

October 1, 2018

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: KPIT
Scrip Code: 532400

Symbol: KPIT
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Update.

Dear Sir / Madam,

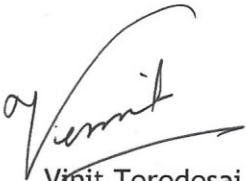
Please find enclosed an update for your ready reference and further dissemination purpose.

Request you to acknowledge receipt of the same.

Thanking you.

Yours faithfully,

For KPIT Technologies Limited



Vinit Teredesai
Chief Financial Officer



Encl.:- As mentioned above.

Post the recent fall in the market price of KPIT Technologies (KPIT) shares, there were some common questions in the minds of the investors, analysts and other market participants. Below are the questions and the company's response on the same:

Q: Is there any change in Business Outlook for the current year?

A: There is no change whatsoever in the Business Outlook of the Company. At the beginning of the financial year we had guided for a USD revenue growth of 8% to 10% and Operational EBITDA Margins for the year between 11.5% to 12.5%. We stay with the guidance and as a matter of fact we are slightly ahead on the Operational EBITDA front with the Q1FY19 Operational EBITDA being ahead of the guidance.

Q: Is there any change in the hedging policy?

A: There is no change in the hedging policy of the Company. We have been following a strategy of hedging 75% of our Net Exposure on a 2-quarter rolling basis for more than 10 years now. We hedge using only plain forwards. We are consistently following this policy and will continue to do so.

Q: BMW has recently issued a Profit Warning. What will be the impact of the same on KPIT's revenues and profits?

A: We cannot comment specifically on the business from one customer. In general, the revenues from our Top 25 accounts in the PES (Engineering) SBU are driving the growth in Engineering and will continue to do so. Any profit warnings typically mean there will be more investments in R&D for future products in newer areas like electric powertrain, autonomous driving, connectivity and security, in lower cost destinations. These are the main practice areas for us in engineering. We are confident about the growth in engineering and believe the revenues in this space will grow at a CAGR of 15% - 20% for the next 3 years, if not more.

Q: Is there any impact of the Copart Case in Q2FY19?

A: There is no impact of Copart case in Q2FY19. Both the parties are in the process of presenting their respective cases before the court. The earliest we can expect any judgement in this case is early -mid next year. We have been keeping the market updated on any major developments and will continue to do so.

Q: How is the Merger-Demerger process going on? Is there any change in the expected timelines or proposed structure?

A: The shareholders of KPIT overwhelmingly approved the Merger-Demerger scheme in the NCLT directed EGM held on August 29, 2018. Post the shareholder approval, the petition has been filed with NCLT within appropriate timelines. Thus there is no change in the expected

timelines of approval and there is also no change in the proposed structure. Per timelines shared to us by the consultants, we expect the NCLT approval sometime before the end of the calendar year and then the listing of the demerged Engineering company (KPIT Technologies) to be completed by early next year.

Q: The KPIT Promoter shares are partly pledged. Is there any risk involved there due to falling share price?

A: KPIT Promoters had purchased KPIT shares from the market (around 2.2%) about 18 months back. Around 26%+ of the KPIT Promoter shares were pledged at that point of time. Obviously, with the share price falling (from Rs. 305 to Rs. 210), there was a need for additional pledge. Even with the additional pledge, the total pledged shares will be around 32%. Thus, there is enough margin available and no risk seen in the foreseeable future on the pledged shares of KPIT Promoters.