and a roll out to more than 30 countries.
- KPIT was selected by a US based Oil & Gas customer for a large Oracle transformational deal.
- KPIT is working with a leading Middle East based medical device company for its first cloud CRM and CPQ project implementation.
- A leading American Medical Devices Company selected KPIT for an implementation project in HANA EDW.

- KPIT Implemented SuccessFactors® Recruiting Mgmt. Solution for Metropolitan Utilities District of Omaha.
- KPIT's Largest Implementation of SuccessFactors® Solutions went Live at Saudi Electricity Company.
- KPIT successfully implemented SAP® ERP application and SAP Customer Relationship Management and Billing for Utilities package at Loudoun Water. The scope included implementation of the SAP ERP Financials solution, as well as the project systems, HR and payroll, and procurement components of SAP ERP, along with SAP Enterprise Asset Management and SAP BusinessObjects™ business intelligence solutions.
- A leading American medical device company selected KPIT as a key partner for an engagement in PLM.
- KPIT was selected by a leading European manufacturer for IMS support.

Income statement for quarter ended June 30th, 2015 (Revised Format)

₹ million	Q1 FY16	Q4 FY15	Q-o-Q Growth	Q1 FY15	Y-o-Y Growth
Sales	7,583.24	7,629.94	(0.61%)	6,897.00	9.95%
Employee Benefit Expenses	4,767.54	4,897.04	(2.64%)	4,002.44	19.12%
Cost of materials consumed	53.15	289.58	(81.65%)	75.79	(29.87%)
Depreciation & Amortization Expenses	163.90	225.40	(27.29%)	162.48	0.87%
Other Expenses	1,097.35	1,064.92	3.05%	929.70	18.03%
Professional fees Subcontractor	944.44	1,044.11	(9.55%)	1,062.06	(11.07%)
Total Expenses	7,026.38	7,521.05	(6.58%)	6,232.46	12.74%
Profit before Other Income, Finance costs & Exceptional Item	556.85	108.89	-	664.54	(16.20%)
Other Income	106.09	176.85	(40.01%)	107.86	(1.64%)
Profit before Finance costs & exceptional Items	662.95	285.73	132.02%	772.40	(14.17%)
Finance costs	47.28	139.89	(66.20%)	42.27	11.85%
Profit after Finance costs & before exceptional Items	615.67	145.85	-	730.13	(15.68%)
Exceptional Items	-	-	-	-	-
Profit Before Tax	615.67	145.85	-	730.13	(15.68%)
Tax Expenses	171.54	(357.24)	(148.02%)	222.15	(22.78%)
Net Profit from ordinary activities after Tax	444.13	503.08	(11.72%)	507.99	(12.57%)
Extraordinary Items	-	-	-	-	-
Net Profit for the Period	444.13	503.08	(11.72%)	507.99	(12.57%)
Share of profit from associate	-	-	-	-	-
Minority Interest	-	-	-	-	-
PAT	444.13	503.08	(11.72%)	507.99	(12.57%)
Paid up Capital	376.48	376.13	-	372.55	-
EPS (₹₹ 2/-Face Value each)					
- Basic	2.33	2.64	(11.89%)	2.69	(13.49%)
- Fully Diluted	2.22	2.52	(11.76%)	2.54	(12.60%)
Common Size Analysis:					
Gross Profit Margin	28.08%	25.23%	2.85%	26.48%	1.60%
SG&A / Revenue	18.47%	20.73%	(2.25%)	14.43%	4.05%
EBITDA Margin	9.61%	4.51%	5.10%	12.06%	(2.45%)
Net Profit Margin	5.86%	6.59%	(0.74%)	7.37%	(1.51%)

- Q-o-Q or 'sequential' growth refers to growth during the quarter compared to the immediately preceding quarter.
- Y-o-Y growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year.

Performance Metrics for quarter ended June 30th, 2015

	Q1 FY16	Q4 FY15	Q-o-Q Growth	Q1 FY15	Y-o-Y Growth
Revenue Spread – Geography					
USA	69.68%	64.51%	7.35%	69.11%	10.85%
Europe	16.74%	16.86%	(1.34%)	15.82%	16.28%
Rest of World	13.59%	18.64%	(27.53%)	15.07%	(0.84%)
Revenue Spread – Verticals					
Automotive & Transportation	37.13%	41.28%	(10.61%)	32.68%	24.92%
Manufacturing	35.76%	33.29%	6.77%	40.93%	(3.93%)
Energy & Utilities	18.69%	17.77%	4.52%	17.77%	15.61%
Others	8.42%	7.66%	9.28%	8.62%	7.43%
Revenue Spread – by SBU*					
Integrated Enterprise Solutions	38.99%	38.67%	0.21%	40.39%	6.15%
Product Engineering Services	25.96%	24.67%	4.58%	21.88%	30.42%
Products & Platforms	4.22%	10.45%	(59.83%)	4.44%	4.52%
SAP	21.02%	17.38%	20.19%	22.61%	2.18%
Enterprise Solutions	9.81%	8.83%	10.43%	10.67%	1.07%
Customer details					
No. of Customers Added	2	2	-	3	-
No. of Active Customers	210	208	-	201	-
Customers with run rate of >\$1Mn	87	90	-	83	-
Top Client – Cummins	14.17%	14.93%	(5.68%)	15.86%	(1.80%)
Top 5 Clients	30.73%	30.05%	1.63%	34.37%	(1.72%)
Top 10 Clients	42.23%	41.57%	0.95%	45.08%	3.00%
Onsite / Offshore Split					
Onsite Revenues	55.29%	52.41%	4.86%	57.16%	6.35%
Offshore Revenue	43.73%	42.58%	2.07%	41.55%	15.71%
SI [#]	0.98%	5.01%	(80.54%)	1.29%	(16.30%)
Revenue by Contract Type					
Time and Material Basis	72.85%	63.72%	13.63%	71.62%	11.83%
Fixed Price / Time Basis	26.17%	31.27%	(16.83%)	27.09%	6.22%
SI [#]	0.98%	5.01%	(80.54%)	1.29%	(16.30%)
Debtors (days)					
	85	82	-	82	-

Human Resources – Details	Q1 FY16	Q4 FY15	Q-o-Q Growth	Q1 FY15	Y-o-Y Growth
Development Team – Onsite (Avg)	1,564	1,534	-	1,423	-
Development Team - Offshore(Avg)	8,514	8,317	-	7,224	-
Onsite FTE	1,362	1,316	3.50%	1,293	5.38%
Offshore FTE	5,654	5,456	3.63%	5,068	11.57%
Total FTE	7,016	6,772	3.61%	6,360	10.32%
Development (at Quarter end)	10,062	10,213	-	8,757	-
Gen Management / Support (at Quarter end)	585	586	-	568	-
Marketing (Subsidiaries) (at Quarter end)	192	181	-	165	-
Total (at Quarter end)	10,839	10,980	-	9,490	-
Onsite utilization	87.10%	85.80%	-	90.84%	-
Offshore utilization	66.41%	65.60%	-	70.15%	-

*The SBU revenues have been re-classified based on new organizational changes and previous period figures have been restated for comparison.

Products & Platforms SBU revenue has been separated from Product Engineering Services SBU.

SI represents the revenues for our Telematics solution.

Hedging details

The currency market has been extremely volatile in the recent period and the company has major exposure in 3 currencies- USD, Euro and GBP. As per our hedging policy, we cover 75% of the net exposure through forward contracts for the next two quarters.

Total Outstanding Hedges:

- Total amount of USD hedges as on 30th June 2015 : \$ 37.90 Million
- These hedges are maturing in FY16 and average rate for these hedges is ₹ 65.30

Balance sheet details

- The Cash Balance as at June 30, 2015 stood at ₹ 3,513.59 Million as compared to ₹ 4,352.49 Million as on March 31, 2015.
- Capital expenditure for the quarter stood at ₹ 365.58 Million including CWIP.
- As on June 30, 2015 our total debt was ₹ 4,591.11 Million (₹ 5,027.44 Million as of March 31, 2015) comprising of ₹ 1,211.33 Million of Term Loan, ₹ 3,379.78 Million of Working Capital Loan.

Balance Sheet Summary: As at (₹ Million)	Jun 30, 2015	Mar 31, 2015
Equity & Liabilities:		
Shareholders' Funds	13,517.71	12,953.85
Share Application Money pending allotment	8.00	7.65
Non-Current Liabilities:	1,109.75	1,203.15
Long Term Borrowings	634.21	779.85
Long Term Provisions	475.54	423.30
Current Liabilities:	8,183.70	8,536.03
Short term borrowings	3,378.52	3,677.16
Trade Payables	1,117.78	1,307.64
Other Current Liabilities	3,687.40	3,551.24
Total Equity & Liabilities	22,819.17	22,700.69
Assets:		
Non-Current Assets:	10,074.12	9,551.79
Fixed Assets	2,529.90	2,328.20
Goodwill on consolidation	5,293.48	5,087.92
Other Non-Current Assets	2,250.75	2,135.66
Current Assets:	12,745.05	13,148.90
Current Investments	639.38	590.38
Inventories	396.01	228.77
Trade Receivables	7,661.12	6,978.70
Cash & Cash equivalents	2,747.81	3,637.54
Other Current Assets	1,300.73	1,713.51
Total Assets	22,819.17	22,700.69

Conference Call Details

Conference name : KPIT Q1 FY2016 Conference Call
 Date : July 23, 2015
 Time : 1600 Hours (IST)

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About KPIT Technologies

KPIT Technologies, one of the fastest growing global IT consulting and product engineering partners, is focused on co-innovating domain intensive technology solutions for corporations, specializing in automotive & transportation, manufacturing, and energy & utilities. A leader in technology solutions and services, KPIT currently partners with 200+ global corporations including Original Equipment Manufacturers (OEMs), semiconductor companies and Tier 1 companies. For more information, visit www.kpit.com.

Forward Looking Statements

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

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