

May 27, 2020

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

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

Scrip ID: KPITTECH
Scrip Code: 542651

Symbol: KPITTECH
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject:- Disclosure of material impact of COVID-19 pandemic as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.
Ref:- Regulation 30 of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015.

Dear Sir/Madam,

Please find enclosed disclosure of material impact of COVID-19 pandemic.

Request you to please take the same on your records and further dissemination.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**
(Formerly *KPIT Engineering Limited*)



Nida Deshpande
Company Secretary & Compliance Officer



Encl.:- As mentioned above.

Disclosure of material impact of COVID-19 pandemic

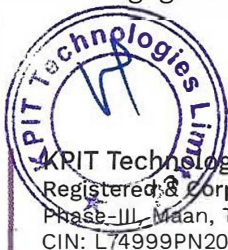
The rapid outbreak of the coronavirus (COVID – 19) presents an alarming health crisis that the world is grappling with. The impacts of COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak is expected to have an impact on the economies of the affected countries and the international markets. Countries across the globe resorted to lockdowns, resulting in shutting down the manufacturing & services activities and bringing the global supply-chain to grinding halt. Globally across all industries, companies are working hard to recoup revenue losses, manage costs, keep employees safe and at the same time ensure uninterrupted service to the clients. KPIT Technologies Limited (“KPITTECH”) has received many testimonials from its existing clients for its seamless remote delivery model & managing this crises effectively.

KPITTECH is working on bringing in appropriate changes in the business model to tackle the possible future uncertainties in economic conditions due to the global pandemic and also taking appropriate measures to control its cost structure. We will continue to build on the work we have done over the past years to drive efficiency in operations and strengthen the foundations of the business.

Since beginning of March 2020, KPITTECH started working on business continuity enabling its employees work remotely to ensure both employee safety and service to customers with due necessary approvals from the customers as well as regulatory authorities in various countries. We are glad to inform that by end of March 31, 2020, KPITTECH had over 98% of its global staff working from remote locations. While direct vehicle sales and manufacturing plants of our customers were directly impacted, KPITTECH revenue model did not have direct impact since its revenue model is not linked to direct vehicles sold during the year.

In view of pandemic relating to COVID -19, the group has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled revenues, goodwill, intangible assets and other financial assets. However, the actual impact of COVID-19 on the Group's financial statements may differ from that estimated and KPITTECH will continue to closely monitor any material changes to future economic conditions.

As per our initial assessment, there will be significant impact in H1 of FY 2021 and we expect recovery to commence from Q3 of FY 2021. KPITTECH has a strong Balance Sheet with over INR 3.3 billion net cash balance and negligible debt. Its collection cycle remains strong with DSO @ 66 days and highest level of customer engagement with its strategic customers. It has also taken proactive steps in deferring its medium term capex plans and pulling out levers to manage profitability. It remains extremely confident that it will be able to meet all its delivery & financial commitments in time. With the exception of a few, KPITTECH has not seen any material changes in production programs and it continues to engage strategically with its customers across the globe.

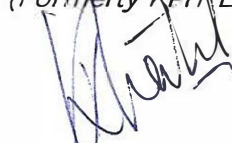


KPITTECH continues to believe that its market in Americas, Europe and APAC will recover towards the end of FY 2021 and while Europe and particularly Germany will bounce back fast paving way for quicker and strong recovery. At this time, it will refrain from giving any guidance for the FY 2021 but will keep on updating all the stakeholders on regular basis. During this unprecedented period of crises, it continues to maintain effective internal controls on its assets, resolving customer problems and processing payments in time to its employees and other partners.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**
(Formerly *KPIT Engineering Limited*)



Kishor Patil
CEO & Managing Director

