

30 January, 2018

To,
BSE Limited
P. J. Towers
Dalal Street, Fort
Mumbai – 400001
Security ID: KPIT

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol: KPIT

Dear Sir/Madam,

SUB: Intimation of the outcome of the meeting of the Board of Directors of KPIT Technologies Limited (“Company”) held on 29 January, 2018 and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“Listing Regulations”).

This is further to our letter dated 29 January, 2018 on the above subject informing you that the Board of Directors of the Company (“Board”) at its meeting on 29 January, 2018, had *inter alia*, approved the following:

1. 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 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, including from the NCLT and the CCI.

Pursuant to the Proposed Merger, shareholders of Birlasoft will receive 22 (twenty two) equity shares of the combined KPIT-Birlasoft for every 9 (nine) equity shares of Birlasoft, and the combined KPIT-Birlasoft will be engaged in Business IT, and pursuant to the Proposed Demerger, KEL’s shares will be listed and shareholders of combined KPIT-Birlasoft will receive one share of KEL for every one share they hold in the combined KPIT-Birlasoft. After the Proposed Demerger, the existing promoters of the Company propose to acquire substantial shareholding in KEL from the Birlasoft promoters, subject to compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011.

The Draft Scheme as approved by the Board would be available on the website of the Company at www.kpit.com post submitting the same to the stock exchanges.

2. The Board has also approved the Company executing an agreement, pursuant to which Birlasoft’s promoters along with the Company’s existing promoters, shall make an open offer under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 and such other terms and conditions that have been agreed between them (“**Inter-se Agreement**”).



In terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015, we are furnishing herewith the details of the above arrangements in Annexure I, Annexure II and Annexure III hereto.

Thanking you,

Yours faithfully,
For KPIT Technologies Limited


Managing Director



Annexure I – Amalgamation/ Merger

- a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.
1. KPIT Technologies Limited
Total assets – INR 1,959.99 crores
Net worth – INR 1,383.97 crores
Turnover – INR 664.61 crores
as on 30 September, 2017
 2. Birlasoft (India) Limited
Total assets – INR 486.58 crores
Net worth – INR 373.46 crores
Turnover – INR 232.55 crores
as on 30 September, 2017
- b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”
- Birlasoft is currently not a related party. Pursuant to the transactions contemplated, Birlasoft and Birlasoft promoters shall also become promoters of the Company, and thereafter will be considered related parties, prior to the Proposed Merger. The swap ratio is based on valuation from independent valuers and is on arm’s length basis.
- c) Area of business of the entity(ies)
- KPIT is engaged in two business segments (i) the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology 5BU) 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.
- Birlasoft is engaged in the business of providing information technology services.
- d) Rationale for amalgamation/ merger
- 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.

- e) In case of cash consideration – amount or otherwise share exchange ratio The proposed Draft Scheme involves amalgamation of Birlasoft with the Company. In consideration for the amalgamation of Birlasoft with the Company, the existing shareholders of Birlasoft will receive 22 (twenty two) equity shares of combined KPIT-Birlasoft for every 9 (nine) shares held by such person in Birlasoft.
- f) Brief details of change in shareholding pattern (if any) of listed entity Based on the shareholding pattern of the Company and Birlasoft as on 31 December, 2017

KPIT Technologies Limited

Particulars	Pre-amalgamation		Post-amalgamation	
	No of shares	%	No of shares	%
Promoters	37,391,122	18.93%	129,509,452	54.35%
Public	151,622,640	76.77%	100,272,967	42.08%
Others	8,484,980	4.30%	8,484,980	3.56%
Total	197,498,742	100%	238,267,399	100%

Note: The shareholding pattern post amalgamation may vary based on the number of shares tendered by public in the open offer to be launched by Birlasoft’s promoters and KPIT’s promoters. The above numbers are calculated based on full acceptance under the open offer, and exclude shares which may be issued in lieu of stock options held in Birlasoft.



Annexure II – Demerger

S. No.	Details required	Information of such event
a)	Brief details of the division to be demerged	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. (" Engineering Business " or " Demerged Division ").
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	Turnover of the Engineering Business as on 31 March, 2017 was INR 580.37crore, i.e 43.89 % of the total turnover of the Company as on 31 March, 2017.
c)	Rationale for demerger	<p>The Proposed Merger of Birlasoft into the Company and the subsequent Proposed Demerger will create two specialized companies focused on:</p> <ol style="list-style-type: none"> 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 <p>This will enable both companies to have sharp focus, retain and attract best talent, bring better value to customers</p>



and make necessary investments in building technologies and solutions. This will accelerate profitable growth and industry recognition in respective areas.

d) Brief details of change in shareholding pattern (if any) of all entities

Based on the shareholding pattern of the Company as on 31 December, 2017

KPIT Technologies Limited

Particulars	Pre-demerger [Post amalgamation of Transferor Company]		Post-demerger	
	No of shares	%	No of shares	%
Promoters	129,509,452	54.35%	129,509,452	54.35%
Public	100,272,967	42.08%	100,272,967	42.08%
Others	8,484,980	3.56%	8,484,980	3.56%
Total	238,267,399	100%	238,267,399	100%

KPIT Engineering Limited

Pre demerger, KEL is a wholly owned subsidiary of the Company

Particulars	Post-demerger	
	No of shares	%
Promoters	129,509,452	54.35%
Public	100,272,967	42.08%
Others	8,484,980	3.56%
Total	238,267,399	100%

Note: The shareholding pattern post amalgamation may change based on the number of shares tendered by public in the open offer to be launched by Birlasoft's promoters and KPIT's promoters. The above numbers are calculated based on full acceptance under the open offer, and exclude shares which may be issued in lieu of stock options held in Birlasoft.

e) In case of cash

The Draft Scheme does not involve payment of any cash consideration. In terms of the share entitlement ratio provided in the Draft Scheme, KEL shall issue and allot to each shareholder of the Company whose name is recorded



	consideration – amount or otherwise share exchange ratio	in the register of members on the record date for effecting the demerger process one share for every share held by such shareholders in the Company
f)	Whether listing would be sought for the resulting entity	Yes. The equity shares to be issued by KEL are proposed to be listed.

Annexure III– Agreements which impacts management and control of the listed entity and are not in the normal course of business

a)	Names of the parties with whom the agreement is entered:	The agreement is being executed by (i) existing promoters of the Company (i.e., Mr. Shashishekar Pandit, Ms. Nirmala Pandit, Mr. Chinmay Pandit, Mr. Kishor Patil, Ms. Anupama Patil, Mr. Shrikrishna Patwardhan, Mr. Ajay Bhagwat, Ms. Ashwini Bhagwat jointly held with Mr. Ajay Bhagwat, Ms. Hemlata Shende, Mr. Sachin Tikekar, Proficient Finstock LLP, and K and P Management Services Private Limited; (ii) the Company; (iii) Birlasoft (India) Limited; (iv) National Engineering Industries Limited and Central India Industries Limited (collectively “Birlasoft Promoters”)
b)	Purpose of entering into the agreement:	Birlasoft and Birlasoft Promoters are desirous also becoming promoters of the Company along with the Company’s existing promoters subject to an open offer in accordance with the requirements prescribed under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
c)	Shareholding, if any, in the entity with whom the agreement is executed:	The Company and the Company’s promoters do not hold shares in Birlasoft or Birlasoft’s promoters.
d)	Significant terms of the agreement :	The agreement sets out the inter-se rights and obligations of Birlasoft, the



		<p>Birlasoft Promoters and the existing promoters of the Company, as shareholders of the Company post the completion of the proposed open offer. In accordance with the terms of the agreement, post receipt of necessary approvals:</p> <ul style="list-style-type: none"> • Birlasoft and Birlasoft Promoters shall each have the right to nominate and designate for election 1 (one) director on the Board of the Company; • Birlasoft and Birlasoft Promoters will have rights in relation to the information technology business of the Company.
e)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	Birlasoft or Birlasoft Promoters are not related parties to promoter/promoter group or group companies of the Company. However, in accordance with the transactions contemplated by this arrangement, Birlasoft and Birlasoft Promoters will become promoters of the Company along with the existing promoters of the Company.
f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Not applicable
g)	In case of issuance of shares to the parties, details of issue price, class of shares issued;	No shares are being issued under the agreement
h)	Any other disclosures related to such agreements:	None.

