

July 29, 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: - Notice of the National Company Law Tribunal ("NCLT") Convened Meeting of the Equity Shareholders.

Dear Sir / Madam,

Please find enclosed herewith the notice of NCLT Convened Meeting of Equity Shareholders of the Company to be held on Wednesday, August 29, 2018.

Request you to take note of the same and disseminate on your website.

Thanking you,

Yours faithfully,

For KPIT Technologies Limited



Sneha Padve
Company Secretary & Compliance Officer



Encl.: - As mentioned above.



KPIT TECHNOLOGIES LIMITED

Registered & Corporate Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057

CIN: L72200PN1990PLC059594

Tel: +91 20 66525000 • Fax: +91 20 66525001 • Email: connectwithus@kpit.com • Website: www.kpit.com

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF KPIT TECHNOLOGIES LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING:	
Day	Wednesday
Date	29 August 2018
Time	2:00 p.m.
Venue	KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune 411 057.
POSTAL BALLOT AND E-VOTING:	
Start Date	Monday, 30 July 2018 at 9.00 a.m. (IST)
Last Date	Tuesday, 28 August 2018 at 5.00 p.m. (IST)

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**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 618 OF 2018**

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

And

In the matter of the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders

KPIT Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

Applicant / Demerged Company / Transferee Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE COMPANY PURSUANT TO THE ORDER DATED 12 JULY 2018 OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

To,

The equity shareholders of KPIT Technologies Limited ("**Company**").

Notice is hereby given that by an Order dated 12 July 2018, the National Company Law Tribunal, Mumbai Bench ("**NCLT**") has directed a meeting to be held of the equity shareholders of the Company, for the purpose of considering, and if thought fit, approving with or without modifications, the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein, a meeting of the equity shareholders of the Company will be held at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune 411 057 on Wednesday, 29 August 2018 at 02:00 p.m. and the said equity shareholders of the Company are requested to attend to consider and, if thought fit, approve with or without modification(s), the following resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority:

***"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, signed by you or your authorised representatives, is deposited with the registered office of the Company not later than 48 (forty eight) hours before the commencement of the meeting. The form of proxy can be obtained from the registered office of the Company or can be downloaded from the website of the Demerged Company (www.kpit.com)

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Company has provided the facility of voting through ballot or polling paper at the venue of the meeting. Accordingly, you may cast your vote either through postal ballot or through e-voting or through ballot or polling paper at the venue of the meeting.

It is clarified that the votes cast by means of postal ballot or remote e-voting does not disentitle an equity shareholder as on the cut-off date from attending the meeting. However, the equity shareholders who have cast their votes by postal ballot or e-voting will not be eligible to cast their votes at the meeting. It is further clarified that votes may be cast personally or by proxy at the meeting as provided in this notice.

Copies of the Scheme and of the Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained at the registered office of the Company, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

The NCLT has appointed Mr. S. B. (Ravi) Pandit or in his absence, Mr. Kishor Patil to be the Chairman of the Meeting. The above Scheme, if approved by the equity shareholders, will be subject to the subsequent approval of the NCLT.

A copy of the Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
S. B. (Ravi) Pandit
Chairman appointed for the Meeting
(DIN:00075861)

Place: Pune

Date: 25 July 2018

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057

Notes:

1. Only registered equity shareholders of the Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Company) or in the case of a body corporate or Registered Foreign Portfolio Investors ("RFPI") or Foreign Institutional Investor ("FII"), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Company may attend and vote at the meeting of the equity shareholders of the Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company.

As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other equity shareholder.

2. The form of proxy can be obtained free of charge from the registered office of the Company or can be downloaded from the website of the Demerged Company (www.kpit.com).
3. All alterations made in the form of proxy should be initialled.
4. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
5. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (Thirty) equity shareholders of the Company, present in person.
6. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly filled-in and signed.
7. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
8. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") in respect of such joint holding, will be entitled to vote.
9. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays up to the date of the meeting.
10. NCLT by its said Order has directed that a meeting of the equity shareholders of the Company shall be convened and held at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune 411 057 on Wednesday, 29 August 2018 at 2:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

In addition, the Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting.

11. The Company has provided the facility of voting through ballot or polling paper at the venue of the meeting.

12. The Company has engaged the services of NSDL for facilitating e-voting for the said meeting to be held on Wednesday, 29 August 2018.
13. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement along with the postal ballot, amongst others, will be published through advertisement in the following newspapers, namely, (i) Business Standard in the English language; and (ii) translation thereof in Punya Nagari in the Marathi language.
14. Mr. Jayavant Bhav, Proprietor, J.B. Bhav & Co., practicing Company Secretary (Membership Number: FCS4266, CP-3068) has been appointed as the Scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.
15. In compliance with the provisions as stated hereinabove, the Company is pleased to offer postal ballot and e-voting facility to its equity shareholders holding equity shares as on 20 July 2018, being the cut-off date, to exercise their right to vote on the above resolution. A person, whose name is not recorded in the Register of Members or in the Register of Beneficial Owners maintained by NSDL/CDSL as on the cut-off date i.e. 20 July 2018 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on Wednesday, 29 August 2018. Voting rights shall be reckoned on the paid-up value of the equity shares registered in the names of the equity shareholders as on 20 July 2018. Persons who are not equity shareholders of the Company as on the cut-off date should treat this notice for information purposes only.
16. Any person, who acquires shares of the Company and becomes an equity shareholder of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. Friday, 20 July 2018 may obtain the User ID and Password by sending a request at evoting@nsdl.co.in or bhagavant.sawant@linkintime.co.in. However, if such person is already registered with NSDL for remote e-voting then he / she can use his / her existing User ID and Password for casting his / her vote.
17. The equity shareholders have the option either to vote through e-voting process or through the postal ballot form.
18. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Company's website (www.kpit.com) or seek duplicate postal ballot form from the Company.
19. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5 p.m. on or before 28 August 2018. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
20. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.
21. The vote on postal ballot cannot be exercised through proxy.
22. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
23. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("**PoA**") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.

24. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Company through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting will be announced on or before 31 August 2018 at the registered office of the Company. The results, together with the Scrutinizer's Reports, will be displayed at the registered office of the Company, on the website of the Company (www.kpit.com) and on the website of NSDL i.e. (www.evoting.nsdl.com), besides being communicated to BSE and NSE.
25. Kindly note that the equity shareholders of the Company can opt only one mode for voting i.e. either by physical postal ballot or e-voting. If an equity shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote both via physical postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical postal ballot shall be treated as invalid.
26. The equity shareholders of the Company attending the meeting and who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have already cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
27. In addition, the Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of public shareholders of the Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, this notice will be deemed (i) to be issued in accordance with the provisions of the Act; and (ii) to be the notice sent to the public shareholders of the Company in accordance with the SEBI Circular. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly.
28. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the equity shareholders (which includes Public Shareholders) of the Applicant Company, voting in person or by proxy or by postal ballot and e-voting, agree to the Scheme.
- Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
29. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Company through (i) e-voting process or postal ballot and (ii) ballot or polling paper at the venue of the meeting. The scrutinizer will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process or postal ballot and (ii) ballot or polling paper at the venue of the meeting including the separate results of the postal ballot and e-voting exercised by the Public Shareholders will be announced on or before Friday, 31 August 2018 at the registered office of the Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Company, on the website of the Company, (www.kpit.com) and on the website of NSDL, (www.evoting.nsdl.com), besides being communicated to BSE and NSE.
30. Equity Shareholders interested in availing the transport facility (within Pune) for attending the 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.

31. INSTRUCTIONS FOR ELECTRONIC VOTING BY EQUITY SHAREHOLDERS

- 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 equity shareholders facility to exercise their right to vote on a resolution proposed to be considered at the NCLT Convened Meeting (NCM) by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the equity shareholders using an electronic voting system from a place other than venue of the NCM (“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 NCM and the equity shareholders 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 equity shareholders who have cast their vote by remote e-voting prior to the NCM may also attend the NCM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Monday, July 30, 2018 (9:00 a.m.) and ends on Tuesday, August 28, 2018 (5:00 p.m.). During this period, equity shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, July 20, 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 equity shareholder 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 NCM through ballot paper.
- VI. The voting rights of equity shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 20 July 2018.
- VII. 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 equity shareholders 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 equity shareholders 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 equity shareholders 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.

- VIII. 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 equity shareholders who are present at the NCM and have not cast their votes by availing the remote e-voting facility.
- IX. The Scrutinizer shall, after the conclusion of voting at the NCM, 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 NCM, 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.
- X. 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.

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 618 OF 2018**

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

and

In the matter of the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders

KPIT Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

Applicant / Demerged Company / Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the order dated 12 July 2018, passed by the Hon'ble National Company Law Tribunal, Bench, at Mumbai ("**NCLT**"), in Company Application No. 618 of 2018 ("**Order**"), a meeting of the equity shareholders of KPIT Technologies Limited ("**Demerged Company**") is being convened at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune 411 057, on Wednesday, 29 August 2018 at 2:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement amongst Birlasoft (India) Limited, KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").
2. In terms of the said Order, the quorum for the said meeting for equity shareholders shall be 30 (Thirty) equity shareholders present in person. Further in terms of the said Order, NCLT, has appointed Mr. S. B. (Ravi) Pandit of the Demerged Company and in his absence, Mr. Kishor Patil of the Demerged Company as the Chairman of the meeting of the equity shareholders of the Demerged Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 ("**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**").
4. As stated earlier, NCLT by the said Order has, inter alia, directed that a meeting of the equity shareholders of the Demerged Company shall be convened and held at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune 411 057, on Wednesday, 29 August 2018 at 2:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy. In addition, the Demerged Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting.
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the equity shareholders, or class of equity shareholders, of the Demerged Company, as the case may be, voting in person or by proxy or by postal ballot (which includes e-voting), agree to the Scheme.

In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of Public Shareholders of the Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes

Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, this notice will be deemed (i) to be issued in accordance with the provisions of the Act; and (ii) to be the notice sent to the Public Shareholders of the Company in accordance with the SEBI Circular. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly.

6. Background:

6.1 Details of the Demerged Company:

- a) The Demerged Company is a public listed company. It was originally incorporated under the name K&P Information Technology Private Limited on 28 December 1990 under the provisions of Companies Act, 1956. The name of the Demerged Company was subsequently changed over a period of time as listed below:
- K & P Information Technology Limited on 26 July 1996;
 - KPIT Systems Limited on 23 August 1996;
 - KPIT Infosystems Limited on 4 January 2001;
 - KPIT Cummins Infosystems Limited on 8 January 2003; and
 - KPIT Technologies Limited on 25 July 2013.

There has been no further change in the name of the Transferee Company in the last five (5) years.

- b) Corporate identity number (CIN): L72200PN1990PLC059594
- c) Permanent Account Number (PAN): AAACK7308N
- d) Registered office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057
- e) E-mail address: connectwithus@kpit.com
- f) The equity shares of the Demerged Company are listed on BSE and NSE.
- g) The relevant main objects of the Demerged Company as set out in its Memorandum of Association are as follows:

“III(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION ARE:

1. *To establish, provide, perform consultancy services in the field of information technology, systems engineering, related technical and commercial consultancy services, import and export of know-how in the field of computers, artificial intelligence and other related fields and to develop technical expertise for providing technology and technical know-how in the field of computers and information technology.*
 - 1A. *To carry on, conduct, perform or engage in assembling, integration, fabrication, processing, conversion, manufacture, production, inspection, testing or similar operation of electronic and/or mechanical goods, parts, circuits, boards, assemblies (including PCB assembly), sub-assemblies, components, electronic control units, instrument casting, wiring harnesses, spares and other similar goods.”*
- h) There has been no change in the name and registered office of the Demerged Company in the last 5 (five) years. There have been changes in the objects of the Demerged Company in the last 5 (five) years. The said changes are highlighted in the Memorandum of Association of the Demerged Company, the copies of which are available for inspection.
- i) The Demerged Company has two business divisions (i) the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology SBU) along with infrastructure management systems and extended product lifecycle management business; and (ii)

engineering business of 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”).

- j) The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31 March 2018 is as under:

Particulars	INR
Authorised Share Capital	
62,50,00,000 equity shares of INR 2 each	1,25,00,00,000
Total	1,25,00,00,000
Issued, Subscribed and Paid Up Capital	
19,74,98,742 equity shares of INR 2 each	39,49,97,484
Total	39,49,97,484

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

- k) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
Mr. Shashishekhar Pandit	“Pracheeti”, S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune - 411021.
Ms. Nirmala Pandit	“Pracheeti”, S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune - 411021.
Mr. Chinmay Pandit	“Pracheeti”, S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune - 411021.
Mr. Kishor Patil	“Dwarka”, Plot No. 15, Tejas Co-op. Hsg. Soc., Kothrud, Pune – 411038.
Mr. Anupama Patil	“Dwarka”, Plot No. 15, Tejas Co-op. Hsg. Soc., Kothrud, Pune – 411038.
Mr. Shrikrishna Patwardhan	D-1, Shree Chintaman, S. No. 135, Mayur Colony, Kothrud, Pune – 411029.
Mr. Ajay Bhagwat	A1001, Rohan Tapovan, Gokhale nagar, Pune – 411016.
Ms. Ashwini Bhagwat	A1001, Rohan Tapovan, Gokhale nagar, Pune – 411016.
Mr. Sachin Tikekar	66/7, Erandwane, Pune – 411004.
Ms. Hemlata Shende	101, Old Oak LN, Santa Rosa, CA - 95409, USA.
Proficient Finstock LLP	35 & 36, Rajiv Gandhi Infotech Park, Phase – 1, MIDC, Hinjawadi, Pune - 411057.
K and P Management Services Pvt. Ltd	Preetkamal, S. No. 256/254, Bungalow No. 2, Green Park Society, Behind Anand Park, Baner, Pune – 411007.
National Engineering Industries Limited	9/1, R.N. Mukherjee Road, Kolkata 700001, India.
Central India Industries Limited	Birla Building - 11th Floor 9/1, R.N. Mukherjee Road, Kolkata-700001

Details of Directors

Name of the Director	Designation	Address
Mr. S. B. (Ravi) Pandit	Chairman & Group CEO	"Pracheeti", S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune - 411021
Mr. Kishor Patil	CEO & Managing Director	"Dwarka", Plot 15, Tejas Co-operative Hsg. Society, Kothrud, Pune - 411038.
Mr. Sachin Tikekar	Whole-time Director	66/7, Erandwane, Pune – 411004
Ms. Lila Poonawalla	Director	Fili Villa, S. No. 23, Baner Road, Balewadi, Pune - 411045
Mr. B V R Subbu	Director	1/23, Shanti Niketan, Tyabji House, Off Rao Tula Ram Marg, New Delhi 110 021.
Prof. Alberto Sangiovanni Vincentelli	Director	200 Tunnel Road, Berkeley, 94705, USA.
Mr. Adi Engineer	Director	A-8, Salisbury Apartments, 55/2, Salisbury Park, Ahura Co-op Society, Close to Poonawalla Garden, Gultekdi, Pune – 411037.
Mr. Anant Talaulicar	Director	1901, Floor-19, Sterling Tower, Harishchandra Goregaonkar Marg, Ramdevi Lane, Grant Road, Mumbai – 400007.
Dr. Klaus Blickle	Director	Heidelsteinstrasse 2 36093 Kuenzell Germany
Mr. Nickhil Jakatdar	Director	25252 W, Fremont Road, Los Altos HLS, CA 94022, USA,
Mr. Anjan Lahiri	Director	8 Shady Brook Lane, Cranbury, NJ 08512, USA
Ms. Alka Bharucha	Director	7E, Harbour Heights, "A", N.A. Sawant Marg, Colaba, Mumbai - 400005, Maharashtra, India

6.2 Details of the Resulting Company:

- a) Resulting Company is an unlisted public company incorporated on 8 January 2018 under the provisions of the Companies Act, 2013.
- b) Corporate Identity Number (CIN): U74999PN2018PLC174192
- c) Permanent Account Number (PAN): AAGCK9140C
- d) Registered Office: Plot No.17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka - Mulshi, Hinjawadi, Pune – 411057
- e) E-mail address: connectwithus@kpit.com
- f) The shares of the Resulting Company are not listed on any stock exchange.
- g) The relevant main objects of the Resulting Company as set out in its Memorandum of Association are as follows:

"3(a) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

To manufacture, establish, provide, assemble, integrate, undertake, design, research, develop, improve, process, make, prepare, carry, plan, maintain, service, import, export all kinds of innovative technological and engineering solutions for engineering goods, machine components, machining activities, accessories and deal in all types of engineering goods, products, machinery, equipments, instruments, spare parts, gadgets, components, perform consultancy services and solutions of electronic or mechanical engineering, application lifecycle management 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, related technical and commercial consultancy services, import and export of know-how in the field of Engineering.”

- h) The Resulting Company is inter alia engaged in the Engineering Business.
- i) The Resulting Company has been incorporated on 8 January 2018. There has been no change in the name and objects of the Resulting Company since incorporation. The registered office of the Resulting Company was shifted from 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057 to Plot No.17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka - Mulshi, Hinjawadi, Pune – 411057 with effect from 3 April 2018.
- j) The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31 March 2018 is as under:

Particulars	INR
Authorised Share Capital	
2,50,00,000 equity shares of INR 10 each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid Up Capital	
1,00,000 equity shares of INR 10 each	10,00,000
Total	10,00,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company.

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

- k) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
KPIT Technologies Limited	35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

Details of Directors

Name of the Director	Designation	Address
Mr. Shashishekhar Balkrishna Pandit	Director	“Pracheeti”, S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune - 411021.
Mr. Kishor Patil	Director	“Dwarka”, Plot 15, Tejas Co-operative Hsg. Society, Kothrud, Pune - 411038.
Mr. Sachin Dattatraya Tikekar	Director	66/7, Erandwane, Pune – 411004

6.3 Details of the Transferor Company:

- a) Transferor Company is an unlisted public company. It was originally incorporated under the name Birla Horizon International Limited on 20 January 1995 under the provisions of Companies Act, 1956. The name of the Transferor Company was subsequently changed to Birlasoft Limited on 6 May 1999 and to Birlasoft (India) Limited on 7 May 2007.
- b) Corporate Identity Number (CIN): U74899MH1995PLC308512
- c) Permanent Account Number (PAN): AAACB2769E
- d) Registered Office: Unit-216, C-Wing, 2nd Floor, 215-Atrium, Chakala, Near Acme Plaza, A.K. Road, Andheri-East, Mumbai – 400093
- e) E-mail address: compliance@birlasoft.com
- f) The shares of the Transferor Company are not listed on any stock exchange.

- g) The relevant main objects of the Transferor Company as set out in its Memorandum of Association are as follows:

“(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. *To develop and maintain an infrastructure in India for the recruitment, training and sourcing of highly qualified data processing professionals on all levels of expertise dedicated to on-site projects in the United States and other countries internationally.*
2. *To develop and maintain in India a “Software Factory” and facilities to service offsite and offshore outsourcing of data processing projects.*
3. *To market and provide to clients in India and abroad a wide range of facilities management, Information systems consulting, software professional services consultancy and data processing, outsourcing services within India and throughout the world.*
4. *To provide turnkey systems development system/ network integration and conversion/ migration on various software/ hardware platforms.*
5. *To carry out research and development on state-of-the-art technology in software development and methodologies.*
6. *To carry on the business of providing all kinds of services including Information technology based and enabled service, electronic remote processing, e-services, including all types of Internet based/ web enabled services, software and application development and maintenance, consulting and enterprise business solutions, back-office transaction processing, customer care, product support and technical help desk, and, transaction processing, fulfillment services, business support including but not limited to providing related services of all kinds and description to establish and operate service processing centers for providing services for back office and processing requirements, contracting and communicating to and on behalf of customers by voice, data image, letters using dedicated domestic and/ or international private lines; and to handle business process management, remote help desk management, remote management; remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/ facsimile based communication, knowledge storage and management, data management, warehousing search, Integration and analysis for financial and non-financial data.*
7. *To carry on the business of providing and supply of end-to-end Technology Solutions including information technology based and enabled solutions, turnkey solutions, systems Integration of software, computers, peripherals networking and communication components, cabling, power supply equipment, appropriate fixtures, metering and monitoring devices, conventional and broad band wireless, wireline and optical communications equipment, telecommunication infrastructure development and support services and other solutions to all Government authorities and other private entrepreneurs.*
8. *To conceive, design, develop, set up and maintain integrated techno townships, technology parks, software parks, electronic and hardware technology parks, cybercities, Special Economic Zones/ STP/ EHTP and to carry on business of all allied activities relating thereto including services arid to be part of any software and/ or information Technology parks in India and overseas and to acquire or hold any estates, or interest and to let, sub-let in whole or in part, develop, manage and exploit any lands and buildings and assets, rights, privileges and property of any kind, necessary or convenient for all or any business of the Company.*
9. *To carry on the business of designers, manufacturers, processors, assemblers, dealers, retailers, traders, distributors, importers, exporters, promoter, repairers or otherwise deal in all types, varieties and kinds of software and computer hardware, information technology based products and services, product components, accessories spares, hardware relating to communication network and multi-media or that may invented in future, and to acquire, develop, install, maintain and run all types of services in the software and computer hardware, information technology based products and services, communication, and multi-media.*

10. *To own, run, manage, administer or otherwise acquire schools, colleges, education institutions or training centres for imparting training in the design, development, architecture, assemble, operation, support, implement, administer, configure, install, maintain, diagnose and repair of the computers hardware and training in information technology, software solutions, information and data banks, networking, server technology, data processing, telecommunication and other allied activities.*
11. *To manufacture, design, develop, assemble, buy, sell, distribute, export, import, assemble, remodel, install, repair, convert, overhaul, maintain and improve and otherwise deal in all types of goods, things, articles, merchandise including but not limited to electronic, electric, digital, multi-media, consumer durables and domestic appliances, equipment, components, devices, apparatus and all types of machines, machineries, appliances, apparatus, devices, materials, substances and component parts thereof and other materials used in or in connection with electronic, electric, digital, multi-media, consumer durables and domestic appliances industries."*

- h) There has been no change in the name and objects of the Transferor Company in the last 5 (five) years. There has been change in the registered office of the Transferor Company from Delhi to Mumbai in the last 5 (five) years. The said change is highlighted in the Memorandum of Association of the Transferor Company, the copies of which are available for inspection. In the year 2014, Birlasoft Technologies Limited and Birlasoft Enterprises Limited were merged into Birlasoft (India) Limited.
- i) The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31 March 2018 is as under:

Particulars	INR
Authorised Share Capital	
4,90,00,000 equity shares of INR 10 each	49,00,00,000
Total	49,00,00,000
Issued, Subscribed and Paid Up Capital	
3,13,54,800 equity shares of INR 10 each	31,35,48,000
Total	31,35,48,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

- j) The Transferor Company is inter alia engaged in the business of providing information technology and information technology enabled services.
- k) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
National Engineering Industries Limited	9/1, R. N. Mukherjee Road Kolkata 700001
Central India Industries Limited	Birla Building, 11th Floor, 9/1, R. N. Mukherjee Road Kolkata 700001

Details of Directors

Name of the Director	Designation	Address
Mrs. Amita Birla	Chairman and Non-Executive Director	Sundaram 24, Dr. A.P.J. Abdul Kalam Road, Udyog Bhawan Delhi-110011
Mr. Chandra Kant Birla	Non-Executive Director	Sundaram 24, Dr. A.P.J. Abdul Kalam Road, Udyog Bhawan Delhi-110011
Mr. Anjan Lahiri	Managing Director and Chief Executive Officer	8 Shady Brook Lane Cranbury, NJ 08512 USA

Name of the Director	Designation	Address
Mr. Pramod Chandra Agarwala	Non-Executive Director	233 Lower Circular Road, Flat No 7, Kolkata, 700020, West Bengal
Mr. Ashok Kumar Ladha	Non-Executive Director	W-51, Greater Kailash, Part-II, New Delhi, 110048, Delhi
Mr. Ananthanarayanan Sankaranarayanan	Non-Executive Director	Old No. 10 / New 12, First Avenue, Harrington Road, Chetpet, Chennai-600031, Tamil Nadu
Mr. Rajat Mukherjee	Independent Director	B1/1, B-Block Vasant Vihar, Delhi 110057
Mr. Manohar Lal Pachisia	Independent Director	3rd Floor, 4, Alipore Park Place, Kolkata, 700027, West Bengal

7. Corporate Approvals

The proposed Scheme, was placed before the Audit Committee of the Demerged Company at its meeting held on 29 January 2018. The Audit Committee of the Demerged Company took into account the Valuation Report dated 29 January 2018 issued by S.R. Batliboi & Co. LLP, Independent Chartered Accountants, and Fairness Opinion dated 29 January 2018 issued by Equirus Capital Private Limited. The Audit Committee of the Demerged Company based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Demerged Company.

The Board of Directors of the Demerged Company (after taking on record the recommendation of the Audit Committee), the Resulting Company and the Transferor Company at their respective Board Meetings held on 29 January 2018 approved the proposed Scheme, after taking on record Valuation Report dated 29 January 2018 issued by S.R. Batliboi & Co. LLP, Independent Chartered Accountants, and Fairness Opinion dated 29 January 2018 issued by Equirus Capital Private Limited. The same are annexed to this Notice as Annexure B-I and B-II respectively to the Notice.

A copy of the Scheme setting out in detail the terms and conditions of the arrangement has been approved by Board of Directors of the Demerged Company, the Resulting Company and the Transferor Company at their respective Board Meetings is annexed to this Notice as Annexure A and forms part of this Statement.

Names of the directors who voted in favor of the resolution, who voted against the resolution and who did not vote or participate in such resolution:

(a) Demerged Company

Name of the Directors	Designation	Voted in Favor	Voted Against	Abstained from voting
Mr. S. B. (Ravi) Pandit	Chairman & Group CEO	Yes	-	-
Mr. Kishor Patil	CEO & Managing Director	Yes		
Mr. Sachin Tikekar	Whole-time Director	Yes		
Ms. Lila Poonawalla	Director	Yes		
Mr. B V R Subbu	Director	NA	NA	NA
Prof. Alberto Sangiovanni Vincentelli	Director	Yes		
Mr. Adi Engineer	Director	Yes	-	-
Mr. Anant J. Talaulicar	Director	Yes	-	-
Dr. Klaus Blickle	Director	NA	NA	NA
Mr. Nickhil Jakatdar	Director	NA	NA	NA

Mr. B V R Subbu, Dr. Klaus Blickle and Mr. Nickhil Jakatdar were unable to attend the board meeting on 29 January 2018 at which the Scheme was approved. Mr. Anjan Lahiri and Ms. Alka Bharucha were appointed as directors of the Demerged Company with effect from 23 May 2018.

(b) **Resulting Company**

Name of the Directors	Designation	Voted in Favor	Voted Against	Abstained from voting
Mr. Shashishekhara Balkrishna Pandit	Director	Yes	-	-
Mr. Kishor Patil	Director	Yes	-	-
Mr. Sachin Dattatraya Tikekar	Director	Yes	-	-

(c) **Transferor Company**

Name of the Directors	Designation	Voted in Favor	Voted Against	Abstained from voting
Mrs. Amita Birla	Chairman and Non-Executive Director	Yes	-	-
Mr. Chandra Kant Birla	Non-Executive Director	Yes	-	-
Mr. Anjan Lahiri	Non-Executive Director	Yes		
Mr. Pramod Chandra Agarwala	Non-Executive Director	NA	NA	NA
Mr. Ashok Kumar Ladha	Non-Executive Director	Yes		
Mr. Ananthanarayanan Sankaranarayanan	Non-Executive Director	NA	NA	NA
Mr. Rajat Mukherjee	Independent Director	NA	NA	NA
Mr. Manohar Lal Pachisia	Independent Director	Yes	-	-

8. Rationale of the Scheme

The Demerged Company/ Transferee Company is a well-established technology company with deep expertise in Auto Engineering and Mobility Solutions, and strong presence in Business IT with significant ERP expertise and niche digital competency. The Transferor Company is a Business IT Solutions company with some ERP expertise but deep and wide expertise in Digital Solutions in multiple industries.

Merger of these two companies and subsequent demerger into two companies will create two specialized companies focused on:

- (i) Business IT and consulting with strong expertise into ERP, Digital solutions and Consulting with wider industry coverage; and
- (ii) 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.

Each shareowner of the Demerged Company/ Transferee Company will get additional share of the Resulting Company that will be engaged in the Engineering Business. This demerger and ability to participate equally in both businesses will accelerate value creation for each share owner in both the companies.

9. Description of the Scheme

A. The Scheme provides for:

- a) the amalgamation of the Transferor Company into the Transferee Company and the consequent issue of shares by the Transferee Company in the manner set out in this Scheme;
- b) immediately upon implementation of the above-mentioned amalgamation, the demerger, transfer and vesting of the Engineering Business from the Demerged Company to the Resulting Company on a going concern basis, and the consequent issue of shares by the Resulting Company in the manner set out in this Scheme;
- c) the reduction of the share capital of the Transferee Company to the extent held by the Transferor Company in the manner set out in this Scheme; and

- d) the reduction of the existing share capital of the Resulting Company in the manner set out in this Scheme.
- B. "Appointed Date" of the Scheme is the Effective Date. "Effective Date" means the day on which last of the conditions specified in Clause 32 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived.

C. Share Exchange Ratio

- a) For the amalgamation of Transferor Company with the Transferee Company
22 (Twenty-Two) equity shares of INR 2 (Indian Rupees Two) each fully paid up of the Transferee Company for every 9 (Nine) equity shares of INR 10 (Indian Rupees Ten) each fully paid up of the Transferor Company.
- b) For the demerger of the Engineering Business from the Demerged Company to the Resulting Company
1 (One) equity share of INR 10 (Indian Rupees Ten) each fully paid up of the Resulting Company for 1 (One) equity share of INR 2 (Indian Rupees Two) each fully paid up of the Demerged Company.
The equity shares issued on demerger shall be listed on BSE and NSE.

NOTE: THE FEATURES/ DETAILS SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY AQUAINTED WITH THE PROVISIONS THEREOF.

10. Observation Letters dated 4 June 2018 from BSE and dated 7 June 2018 from NSE conveying no objection to the Scheme are enclosed herewith as **Annexure C**. Complaints Report dated 14 March submitted by the Company to BSE, NSE are enclosed herewith as **Annexure D**.
11. The audited Financial Results of the Demerged Company, the Resulting Company and the Transferor Company for the year ended 31 March 2018 are enclosed as **Annexure F – I to F – III** respectively;
12. Pre and post-shareholding pattern of the Demerged Company, the Resulting Company and the Transferor Company are enclosed as **Annexure G**.
13. The applicable information of the Resulting Company in the format specified for the abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is enclosed herewith as **Annexure H – I**.
14. The applicable information of the Transferor Company in the format specified for the abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is enclosed herewith as **Annexure H – II**.
15. Summary of Valuation Report including basis of valuation and Fairness opinions is enclosed herewith as **Annexure I**.
16. Amounts due to unsecured creditors as on 30 June 2018

Demerged Company		Resulting Company		Transferor Company	
Number	Amount (INR)	Number	Amount (INR)	Number	Amount (INR)
422	660,610,199	1	2275	231	70,013,226

17. Effect of the Scheme on various parties

A. Key Managerial Personnel (KMPs) and Directors

None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Demerged Company, the Resulting Company and the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Demerged Company, the Resulting Company and

the Transferor Company and/or to the extent that the said Director(s) are common director(s) of the said companies and/or to the extent that the Key Managerial Personnel is holding shares in said companies as a nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

Effect of the Scheme on the KMPs pursuant to Amalgamation

The KMPs, if any, of the Transferor Company shall become employees of the Transferee Company on effectiveness of the Scheme.

Effect of the Scheme on the KMPs pursuant to Demerger

The KMPs, if any, forming part of the Engineering Business shall become employees of the Resulting Company on effectiveness of the Scheme.

Details of shares held by the present Directors and KMPs of the Demerged Company, the Resulting Company and the Transferor Company either individually or jointly as a first holder or second holder or as a nominee and by their relatives, in the respective companies are as under:

Demerged Company

Sr. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 13 July 2018
1	S. B. (Ravi) Pandit	Chairman & Group CEO	430500
2	Nirmala S. Pandit	Relative of Director	239000
3	Chinmay S. Pandit	Relative of Director	38620
4	Hemlata Shende	Relative of Director	40000
5	Kishor Patil	CEO & Managing Director	2989080
6	Anupama K Patil	Relative of Director	122330
7	Manasi Patil	Relative of Director	3034
8	Sachin Tikekar	Whole-time Director	840800
9	Lila Poonawalla	Independent Director	100000
10	Firoz Poonawalla	Relative of Director	17000
11	Sneha Padve	Company Secretary	60
12	Asha Anil Khandkar	Relative of Director	250

Resulting Company

Sr. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 13 July 2018
1.	S.B. (Ravi) Pandit*	Director	1
2.	Sachin Tikekar*	Director	1
3..	Chinmay S. Pandit*	Relative of Director	1

* As Nominees of KPIT Technologies Limited (Parent Company)

The shareholding of the directors/ KMPs and their relatives in the Demerged Company is mentioned in the table dealing with the Demerged Company.

Transferor Company

Sr. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 13 July 2018
NIL			

B. *Promoter and Non-Promoter Equity Shareholders of the Demerged Company, the Resulting Company and the Transferor Company*

In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Demerged Company, the Resulting Company and the Transferor Company, in their meetings held on 29 January 2018 have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Demerged Company, the Resulting Company and the Transferor Company are enclosed as **Annexure E – I to E – III**.

C. *Depositors*

Neither the Transferor Company nor the Demerged Company and the Resulting Company have accepted any deposits.

D. *Creditors & Debenture-Holders*

The proposed Scheme does not involve any compromise or arrangement with the creditors, debenture holders or debenture trustee. The rights of the creditors, debenture holders or debenture trustee shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

Neither the Transferor Company nor the Demerged Company and the Resulting Company have issued any debentures.

E. *Employees*

a) Demerger and Vesting of the Engineering Undertaking

With effect from the Effective Date, the Resulting Company shall engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Engineering Business, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The resulting company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits.

b) Amalgamation of Transferor Company with Transferee Company

The Transferee Company shall engage all the employees of the Transferor Company on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company and services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits.

18. Capital Structure pre and post amalgamation

The Pre-Scheme capital structure of the Demerged Company, the Resulting Company and the Transferor Company are detailed in clause 5 above.

The Post-Scheme capital structure is as follows:

Demerged Company

Particulars	INR
Authorised Share Capital	
87,00,00,000 equity shares of INR 2 each	1,74,00,00,000
Total	1,74,00,00,000
Issued, Subscribed and Paid Up Capital	
27,41,43,809 equity shares of INR 2 each	54,82,87,618
Total	54,82,87,618

The existing authorized share capital of the Demerged Company is INR 1,25,00,00,000 divided into 62,50,00,000 equity shares of INR 2 each. The authorized share capital of the Demerged Company shall be increased to INR 1,74,00,00,000 divided into 87,00,00,000 equity shares of INR 2 each on combination of the authorized share capital of the Transferor Company.

Resulting Company

Particulars	INR
Authorised Share Capital	
30,00,00,000 equity shares of INR 10 each	3,00,00,00,000
Total	3,00,00,00,000
Issued, Subscribed and Paid Up Capital	
27,41,43,809 equity shares of INR 10 each	2,74,14,38,090
Total	2,74,14,38,090

The existing authorized share capital of the Resulting Company is INR 25,00,00,000 divided into 2,50,00,000 equity shares of INR 10 each. The authorized share capital of the Resulting Company shall be increased to INR 3,00,00,00,000 divided into 30,00,00,000 equity shares of INR 10 each to facilitate the issuance of shares pursuant to the Scheme.

Transferor Company

Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up.

19. Investigation or proceedings, if any, pending against the Company under the Companies Act, 2013

No investigation proceedings have been instituted or are pending in relation to the Demerged Company, the Resulting Company and the Transferor Company under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, No proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the aforementioned companies.

To the knowledge of the Demerged Company, the Resulting Company and the Transferor Company, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

20. Approvals/Sanctions/ No-Objections from Regulatory or any Governmental Authorities

Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

- i. CCI (or any appellate authority in India which has appropriate jurisdiction) having granted approval (or being deemed, under Applicable Law, to have granted approval) for the transactions set out in this Scheme, such approval to be in form and substance acceptable to the Parties, acting reasonably; and any conditions contained in such approval (or deemed approval) that are required to be satisfied at any time prior to the Effective Date having been so satisfied (or, where applicable, waived);
- ii. obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

- iii. approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
- iv. the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Transferor Company/ Demerged Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Demerged Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- v. the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Transferor Company, the Transferee Company, the Demerged Company and the Resulting Company;
- vi. certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned RoC having jurisdiction over the Parties by all the Parties; and
- vii. any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme as amongst the Parties in writing.

21. Inspection

The following documents will be open for inspection by the shareholders of the Demerged Company at its registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057, between 11.00 a.m. to 1.00 p.m. on all working days (except Saturdays) upto the date of the meeting:

- i. Copy of the order passed by NCLT in Company Application 618 of 2018, dated 12 July 2018 directing the Transferee Company to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;
 - ii. Copy of the Memorandum and Articles of Association of all the companies;
 - iii. Copy of the audited financial results of all the companies for the financial years ended 31 March 2018;
 - iv. Copy of the Statutory Auditors' certificate dated 29 January 2018 issued by BSR & Co. LLP, to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
 - v. Copy of the Scheme.
22. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Demerged Company to its shareholders, free of charge, within one (1) working day (except Saturdays) on a requisition being so made for the same by the shareholders of the Demerged Company.
23. After the Scheme is approved by the equity shareholders, of the Transferee Company, it will be subject to the approval/sanction by NCLT.

Dated this 25 July 2018

S/d
S. B. (Ravi) Pandit
Chairman appointed for the Meeting
(DIN:00075861)

Registered office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

COMPOSITE SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013
AMONGST
BIRLASOFT (INDIA) LIMITED
AND
KPIT TECHNOLOGIES LIMITED
AND
KPIT ENGINEERING LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

A. BACKGROUND OF THE COMPANIES

- (i) **Birlasoft (India) Limited**, the “**Transferor Company**”, is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is engaged, *inter alia*, in the business of providing information technology and information technology enabled services.
- (ii) **KPIT Technologies Limited**, the “**Transferee Company**” or the “**Demerged Company**”, as the case may be, is a public listed company incorporated under the provisions of the Companies Act, 1956. The Transferee Company/ Demerged Company has two business divisions (i) the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology SBU) along with infrastructure management systems and extended product lifecycle management business; and (ii) engineering business of 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**”).
- (iii) **KPIT Engineering Limited**, the “**Resulting Company**”, is a public company incorporated under the provisions of the Companies Act, 2013. The Resulting Company has been incorporated with an objective to engage in the Engineering Business. The Resulting Company is, at present, a wholly owned subsidiary of the Demerged Company.

B. RATIONALE OF THIS SCHEME

The Demerged Company/ Transferee Company is a well-established technology company with deep expertise in Auto Engineering and Mobility Solutions, and strong presence in Business IT with significant ERP expertise and niche digital competency. The Transferor Company is a Business IT Solutions company with some ERP expertise but deep and wide expertise in Digital Solutions in multiple industries.

Merger of these two companies and subsequent demerger into two companies will create two specialized companies focused on:

- (i) Business IT and consulting with strong expertise into ERP, Digital solutions and Consulting with wider industry coverage; and
- (ii) 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.

Each shareowner of the Demerged Company/ Transferee Company will get additional share of the Resulting Company that will be engaged in the Engineering Business. This demerger and ability to participate equally in both businesses will accelerate value creation for each share owner in both the companies.

C. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for:

- (i) the amalgamation of the Transferor Company into the Transferee Company and the consequent issue of shares by the Transferee Company in the manner set out in this Scheme;
- (ii) immediately upon implementation of (i) above, the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company to the Resulting Company on a *going concern* basis, and the consequent issue of shares by the Resulting Company in the manner set out in this Scheme;
- (iii) the reduction of the share capital of the Transferee Company in the manner set out in this Scheme; and
- (iv) the reduction of the share capital of the Resulting Company in the manner set out in this

Scheme.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme and existing share capital of the Transferor Company, the Demerged Company/ the Transferee Company and the Resulting Company;
- (ii) **PART II** deals with the amalgamation of the Transferor Company with the Transferee Company and the consideration thereof;
- (iii) **PART III** deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company and the consideration thereof;
- (iv) **PART IV** deals with the reduction and cancellation of the equity share capital of the Transferee Company, held by the Transferor Company in the Transferee Company;
- (v) **PART V** deals with the reduction and cancellation of the existing equity share capital of the Resulting Company; and
- (vi) **PART VI** deals with the general terms and conditions that would be applicable to this Scheme.

- E. The Demerged Company will continue to pursue its interests in and carry on the Remaining Business (*as defined hereinafter*) as is presently being carried on.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iv) the following expressions shall have the following meanings:

“Act” means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under law, made thereunder from time to time;

“Appointed Date” means the Effective Date;

“Applicable Law” means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of Demerged Company/ Transferee Company;

“Appropriate Authority” means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;

- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi- governmental authority including (without limitation) the Competition Commission of India, SEBI (as defined hereinafter) and the Tribunal (as defined hereinafter); and
- (d) any Stock Exchange.

“**Birlasoft ESOP**” means the Employee Stock Option Plan – 2015 of the Transferor Company;

“**Board**” in relation to the Transferor Company, Demerged Company/ Transferee Company and the Resulting Company as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, transfer and demerger under this Scheme or any other matter relating thereto;

“**Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) when commercial banks are open for ordinary banking business in Mumbai, India;

“**CCI**” means Competition Commission of India established under Competition Act, 2002;

“**Demerged Company**” or “**Transferee Company**” means KPIT Technologies Limited, a public listed company incorporated under the provisions of the Companies Act, 1956 with the corporate identity number L72200PN1990PLC059594 and having its registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057;

“**Demerged Undertaking**” means all of the Engineering Business and ancillary and support services together with all the undertakings, assets, properties, investments (direct and indirect), branches (direct and indirect) and liabilities of whatsoever nature and kind, and wheresoever situated, of the Demerged Company, in relation to and pertaining to the Engineering Business and shall include (without limitation):

- (a) investments in subsidiaries, joint ventures, associates, branches, etc. in India, United Kingdom, China, Korea, Japan, United States of America, Brazil, Netherlands, Germany, Italy, Sweden or any such jurisdiction whether existing or which would come into existence either prior to or after the Effective Date for carrying on the Engineering Business whether in India or outside. The investments pertaining to the Demerged Undertaking are more particularly set out in **Schedule I** hereto;
- (b) all movable and immovable properties (list of such immovable properties pertaining to the Demerged Undertaking of the Demerged Company is more particularly set out in **Schedule II** hereto), tangible or intangible, including all computers and accessories, software, applications and related data, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, cables, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, inverters, electrical fittings, electrical erections, cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties (more particularly set out in **Schedule III** hereto) and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and

wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the Engineering Business (including the above, to the extent, pertaining to the SEZ, STPI and R&D units identified in **Schedule IV**) as forming part of the Engineering Business);

- (c) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Engineering Business;
- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, expression of interest, letter of intent, hire purchase agreements, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder in relation to and pertaining to the Engineering Business;
- (e) all the debts, liabilities, duties and obligations including contingent liabilities of the Demerged Company in relation to and pertaining to the Engineering Business;
- (f) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Engineering Business of the Demerged Company; and
- (g) all employees of the Demerged Company engaged in the Engineering Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability pertains or does not pertain to the Demerged Undertaking, shall be mutually decided by the Boards of the respective Parties in consultation with the Board of the Transferor Company.

"Effective Date" means the day on which last of the conditions specified in Clause 32 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

"Employee Trust" means a trust established under deed dated 7 October 2015 under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof, *inter alia* for implementation and administration of the KPIT ESOPs, financing and holding the equity shares of the Demerged Company/ Transferee Company for the benefit of its eligible employees in accordance with the terms and conditions of the KPIT ESOPs;

"Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly;

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"KPIT ESOP 2004" means the Employee Stock Option Plan 2004 issued by the Demerged Company under the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

"KPIT ESOP 2006" means the Employee Stock Option Plan 2006 issued by the Demerged Company under the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

"KPIT ESOP 2014" means the Employee Stock Option Plan 2014 issued by the Demerged Company under the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

"KPIT ESOP 2015" means the Employee Stock Option Plan 2015 issued by the Demerged Company under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

"KPIT ESOPs" means collectively, the KPIT ESOP 2004, the KPIT ESOP 2006, the KPIT ESOP 2014 and the KPIT ESOP 2015;

"Parties" shall mean collectively the Resulting Company, the Transferor Company, and the Transferee Company/ Demerged Company and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations or filings from any Appropriate Authority;

"Person" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, any Appropriate Authority or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

"Record Date 1" in relation to Part II means a date, which is no later than 7 (Seven) Business Days from the Effective Date, fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company for issue of the new equity shares of Transferee Company pursuant to this Scheme;

"Record Date 2" in relation to Part III means a date, which is atleast 3 (Three) Business Days after, but shall be no later than 7 (Seven) Business Days from, the date on which the New Equity Shares – Merger have been allotted under Part II, fixed by the Board of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the new equity shares of the Resulting Company pursuant to this Scheme;

"Remaining Business" means all the business, units, divisions, undertakings and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking. It is clarified that the information technology business of the Demerged Company (including the business of the Transferor Company acquired pursuant to amalgamation under Part II of this Scheme) together with all its assets and liabilities shall form part of its Remaining Business;

"Resulting Company" means KPIT Engineering Limited, a public company incorporated under the provisions of the Companies Act, 2013 with the corporate identity number U74999PN2018PLC174192 and having its registered office 35 & 36, Phase-1, Rajiv Gandhi Infotech Park, MIDC, Hinjewadi, Pune - 411057. The Resulting Company is, at present, a wholly owned subsidiary of the Demerged Company/ Transferee Company;

"RoC" means the relevant Registrar of Companies having jurisdiction over the Transferor Company, the Demerged Company and the Resulting Company as the case may be;

"Scheme" means this composite scheme of arrangement, with or without any modification approved or imposed or directed by the Tribunal;

"SEBI" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

"SEBI Circular" means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

“**Stock Exchanges**” means BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”) and any other recognised stock exchange, as the case may be;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of direct or indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Resulting Company, the Transferor Company or the Demerged Company /Transferee Company or any other Person and all surcharges, education cess, penalties, charges, costs and interest relating thereto;

“**Tax Laws**” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

“**Transferor Company**” means Birlasoft (India) Limited, a public company, incorporated under the provisions of the Companies Act 1956, with corporate identity number U74899MH1995PLC308512 and having its registered office at Unit-216 C-Wing, 2nd Floor, 215-Atrium, Chakala, NR. Acme Plaza, A.K. Road, Andheri – East, Mumbai – 400093; and

“**Tribunal**” means the National Company Law Tribunal having jurisdiction over the Transferee Company/ Demerged Company, Transferor Company, and the Resulting Company, as the case may be.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the agreements executed between the Parties in relation this Scheme, Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and words denoting any gender shall include all genders;

1.2.2 headings, subheadings, titles, subtitles to Clauses, sub-Clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the annexures hereto and shall be ignored in construing the same;

1.2.3 the words “include” and “including” are to be construed without limitation;

1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.2.5 references to days, months and years are to calendar days, calendar months and calendar years, respectively;

1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them. In the event of conflict between the terms of this Scheme and the provisions of the definitive documents entered into amongst the Parties, the provisions of such definitive documents shall prevail.

2. SHARE CAPITAL

2.1 The share capital of the Transferor Company as on 31 December 2017 is as follows:

Particulars	INR
Authorised Share Capital	
49,000,000 equity shares of INR 10 each	490,000,000
Total	490,000,000

Issued, Subscribed and Paid-up Capital	
31,354,800 equity shares of INR 10 each	313,548,000
Total	313,548,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

The Transferor Company has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferor Company.

- 2.2 The share capital structure of the Demerged Company/ Transferee Company as on 31 December 2017 is as follows:

Particulars	INR
Authorised Share Capital	
6,25,000,000 equity shares of INR 2 each	1250,000,000
Total	1250,000,000
Issued, Subscribed and Paid-up Capital	
197,498,742 equity shares of INR 2 each	394,997,484
Total	394,997,484

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company/ Transferee Company till the date of approval of the Scheme by the Board of the Demerged Company/ Transferee Company.

The equity shares of the Demerged Company/ Transferee Company are listed on the Stock Exchanges.

The Transferee Company/ Demerged Company has outstanding employee stock options under its existing stock option schemes, pursuant to which the Employee Trust holds 8,484,980 equity shares of Rs 2 each as on December 31, 2017.

- 2.3 The share capital structure of the Resulting Company as on 15 January 2018 is as follows:

Particulars	INR
Authorised Share Capital	
25,000,000 equity shares of INR 10 each	250,000,000
Total	250,000,000
Issued, Subscribed and Paid-up Capital	
100,000 equity shares of INR 10 each	1,000,000
Total	1,000,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company.

The Resulting Company is, at present, a wholly owned subsidiary of the Demerged Company/ Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 31 of this Scheme, shall become effective and operative from the Appointed Date.

PART II

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1 With effect from the opening of business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1 all assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or actual and/ or constructive delivery or by paying over or endorsement and/ or delivery, the same may be so transferred and delivered by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;
- 4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties) investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other Persons, whether or not the same is held in the name of the Transferor Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company;
- 4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold or under a license or permission to use (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company, as the case may be and/ or the Transferee Company. It is clarified that with effect from the Appointed Date, the Transferee Company shall be liable to pay the rent and taxes and fulfil all obligations in relation to the immovable properties and the relevant owners, licensors and lessors in accordance with the terms of the relevant lease/ license or rent agreements. Further, any security deposits and advance/ prepaid lease/ license fee paid with respect to the immovable property shall accrue to the Transferee Company;
- 4.2.4 all the brands, trademarks of the Transferor Company including registered (more particularly set out in **Schedule V** hereto) and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Transferee Company by operation of law. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company;
- 4.2.5 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of

which such liabilities have arisen in order to give effect to the provisions of this Clause 4;

- 4.2.6 Unless otherwise agreed to between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;
- 4.2.7 on and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and
- 4.2.8 without prejudice to the foregoing provisions of Clause 4.2 the Transferor Company, and the Transferee Company shall be entitled to execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person, to give effect to the above provisions.

5. PERMITS

With effect from the Appointed Date, all the Permits (including the licenses granted by any Governmental, statutory or regulatory bodies like SEZ or STPI) held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company, and under the relevant license and/ or Permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

6. CONTRACTS, DEEDS ETC.

- 6.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Appropriate Authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Transferee Company. Such properties and rights described hereinabove shall stand vested in the

Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. It being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

- 6.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
- 6.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.

7. EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of the Transferor Company in service on the Effective Date, shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Company are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company.
- 7.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.
- 7.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.
- 7.4 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to retain separate trusts or funds within the

Transferee Company for the erstwhile fund(s) of the Transferor Company.

- 7.5 The Transferee Company shall assume all rights, obligations and liabilities of the Transferor Company, in relation and in connection with any immigration matters, including any programmes, filings, sponsorships, etc.

7.6 Employee stock options

7.6.1 upon the effectiveness of Part II of this Scheme, the Birlasoft ESOP shall automatically stand cancelled. Further and simultaneously with the cancellation of Birlasoft ESOP, the Transferee Company shall issue such number of stock options not exceeding 2.08% of paid up share capital of the Transferee Company, on post amalgamation fully diluted basis, to such employees, holding options under the Birlasoft ESOP, stock options, on the terms and conditions not less favourable under a distinct and separate employee incentive plan of the Transferee Company formed and organized for granting incentives to such employees (“**Birlasoft ESOP - New**”);

7.6.2 to implement the above provisions of this Scheme, the Transferee Company shall issue stock options, to such employees of the Transferor Company, on such basis as the Board of the Transferee Company may decide. Fractional entitlements, if any, arising pursuant to the applicability of the issuance of options under Birlasoft ESOP - New shall be rounded off to the nearest lower integer;

7.6.3 the grant of options to the eligible employees of the Transferor Company pursuant to Clause 7.6.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to Birlasoft ESOP- New including without limitation for the purposes of creating the Birlasoft ESOP - New and all related matters including formation of a new employee welfare trust for administering the issuance of Birlasoft ESOP - New. No further approval of the shareholders of the Transferee Company would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Act or the Companies (Share Capital and Debenture) Rules, 2014;

7.6.4 it is hereby clarified that in relation to the options granted by the Transferee Company to the eligible employees of the Transferor Company, the period during which the options granted by the Transferor Company were held by or deemed to have been held by such eligible employees in the Transferor Company shall be taken into account for determining the minimum vesting period required under the Applicable Law or agreement or deed for stock options granted under the Birlasoft ESOP – New; and

7.6.5 the Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 7.6 of the Scheme, which shall not be detrimental to the interests of the employees holding options under the Birlasoft ESOP.

8. **LEGAL PROCEEDINGS**

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the “**Proceedings**”) by or against the Transferor Company is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

9. **TAXES/ DUTIES/ CESS ETC.**

Upon the Scheme becoming effective, by operation of law pursuant to the order of the Tribunal:

- 9.1 The unutilized credits relating to excise duties, sales tax, service tax, VAT, goods and services tax as applicable which remain unutilised in the electronic ledger of the Transferor Company shall be

transferred to the Transferee Company upon filing of requisite forms. Thereafter the unutilized credit so specified shall be credited to the electronic credit ledger of the Transferor Company and the input and capital goods shall be duly adjusted by the Transferee Company in its books of account.

- 9.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, wealth tax, if any, paid by the Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Minimum alternative tax credit available to the Transferor Company under the Income-tax Act, 1961, if any, shall be available to the Transferee Company.
- 9.3 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Transferee Company.
- 9.4 The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT / GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income-tax Act, 1961, credit of dividend distribution tax, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 9.5 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

10. CONSIDERATION

- 10.1 Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to provisions of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members and the records of the depository as members of the Transferor Company on the Record Date 1, 22 (Twenty Two) equity shares of INR 2 (Indian Rupees Two) each of the Transferee Company credited as fully paid up for every 9 (Nine) equity shares of INR 10 (Rupees Ten) each held by such shareholder ("**New Equity Shares - Merger**"). No shares shall be issued by the Transferee Company in respect of the shares held by the Transferor Company in the Transferee Company.

The ratio in which the New Equity Shares - Merger of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company pursuant to Part II of this Scheme is referred to as the "**Share Exchange Ratio**".

- 10.2 The New Equity Shares - Merger to be issued and allotted as provided in Clause 10.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Transferee Company after the Record Date 1 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate and distribution benefits.
- 10.3 The Transferee Company shall apply for listing of the New Equity Shares - Merger on the Stock Exchanges in terms of the SEBI Circular and Applicable Laws. The New Equity Shares - Merger shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the

formalities of the Stock Exchanges. The New Equity Shares - Merger allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s).

- 10.4 In case any shareholder holding shares in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall round off the fraction to the nearest lower integer and issue the New Equity Shares – Merger accordingly.
- 10.5 In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 10.6 The issue and allotment of the New Equity Shares - Merger to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 10.7 The New Equity Shares - Merger shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company, provided all details relating to their accounts with the depository participants are available with the Transferee Company.

11. ACCOUNTING TREATMENT BY THE TRANSFEEE COMPANY IN RESPECT OF ASSETS AND LIABILITIES

Upon the scheme becoming effective, Transferee Company shall consider the amalgamation of Transferor Company as formation of a joint venture and shall account for the same in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards (“Ind AS”). It would inter alia include the following:

- 11.1 assets, liabilities and reserves and surplus of the Transferor Company transferred to and vested in the Transferee Company shall be recorded at their book values and in accordance with requirements of applicable Ind AS.
- 11.2 the Transferee Company shall credit its share capital account with the face value of New Equity Shares - Merger issued pursuant to Clause 10 of this Scheme to the shareholders of the Transferor Company.
- 11.3 subsequent to the transfer, the shares of the Transferee Company held by the Transferor Company shall be cancelled (as per Part II and Part IV of the Scheme) and appropriately adjusted with share capital/share premium or capital reserves if any, then to general reserves account and then to the retained earnings of the Transferee Company (pursuant to provisions of sections 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Companies Act, 2013). Such cancellation shall be effected as an integral part of the Scheme. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction of share capital and no further act, deed or thing as required under the provisions of the Act would be required.
- 11.4 the inter-company balances between Transferor Company and Transferee Company, if any, shall stand cancelled in their respective books of accounts.
- 11.5 the book value of the assets and liabilities of the Transferor Company will be adjusted for alignment with accounting policies of the Transferee Company and the impact of this will be adjusted with capital reserves of the Transferee Company.
- 11.6 The difference, if any, between the amounts of assets, liabilities and reserves transferred and the value of the New Equity Shares - Merger issued by the Transferee Company shall be adjusted in capital reserves of Transferee Company.

12. COMBINATION OF AUTHORISED CAPITAL

- 12.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company

amounting to INR 49,00,00,000 comprising of 4,90,00,000 equity shares of INR 10 each will get amalgamated with that of the Transferee Company without payment of any additional fees, duties and Taxes as though the same have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act. The stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee and/or Taxes by the Transferee Company for increase in the authorised share capital to that extent.

- 12.2 The existing capital clause contained in the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

Memorandum of Association

"V. *The Authorised Share Capital of the Company is Rs. 1740,000,000 (Rupees One Hundred and Seventy Four Crore) divided into 870,000,000 (Eighty Seven Crore) equity shares of Rs 2 (Rupees Two) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force"*

- 12.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association of the Transferee Company as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

13. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

- 13.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged. The name of the Transferor Company shall be struck off from the records of the RoC and the Transferee Company shall make necessary filings in this regard.
- 13.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

14. CHANGE OF NAME OF THE TRANSFEREE COMPANY

- 14.1 Upon this Scheme becoming effective, the name of the Transferee Company shall stand changed to "Birlasoft (India) Limited" or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.
- 14.2 Consequently, subject to Clause 14.1 above:
- 14.2.1 Clause I of the memorandum of association of the Transferee Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

"The name of the Company is Birlasoft (India) Limited."

- 14.3 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 14.1 and 14.2, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant RoC) or stamp duty, shall be payable by the Transferee Company.

PART III

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

15. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 15.1 Upon the Scheme becoming effective and with effect from the opening business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act and Section 2(19AA) of the Income-tax Act, 1961, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme. It is clarified that any question that may arise as to whether a specific asset (tangible or intangible) or liability pertains or does not pertain to the Demerged Undertaking or not, shall be mutually decided by the Boards of the respective Parties in consultation with the Board of the Transferor Company.

- 15.2 In respect of such of the assets and properties forming part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred and delivered by the Demerged Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company.

- 15.3 Subject to Clause 15.4 below, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 15.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission or as the case may be in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

With respect to the investments (both direct and indirect) of the Demerged Company in the subsidiaries or joint ventures or branches or associates more particularly set out in **Schedule I** hereto, where such subsidiaries or branches or joint ventures or associates (including but not limited to subsidiaries and branches in India, United Kingdom, United States of America, Germany, China, Netherlands, Brazil, Korea, Japan, Italy and Sweden) are carrying on either both the Remaining Business and the Engineering Business or only the Engineering Business as of the Appointed Date, the said subsidiaries or branches or joint ventures or associates will remain with the Demerged Company, until, the business and undertaking of such subsidiaries or branches or joint ventures or associates appertaining to the Engineering Business are restructured/ segregated as agreed between the Parties, as per the Applicable Laws and regulations and the portion of investments appertaining to the Engineering Business after such restructuring/ segregation will be transferred to the Resulting Company as if such investment (both direct and indirect) formed part of the Demerged Undertaking.

- 15.4 Without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold or under a license or permission to use (including but not limited to land, buildings, sites, tenancy rights related thereto, and immovable properties and any other document of title,

rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/ or the Resulting Company.

- 15.5 The Demerged Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 15.6 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking ("**Demerged Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Demerged Liabilities**" shall include:
- 15.6.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
- 15.6.2 the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
- 15.6.3 in cases other than those referred to in Clauses 15.6.1 or 15.6.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, the tax liabilities and tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Company shall not be transferred as part of the Demerged Undertaking to Resulting Company.

- 15.7 In so far as any Encumbrance in respect of Demerged Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Demerged Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities. All costs, fines, penalties or other payables arising on account of such release of Encumbrances shall be to the account and sole liability of the Resulting Company.
- 15.8 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 15.9 If the Demerged Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday under section 10AA of the Income-tax Act, 1961 or deduction under section 35(2AB) of the Income-tax Act, 1961 or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission.
- 15.10 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid

and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 15.11 Subject to Clause 19.2 and any other provisions of the Scheme, any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 15.12 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.
- 15.13 Without prejudice to the provisions of the foregoing sub clauses of this Clause 15, and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any authority or Person to give effect to the Scheme.

16. PERMITS

- 16.1 With effect from the Appointed Date, Permits (including the licenses granted by any Appropriate Authority like SEZ or STPI or DSIR authorities, more particularly set out in **Schedule IV**) relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.
- 16.2 The benefit of all Permits pertaining to the Demerged Undertaking shall without any other order to this effect, transfer and vest into and become available to the Resulting Company pursuant to the sanction of this Scheme.

17. CONTRACTS

- 17.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority like SEZ or STPI or DSIR authorities, more particularly set out in **Schedule IV**) for the purpose of carrying on the business of the Demerged Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, Agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits,

rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties in relation to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto. It being always understood that the Resultant Company shall be the successor in the interest of the Demerged Company in relation to the properties or rights of the Demerged Undertaking mentioned hereinabove.

- 17.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company specifically in relation to the Demerged Undertaking.
- 17.3 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

18. EMPLOYEES

- 18.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retirement/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Board of the Demerged Company in consultation with the Board of the Transferor Company, and shall be final and binding on all concerned.
- 18.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such gratuity fund and superannuation funds nominated by the Resulting Company and/ or such new gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing gratuity fund and superannuation fund respectively of the Demerged Company.
- 18.3 In so far as, provident fund is concerned, the balances standing to the credit of the said employees in the existing provident fund of the Demerged Company shall be retained in such provident fund and such provident fund shall be continued for the benefit of: (a) the said employees who are transferred to the Resulting Company, as aforesaid, and (b) other employees of the Demerged

Company. In relation to said employees being transferred, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions thereof. The rules of such existing provident fund shall stand amended accordingly. The employees of the Demerged Company engaged in or in relation to the Demerged Undertaking who are transferred to the Resulting Company, as aforesaid, shall be deemed to constitute a separate class of employees of the Resulting Company for the purpose of compliance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

18.4 The Resulting Company shall assume all rights, obligations and liabilities of the Demerged Company, in relation and in connection with any immigration matters, including any programmes, filings, sponsorships, etc.

18.5 Employee stock options

18.5.1 Upon coming into effect of the Scheme, the Resulting Company shall formulate new employee stock option scheme/(s) by adopting the KPIT ESOPS of the Demerged Company, as modified in accordance with the variations mentioned in this Clause 18.5;

18.5.2 With respect to the stock options granted by the Demerged Company to the employees of the Demerged Company or its subsidiaries (irrespective of whether they continue to be employees of the Demerged Company or its subsidiaries or become employees of the Resulting Company or its subsidiaries pursuant to this Scheme) under the KPIT ESOPS; and upon the Scheme becoming effective, the said employees shall be issued 1 (One) stock option by the Resulting Company under the new scheme(s) for every 1 (One) stock option held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the KPIT ESOPS;

18.5.3 The stock options granted by the Demerged Company under the KPIT ESOPS would continue to be held by the eligible employees (irrespective of whether they continue to be employees of the Demerged Company or its subsidiaries or become employees of the Resulting Company or its subsidiaries). Upon coming into effect of the Scheme, the Demerged Company shall, if required, take necessary steps to modify the KPIT ESOPS in a manner considered appropriate and in accordance with the applicable laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company or its subsidiaries, subject to the approval of the Stock Exchange and the relevant regulatory authorities, if any under applicable law;

18.5.4 The existing exercise price of the stock options of the Demerged Company shall be modified consequent to which the exercise price of the stock options of the Demerged Company shall stand adjusted and the balance of the exercise price shall become the exercise price of the stock options issued by the Resulting Company;

18.5.5 While granting stock options, the Resulting Company shall take into account the period during which the employees held stock options granted by the Demerged Company prior to the issuance of the stock options by the Resulting Company, for determining of minimum vesting period required for stock options granted by the Resulting Company, subject to applicable laws;

18.5.6 Approval granted to the Scheme by the shareholders of the Demerged Company and the Resulting Company shall also be deemed to be approval granted to any modifications made to the KPIT ESOPS of the Demerged Company and approval granted to the new employee stock option scheme to be adopted by the Resulting Company, respectively; and

18.5.7 Immediately upon implementation of Part III of the Scheme, the trust deed dated 7 October 2015, governing the Employee Trust, shall without any further act or deed, stand modified to include the following provisions:

- (a) authorising the trust to hold and deal with the shares issued pursuant to Clause 20.1 below and give effect to the aforesaid provisions;
- (b) the expression "Employee" to also include the employees of the Resulting Company;

- (c) the expression "Beneficiaries" to also include the employees of the Resulting Company as defined under the employee stock option plan adopted by the Resulting Company;
- (d) the Board of the Resulting Company shall solely have the ability to appoint and/or remove the trustees and shall solely be liable for all acts and omissions in relation thereto; and
- (e) such other amendments and modifications to give effect to this Scheme and provisions of any agreement or arrangement entered between the Parties.

19. LEGAL PROCEEDINGS

- 19.1 Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause cases, demands and legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except, as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 19.2 The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in Clause 19.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both Parties shall make relevant applications and take steps as may be required in this regard and all costs thereto shall be borne by the Resulting Company.
- 19.3 Notwithstanding anything contained above, in the event any time after the Effective Date, if the Demerged Company in relation to the Demerged Undertaking, is in receipt of any demand, claim, notice and/ or impleaded as a party in any of the proceedings before Appropriate Authority, the Demerged Company in view of the demerger, transfer and vesting of the Demerged Undertaking pursuant to this Scheme, shall take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. The Resulting Company shall provide all necessary support, cooperation and assistance including execution of any documents to enable the Demerged Company to give effect to such replacement. However, if Demerged Company is not able to get the Resulting Company replaced in such proceedings for any reason whatsoever, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by or against the Demerged Company in respect thereof.

20. CONSIDERATION

- 20.1 Upon the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company, 1 (One) fully paid up equity share of INR 10 (Indian Rupees Ten) each of the Resulting Company ("**New Equity Shares - Demerger**") for every 1 (One) equity share of INR 2 (Indian Rupees Two) of the Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 2.
- 20.2 The New Equity Shares - Demerger shall be subject to the provisions of the memorandum of

association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Resulting Company.

- 20.3 The issue and allotment of the New Equity Shares - Demerger is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of the New Equity Shares - Demerger.
- 20.4 The New Equity Shares - Demerger shall be issued in dematerialized form unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Demerged Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 20.5 In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio per Clause 20.1 shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 20.6 The Resulting Company shall apply for listing of the New Equity Shares - Demerger on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The New Equity Shares - Demerger shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date 2 and the listing of its equity shares which may affect the status of approval of the Stock Exchanges. It is further clarified that the Resulting Company will not issue/ reissue any shares, not covered under the Scheme.
- 20.7 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

21. ACCOUNTING TREATMENT BY THE DEMERGED COMPANY AND THE RESULTING COMPANY IN RESPECT OF THEIR RESPECTIVE ASSETS AND LIABILITIES

21.1 In the books of Demerged Company:

Pursuant to Part III of the Scheme coming into effect, the Demerged Company shall account for demerger of Demerged undertaking in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards ("**Ind AS**"). It would inter alia include the following:

- 21.1.1 the carrying values of the assets and liabilities of the Demerged Undertaking transferred to the Resulting Company shall be adjusted with capital reserves, if any, then to general reserve account and then to retained earnings of the Demerged Company. (pursuant to provisions of sections 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act); and
- 21.1.2 the carrying value of the investments in equity shares of the Resulting Company to the extent held by the Demerged Company, shall stand cancelled pursuant to Clause 25 of

this Scheme.

21.2 In the books of Resulting Company:

Pursuant to Part III of the Scheme, the Resulting Company shall account for demerger of Demerged undertaking in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards ("Ind AS"). It would inter alia include the following:

- 21.2.1 assets and liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company shall be recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS;
- 21.2.2 the Resulting Company shall credit its share capital account in its books of account with the New Equity Shares - Demerger issued pursuant to Clause 20 of this Scheme to the shareholders of the Demerged Company;
- 21.2.3 subsequent to the demerger, the pre demerger shares of Resulting Company held by the Demerged Company shall be cancelled (as per Part V of the Scheme) and appropriately adjusted with share capital/share premium or capital reserves of the Resulting Company (pursuant to provisions of sections 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Companies Act, 2013). Such cancellation shall be effected as an integral part of the Scheme. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction of share capital and no further act, deed or thing as required under the provisions of the Act would be required;
- 21.2.4 the inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Resulting Company shall stand cancelled; and
- 21.2.5 the difference, if any, between the amounts of assets and liabilities transferred and the value of the New Equity Shares - Demerger issued by the Resultant Company shall be adjusted in capital reserves of Resulting Company.

22. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

22.1 Upon this Scheme becoming effective, the authorised share capital of the Resulting Company will automatically stand increased to INR 3,000,000,000 (Indian Rupees Three Hundred Crore) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

22.2 Consequently, the Memorandum of Association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act 2013 and other applicable provisions of the Companies Act, 2013, as the case may be, and be replaced by the following clause:

" V. *The Authorised Share Capital of the Company is Rs 3,000,000,000 (Rupees Three Hundred Crore) divided into 300,000,000 (Thirty Crore) Equity Shares of Rs 10 (Rupee Ten) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."*

22.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the Memorandum of Association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the Memorandum of Association as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

23. CHANGE OF NAME OF RESULTING COMPANY

23.1 Upon this Scheme becoming effective, the name of the Resulting Company shall stand changed to 'KPIT Technologies Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.

23.2 Consequently, subject to Clause 23.1 above:

23.2.1 Clause I of the memorandum of association of the Resulting Company shall without any act, act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

"The name of the Company is KPIT Technologies Limited."

23.3 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 23.1 and 23.2, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant RoC) or stamp duty, shall be payable by the Resulting Company.

PART IV

**REDUCTION AND CANCELLATION OF EQUITY SHARE CAPITAL
OF THE TRANSFeree COMPANY HELD BY THE TRANSFEROR COMPANY**

24. REDUCTION AND CANCELLATION OF EQUITY SHARE CAPITAL OF THE TRANSFeree COMPANY HELD BY THE TRANSFEROR COMPANY

24.1 Immediately upon implementation of Part II of the Scheme and with effect from the Effective Date, the paid up equity share capital of the Transferee Company held by the Transferor Company ("Transferee Company Cancelled Shares") shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Transferee Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.

24.2 The reduction of the share capital of the Transferee Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

24.3 On effecting the reduction of the share capital as stated in Clause 24.1 above, the share certificates in respect of the Transferee Company Cancelled Shares held by the Transferor Company shall also be deemed to have been cancelled.

24.4 The Transferee Company Cancelled Shares shall be cancelled and appropriately adjusted with share capital/share premium or capital reserves, if any, then to general reserves account and then to retained earnings account of the Transferee Company (pursuant to provisions of sections 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act).

24.5 Notwithstanding the reduction in the equity share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.

PART V

**REDUCTION AND CANCELLATION OF THE EXISTING EQUITY SHARE CAPITAL
OF THE RESULTING COMPANY**

25. REDUCTION AND CANCELLATION OF EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY

- 25.1 Immediately upon implementation of Part III of the Scheme and with effect from the Effective Date and upon allotment of the New Equity Shares - Demerger by the Resulting Company, the entire pre-demerger paid up equity share capital of the Resulting Company ("**Resulting Company Cancelled Shares**") shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.
- 25.2 The reduction of the share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.
- 25.3 On effecting the reduction of the share capital as stated in Clause 25.1 above, the share certificates in respect of the Resulting Company Cancelled Shares held by their respective holders shall also be deemed to have been cancelled.
- 25.4 Subsequent to the demerger, the Resulting Company Cancelled Shares of Resulting Company held by the Demerged Company shall be cancelled and appropriately adjusted with share capital/share premium or capital reserves of the Resulting company (pursuant to provisions of sections 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act).
- 25.5 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares.
- 25.6 The capital reserve in the books of the Resulting Company shall be increased to the extent of the amount of the Resulting Company Cancelled Shares.
- 25.7 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

PART VI

GENERAL TERMS & CONDITIONS

26. REMAINING BUSINESS

- 26.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company relating thereto, shall continue to belong to and be vested in and be managed by the Demerged Company.
- 26.2 All legal, Taxation and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Remaining Business.
- 26.3 If the Resulting Company in relation to the Remaining Business, is in receipt of any demand, claim, notice and/ or impleaded as a party in any of the proceedings before Appropriate Authority, the Resulting Company in view of the demerger, transfer and vesting of the Demerged Undertaking pursuant to this Scheme, shall take all such steps in the proceedings before the Appropriate Authority to replace the Resulting Company with the Demerged Company. However, if the Resulting Company is not able to get Demerged Company replaced in such proceedings for any reason whatsoever, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by or against the Resulting Company in respect thereof.

27. DIVIDENDS

- 27.1 Any declaration or payment of dividend or other distribution of capital or income by the Transferee Company/ Demerged Company shall be consistent with the past practice of the

Transferee Company/ Demerged Company in this context.

- 27.2 if the Transferee Company/ Demerged Company declares, makes or pays any dividend or other distribution of capital or income in a particular financial year, then the Transferor Company shall be entitled to declare, make or pay such dividend or other distribution of capital or income in such financial year to the extent of the proportion of the equity value of the Transferor Company vis-à-vis the equity value of the Transferee Company/ Demerged Company as on the date on which the board of the Parties approves the Scheme.
- 27.3 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/ or Transferee Company/ Demerged Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/ or Transferee Company/ Demerged Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/ or Transferee Company/ Demerged Company as the case may be.

28. BUSINESS UNTIL EFFECTIVE DATE

- 28.1 With effect from date when the Board of the Demerged Company approves this Scheme and up to and including the Effective Date, the Demerged Company shall carry on its business other than that forming part of the Demerged Undertaking in ordinary course consistent with past practice.
- 28.2 With effect from the date when the Board of the Transferor Company approves this Scheme and up to and including the Effective Date, the Transferor Company shall carry on its business in ordinary course consistent with past practice.

29. PROPERTY IN TRUST

- 29.1 Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and / or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company. It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/ liability identified as part of the Demerged Undertaking and pending transfer due to the pendency of any approval/ consent and/ or sanction shall be held in trust by the Demerged Company for the Resulting Company. Immediately upon receipt of such approval/ consent and/ or sanction such asset and/ or liability forming part of the Demerged Undertaking shall without any further act/ deed or consideration be transferred/ vested in the Resulting Company, with all such benefits, obligations and rights with effect from the Effective Date. All costs, payments and other liabilities that the Demerged Company shall be required to bear to give effect to this Clause 29 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

30. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 30.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 30.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the

Demerged Company/ Transferee Company, Transferor Company and Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking or the Transferor Company, as the case may be, and to carry on the business of the Demerged Undertaking or Transferor Company, as the case may be.

31. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 31.1 On behalf of each of the Demerged Company/ Transferee Company, Transferor Company and Resulting Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Demerged Company/ Transferee Company, Transferor Company and Resulting Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 31.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Demerged Company/ Transferee Company, Transferor Company and Resulting Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

32. CONDITIONS PRECEDENT

- 32.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 32.1.1 CCI (or any appellate authority in India which has appropriate jurisdiction) having granted approval (or being deemed, under Applicable Law, to have granted approval) for the transactions set out in this Scheme, such approval to be in form and substance acceptable to the Parties, acting reasonably; and any conditions contained in such approval (or deemed approval) that are required to be satisfied at any time prior to the Effective Date having been so satisfied (or, where applicable, waived);
- 32.1.2 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- 32.1.3 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
- 32.1.4 the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Transferor Company/ Demerged Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Demerged Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 32.1.5 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Transferor Company, the Transferee Company, the Demerged Company and the Resulting Company;
- 32.1.6 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned RoC having jurisdiction over the Parties by all the Parties; and
- 32.1.7 any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme as amongst the Parties in writing.

- 32.2 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company, the Transferor Company, the Resulting Company and/ or the Transferee Company may have under or pursuant to all Applicable Laws.
- 32.3 On the approval of this Scheme by the shareholders of the Demerged Company, the Transferor Company and the Resulting Company and such other classes of Persons of the said companies, if any, pursuant to Clause 32.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, amalgamation, capital reduction set out in this Scheme, related matters and this Scheme itself.
- 33. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME**
- 33.1 The Demerged Company/ Transferee Company, Transferor Company and Resulting Company acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme
- 33.2 The Demerged Company/ Transferee Company and/ or Transferor Company and/ or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case any of the Demerged Company/ Transferee Company, Transferor Company and Resulting Company is declared insolvent.
- 33.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 18 months from the date of approval of the Scheme by the Boards of the Parties or within such period as may be mutually agreed upon, between the Demerged Company/ Transferee Company, Transferor Company and Resulting Company through their respective Boards or their authorised representative, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- 33.4 In the event of revocation/ withdrawal under Clause 33.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Demerged Company/ Transferee Company, Transferor Company and Resulting Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 33.5 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company/ Transferee Company, Transferor Company and Resulting Company through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.
- 34. COSTS AND TAXES**
- 34.1 Parties have agreed to bear the costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme in the following manner:
- 34.1.1 the Transferor Company and its shareholders shall bear the stamp duty costs in connection with Part II of the Scheme;
- 34.1.2 the Resulting Company shall bear the stamp duty costs in connection with Part III of the Scheme; and
- 34.1.3 all other costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be borne by the respective Parties.

SCHEDULE I

The subsidiaries (direct and indirect), joint ventures and branches (direct and indirect) of the Demerged Company pertaining to/ proposed to be set up by the Demerged Undertaking as on/ post 30 September 2017 includes the following:

A. Direct Subsidiaries

Sr. No	Name of the subsidiary	Country
1.	Impact Automotive Solutions Limited	India
2.	KPIT (Shanghai) Software Technology Co. Limited	China
3.	KPIT Technologies Netherlands B.V	Netherlands
4.	New US Co.	United States of America
5.	KPIT Technologies (UK) Limited	United Kingdom
6.	MicroFuzzy KPIT Technologja Ltda	Brazil
7.	New Japan Co.	Japan

B. Step down subsidiaries

Sr. No	Name of the subsidiary	Country
1.	KPIT Technologies GmbH	Germany
2.	MicroFuzzy Industrie-Elektronik GmbH	Germany
3.	New US LLC	United States of America

C. Branches

Sr. No	Particulars of the Branch	Country	Head Office
1.	New Korea Branch	Korea	New Japan Co.
2.	Sweden Branch	Sweden	KPIT Technologies (UK) Limited
3.	Italy Branch	Italy	KPIT Technologies (UK) Limited

D. Any subsidiary (direct and indirect), joint venture and branch (direct and indirect) incorporated/ acquired/ set up by the Demerged Company or its subsidiaries post 31 December 2017 till the Appointed Date, pertaining to the Engineering Business shall be a part of the Demerged Undertaking.

SCHEDULE II

List of immovable properties of the Demerged Company pertaining to the Demerged Undertaking as on 30 September 2017 includes the following:

A. Immovable properties

Sr. No	Class of assets	Description	Area	Location/ Address
1.	Leasehold Land	Land for R & D facility	3,609 SQM	Plot No. 45, MIDC, Phase-I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra – 411057
2.	Leasehold Land	Plot 17 (SEZ unit)	93,061 SQM	SEZ Unit-II, Plot No. 17, MIDC-SEZ, PHASE III, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra – 411057
3.	Building	R & D building (approved by the Department of Scientific & Industrial Research)		Plot No. 45, MIDC, Phase-I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra – 411057
4.	Building	Adarsh Bangalore (SEZ unit)	11,225 SQM	20 & 21 RMZ Ecoworld Infrastructure Private Limited, SEZ, Sarjapur Outer Ring Road, Devarabisanahalli, Bengaluru, Karnataka – 560103
5.	Building	Japan office	374.68 SQM	5th floor, Seni Kaikan Bldg., 3-1-11 Nihonbashi-Honcho, Chuo-ku, Tokyo 1030023, Japan Tel: 03-6913-8501/Fax: 03-5205-2434
6.	Leasehold improvements	RMZ Bangalore (SEZ unit)	6,410 SQM	Unit-II, Plot B, Campus 5B, 9th Floor, RMZ Ecoworld Infrastructure Pvt Ltd., SEZ, Devarabeesanahalli Village, Sarjapur Outer Ring Road, Bengaluru, Karnataka – 560103
7.	Leasehold improvements	IT-9 Pune (SEZ unit)	8,454 SQM	SEZ Unit-III, IT-9, Ground & 1st floor, Plot No. 2, Blueridge Township, MIDC, Phase-I, Hinjewadi,



Sr. No	Class of assets	Description	Area	Location/ Address
				Pune – 411057

- B. Any immovable property acquired by the Demerged Company post 30 September 2017 till the Appointed Date, pertaining to the Engineering Business shall be a part of the Demerged Undertaking.

SCHEDULE III

List of registered intellectual properties of the Demerged Company pertaining to the Demerged Undertaking as on 30 September 2017 includes the following:

A. Trademarks

Sr. No.	Trademarks	Class registered
1.		9, 16, 35, 42
2.	KPIT	9, 16, 35, 42 International class – 35, 42
3.		International class – 35, 42

B. PATENTS

Application Number	Patent Title/Description	Country	Application/Patent Number
1814/MUM/2007 & PCT/IB2008/053816	Mechanism to enable Plug and Play Hardware Components for Semi-automatic Migration	India	1814/MUM/2007
		PCT	WO/2009/037668
		U.S.	20100205599
		Europe	EP2203814
		China	CN101855617
		Japan	JP2011512566
		South Korea	KR20100069695
986/MUM/2008 & PCT/IN2009/000273	Method and System for Open Loop Compensation of Delay Variations in a Delay Line	India	986/MUM/2008
		PCT	PCT/IN2009/000273
		U.S.	US 8,390,356
PCT/IB2008/052646	Sensor System for Vehicle Safety	PCT	WO/2010/001195
		China	CN102160099
		Europe	EP08763436.6
		Hong Kong	HK1152407
2513/MUM/2008 & PCT/IN2009/000697	Method and System for Parallelization of Sequential Computer Program Codes /Method for speeding execution of computer programs	India	2513/MUM/2008
		PCT	PCT/IN2009/000697
		U.S.	US 8,949,786 US 14/606,924 (divisional- granted US 9,880,822)
		Europe	EP2361408
		Japan	JP2012510661 JP 2015-154050 (divisional)
2559/MUM/2008 & PCT/IN2009/000701	Method for Reorganizing Tasks for Optimization of Resources	India	2559/MUM/2008
		PCT	PCT/IN2009/000701
		Europe	EP2356567
		U.S.	US 8,732,714
		Japan	JP2012511204

Application Number	Patent Title/Description	Country	Application/Patent Number
2108/MUM/2009 & PCT/IN 2009/000656	A Power Assisting System	India	IN 275186
		PCT	WO2011033521
		U.S.	US 8,560,156
		Australia	AU2009352905 AU 2016203887 (divisional)
		Canada	CA2770401
		China	200980161418.8
		South Africa	2012/01889
		Indonesia	W00201201278
		Malaysia	MY-156883
		South Korea	10-2012-7009570
		Japan	JP2012-529402 JP2015134602 (divisional which was dropped)
		Brazil	BR 11 2012 005368 0
		Mexico	MX/a/2012/003059
		Europe	EP2477840
		France	NA
Germany	NA		
2988/MUM/2009	A Motor Mounting and Transmission Means	India	2988/MUM/2009
2886/MUM/2009	A Semiconductor Unit with Precise Control over Output Parameters	India	2886/MUM/2009
1382/MUM/2010	Method and System for pedestrian detection using Wigner Distribution	India	1382/MUM/2010
1383/MUM/2010	Method and system for image enhancement using Wigner distribution	India	1383/MUM/2010
1385/MUM/2010	Method for Implementing Hybrid Lock-Free Synchronization Mechanism	India	1385/MUM/2010
PCT/IN2010/00609 and 1386/MUM/2010	Method of Converting Vehicle into Hybrid Vehicle	India	1386/MUM/2010
		PCT	WO2011039770A3
		U.S.	US 8,596,391
		China	201080040724.9
		South Korea	10-2012-7009598
		Japan	JP 2012-529404
		Brazil	BR 11 2012 005361 2
		Mexico	MX/a/2012/003114
		Europe	EP 10801712.0
		France	NA
Germany	NA		
PCT/IN2010/0	Hybrid Drive System with	India	1387/MUM/2010

Application Number	Patent Title/Description	Country	Application/Patent Number
00608 and 1387/MUM/2 010	Reduced Power Requirement for Vehicle	PCT	PCT/IN2010/000608
		U.S.	US 20110083919
		China	CN 102483021 B
		South Korea	10-2012-7009588
		Japan	JP20110562408
		Brazil	BR 11 2012 005354 0
		Mexico	MX/a/2012/002959
		Europe	EP 10803514.8
		France	NA
		Germany	NA
PCT/IN2010/0 00616 and 1388/MUM/2 010	Hybrid Drive System for Vehicle Having Engine as Prime Mover	India	1388/MUM/2010
		PCT	PCT/IN2010/000616
		U.S.	US 20110083918
		China	201080040685.2
		South Korea	10-2012-7009615
		Japan	2012- 529406/JP2013504491 JP20110562418
		Brazil	11 2012 005365 5
		Mexico	MX/a/2012/002960
		Europe	EP 10803272.3
		France	NA
Germany	NA		
PCT/IN2010/0 00619 and 1389/MUM/2 010	Motor Assistance for a Hybrid Vehicle Based on User Input	India	1389/MUM/2010
		PCT	WO 2011033529
		U.S.	US 8,606,443
		China	201080040729.1
		South Korea	10-2012-7009622
		Japan	JP 2012-529407
		Brazil	BR1120120053663
		Mexico	MX/a/2012/003116
		Europe	EP 10803273.1
		France	NA
Germany	NA		
PCT/IN2010/0 00615 and 1390/MUM/2 010	Motor Assistance for a Hybrid Vehicle	India	1390/MUM/2010
		U.S.	US 8,423,214
		PCT	PCT/IN2010/000615
PCT/IN2010/0 00614 and 1391/MUM/2 010	Motor Assistance for a Hybrid Vehicle Based on Predicted Driving Range	India	1391/MUM/2010
		PCT	WO2011039771
		U.S.	US 9,227,626 Continuation - 14/986,423
		China	201080040684.8
		South Korea	10-2012-7009608

Application Number	Patent Title/Description	Country	Application/Patent Number
		Japan	JP 2012529405
		Brazil	BR1120120053620
		Mexico	MX/a/2012/003115
		Europe	EP2477833
		France	2477833
		Germany	602010011638.7
2015/MUM/2010	Motor Differential	India	2015/MUM/2010
2016/MUM/2010	Torque Assist for Motor	India	2016/MUM/2010
3182/MUM/2010	Balancing Energy and Power in a System/An Efficient Energy Management System	India	3182/MUM/2010
3180/MUM/2010 PCT/IN2012/00527	Security Device (A system for protection of embedded software codes)	India	3180/MUM/2010
		PCT	PCT/IN2012/000527
		U.S.	US 14/236,578
		Germany	112012004661.7
		Japan	JP 2014-531379
		South Korea	10-2014-7005499
1665/MUM/2011	The Method of Using Hydrogen Fuel for IC Engine	India	1665/MUM/2011
1666/MUM/2011	Fuel Injection System for Gaseous Fuel	India	1666/MUM/2011
1743/MUM/2011	A System For Detecting, Locating And Tracking A Vehicle	India	1743/MUM/2011
2779/MUM/2011 PCT/IN2012/00626	System and Method for Battery Monitoring	India	2779/MUM/2011
		PCT	WO2013072927
		U.S.	US 14/348,540
		Europe	EP 12829188.7
		South Korea	10-2014-7011278
		Japan	2014-532553
		China	201280042201.7
2780/MUM/2011 PCT/IN2012/00627	A System and Method for Determining State of Charge of a Battery	India	2780/MUM/2011
		PCT	PCT/IN2012/000627
		U.S.	US 14/348,546
		Europe	EP 12829189.5
		South Korea	10-2014-7011286
		Japan	2014-532554
1986/MUM/2012 PCT/IN2013/00422	Method and Apparatus for Selectively Enhancing an Image	India	1986/MUM/2012
		PCT	WO2014033732
		U.S.	US 9,734,560
1987/MUM/2012	System and Method for	India	1987/MUM/2012

Application Number	Patent Title/Description	Country	Application/Patent Number
012 PCT/IN2013/0 00421	Depth Estimation	PCT	PCT/IN2013/000421
2620/MUM/2 012 PCT/IN2013/0 00548	A System and Method for Performance Characterization/METHOD AND APPARATUS FOR DESIGNING VISION BASED SOFTWARE APPLICATIONS	India	2620/MUM/2012
		PCT	WO 2014045304
		U.S.	US 14/426,976 US 9,858,165
3601/MUM/2 012	Hydraulic oil monitoring for an off-road vehicle	India	3601/MUM/2012
2328/MUM/2 013 PCT/IN2014/0 00569	High Efficiency Hybrid Electric Vehicle/Retrofit system for converting a vehicle into one of a hybrid electric vehicle (HEV) and electric vehicle (EV)	India	2328/MUM/2013
		PCT	WO2015029075
		Europe	14812305.2
		U.S.	US 2016/0207522
		Iran	139450140003012537
		Indonesia	P00201506171
		Japan	JP 2016-533960
		Malaysia	PI2015704403
		South Africa	ZA 2015/08063
		Brazil	BR 11 2015 029439-1
		China	CN201480029561.2
		Columbia	16.037.748
		South Korea	10-2015-7033158
2338/MUM/2 013 PCT/IN2014/0 00379	Spring Suspension (A DYNAMICALLY ADJUSTABLE SUSPENSION DEVICE)	India	2338/MUM/2013
		PCT	PCT/IN2014/000379
		U.S.	US 14/904,019
		Europe	14767149.9
		Japan	JP 2016-524942
		China	CN201480039425.1
		South Korea	10-2016-7002842
2368/MUM/2 013 PCT/IN/20140 00466	Improved Fluid Level Measurement Unit	India	2368/MUM/2013
		PCT	PCT/IN/2014000466
2484/MUM/2 013 US 14494617 US-2015- 0087428	Method and System of Augmenting Gaming Experience within an in-vehicle Infotainment	India	2484/MUM/2013
		U.S.	US 14494617 US-2015-0087428
2559/MUM/2 013	Straight Line Detection Apparatus and Method	India	2559/MUM/2013
159/MUM/20 14 PCT/IN2015/0 00028	Vehicle detection system and method	India	159/MUM/2014
		PCT	PCT/IN2015/000028
		U.S.	US 20160335508
		Europe	EP 15721342.2
		Japan	JP 2017-505946
		China	Not yet received

Application Number	Patent Title/Description	Country	Application/Patent Number
		South Korea	Not yet received
586/MUM/2014 PCT/IN2015/00097	Head Restraint System	India	586/MUM/2014
		PCT	PCT/IN2015/000097
		U.S.	US 15/120,417
		Europe	EP 3107754
		Japan	JP 2017-506189
		China	201580007762.7
		South Korea	KR 10-2016-7024940
3302/MUM/2014 PCT/IN2015/0300	A SYSTEM AND METHOD FOR PEDESTRIAN DETECTION	India	3302/MUM/2014
		PCT	PCT/IN2015/00300
3607/MUM/2014 PCT/IN2015/00411	Method for manufacturing a modular structure	India	3607/MUM/2014
		PCT	PCT/IN2015/000411
		U.S.	US 15/596,980
		Europe	EP 3221108
		Malaysia	PI 2017701284
		Australia	2015348933
727/MUM/2015	A System and Method for Ambient Light Detection	India	727/MUM/2015
		PCT	PCT/IN2016/000051
		China	CH 201680013346.2
		Japan	JP 2017-543963
		Korea	KR 10-2017-0120149
1824/MUM/2015 PCT/JP2015/84338	Guidance Control System for an Autonomous Vehicle	India	1824/MUM/2015
		PCT	WO2016178294
		Japan	JP 2017- 516546
0443/DEL/2015	MODULAR MICRO-CONCENTRATOR ARRAY BASED MULTI-DIRECTIONAL SUN TRACKING SYSTEM FOR PHOTOVOLTAIC AND THERMAL ENERGY HARVESTING	India	0443/DEL/2015
		PCT	WO2016132384A1
201621012575	A METHOD FOR GENERATING A GRAPH MODEL FOR MONITORING MACHINERY HEALTH	India	201621012575
		PCT	PCT/IB2017/050466
201621032471	Autonomous System Validation	India	201621032471
		U.S.	US 15713622
		Japan	JP 2017-182244
		Europe	EP 17 192 335.2
201621040435	Bi-directional Actuator	India	201621040435
		PCT	PCT/IB2017/057157
201621041900	Model Predictive Based Control for Automobiles	India	201621041900
		PCT	PCT/IB2017/057636
201721006580	System and Method for	India	201741006185

Application Number	Patent Title/Description	Country	Application/Patent Number
	Target Track Management of an Autonomous Vehicle	PCT	PCT/IB2017/054530
201721009836	Feature Extraction Gateway Module	India	201721009836
201721012075	SOC Based Gateway Module	India	201721012075
201721014992	Adaptive Braking System	India	201721014992
201721018168	System and Method for Pedestrian Detection	India	201721018168
201721020722	A Metal Bipolar Plate Design	India	201721020722
201821002009	Adaptive Throttle System	India	201821002009

- C. Any brand/ trademark/ patent and any other intellectual property right acquired/ created by the Demerged Company post 30 September 2017 till the Appointed Date, pertaining to the Engineering Business shall be a part of the Demerged Undertaking.

SCHEDULE IV

List of SEZ, STPI and DSIR approved R&D units of the Demerged Company pertaining to the Demerged Undertaking as on 30 September 2017 includes the following:

Sr. No	Description	Approval/ Reference No	Location/ Address
1.	R&D Centre (approved by the Department of Scientific & Industrial Research)	TU/IV-RD/3193/2014 dated 4 June 2015	Plot No. 45, MIDC, Phase-I, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra – 411057
2.	Plot 17 (SEZ unit)	SEEPZ-SEZ/MIDC-SEZ/KCIL/24/2011-12/10156 dated 29 June 2011	SEZ Unit-II, Plot No. 17, MIDC-SEZ, PHASE III, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra – 411057
3.	IT-9 Pune (SEZ unit)	SEEPZ/NTPL-SEZ/KTL/43/2015-16/5392 dated 25 March 2015	SEZ Unit-III, IT-9, Ground & 1st floor, Plot No. 2, Blueridge Township, MIDC, Phase-I, Hinjewadi, Pune – 411057
4.	Adarsh Bangalore (SEZ unit)	10/9/2008: ADARSH SEZ/CUMMINS dated 20 May 2008	20 & 21 RMZ Ecoworld Infrastructure Private Limited, SEZ, Sarjapur Outer Ring Road, Devarabisanahalli, Bengaluru, Karnataka – 560103
5.	RMZ Bangalore (SEZ unit)	KA:06:06:RMZSEZ:01:2A:30/996 dated 23 February 2015	Unit-II, Plot B, Campus 5B, 9th Floor, RMZ Ecoworld Infrastructure Pvt Ltd., SEZ, Devarabeesanahalli Village, Sarjapur Outer Ring Road, Bengaluru, Karnataka – 560103
6.	GGR Towers – “Right Wing” (STPI unit)	EIG/KPIT/GEN/7140 dated 4 June 2004	GGR Towers, Unit – II, Ground Floor, “Right Wing”, S. No. 18/2B, Ambalipura Village, Sarjapur Road, Bellandur, Bangalore – 560103
7.	GGR Towers – “Right Wing” (STPI unit)	STPIB/IMSC/94/1508 dated 22 October 1994	GGR Towers, Unit – II, Ground Floor, “Left Wing”, S. No. 18/2B, Ambalipura Village, Sarjapur Road, Bellandur, Bangalore - 560103

SCHEDULE V

List of registered intellectual properties of the Transferor Company as on 30 September 2017 includes the following:

A. Trademarks

Sr. No.	Trademarks	Application No	Class registered
1.	BIRLASOFT, DEVICE MARK	1263448	42
2.	EMEDICARE (DEVICE OF GLOBE)	1263450	42
3.	LOGO	1179453	16
4.	EMEDICARE REDEFINING HEALTHCARE (WORD)	1179454	16
5.	EMEDICARE REDEFINING HEALTHCARE (LOGO BLACK)	1179455	16
6.	BIRLASOFT (LOGO)	1179456	9
7.	DEVICE MARKS	1179457	9
8.	EMEDICARE REDEFINING HEALTHCARE (LOGO COLOUR)	1179458	16
9.	BIRLASOFT (LOGO)	1179459	16
10.	LOGO	1179460	16

B. Any brand/ trademark/ patent and any other intellectual property right acquired/ created by the Transferor Company post 30 September 2017 till the Appointed Date.

29 January 2018

To,

The Board of Directors
KPIT Technologies Limited
Plot no. 35 & 36,
Rajiv Gandhi Infotech Park Phase I, MIDC,
Hinjawadi,
Pune 411057,
Maharashtra, India.

The Board of Directors
Birlasoft (India) Limited
8th Floor, Birla Tower,
25 Barakhamba Road,
New Delhi -110 001

CERTIFIED TRUE COPY

Atitrananjan

Sub: Recommendation of fair share exchange ratio for the proposed amalgamation of Birlasoft (India) Limited ('BIL') with KPIT Technologies Limited ('KPIT') and fair share entitlement ratio for proposed demerger of the Engineering Division of KPIT (post merger of BIL with KPIT) into KPIT Engineering Limited ('KEL')

Dear Sirs / Madams,

KPIT Technologies Limited (hereinafter referred to as 'KPIT') and Birlasoft (India) Limited (hereinafter referred to as 'BIL') (hereinafter KPIT and BIL both referred to as 'Clients' or the 'Companies') have appointed S.R.Batliboi & Co. LLP (hereinafter referred to as 'SRBC', 'we', 'our', or 'us') to recommend

1. fair share exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT
2. fair entitlement ratio of equity shares for the proposed demerger of the Engineering division of KPIT ('Engineering Division') into KPIT Engineering Limited ('KEL') post merger of BIL with KPIT.

SCOPE AND PURPOSE OF THIS REPORT

The equity shares of KPIT is listed on National Stock Exchange and Bombay Stock Exchange. It has two business divisions: IT and Engineering.

Under IT division, KPIT provides the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology strategic business unit) along with infrastructure management services and extended product lifecycle management business.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Under Engineering division, KPIT offers 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.

BIL is engaged in the business of providing information technology services. BIL was founded in 1995 and is headquartered in Noida, India. BIL only has IT business. The equity shares of BIL are not listed on any stock exchange.

KEL is a recently incorporated company (incorporated on 8 January 2018) and does not have any business operation as of now. The equity shares of KEL are not listed on any stock exchange.

We understand that the management of KPIT and BIL ('Management') are contemplating an amalgamation of BIL with KPIT, post which the Engineering Division of KPIT shall be demerged into KEL ('the Transaction') through a scheme of arrangement pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

For the aforesaid purpose, KPIT and BIL have appointed SRBC to submit a valuation report recommending

1. a fair share exchange ratio, for issue of KPIT's equity shares to the shareholders of BIL
2. a fair entitlement ratio, for issue of equity shares of KEL to the shareholders of KPIT for demerging the Engineering Division of KPIT into KEL

This report is our deliverable for the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and / or gathered from public domain:

- With respect to KPIT
 - Consolidated audited financial statements upto 31 March 2017
 - Shareholding details of KPIT including details of Employee Stock Options outstanding as at 31 December 2017
 - Unaudited consolidated financial statement for the nine months period ended 31 December 2017
 - Quarterly Profit & Loss statement for last eight quarters ended upto 31 December 2017
 - Assets and liabilities of Engineering Division
- With respect to BIL
 - Consolidated audited financial statements for the year ended 31 March 2016, 31 March 2017 and six months ended 30 September 2017
 - Consolidated unaudited balance sheet as at 31 March 2015
 - Shareholding details of BIL including details of Employee Stock Options outstanding
 - Consolidated quarterly unaudited Profit and Loss statement (including information about one time expenses and exceptional items) from Q1FY17 to Q2FY18 excluding financials for a particular client account that is not now being serviced by BIL.
 - Revenue numbers for FY14, FY15, FY16, FY17 and H1FY18 excluding revenue from a particular client account that is not now being serviced by BIL.
 - Details of consideration paid (in USD) for acquisition of balance stake in BIL's US subsidiary
- With respect to KEL
 - Unaudited balance sheet of KEL as of 23 January 2018
- Draft Scheme of Arrangement

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in any detail, if not considered relevant for our defined scope.

During the discussions with Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management of KPIT and BIL have been provided with the opportunity to review the draft report (without value recommendations) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final report.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

PROCEDURES ADOPTED

- Discussions with the management for understanding the business and fundamental factors that affect the earning-generating capability of the Companies.
- Requested and received financial and qualitative information on both the Companies.
- Within the framework of valuation approaches and SEBI guidelines, finalizing valuation methods for valuing the Companies
- Identified suitable comparable companies
- Arrived valuation of the Companies using methods considered appropriate.
- Determined fair share exchange ratio for the proposed amalgamation of BIL with KPIT.
- Determined the fair entitlement ratio in discussions with the Management, for issue of equity shares of KEL to the shareholders of KPIT for demerging the Engineering Division of KPIT into KEL.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 29 January 2018 ('Valuation Date').

This report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our Engagement Letter; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other condition in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or their representatives) and publicly available information and the said recommendation(s) shall be considered to be in the nature of non-binding advice. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

In accordance with our terms of our engagement and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given on behalf of the Companies.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

whether or not such alternatives could be achieved or are available. This report is restricted to calculation of fair exchange ratio only.

We owe responsibility to only the Board of Directors of the Companies who have appointed us under the terms of our engagement letters and nobody else. We do not accept any liability to any third party in relation to the issue of this report. The fee for the Engagement is not contingent upon the results reported.

This valuation report is subject to the laws of India.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

BACKGROUND OF THE COMPANIES

1. KPIT Technologies Limited (KPIT)

KPIT Technologies Limited ('KPIT') is listed on National Stock Exchange and Bombay Stock Exchange. It has two business divisions: IT and Engineering.

Under IT division, KPIT provides the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology strategic business unit) along with infrastructure management services and extended product lifecycle management business.

Under Engineering division, KPIT offers 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.

For the year ended 31 March 2017, KPIT reported consolidated revenues from operation of INR 33,234 mn and Profit After Tax (PAT) of INR 2,385 mn.

The issued and subscribed equity share capital of KPIT as at 31 December 2017 consists of 19,74,98,742 equity shares of face value of INR 2 each fully paid up. The shareholding pattern of KPIT as on 31 December 2017 is as follows:

Shareholder	Number of shares	% of shareholding
Promoters	3,73,91,122	19%
Non Promoters	15,16,22,640	77%
Employee Trust	84,84,980	4%
Total	19,74,98,742	100%

Source: BSE filings

KPIT has outstanding employee stock options under its existing stock option schemes, pursuant to which the Employee Welfare Trust holds 84,84,980 equity shares of Rs 2 each as on December 31, 2017.

2. Birlasoft (India) Limited

Birlasoft (India) Limited ('BIL') provides is engaged in the business of providing information technology services. BIL was founded in 1995 and is headquartered in Noida, India. BIL only has IT business. The equity shares of BIL are not listed on any stock exchange.

The issued and subscribed equity share capital of BIL as at 30 September 2017 is INR 314 mn consisting of 31,354,800 equity shares of face value of INR 10 each fully paid up. The shareholding pattern of BIL as at 31 December 2017 is as follows:



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Shareholder	Number of shares	% of shareholding
Promoters	3,13,54,800	100%
- National Engineering Industries Limited	2,92,40,000	93%
- Central India Industries Limited	21,14,800	7%
Total	3,13,54,800	100%

Source: Management

In addition, BIL has issued 1,496,885 stock options to its employees that are outstanding (ie vested and exercisable or unvested).

3. KPIT Engineering Limited

KEL is a recently incorporated company (incorporated on 8 January 2018) and does not have any business operation as of now. The equity shares of KEL are not listed on any stock exchange.

The issued and subscribed equity share capital of KEL is INR 1.0 mn consisting of 100,000 equity shares of face value of INR 10 each fully paid up. The shareholding pattern of KEL is as follows:

Shareholders	Number of shares	% of shareholding
KPIT Technologies Limited (through Mr. Kishor Patil)	99,994	99.994%
Mr. Chinmay Shashishekhar Pandit	1	0.001%
Mr. Sunil Shrikant Phansalkar	1	0.001%
Mr. Anup Vitthal Sable	1	0.001%
Mr. Shashishekhar Balkrishna Pandit	1	0.001%
Mr. Sachin Dattatraya Tikekar	1	0.001%
Mr. Anil Kashinath Patwardhan	1	0.001%
Total	100,000	100.000%

Source: Management of KPIT

We understand that the shareholders as mentioned above are holding equity shares in KEL as nominee of KPIT. We have been informed that the existing equity shares of KEL as mentioned above will be cancelled pursuant to the Scheme.

The Management has informed us that there would not be any capital variation in the Companies till the Transaction becomes effective



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

APPROACH - BASIS OF AMALGAMATION

Arriving at the fair share exchange ratio for the proposed amalgamation of BIL with KPIT would require determining the fair value of the equity shares of KPIT in terms of the fair value of the equity shares of BIL. These values are to be determined independently but on a relative basis, and without considering the current Transaction.

For the proposed amalgamation, we have considered the following commonly used and accepted methods for determining the fair exchange ratio, to the extent relevant and applicable:

1. Market Price method (Market approach)
2. Comparable Companies' Multiples method / Guideline Company method (Income approach)
3. Discounted Cash Flows method (Income approach)
4. Net Asset Value method (Asset approach)

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using internationally accepted valuation approaches adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price Method

The value of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

For determining the prices of shares of KPIT, we have considered SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, which prescribes using Market prices being higher of the following:

- (a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- (b) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Considering the above mentioned prescription, we arrived at a value of INR 202 per equity share for KPIT.

Further, since BIL is not listed on any recognized exchange, we have not considered the Market price method for the valuation of BIL.

Comparable Companies' Multiple (CCM) / Guideline Company method

Under this method, value of the equity shares of a company is arrived at by applying a suitable multiple (derived from valuations of comparable companies, as manifest through stock market valuations of listed companies) to the income of the Company. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. This method is categorized both under market approach (as it derives the multiples from the stock market) and under income approach (as it is based on applying a capitalization factor (or multiple) to the income of the Company).

Different companies use different depreciation methods which can inflate or deflate its earnings. On a similar note, high levels of debt will enable a company to drive up the Earnings per Share, however it increase the risk of the company due to high leverage. Therefore, the earnings of the company can be impacted due to the level of leverage and usage of different depreciation method. Since Enterprise Value (EV)/Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) multiple is not impacted due to differences in depreciation policy or due to the level of leverage, we have considered it as an appropriate multiple for valuation of the Companies.

We identified listed companies that are comparable to BIL in terms of business profile and growth and have considered their EV/EBITDA multiple to compute the enterprise value of BIL. We have considered the sustainable EBITDA of BIL (adjusted for one time expenses, exceptional items and excluding EBITDA from a particular client account that is not now being serviced by BIL as provided to us by the management) to compute the enterprise value of BIL under CCM method.

Since KPIT is a listed company, we have computed average daily EV/EBITDA multiple implied from the daily Market Capitalization for KPIT during the period 1 July 2017 to 31 December 2017. The average implied multiple is then multiplied by EBITDA for the twelve months ended 31 December 2017 for KPIT to arrive at enterprise value of KPIT.

To arrive at the total value available to the equity shareholders of each of the Companies, the enterprise values arrived above under the CCM method for the Companies are adjusted for, inter-alia, the value of loans, cash, surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis.

The total value for equity shareholders is then divided by the number of equity shares of the respective companies in order to work out the value per equity share of the Companies.



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Under CCM method, we arrived at a value of INR 492 per equity share of BIL and INR 184 per equity share of KPIT.

Discounted Cash Flows (DCF) Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

We were not provided with the financial projections of the Companies. Hence, this method has not been used.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability.

We have computed the Net Asset Value of equity shares of the Companies. The total value for equity shareholders is then divided by the estimated total number of equity shares of the respective companies as on the appointed date of the proposed merger in order to work out the value per equity share of the Companies. We arrived at a value of INR 93 per equity share for KPIT and INR 156 per equity share for BIL.

Relative Weights to different methods

Considering that KPIT is well traded and considering SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, we have given 100% weight to the value of equity share of KPIT as computed under Market Price method.

We have given 100% weight to the equity value of BIL as computed using CCM method as the value computed under NAV method does not capture the earning capacity of the business and hence NAV would not be representative of fair value.

Conclusion for Amalgamation

The fair share exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies for the proposed amalgamation based on the various methodologies explained herein earlier. The values as per different methods is presented below



Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Valuation Approach	KPIT (A)		BIL (B)	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	93	0%	156	0%
Income Approach	184	0%	492	100%
Market Approach	202	100%	NA	NA
Relative Value per Share	202		492	
Exchange Ratio (rounded off) (B/A)			2.44	

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we consider that the fair exchange ratio is as represented below:

Fair share exchange ratio: 22 equity shares of KPIT of INR 2 each fully paid up for every 9 equity shares of BIL of INR 10 each fully paid up.

Approach – Basis of Demerger

We understand that, as part of the Scheme, post the merger of BIL into KPIT, the Engineering Division of KPIT is proposed to be demerged into KEL. KPIT has identified all the assets and liabilities of the Engineering Division (hereinafter referred to as 'the Demerged Undertakings'), which are to be taken over by and transferred to KEL. Once the Scheme is implemented, all the shareholders of KPIT (including the shareholders of BIL being allotted shares pursuant to the merger with KPIT) would also become the shareholders of KEL, and their shareholding in KEL would mirror their shareholding in KPIT.

The effect of the demerger is that each shareholder of KPIT (post merger of BIL) becomes the owner of shares in two companies instead of one. No shareholder is, under the Scheme, required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The Scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the operation of the Scheme. Post Demerger, the percentage holding of a shareholder in KEL and in KPIT would remain unchanged from the proportion of capital held by such shareholder (post merger of BIL) in KPIT.

Considering the above, any entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. The management has proposed a share entitlement ratio of 1 equity share of KEL of INR 10/- each fully paid up for, not in exchange of, every 1 equity share of KPIT (post merger of BIL) of INR 2 each fully paid up.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Recommendation of fair exchange ratio of equity shares for the proposed amalgamation of BIL with KPIT and fair entitlement ratio for issue of equity shares of KEL for the proposed demerger of Engineering division of KPIT

Conclusion for Demerger

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of 1 equity share of KEL of INR 10/- each fully paid up for, not in exchange of, every 1 equity share of KPIT (post merger of BIL) of INR 2 each fully paid up.

It should be noted that we have examined the fair and equitable share exchange ratio / entitlement ratio for the proposed amalgamation / demerger and not examined any other matter including economic rationale for the proposed amalgamation per se or accounting, legal or tax matters involved in the proposed transaction.

Respectfully submitted,

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



Ravi Bansal
Partner
Membership No.:49365



Place: Mumbai
Date: 29 January 2018



Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex,
N. M. Joshi Marg, Lower Parel,
Mumbai - 400 013
Tel: +91-22- 4332-0600
Fax: +91-22-4332-0601

STRICTLY CONFIDENTIAL

January 29, 2018

The Audit Committee

KPIT Technologies Limited

Plot no. 35 & 36,
Rajiv Gandhi Infotech Park Phase I, MIDC,
Hinjawadi, Pune 411057

And

The Board of Directors

KPIT Technologies Limited

Plot no. 35 & 36,
Rajiv Gandhi Infotech Park Phase I, MIDC,
Hinjawadi, Pune 411057

CERTIFIED TRUE COPY

Atitranjan

Dear Sirs,

We refer to the engagement letter dated January 25, 2018 ("**Engagement Letter**") whereby KPIT Technologies Limited ("**Company**") has requested Equirus Capital private Limited ("**Equirus**"), a SEBI registered merchant banker, to provide a fairness opinion to the Company based on the valuation report dated January 29, 2018 ("**Valuation Report**") issued by S. R. Batliboi & Co. LLP ("**Valuer**") for the fair exchange ratio of the equity shares for the proposed amalgamation of Birlasoft (India) Limited ("**Transferor**") with the Company pursuant to a scheme of arrangement under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**"). We understand that the Proposed Scheme simultaneously contemplates a demerger of the Engineering division of the Company, post the amalgamation, into a new company. We further understand that the Proposed Scheme will be considered by the Audit Committee and the Board of Directors of the Company.

Background of the Company

The Company is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Plot no. 35 & 36, Rajiv Gandhi Infotech Park Phase I, MIDC, Hinjawadi, Pune 411057. The Company has two business divisions (i) the ERP business of Oracle and SAP and the digital business 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 is engaged in the business of steel manufacturing. The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited (referred to as "**BSE**" and "**NSE**", respectively, and the together as "**Stock Exchanges**").

SEBI Registration No.: Category I Merchant Banker INM000011286; CIN: U65910MH2007PTC172599

Website: www.equirus.com | Email: contact@equirus.com



Equirus Capital Private Limited

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Mumbai - 400 013
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Background of the Transferor

The Transferor is a public limited company incorporated under the Companies Act, 195 and having its registered office at H-9, Sector 63, Noida – 201 306. The Transferor is primarily engaged in the business of engaged in the business of providing information technology services.

Purpose of this certificate

The Company has appointed the Valuer to carry out a fair valuation of the Company and the Transferor and recommend a fair ratio of allotment of equity shares of the Company to the equity shareholders of the Transferor on the proposed amalgamation of the Transferor into the Company and fair entitlement ratio of equity shares for the proposed demerger of the engineering division of the Company into the new company post amalgamation of the Transferor with the Company ("Valuation"). In terms of the Engagement Letter, the Company has requested us to examine the Valuation Report issued by the Valuer and such other information provided by the Company and issue our independent opinion as to the fairness of the Valuation ("Fairness Opinion") in terms of the requirements of SEBI circular no. CIR/CFD/CMD/15/2015 dated November 30, 2015, SEBI circular no. CTR/DTL3/C IR/2017/2 1 dated March 10, 2017 and SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018, as applicable.

Source of information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Annual accounts of the Company and Transferor for the last three financial years;
2. Latest interim financial statements of the Transferor and the Company;
3. Valuation Report issued by the Valuer; and
4. Draft of the Proposed Scheme of arrangement between the Transferor and the Company.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives of the Company.

Conclusion

Based on the facts, information and explanations relevant in the present case, our examination of the Valuation Report and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned herein below and to the best of our knowledge and belief we are of the opinion that the share entitlement ratio of equity shares of the Company to be issued to the shareholders of the Transferor on account of amalgamation pursuant to the Proposed Scheme, is fair.

As per the Proposed Scheme, Valuation Report and the representations made to us by the Company, we understand that the demerger of the Engineering division of the Company as per the Proposed Scheme does not envisage the dilution of the holding of any one or more shareholders. The Valuation Report assumes that any entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Basis the

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aforementioned, the entitlement ratio for issue of equity shares of the new company for the proposed demerger of Engineering division of the Company, is fair.

Scope Limitations

- We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion.
- We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based.
- We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Company and neither express any opinion with respect thereto nor accept any responsibility therefore.
- We have not made any independent valuation or appraisal of the assets or liabilities of Company, nor have we been furnished with any such appraisals.
- We have not reviewed any internal management information statements or any non public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Company for the purposes of this Fairness Opinion.
- We are not experts in the evaluation of litigation or other actual or threatened claims and accordingly we have not evaluated any litigation or other actual or threatened claims.
- We have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme.
- We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of Company, other than those disclosed in the information provided or considered in the Proposed Scheme.
- We understand that the management of Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- We have assumed that in the course of obtaining necessary regulatory or other consents or approval for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.
- Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Company or any of its assets, nor did we negotiate with any other party in this regard.
- In the ordinary course of business, Equirus is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services, by itself or through its affiliates. In the ordinary course of its trading, brokerage and financing activities, any member of the Equirus group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of

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customers, in debt or equity securities or loans of any company that may be involved in the Proposed Scheme.

- We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of Company following the consummation of the Proposed Scheme.
- This Fairness Opinion is addressed to the Audit Committee and the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For Equirus Capital Private Limited

Munish Aggarwal
Director

DCS/AMAL/AJ/R37/1163/2018-19

June 04, 2018

The Company Secretary
KPIT Technologies Limited
35 & 36, Phase - 1, Rajiv Gandhi Infotech Park,
MIDC, Hinjewadi, Pune, Maharashtra-411057

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement among KPIT Technologies Limited, Birlasoft (India) Limited and KPIT Engineering Limited.

We are in receipt of Draft Scheme of Arrangement among KPIT Technologies Limited, Birlasoft (India) Limited and KPIT Engineering Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 01, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

(2)

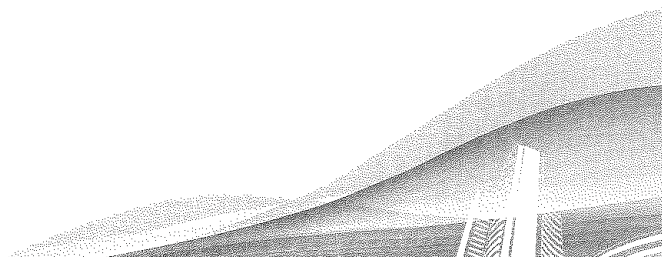


The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager



Ref: NSE/LIST/15237

June 07, 2018

The Company Secretary
KPIT Technologies Limited
35 & 36, Rajiv Gandhi Infotech Park,
Phase-I, MIDC, Hinjawadi,
Pune - 411057

Kind Attn.: Ms. Sneha Padve

Dear Madam,

Sub: Observation Letter for Composite scheme of arrangement among Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited, and their shareholders and creditors.

We are in receipt of the draft Composite Scheme of Arrangement among Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited, and their shareholders and creditors, filed by KPIT Technologies Limited vide application dated February 14, 2018.

Based on our letter reference no Ref: NSE/LIST/15237 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated June 01, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

The listing of KPIT Engineering Limited is pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about KPIT Engineering Limited and its group companies in line with the disclosure requirements



applicable for public issues with NSE for making the same available to the public through website of the companies.

2. Exchange eligibility criteria at the time of listing on the Exchange pursuant to Scheme of Arrangement.
3. To publish an advertisement in the newspapers containing all the information about KPIT Engineering Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
4. To disclose all the material information about KPIT Engineering Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
5. The following provision shall be incorporated in the scheme:
 - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in KPIT Engineering Limited between the record date and the listing which may affect the status of this approval”.
 - (c) “KPIT Engineering Limited will not issue/ reissue any shares, not covered under the Draft Scheme of arrangement.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from June 07, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

March 14, 2018

To,
The General Manager,
Department of Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051.

Dear Sir/ Madam,

SUB: Application for grant of approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

REF: Complaint report in relation to Composite Scheme of Arrangement amongst KPIT Technologies Limited ("the Company"), Birlasoft (India) Limited and KPIT Engineering Limited and their respective Shareholders ("Scheme")

This is in reference to our application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme.

Please find attached herewith details of Complaints received by the Company on the draft Scheme during 21 days period from the date of filing of draft Scheme with National Stock Exchange of India Limited (February 14, 2018) and hosting the draft Scheme by National Stock Exchange of India Limited (February 20, 2018). The Company has hosted the Draft Scheme along with requisite documents on its website.

Kindly take the same on record and provide us necessary "No objection" at the earliest to enable us to file the Scheme with the National Company Law Tribunal.

Thanking you,

Yours faithfully,

For and on behalf of KPIT Technologies Limited



Authorised Signatory



KPIT Technologies Limited

Corporate and Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase 1, MIDC, Hinjawadi, Pune 411057, India
T: +91 20 6652 5000 | F: +91 20 6652 5001 | kpitin@kpit.com | www.kpit.com | CIN: L72200PN1990PLC059594

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not applicable
5.	Number of complaints pending	Not applicable

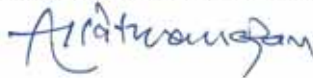
Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not applicable			

Thanking you,

Yours faithfully,

For and on behalf of KPIT Technologies Limited



Authorised Signatory



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KPIT TECHNOLOGIES LIMITED AT ITS MEETING HELD ON JANUARY 29, 2018 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. BACKGROUND

- 1.1. The Board of Directors ("Board") of KPIT Technologies Limited ("Demerged Company/ Transferee Company") at its meeting held on January 29, 2018 have approved the composite scheme of arrangement amongst the Transferee Company / Demerged Company, Birlasoft (India) Limited ("Transferor Company") and KPIT Engineering Limited ("Resulting Company") and their respective shareholders ("Scheme").
- 1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Transferee Company / Demerged Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. Under the Scheme it is proposed to reorganize and reconstruct the companies as follows:
 - (a) the amalgamation of the Transferor Company with the Transferee Company and issue of equity shares of the Transferee Company to the shareholders of the Transferor Company, as per the share exchange ratio determined by the B.S.R. & Co., LLP, ("Independent Chartered Accountant") as consideration;
 - (b) immediately upon implementation of (a) above, the Demerged Undertaking (as defined in the Scheme) shall be demerged from the Demerged Company into the Resulting Company, on a going concern basis, and the consequent issue of shares by the Resulting Company to each shareholder of the Demerged Company; and
 - (c) the reduction of the share capital of the Transferee Company in the manner set out in the Scheme, and in accordance with Sections 230 to 232, and other applicable provisions of the Companies Act, 2013; and
 - (d) the reduction of the share capital of the Resulting Company in the manner set out in this Scheme, and in accordance with Sections 230 to 232, and other applicable provisions of the Companies Act, 2013.
- 1.5. The following documents were, inter alia, placed before the Board:
 - (e) Draft Scheme, duly initialled by the Company Secretary of the Transferee Company / Demerged Company for the purpose of identification;



KPIT Technologies Limited

Corporate and Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase 1, MIDC, Hinjawadi, Pune 411057, India
T: +91 20 6652 5000 | F: +91 20 6652 5001 | kpitin@kpit.com | www.kpit.com | CIN: L72200PN1990PLC059594

- (f) Valuation report dated January 29, 2018 ("Valuation Report") prepared by the Independent Chartered Accountant describing the methodology adopted by them in arriving at the share exchange ratio;
 - (g) Fairness opinion dated January 29, 2018 ("Fairness Opinion") issued by Equirus Capital (P) Limited, [Independent Category-I Merchant Banker] providing the Fairness Opinion on the share exchange ratio as recommended by the Valuation Report;
 - (h) Certificate dated January 29, 2018, obtained from the statutory auditors of the Transferee Company / Demerged Company viz. B.S.R & Co., LLP, Chartered Accountants, on the accounting treatment prescribed in the Scheme;
 - (i) Pricing certificate from the M/s. B.S.R & Co., LLP, Chartered Accountants, on the accounting treatment prescribed in the Scheme, Statutory Auditor of the Transferee Company as required under SEBI Circular dated March 10, 2017 on Scheme of Arrangement as per Proviso of Regulation 70(1) (ii) (b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; and
 - (j) Report of the Audit Committee of the Board dated January 29, 2018.
2. VALUATION REPORT | ENTITLEMENT RATIO | ISSUE OF SHARES PURSUANT TO THE SCHEME
- 2.1. Valuers have approved the following share exchange / entitlement ratio for the issue of shares in terms of the Scheme:

For merger of Transferor Company with the Transferee Company:

For every 22 equity shares of the Transferor Company held by a shareholder on the Record Date 1 (as defined under the Scheme), such shareholder shall be entitled to receive 9 fully paid up equity shares of Rupees Ten each of the Transferee Company.

Such equity shares of the Transferee Company shall be issued to those members whose names appear in the register of members of the Transferor Company and whose names appear as the respective beneficial owners of the equity shares of the Transferor Company in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date 1.

For the demerger and vesting of Engineering Business (as defined in the Scheme) to the Resulting Company

For every 1 equity shares of the Demerged Company held by a shareholder on the Record Date 2 (as defined in the Scheme), such shareholder shall be entitled to receive 1 fully paid up equity shares of Rupees Ten each of the Resulting Company.

Such equity shares of the Resulting Company shall be issued to those members whose names appear in the register of members of the Demerged Company and whose names appear as the respective beneficial owners of the equity shares of the Demerged Company in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as



may be recognized by the Board of Directors of the Demerged Company) as on the Record Date 2.

- 2.2. The aforesaid share entitlement ratio is based on the Valuation Report and the Fairness Opinion. The aforesaid Valuation Report and Fairness Opinion have been duly considered by the Board and have come to the conclusion that share entitlement ratio is fair and reasonable.
- 2.3. The equity shares of the Transferee Company or the Resulting Company, as the case may be, to be issued and allotted shall be subject to the memorandums of association of the Transferee Company or the Resulting Company, as the case may be, shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company or the Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto. The Resulting Company shall seek listing of the equity shares allotted by it on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other applicable provisions as may be applicable.
- 2.4. No special valuation difficulties were reported.
3. **Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Transferee Company / Demerged Company**
 - 3.1. In consideration for the amalgamation of the Transferor Company with the Transferee Company, the shareholders of the Transferor Company will be issued shares of the Transferee Company as per the share exchange ratio determined by the Independent Chartered Accountant: Both the promoter and non-promoter shareholders of the Transferor Company will receive equity shares in the Transferee Company.
 - 3.2. Immediately upon implementation of amalgamation as mentioned in para 3.1 above, and in consideration for the demerger of the Demerged Undertaking (*as defined in the Scheme*), the shareholders of the Demerged Company shall be issued shares of the Resulting Company, in proportion to their shareholding in the Demerged Company. Both the promoter and non-promoter shareholders of the Demerged Company will receive equity shares in the Resulting Company.
 - 3.3. Simultaneously with the Scheme, the promoters of the Company along with the promoters of the Transferor Company are making an open offer for 26% stake in the Company. Consequently, assuming full acceptance of the open offer, the shareholding of the pre-scheme public shareholders in the Transferee Company / Demerged Company will reduce by 34.69% post scheme.
4. **Effect of the Scheme on the KMPs of the Transferee Company / Demerged Company**

Effect of the Scheme on the KMPs pursuant to Amalgamation

The KMPs of, if any, of the Transferor Company shall become employees of the Transferee Company on effectiveness of the Scheme.



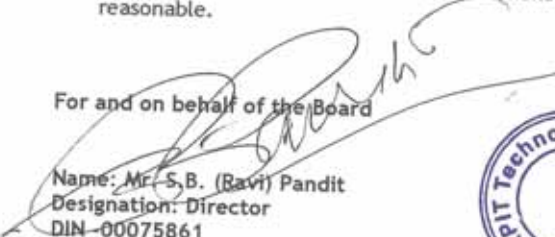
Effect of the Scheme on the KMPs pursuant to Demerger

The KMPs forming part of the Demerged Undertaking (*as defined in the Scheme*) shall become employees of the Resulting Company on effectiveness of the Scheme.

Further none of the KMPs have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Transferee Company.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board


Name: Mr. S.B. (Ravi) Pandit
Designation: Director
DIN-00075861
Place: January 29, 2018
Date: Mumbai



Compliance Report to be submitted along with the draft scheme

It is hereby certified that the draft scheme of arrangement involving KPIT Technologies Limited, Birlasoft (India) Limited and KPIT Engineering Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars
1	Regulations 17 to 27 of	Corporate governance requirements
2	Regulation 11 of LODR	Compliance with securities laws
Requirements of this circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted entities
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting

Sneha Padve

Sneha Padve

Company Secretary



Kishor Patil

Kishor Patil

CEO & Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving KPIT Technologies Limited, Birlasoft (India) Limited and KPIT Engineering Limited are in compliance with all the Accounting Standards applicable to a listed entity.

Anil Patwardhan

Anil Patwardhan

Chief Financial Officer



Kishor Patil

Kishor Patil

CEO & Managing Director

KPIT Technologies Limited

Corporate and Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase 1, MIDC, Hinjawadi, Pune 411057, India
T: +91 20 6652 5000 | F: +91 20 6652 5001 | kpitin@kpit.com | www.kpit.com | CIN: L72200PN1990PLC059594

KPIT ENGINEERING LIMITED

Regd. Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase I, MIDC,
Hinjawadi, Pune 411057. CIN : U74999PN2018PLC174192

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KPIT ENGINEERING LIMITED AT ITS MEETING HELD ON JANUARY 29, 2018 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. BACKGROUND

- 1.1. The Board of Directors ("Board") of KPIT Engineering Limited ("Resulting Company") at its meeting held on January 29, 2018 have approved the composite scheme of arrangement amongst the Resulting Company, Birlasoft (India) Limited ("Transferor Company") and KPIT Technologies Limited ("Transferee Company/ Demerged Company") and their respective shareholders ("Scheme").
- 1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Resulting Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. Under the Scheme it is proposed to reorganize and reconstruct the companies as follows:
 - (a) the amalgamation of the Transferor Company with the Transferee Company and issue of equity shares of the Transferee Company to the shareholders of the Transferor Company, as per the share exchange ratio determined by S.R. Batliboi & Co., LLP, the ("Independent Chartered Accountant") as consideration;
 - (b) immediately upon implementation of (a) above, the Demerged Undertaking (*as defined in the Scheme*) shall be demerged from the Demerged Company into the Resulting Company, on a going concern basis, and the consequent issue of shares by the Resulting Company to each shareholder of the Demerged Company; and
 - (c) the reduction of the share capital of the Transferee Company in the manner set out in the Scheme, and in accordance with Sections 230 to 232, and other applicable provisions of the Companies Act, 2013; and
 - (d) the reduction of the share capital of the Resulting Company in the manner set out in this Scheme, and in accordance with Sections 230 to 232, and other applicable provisions of the Companies Act, 2013.
- 1.5. The following documents were, inter alia, placed before the Board:
 - (a) Draft Scheme, duly initialled by the Mr. S.B. (Ravi) Pandit, Director, of the Resulting Company for the purpose of identification;



KPIT ENGINEERING LIMITED

Regd. Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase I, MIDC,
Hinjawadi, Pune 411057. CIN : U74999PN2018PLC174192

- (b) Valuation report dated January 29, 2018 ("Valuation Report") prepared by S.R. Batliboi & Co. LLP, the Independent Chartered Accountant, describing the methodology adopted by them in arriving at the share exchange ratio; and
- (c) Fairness opinion dated January 29, 2018 ("Fairness Opinion") prepared Equirus Capital (P) Limited, [Independent Category-I Merchant Banker] providing the Fairness Opinion on the share exchange ratio as recommended by the Valuation Report.

2. VALUATION REPORT | ENTITLEMENT RATIO | ISSUE OF SHARES PURSUANT TO THE SCHEME

- 2.1. Valuers have approved the following share exchange / entitlement ratio for the issue of shares in terms of the Scheme:

For the demerger and vesting of Engineering Business (as defined in the Scheme) to the Resulting Company

For every 1 equity shares of the Demerged Company held by a shareholder on the Record Date 2, such shareholder shall be entitled to receive 1 fully paid up equity shares of Rupees Ten each of the Resulting Company.

Such equity shares of the Resulting Company shall be issued to those members whose names appear in the register of members of the Demerged Company and whose names appear as the respective beneficial owners of the equity shares of the Demerged Company in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company) as on the Record Date 2.

- 2.2. The aforesaid share entitlement ratio is based on the Valuation Report and the Fairness Opinion. The aforesaid Valuation Report and Fairness Opinion have been duly considered by the Board and have come to the conclusion that share entitlement ratio is fair and reasonable.
- 2.3. The equity shares of the Resulting Company, to be issued and allotted shall be subject to the memorandums of association of the Resulting Company shall rank *pari passu* in all respects with the existing equity shares of or Resulting Company, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto. The Resulting Company shall seek listing of the equity shares allotted by it on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other applicable provisions as may be applicable.
- 2.4. No special valuation difficulties were reported.



KPIT ENGINEERING LIMITED

Regd. Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase I, MIDC,
Hinjawadi, Pune 411057. CIN : U74999PN2018PLC174192

3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Resulting Company

- 3.1. In consideration for the demerger of the Demerged Undertaking (*as defined in the Scheme*), the shareholders of the Demerged Company as on Record Date 2 shall be issued shares of the Resulting Company, in proportion to their shareholding in the Demerged Company. Both the promoter and non-promoter shareholders of the Demerged Company will receive equity shares in the Resulting Company.
- 3.2. The entire pre-scheme share capital of the Resulting Company shall be cancelled, pursuant to demerger of the Demerged Undertaking (*as defined under the Scheme*) from the Demerged Company into the Resulting Company.

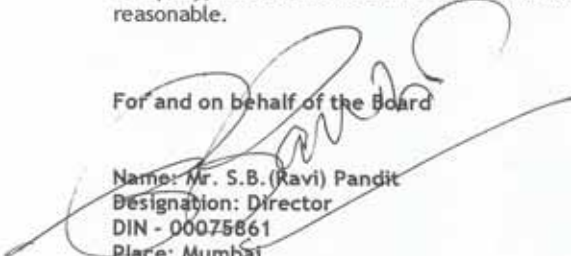
4. Effect of the Scheme on the KMPs of the Resulting Company

The KMPs forming part of the Demerged Undertaking (*as defined in the Scheme*) of the Demerged Company shall become employees of the Resulting Company on effectiveness of the Scheme.

Further none of the KMPs have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Transferee Company / Resulting Company.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board


Name: Mr. S.B. (Ravi) Pandit
Designation: Director
DIN - 00075861
Place: Mumbai
Date: January 29, 2018



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BIRLASOFT (INDIA) LIMITED AT ITS MEETING HELD ON MONDAY, 29TH DAY OF JANUARY 2018 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS

1. BACKGROUND

- 1.1. The Board of Directors ("Board") of Birlasoft (India) Limited ("Company" or "Transferor Company") at its meeting held on 29 January 2018 has approved the composite scheme of arrangement amongst the Company, KPIT Technologies Limited ("Transferee Company/ Demerged Company") and KPIT Engineering Limited ("Resulting Company") and their respective shareholders ("Scheme").
- 1.2. Section 232(2) (c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. Under the Scheme it is proposed to reorganize and reconstruct the companies as follows:
 - (a) the amalgamation of the Transferor Company with the Transferee Company and issuance of equity shares of the Transferee Company to the shareholders of the Transferor Company, as per the share exchange ratio determined by the Independent Chartered Accountant as consideration;
 - (b) immediately upon implementation of (a) above, the Demerged Undertaking (*as defined in the Scheme*) shall be demerged from the Demerged Company into the Resulting Company, on a going concern basis, and the consequent issue of shares by the Resulting Company to each shareholder of the Demerged Company; and
 - (c) reduction of the share capital of the Transferee Company, held by the Transferor Company; and
 - (d) reduction of entire share capital of the Resulting Company, held by the Demerged Company.
- 1.5. The following documents were, inter alia, placed before the Board:
 - (a) Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;
 - (b) Valuation report dated January 29, 2018 ("**Valuation Report**") prepared by S. R. Batliboi & Co. LLP, Chartered Accountants (Independent Chartered Accountant), describing the methodology adopted by them in arriving at the share exchange ratio;

Birlasoft (India) Limited

H-9, Sector 63, Noida 201306, India | +91 120 6629000 | contactus@birlasoft.com | www.birlasoft.com
 Registered Office: Birla Tower 8th floor, 25, Barakhamba Road, New Delhi 110001, India | CIN : U7899DL1995PLC064560



2. VALUATION REPORT | ENTITLEMENT RATIO | ISSUE OF SHARES PURSUANT TO THE SCHEME

- 2.1. Valuers have approved the following share exchange / entitlement ratio for the issue of shares in terms of the Scheme:

For merger of Transferor Company with the Transferee Company:

For every 9 equity shares of the Transferor Company held by a shareholder on the record date, such shareholder shall be entitled to receive 22 fully paid up equity shares of Rs. 2 each of the Transferee Company.

For the demerger and vesting of Engineering Business (as defined in the Scheme) to the Resulting Company

For every 1 equity shares of the Demerged Company held by a shareholder on the record date, such shareholder shall be entitled to receive 1 fully paid up equity shares of Rs. 10 each of the Resulting Company.

- 2.2. The equity shares of the Transferee Company or the Resulting Company, as the case may be, to be issued and allotted as above shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company or Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto. The Resulting Company shall seek listing of the equity shares allotted by it on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other applicable provisions as may be applicable.
- 2.3. No special valuation difficulties were reported.

3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Transferor Company

- 3.1. In consideration for the amalgamation of the Transferor Company with the Transferee Company, the shareholders of the Transferor Company will be issued shares of the Transferee Company as per the share exchange ratio determined by the Independent Chartered Accountant:

3.1.1. Both the promoter and non-promoter shareholders of the Transferor Company will receive equity shares in the Transferee Company.

- 3.2. Immediately upon implementation of amalgamation as mentioned in para 3.1 above, and in consideration for the demerger of the Demerged Undertaking (*as defined in the Scheme*), the shareholders of the Demerged Company shall be issued shares of the Resulting Company, in proportion to their shareholding in the Demerged Company:

Birlasoft (India) Limited

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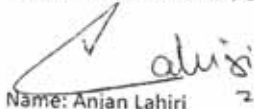
3.2.1. Both the promoter and non-promoter shareholders of the Demerged Company will receive equity shares in the Resulting Company.

4. Effect of the Scheme on the KMPs of the Transferor Company

The KMPs of, if any, of the Transferor Company shall become employees of the Transferee Company on effectiveness of the Scheme.

Further none of the KMPs have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Demerged Company / Transferee Company / Resulting Company.

For and on behalf of the Board



Name: Anjan Lahiri
Designation: Managing Director & CEO
DIN - 06407055
Place: Delhi
Date: January 29, 2018



KPIT TECHNOLOGIES LIMITED

Balance Sheet
as at 31 March 2018

(Amount in ₹ million)

	Note	31 March 2018	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
		<u>11,568.17</u>	<u>10,508.63</u>
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
		<u>9,445.86</u>	<u>8,689.74</u>
TOTAL ASSETS		<u>21,014.03</u>	<u>19,198.37</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	379.03	376.39
Other equity	31	14,663.33	13,366.81
		<u>15,042.36</u>	<u>13,743.20</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	662.06	985.31
Provisions	17	319.38	266.35
		<u>981.44</u>	<u>1,251.66</u>
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
		<u>4,990.23</u>	<u>4,203.51</u>
TOTAL EQUITY AND LIABILITIES		<u>21,014.03</u>	<u>19,198.37</u>

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



For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Anil Patwardhan

Anil Patwardhan
Chief Financial Officer

S. B. (Joshi) Pandit
Chairman & Group CEO
DIN: 00875861

Sneha Padve
Sneha Padve
Company Secretary

Pratik Jati
CEO & Managing Director
DIN : 00076190

Place: Pune
Date: 23 May 2018

KPIT TECHNOLOGIES LIMITED

Statement of Profit and Loss for the year ended on 31 March 2018

(Amount in ₹ million)

	Note	31 March 2018	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			
Current tax	43	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

Sneha Padve

Company Secretary

Place: Pune
Date: 23 May 2018

B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Kishor Patil
Chief Managing Director
DIN : 00076190

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KPIT TECHNOLOGIES LIMITED

Statement of cash flows for the year ended on 31 March 2018

(Amount in ₹ million)

PARTICULARS	31 March 2018	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	<u>2,611.77</u>	<u>2,669.26</u>
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(523.63)	(1,420.94)
Inventories	21.30	214.41
Loans, other financial 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	<u>2,991.63</u>	<u>1,817.47</u>
Taxes Paid	(334.99)	(557.85)
Net cash from operating activities (A)	<u>2,656.64</u>	<u>1,259.62</u>
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)	<u>(1,358.69)</u>	<u>(1,541.21)</u>
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)	(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 used In financing activities (C)	<u>(1,167.00)</u>	<u>504.92</u>
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)	<u>139.37</u>	<u>223.29</u>



KPIT TECHNOLOGIES LIMITED

Statement of cash flows (continued)

for the ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
Cash and cash equivalents at close of the year (refer note 1 below)	1,471.66	1,332.29
Cash and 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

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED



Anil Patwardhan
Chief Financial Officer



S. B. (Navil) Pandit
Chairman & Group CEO
DIN : 00075861



Sneha Padve
Company Secretary



Kishor Patil
I.T.M. Managing Director
DIN / 00076190

Place: Mumbai
Date: 23 May 2018

Place: Pune
Date: 23 May 2018

PN/A

KPIT TECHNOLOGIES LIMITED

Statement of changes in equity
for the year ended on 31 March 2018

(Amount in ₹ million)

A	Equity share capital	375.65
	Balance as at 1 April 2016	0.74
	Changes in equity share capital during 2016-17	374.91
	Balance as at 31 March 2017	375.39
	Changes in equity share capital during 2017-18	2.64
	Balance as at 31 March 2018	378.03

B Other Reserves

	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	Amalgamation Reserve	Retained earnings of the net defined benefit Plans (Refer note 35(2))			Re measurement of the net defined benefit Plans (Refer note 35(2))
Balance as on 1 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	(17.10)	-	1,692.94
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(37.10)	40.17	73.07
Total comprehensive income for the year	-	-	-	-	-	-	-	1,692.94	(37.10)	40.17	1,716.01
Transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(205.76)	-	-	(205.76)
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
Change 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	13,566.81
Profit for the year	0.11	19.40	40.00	3,904.43	168.76	354.00	51.40	8,802.37	(47.57)	73.91	13,566.81
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	1,775.50	(30.72)	(84.15)	1,775.50
Total comprehensive income for the year	-	-	-	-	-	-	-	1,775.50	(30.72)	(84.15)	1,660.63
Transactions with owners recognised 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 reserve recognised 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

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Vijay Mathur

Vijay Mathur
Partner
Membership No. 046276

Place: **Mumbai**
Date: 23 May 2018

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED

Rajesh K. Khosla
Rajesh K. Khosla
Chairman & Group CEO
DIN : 00073981

Anil Patwardhan
Anil Patwardhan
Chief Financial Officer
DIN : 00073980

Sneha Padve
Sneha Padve
Company Secretary

Prata

KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements for the year ended on 31 March 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.



KPIT TECHNOLOGIES LIMITED
Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

Critical accounting estimates (continued)

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. 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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

1.2 Revenue recognition (continued)

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 ^(A)	25
Plant and equipment ^(A)	4
Office Equipment ^(A)	10
Owned Vehicle ^(A)	5
Furniture and fixtures ^(A)	8



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

1.6 Depreciation and amortization (continued)

⁽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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2018

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
- 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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2018

1.12 Employee benefits (continued)

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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

1.14 Provisions, Contingent liabilities and Contingent assets (continued)

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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

1.18 Financial instruments (continued)

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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements *(continued)*

for the year ended on 31 March 2018

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 recognized 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

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 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.



KPIT Technologies Limited
Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

(Amount in ₹ million)

2A Property, plant and equipment

	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	-	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	173.38	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.



KPIT Technologies Limited
Notes forming part of the standalone financial statements *(continued)*
for the year ended on 31 March 2018

(Amount in ₹ million)

2B Intangible assets

	Internally Generated	Other than Internally Generated	Total
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	235.17	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

Note:

(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 ₹ 1,764 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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
3 Investment in subsidiaries		
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



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements *(continued)*
for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
4 Loans		
<i>(Unsecured, considered good unless otherwise stated)</i>		
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
	<u>232.02</u>	<u>118.68</u>

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

(Unsecured, considered good unless otherwise stated)

Fixed deposits with banks	9.64	21.74
Interest accrued on fixed deposits	0.48	0.28
	<u>10.12</u>	<u>22.02</u>

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

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	<u>642.51</u>	<u>490.39</u>
	<u>859.55</u>	<u>638.62</u>

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	<u>2.23</u>	<u>3.84</u>
	<u>73.70</u>	<u>135.66</u>

Net deferred tax asset

785.85 502.96

7 Other non-current assets

(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
	<u>64.83</u>	<u>95.10</u>



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
8 Inventories		
<i>(Valued at the lower of cost and net realisable value)</i>		
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
	<u>27.72</u>	<u>74.99</u>

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

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*
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

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 (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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements *(continued)*
for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
11 Cash and bank balances		
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)	<u>380.00</u>	<u>2.11</u>
	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
	<u>1,524.01</u>	<u>1,380.29</u>

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

(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
	<u>247.23</u>	<u>686.99</u>

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

(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
	<u>2.35</u>	<u>114.75</u>

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

(Unsecured, considered good unless otherwise stated)

Advance rentals	8.14	7.44
Employee advances		
- Considered good	50.90	54.41
- Considered doubtful	<u>29.51</u>	<u>20.90</u>
	80.41	75.31
Less: Provision for doubtful advances	<u>29.51</u>	<u>20.90</u>
	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
	<u>517.97</u>	<u>325.68</u>



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
15 Equity share capital		
Authorised:		
625,000,000 (Previous year 625,000,000) equity shares of ₹ 2 each.	1,250.00	1,250.00
	<u>1,250.00</u>	<u>1,250.00</u>
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
	<u>379.03</u>	<u>376.39</u>

- 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	(₹)	Number of shares	(₹)
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		Number of shares as at 31 March 2017	
	Number of shares	% of shares held	Number of shares	% 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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
16 Non-current borrowings		
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

Provision for employee benefits		
- Gratuity (Refer note 35(2))	319.38	266.35
	319.38	266.35



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
18 Current borrowings		
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
	<u>1,835.07</u>	<u>1,877.58</u>

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

19 Trade payables

Trade payables		
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
	<u>693.85</u>	<u>588.76</u>

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

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	*
	<u>1,150.70</u>	<u>1,227.43</u>

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

Unearned revenue	629.59	94.48
Advances from customers	3.64	7.23
Statutory remittances	252.50	152.12
	<u>885.73</u>	<u>253.83</u>

22 Provisions

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
	<u>215.63</u>	<u>191.33</u>



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2018

(Amount in ₹ million)

	31 March 2018	31 March 2017
23 Revenue from operations		
Software services	14,346.09	12,974.96
Sale of products		
Finished goods	77.44	248.27
	<u>14,423.53</u>	<u>13,223.23</u>
24 Other income		
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
	<u>420.75</u>	<u>159.40</u>

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 30(3)).



KPIT TECHNOLOGIES LIMITED**Notes forming part of the standalone financial statements (continued)****for the year ended on 31 March 2018**

(Amount in ₹ million)

	31 March 2018	31 March 2017
25 Cost of materials consumed		
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
	<u>59.07</u>	<u>233.03</u>
26 Changes in inventories of finished goods and work-in-progress		
Finished goods		
Inventories at the beginning of the year	0.35	4.91
Inventories at the end of the year	0.11	0.35
	<u>0.24</u>	<u>4.56</u>
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
	<u>0.80</u>	<u>2.05</u>
	<u>1.04</u>	<u>6.61</u>
27 Employee benefits expense		
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
	<u>9,241.75</u>	<u>7,965.40</u>
28 Finance costs		
Interest expense (Refer note (i) below)	46.84	85.39
Net loss on foreign currency transactions and translations (considered as finance costs)	1.47	-
	<u>48.31</u>	<u>85.39</u>

Note

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



KPIT TECHNOLOGIES LIMITED**Notes forming part of the standalone financial statements (continued)****for the year ended on 31 March 2018****(Amount in ₹ million)**

	31 March 2018	31 March 2017
29 Other expenses		
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
	<u>2,787.11</u>	<u>2,370.73</u>

Note

Certain expenses are net of recoveries/reimbursements from customers.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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:

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 were as follows:

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



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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:

Particulars	As at 31 March 2018	Fair value measurement as at		
		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:

Particulars	As at 31 March 2017	Fair value measurement as at		
		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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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 (₹ 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

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.



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended 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:

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.

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.

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: (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



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

30.3 Financial risk management (continued)

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

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:

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).



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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

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

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.

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**
- The defined benefit plan comprises gratuity, which is un-funded.
 - 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.



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Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

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)	(30.11)
Present value of defined benefit obligation at the end of the year	368.90	289.13

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

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

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%

- 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.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- 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.

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

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



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)

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 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

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) Limited) 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-Elektronik 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)	Name	Designation
	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
	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 Blicke (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. Jyada Pandit Mr. Shreyas Patwardhan
Enterprise over which KMP have significant influence	KP Corporate Solutions Limited Proficient FinStock LLP Kirtane & Pandit LLP



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Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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
	Advance given (net)	19.74		21.56	
	Reimbursement of expenses (net)	54.20	22.89	49.62	25.78
	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		10.03	
	Reimbursement of expenses (net)	34.77	15.08	31.23	12.73
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		37.69	
	Reimbursement of expenses (net)	270.61	19.43	264.40	142.51
	Guarantee fees	3.26		3.34	
	Repayment of loan granted to subsidiary**	393.89		134.77	
	Loan granted to subsidiary	NIL	NIL	NIL	390.16
	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	
	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		NIL	
	Advance given (net)	NIL	0.31	0.41	
	Reimbursement of expenses (net)	(0.08)		0.07	0.26
	Guarantee fees	0.24		0.33	



KPIT TECHNOLOGIES LIMITED
Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

D. Transactions with related parties (continued)

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)
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
	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	180.95	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	1.41
	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	
	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		NIL	
	Sales	21.14	1.87	214.51	178.55
16	KPIT Solutions GmbH				
	Reimbursement of expenses (net)	NIL	0.04	0.04	0.04
17	KPIT medIn Technologies AG				
	Purchase of license	NA	NA	NIL	NIL
	Software service charges	NA		0.78	
18	MicroFuzzy Industrie-Elektronik 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				
	Short term employee benefits	37.07	NIL	31.70	NIL
	Post employment benefit plans	1.79		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)



KPIT TECHNOLOGIES LIMITED

 Notes forming part of the standalone financial statements (continued)
 for the year ended on 31 March 2018

D. Transactions with related parties (continued)

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)
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	NIL	0.16	NIL
7	Lila Poonawalla				
	Commission paid	2.23	NIL	3.12	NIL
	Sitting fees	0.29	NIL	0.33	NIL
8	Prof. Alberto Sangiovanni Vincentelli				
	Commission paid	2.60	NIL	3.26	NIL
	Sitting fees	0.06	NIL	0.11	NIL
9	Anant Talaulicar				
	Sitting fees	0.07	NIL	NIL	NIL
10	Adi Engineer				
	Commission paid	2.16	NIL	2.74	NIL
	Sitting fees	0.27	NIL	0.30	NIL
11	B V R Subbu				
	Commission paid	1.61	NIL	2.32	NIL
	Sitting fees	0.09	NIL	0.12	NIL
12	Dr. Klaus Blicke				
	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.



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Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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)



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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:-

- Property, plant and equipment - ₹ 171.00 million (31 March 2017 ₹ 240.97 million).
- Intangible assets - ₹ 8.94 million (31 March 2017 ₹ 26.98 million).



KPIT TECHNOLOGIES LIMITED
Notes forming part of the standalone financial statements (continued)
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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
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)



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42. Share based payments (continued)

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	30,000.00

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%
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 ₹ 164.55)

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



KPIT TECHNOLOGIES LIMITED
Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

42 Share based payments (continued)

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.



KPIT TECHNOLOGIES LIMITED
Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018

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

- 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.

- 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.

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



KPIT TECHNOLOGIES LIMITED

Notes forming part of the standalone financial statements (continued)
for the year ended on 31 March 2018


44 Other disclosures and explanatory notes (continued)

- 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


Sneha Padve
Company Secretary

Place : Pune
Date: 23 May 2018


S. B. (Ravi) Mendir
Chairman & Group CEO
DIN: 00075861


Kishor Patil
CEO & Managing Director
DIN: 00076190

Prayer

KPIT ENGINEERING LIMITED

Balance Sheet

as at 31 March 2018

(Currency - ₹ million)

	Note	31 March 2018
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2	0.95
		<u>0.95</u>
TOTAL		<u><u>0.95</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3	1.00
Other equity		(2.66)
		<u>(1.66)</u>
Liabilities		
Current liabilities		
Financial liabilities		
Trade payables	4	0.09
Other financial liabilities	5	2.51
Other current liabilities	6	0.01
		<u>2.61</u>
TOTAL		<u><u>0.95</u></u>

Significant accounting policies

1

Notes referred to above form an integral part of the financial statements

2 - 12

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: 25 April 2018

For and on behalf of the Board of Directors of
KPIT ENGINEERING LIMITED

Director
S.B. (Kavi) Pandit
DIN: 00075861

Director
Kishor Patil
DIN: 00076190

Place: Pune

Date: 25 April 2018

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KPIT ENGINEERING LIMITED

Statement of Profit and Loss

for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

	Note	For the period from 8 January 2018 to 31 March 2018
Total income		-
Expenses		
Other expenses	7	2.66
Total expenses		<u>2.66</u>
Loss before and after tax		<u>(2.66)</u>

There is no other comprehensive income for the current period. Hence, the Statement of Other Comprehensive income is not prepared.

Earnings per equity share for continuing operations (face value per share ₹ 10 each)

Basic	12	(30.24)
Diluted	12	(30.24)

Significant accounting policies 1
Notes referred to above form an integral part of the financial statements 2 - 12

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of
KPIT ENGINEERING LIMITED

Director
S.B. (Kavi) Pandit
DIN: 00075861

Director
Kishor Patil
DIN: 00076190

Place: Pune
Date: 25 April 2018

FR/18

KPIT ENGINEERING LIMITED

Statement of Changes in Equity

(Currency - ₹ million)

A Equity share capital

Equity share capital issued during the period	1.00
Balance as at 31 March 2018	1.00

B Other equity

Particulars	Reserves & Surplus	Total equity
	Retained earnings	
Loss for the period	(2.66)	(2.66)
Balance as on 31 March 2018	(2.66)	(2.66)

Significant accounting policies

1

Notes referred to above form an integral part of the financial statements

2 - 12

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022



Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of
KPIT ENGINEERING LIMITED



Director
S.B. (Can) Pandit
DIN: 00075861



Director
Kishor Patil
DIN: 00076190

Place: Pune
Date: 25 April 2018

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KPIT ENGINEERING LIMITED

Cash Flow Statement

for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

PARTICULARS	For the period from 8 January 2018 to 31 March 2018
A] CASH FLOW FROM OPERATING ACTIVITIES	
Loss for the period	(2.66)
Adjustments for changes in working capital:	
Increase in Trade Payables	0.09
Increase in Other financial liabilities, other liabilities and provisions	2.52
Net cash used in operating activities (A)	<u>(0.05)</u>
B] CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Share Capital	1.00
Net cash from financing activities (B)	<u>1.00</u>
Net increase in cash and cash equivalents (A + B)	<u>0.95</u>
Cash and cash equivalents at close of the period (refer note 1 below)	0.95
Cash surplus for the period	<u>0.95</u>
Note 1:	
Cash and cash equivalents include:	
Balance with banks	
- In current accounts	0.95
Total Cash and cash equivalents	<u>0.95</u>

Note 2:

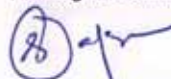
Figures in brackets represent outflows of cash and cash equivalents.

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 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



Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors
KPIT ENGINEERING LIMITED



Director
S. B. (Law) Pandit
DIN: 00075861

Director
Kishor Patil
DIN: 00076190

Place: Pune
Date: 25 April 2018

KPIT ENGINEERING LIMITED
Notes forming part of the financial statements
for the period from 8 January 2018 to 31 March 2018

Corporate Information

KPIT Engineering Limited ("the Company") is a public limited company incorporated on 8th January, 2018 under the Companies Act, 2013. The Company is wholly owned subsidiary of KPIT Technologies Limited ("holding company"). The Company's registered office is in Pune.

The Company provides Software Development and Product Engineering solutions to its clients, predominantly in Automotive & Transportation, Manufacturing and Energy & Utilities verticals.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been 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, unless otherwise stated.

Since the Company is incorporated on 8 January 2018, there are no comparatives in these financial statements.

Use of Estimates

The preparation of financial statements requires the management 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.

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 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.

KPIT ENGINEERING LIMITED
Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

1.2 Current–non-current classification (continued)

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 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.

1.3 Accounting for taxes on income

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 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. 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.

1.4 Earnings per share

Basic earnings per share are computed by dividing the 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 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.

1.5 Provisions:

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 at the time value of money and the risks specific to the liability.

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

1.6 Financial instruments

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.

Subsequent measurement:

a) 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.

b) 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.

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 balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

31 March 2018

2 Cash and cash equivalents

Balances with banks
- In current accounts

0.95

0.95

Note:

Information about the Company's exposure to Credit risk, Market risk & liquidity risk is disclosed in note 11.

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

31 March 2018

3 Equity share capital

Authorised:

25,000,000 equity shares of ₹ 10 each.

250.00

250.00

Issued subscribed and fully paid up:

100,000 equity shares of ₹ 10 each fully paid up

1.00

1.00

3.1

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

Particulars	As at 31 March 2018	
	Number of shares	(₹ million)
Equity shares		
Shares issued during the period	100,000	1.00
Outstanding at the end of the period	100,000	1.00

3.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share.

3.3 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
KPIT Technologies Limited (Holding Company)	99,994	99.99%

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.

Capital management

Currently, the capital management policy of the Company is primarily driven by the holding company. The Company is funded only by equity funds. The Board of Directors at regular intervals monitors the capital requirement of the Company and decides upon the mode of additional funding, which could be either through equity infusion or debt infusion.

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

31 March 2018

4 Trade payables

Trade payables (Refer Note 9)

0.09

0.09

Note:

Information about the Company's exposure to Credit risk, Market risk & liquidity risk is disclosed in note 11.

5 Other current financial liabilities

Payable to related party (Refer note 10)

2.51

2.51

6 Other current liabilities

Statutory liabilities

0.01

0.01

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)

for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

	For the period from 8 January 2018 to 31 March 2018
7 Other expenses	
Rates and taxes	2.51
Auditor's remuneration	
- Audit fees	0.05
- Fees for other services	0.05
Legal and professional fees	0.05
	<hr/> 2.66 <hr/>

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

8 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

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

There are no Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owed dues either during the period or as at 31 March 2018.

10 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Holding Company	KPIT Technologies Limited

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	

C. Transactions with related parties*

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction 2017-18 (₹)	Balance receivable / (payable) as at 31 March 2018 (₹)
1	KPIT Technologies Limited	Holding Company	Issue of equity Reimbursement of incorporation expenses	1.00 2.51	- (2.51)

* All transactions with these related parties are priced on an arm's length basis.

11 Financial Instruments

11.1 Financial Instruments by category

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

Particulars	Amortised cost	Total carrying value	Total fair value
Assets			
Cash and cash equivalents	0.95	0.95	0.95
Total Assets	0.95	0.95	0.95
Liabilities			
Trade payables	0.09	0.09	0.09
Other financial liabilities	2.51	2.51	2.51
Total Liabilities	2.60	2.60	2.60

11.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, 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.

11.3 Financial risk management

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. The Company held cash and cash balances of ₹ 0.95 million as on 31 March 2018. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies. Hence the Company does not have significant credit risk.

KPIT ENGINEERING LIMITED

Notes forming part of the financial statements (continued)
for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

11 Financial Instruments (continued)

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. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position as at 31 March 2018 is given below:

Particulars	31 March 2018
Cash and cash equivalents	0.95

Remaining contractual maturities of financial liabilities as on 31 March 2018:

Particulars	31 March 2018
Trade payables (less than 1 year)	0.09
Other Financial liabilities (less than 1 year)	2.51
Total	2.60

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 Company is not exposed to foreign exchange risk and interest rate risk since it does not hold any foreign exchange assets / liabilities and interest bearing financial assets and liabilities as of 31 March 2018.

12 Basic and diluted earnings per share

Particulars		FY 2017-18
Nominal value per equity share	₹	10.00
Loss for the period	₹ million	(2.66)
Weighted average number of equity shares*	No. of shares	87,952
Earnings per share - Basic	₹	(30.24)
Earnings per share - Diluted	₹	(30.24)

* The shares have been allotted on 18 January 2018.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of
KPIT ENGINEERING LIMITED

Director
S.B. (Ran) Pandit
DIN: 00075861
Director
Kishor Patil
DIN: 00076190

Place: Pune
Date: 25 April 2018

8/4/18

BIRLASOFT (INDIA) LIMITED

Standalone Balance Sheet as at March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3.1	6,174.13	3,380.16
Capital work in progress	3.1	1,201.51	-
Other intangible assets	3.2	142.74	368.80
Investment in subsidiaries	4	259.01	259.01
Financial assets			
Other financial assets	10	330.95	701.37
Other non-current assets			
Deferred tax assets (net)	5	2,443.41	1,873.25
		1,944.71	1,210.60
Total non-current assets		12,496.46	7,793.19
Current assets			
Financial assets			
Investments	6	16,581.74	14,629.84
Trade receivables	7	4,321.77	6,792.66
Cash and cash equivalents	8	2,276.97	3,784.40
Bank balances other than "Cash and cash equivalent"	9	9,315.00	-
Other financial assets	10	1,279.03	1,532.63
Other current assets			
	11	2,205.09	982.59
Total current assets		35,979.60	27,712.12
Total assets		48,476.06	35,515.31
Equity and Liabilities			
Equity			
Equity share capital	12	3,135.48	3,135.48
Other Equity	13	34,408.33	26,369.65
Total equity		37,543.81	29,505.13
Non-current liabilities			
Provisions	17	28.76	9.61
Other Non-current liabilities	21	1,209.66	338.56
Total non-current liabilities		1,238.42	348.57
Current liabilities			
Financial liabilities			
Trade payables			
a. total outstanding dues of micro enterprises and small enterprises		-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises		3,795.46	1,712.31
Other payables			
Other financial liabilities	18	3,493.07	2,493.64
Provision for employee benefits			
	16	851.01	731.19
Current tax liabilities			
	19	565.74	-
Other current liabilities			
	20	988.55	724.47
Total current liabilities		9,693.83	5,661.61
Total liabilities		10,932.25	6,010.18
Total equity and liabilities		48,476.06	35,515.31

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/NS000616

For and on behalf of the Board of Directors of Birlasoft (India) Limited

Harinderjit Singh
Partner
Membership No. 086994

Place Gurugram
Date May 3, 2018

Arveta Bista
Chairperson
DIN 00837718

Place New Delhi
Date May 3, 2018

Dharmender Kapoor
Chief Financial Officer
PAN ADSPK5541M

Place Pune
Date May 3, 2018

Anant Lahiri
Managing Director and Chief Executive Officer
DIN: 06407055

Place New Delhi
Date May 3, 2018

Sakshi Jain
Company Secretary
M No ACS 42743

Place New Delhi
Date May 3, 2018

BIRLASOFT (INDIA) LIMITED

Statement of Profit and Loss for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

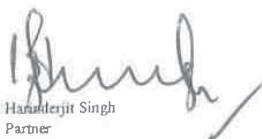
	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	22	43,508.48	48,908.48
Other income [including Gain on transfer of business of Rs. 9,322.20 lakhs (March 31, 2017: Rs. Nil) and income from recovery of support costs of Rs. 215.98 lakhs (March 31, 2017: Rs. Nil)]	23, 47	11,916.08	2,417.23
Total Income		55,424.56	51,325.71
Expenses			
Purchase of traded goods	24	150.05	146.34
Employee benefits expense	25	28,195.38	28,245.09
Finance costs	26	56.07	40.93
Depreciation and amortization expense	27	1,475.90	1,332.21
Other expenses	28,37	12,568.38	9,969.31
Total Expenses		42,445.78	39,733.88
Profit before tax		12,978.78	11,591.83
Income tax expense			
Current tax	5(b)	4,066.31	3,419.42
Adjustment of tax relating to earlier periods		247.89	(5.68)
Deferred tax		(734.11)	577.84
Total income tax expense		3,580.09	3,991.58
Profit for the year		9,398.69	7,600.25
Other comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plan - Gratuity		228.64	(124.36)
Income tax effect		(79.13)	43.04
Other comprehensive income / (loss) for the year, net of tax		149.51	(81.32)
Total comprehensive income for the year, net of tax		9,548.20	7,518.93
Attributable to :			
Equity holders of the Company		9,548.20	7,518.93
Total comprehensive income for the year		9,548.20	7,518.93
Earnings per equity share	30		
- Basic earnings per share and Diluted earnings per share		29.98	24.24
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of Birlasoft (India) Limited


Harinderjit Singh
Partner
Membership No. 086994



Amita Birla
Chairperson
DIN: 00837718


Anjan Lahiri
Managing Director & Chief Executive Off
DIN: 06407055

Place : Gurugram
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018


Dhiramandir Kapoor
Chief Financial Officer
PAN: ADSPK5541M
Place : Pune
Date : May 3, 2018


Sakshi Jain
Company Secretary
M. No.: ACS 42743
Place : New Delhi
Date : May 3, 2018

BIRLASOFT (INDIA) LIMITED

Standalone Statement of Changes in Equity for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

A. Equity Share Capital	Notes	Number	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid			
As at March 31, 2017	12	31,354,800	3,135.48
As at March 31, 2018	12	31,354,800	3,135.48

B. Other Equity

For the year ended March 31, 2018

Description	Notes	Attributable to the equity holders of the Company		Total
		Reserves and surplus		
		General reserve	Retained earnings	
Balance as at April 1, 2017	13	4,000.00	22,369.65	26,369.65
Profit for the year	13	-	9,398.69	9,398.69
Other comprehensive income	13	-	149.51	149.51
Total comprehensive income		-	9,548.20	9,548.20
Dividends (including tax on dividend distribution)-				
interim dividend	13	-	(627.10)	(627.10)
final dividend	13	-	(627.10)	(627.10)
tax on interim dividend	13	-	(127.66)	(127.66)
tax on final dividend	13	-	(127.66)	(127.66)
Transferred from retained earnings	13	10,000.00	(10,000.00)	-
Balance as at March 31, 2018		14,000.00	20,408.33	34,408.33

For the year ended March 31, 2017

Description	Notes	Attributable to the equity holders of the Company		Total
		Reserves and surplus		
		General reserve	Retained earnings	
Balance as at April 1, 2016	13	4,000.00	16,360.24	20,360.24
Profit for the year	13	-	7,600.25	7,600.25
Other comprehensive income	13	-	(81.32)	(81.32)
Total comprehensive income		-	7,518.93	7,518.93
Dividends (including tax on dividend distribution)-				
interim dividend	13	-	(627.10)	(627.10)
final dividend	13	-	(627.10)	(627.10)
tax on interim dividend	13	-	(127.66)	(127.66)
tax on final dividend	13	-	(127.66)	(127.66)
Balance as at March 31, 2017		4,000.00	22,369.65	26,369.65

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of Birlasoft (India) Limited


Harinderjit Singh
Partner
Membership No. 086994



Anjana Das
Chairperson
DIN: 00837718



Anjan Bahiri
Managing Director and Chief Executive Officer
DIN: 06407055

Place : New Delhi
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018


Dharmander Kapoor
Chief Financial Officer
PAN: ADSPK5541M


Sakshi Jain
Company Secretary
M. No.: ACS 42743

Place : Pune
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018

BIRLASOFT (INDIA) LIMITED

Standalone Statement of Cash Flows for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,978.78	11,591.83
Adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	1,237.94	1,078.14
Amortization of intangible assets	237.96	254.07
Allowance for doubtful debts-trade receivables	63.10	2.26
Allowance for doubtful other assets and other financial assets	88.17	165.67
Unrealized foreign exchange loss/ (gain)	(26.65)	17.69
Realised gain on sale of current investments	(890.64)	(544.71)
Unrealised gain on current investments	(387.73)	(347.79)
Lease equalization reserve	911.55	3.08
Loss on sale of property, plant and equipment (net)	-	3.75
Unbilled revenue written off	-	15.00
Fair value (gain)/loss on financial instruments at fair value through profit or loss	1,021.88	(610.83)
Other finance income	(31.89)	(41.75)
Gain on transfer of business (refer note 47)	(9,322.20)	-
Interest income on bank deposits and income tax refund	(269.30)	(117.59)
Operating Profit before Working Capital Changes	5,610.97	11,468.82
Movements in working capital :		
Decrease/ (Increase) in trade receivables	2,431.94	1,106.57
Decrease/ (Increase) in other financial/non-financial assets	(1,471.36)	344.01
Decrease/ (Increase) in Bank balances other than "Cash and cash equivalent" (refer note 9)	(9,315.00)	-
Increase/(Decrease) in employee benefit provisions	595.88	(941.38)
Increase/(Decrease) in trade payable	2,084.65	530.92
Increase/(Decrease) in other financial /non financial liabilities	(820.86)	263.57
Cash generated from operations	(883.77)	12,772.51
Direct taxes paid (net of refunds)	(3,657.48)	(3,806.69)
Net cash flow from operating activities (A)	(4,541.25)	8,965.82
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(3,866.35)	(1,626.29)
Proceeds from sale of property, plant and equipment	32.13	10.31
Maturity of bank deposits (having original maturity of more than 3 months)	-	3,100.00
Proceeds from sale of current investments	39,226.49	18,586.19
Purchase of current investments	(39,899.99)	(26,399.98)
Proceeds from sale of business (refer note 47)	9,038.80	-
Interest received	12.25	128.69
Net cash flow from/(used in) investing activities (B)	4,543.33	(6,201.08)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	5,018.68	912.58
Repayments of short term borrowings	(5,018.67)	(1,009.45)
Interim dividend	(627.10)	(627.10)
Final dividend	(627.10)	(627.10)
Tax on interim dividend	(127.66)	(127.66)
Tax on final dividend	(127.66)	(127.66)
Net cash flow (used in) financing activities (C)	(1,509.51)	(1,606.38)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,507.43)	1,158.36
Cash and cash equivalents at beginning of the year	3,784.40	2,626.05
Cash and cash equivalents	2,276.97	3,784.40



BIRLASOFT (INDIA) LIMITED

Standalone Statement of Cash Flows for the year ended March 31, 2018 (All amounts in Ru. Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Components of cash and cash equivalents as at end of the year (refer note 8) :		
Cash on hand #	0.00	-
Cheque on hand	228.43	-
Funds in transit	39.38	-
With banks:		
-in current accounts	1,980.31	3,782.82
-in EEFC accounts	28.85	1.58
Total Cash and Cash equivalents	2,276.97	3,784.40

0 represents amount is below the rounding off norm adopted by the Company.

Note - The above cash flow statement has been prepared using indirect method as per Ind AS 7 "Statement of Cash Flows".

Summary of significant accounting policies

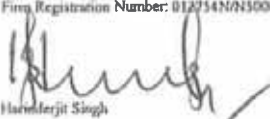
2.1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/03500016

For and on behalf of the Board of Directors of Birlasoft (India) Limited


Harinderjit Singh
Partner
Membership No. 086994


Anita Birla
Chairperson
DIN: 00837718

Anjus Lahiri
Managing Director and Chief Executive Officer
DIN:06407055

Place : Gurugram
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018

Place : New Delhi
Date : May 3, 2018


Dhanmander Kapoor
Chief Financial Officer
PAN: ADSPK5541M


Sakshi Jain
Company Secretary
M. No.: ACS 42743

Place Pune
Date May 3, 2018

Place : New Delhi
Date : May 3, 2018

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1. Corporate information

Birlasoft (India) Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company also has overseas branches at Singapore, Australia, Sweden, Switzerland, Canada, Poland and subsidiaries in Malaysia, United States and China.

The Company is a global provider of IT solutions and services. The Company provides services in the areas of software development, package implementation, application management and testing. It leverages its domain knowledge in the areas of Banking, Financial Services, Manufacturing and Healthcare and ERP implementation.

Also refer notes 37 and 47 for developments relating to composite scheme of arrangement filed with respect to a proposed transaction and slump sale of a business, respectively.

2. Significant accounting policies

2.1 Basis of preparation of Standalone Financial Statements

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies (as amended).

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities relating to financial instruments which have been measured at fair value. Refer note 2.2(iii) below.

The Standalone Financial Statements are presented in Rs. Lakhs except when otherwise indicated.

2.2 Summary of significant accounting policies

i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading



- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

ii. Foreign currency translation

a. Functional and presentation currency

The Company's financial statements are presented in Indian Rupees, which is also the company's functional currency. For each foreign branch, the Company determines the functional currency and items included in the financial statements of each branch are measured using that functional currency which is Indian Rupees.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iii. Fair value measurement

The Company measures financial instruments, such as, derivatives and investments in mutual funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



iv. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company evaluates principle versus agent considerations in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from time and material contracts is recognized during the period in which the related services are provided. Revenue from fixed price contracts is recognized using the percentage completion method whereby revenue and profit are recognized throughout the performance period of the contract. The stage of completion is measured by reference to hours incurred till date as a percentage of total estimated hours for each contract. The cumulative effects of changes in estimates of contract costs are recorded in the period of change. If estimates of cost indicate a loss, provision is made in the current period for the total anticipated loss. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. Revenues recognized in excess of amounts billed, if any, are classified as Other Current Assets.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

The Company offers discounts on certain revenue transactions to customers based on accelerated payment terms. The discounts are estimated at the time of recognition of revenue.

Sale of goods

Revenue from sale of trading goods (licenses) forming part of projects is recognized where the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and there are no unfulfilled obligations that could affect the customer's acceptance of the goods.

Interest income

Interest income is recorded using the effective interest rate (EIR) on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "finance income" in the statement of profit and loss.

v. Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company generate taxable income.



Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

vi. Property, plant and equipment

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the useful lives estimated by the management which is in line with rates prescribed under the Schedule II to the Companies Act,



2013 except for vehicles and furniture & fixtures. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of Leasehold Improvements, the depreciation is provided over shorter of economic useful life or the period of lease including probable extendable lease period.

The Company has determined the following useful lives for its fixed assets.

	Management estimated useful life	Schedule II prescribed useful life
Computer Systems		
-Hardware	3 years	3 years
-Servers	6 years	6 years
Furniture and fixtures	7 years	10 years
Vehicles	7 years	10 years
Office Equipment's	5 years	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the estimated useful economic life being 3 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.



viii. Borrowing costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

ix. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

x. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.



For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

xi. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Decommissioning liability

The Company uses various premises on lease to run its operation and records a provision for decommissioning costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

xii. Employee benefits

a. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Actuarial gains/ losses are immediately taken to the statement of the profit and loss and are not deferred. The



Company represents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-Employment obligations

i. Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Retirement benefits in the form of Central Provident Fund are a defined contribution scheme in Singapore (relating to Singapore branch) and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The contribution varies on the basis of permanent residential status of the employee. There are no other obligations other than the contribution payable to the Central Provident Fund Board in Singapore.

Retirement benefits in the form of Superannuation are a defined contribution scheme in Australia (relating to Australia branch) and the contributions are charged to statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Superannuation fund in Australia.

ii. Defined benefit plan-Gratuity obligations

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered trust fund. The Company fully contributes all ascertained liabilities to the Birlasoft (India) Limited Employees Gratuity Fund Trust (the Trust). Trustees administer contributions made to the trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the Company recognises related restructuring costs



Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii. Net interest expense or income

d. Bonus Plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

xiii. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.



The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xiv. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives at fair value through profit or loss (FVTPL)

Financial assets carried at amortised cost

A 'financial asset' is measured at the amortised cost if:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at fair value other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payment principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange and foreign exchange gains and losses which are recognised in profit and loss.

Financial asset at fair value through profit & loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income (FVTOCI), is classified as at FVTPL.



Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case any balance is disputed by the customer then it will be reviewed separately for creating the provision and amount up to 100% of the balance may be provided on the basis of nature of dispute. Any disputed balance which is considered separately will be excluded from the normal ageing bucket for making the provision.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i. *Financial assets measured as at amortised cost, contractual revenue receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss - Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has designated all financial liability as at fair value through profit and loss (except for loans and borrowings).

- ii. Financial Liabilities at amortised cost (Loans and borrowings) - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



xv. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

The Company has not designated any of its derivative instruments as hedge instrument.

xvi. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

xvii. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xviii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xix. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

3.1. Property, Plant and Equipment

	Leasehold Improvements	Computer hardware	Office equipments	Furniture and Fittings	Vehicles	Capital work in progress	Total
Cost or valuation							
As at April 1, 2016	2,357.68	851.95	778.42	421.13	8.30	-	4,417.48
Additions	644.35	663.17	138.82	136.14	-	-	1,582.48
Disposal		(3.56)	(10.21)	(0.28)	-	-	(14.05)
As at March 31, 2017	3,002.03	1,511.56	907.03	556.99	8.30	-	5,985.91
Additions	3,192.92	387.74	355.91	127.47	-	4,909.11	8,973.15
Disposal/Adjustments	-	(179.13)	-	-	-	-	(179.13)
As at March 31, 2018	6,194.95	1,720.17	1,262.94	684.46	8.30	4,909.11	14,779.93
Depreciation/Transfers							
As at April 1, 2016	942.09	332.47	150.79	100.75	1.51	-	1,527.61
Depreciation	483.00	343.27	186.59	63.77	1.51	-	1,078.14
As at March 31, 2017	1,425.09	675.74	337.38	164.52	3.02	-	2,605.75
Depreciation	444.08	400.32	236.64	155.29	1.61	-	1,237.94
Disposal/Adjustments	-	(147.00)	-	-	-	-	(147.00)
Transfers						3,707.60	3,707.60
As at March 31, 2018	1,869.17	929.06	574.02	319.81	4.63	3,707.60	7,404.29
Net Block							
As at April 1, 2016	1,415.59	519.48	627.63	320.38	6.79	-	2,889.87
As at March 31, 2017	1,576.94	835.82	569.65	392.47	5.28	-	3,380.16
As at March 31, 2018	4,325.78	791.11	688.92	364.65	3.67	1,201.51	7,375.64

Refer note 33(H) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

3.2. Intangible Assets
(Amount)

	Computer Software
Cost or valuation	
As at April 1, 2016	1,036.64
Addition	107.26
Disposal	-
As at March 31, 2017	1,143.90
Additions	11.90
Disposal	-
As at March 31, 2018	1,155.80
Amortisation	
As at April 1, 2016	521.03
Charge for the year	254.07
Disposals	-
As at March 31, 2017	775.10
Charge for the year	237.96
Disposals	-
As at March 31, 2018	1,013.06
Net Block	
As at April 1, 2016	515.61
As at March 31, 2017	368.80
As at March 31, 2018	142.74



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
4 Investment in subsidiaries		
Investments at cost (fully paid)		
Unquoted equity instruments		
5,000 (March 31, 2017: 5000) equity shares of Rs. 12.125 each in Birlasoft Sdn Bhd. (Malaysia) #	0.00	0.00
Rs. 1,186.13 lakhs (USD 2,000,000) [(March 31, 2017: Rs. 1,186.13 lakhs) in Birlasoft (Wuxi) Information Technologies Co. Ltd. (China) [refer note 39]	1,186.13	1,186.13
Less: Provision for impairment in value of investments [refer note 39]	(1,186.13)	(1,186.13)
10,000,000 (March 31, 2017: 10,000,000) equity shares of Rs. 2.59005 each in Birlasoft INC, USA (acquired by virtue of amalgamation) - [refer note (a) below]	259.01	259.01
	<u>259.01</u>	<u>259.01</u>
Aggregate amount of unquoted investments	1,445.14	1,445.14
Aggregate amount of provision for impairment in value of investments	1,186.13	1,186.13
Note-		
(a) Pursuant to stock buyback agreement dated November 9, 2017, January 6, 2018 and January 16, 2018 executed between Birlasoft Inc., a subsidiary and its minority shareholders, the shareholding of the Company in Birlasoft Inc. has increased from 98.76% to 100%. # 0 represents amount is below the rounding off norm adopted by the Company.		

5 Deferred tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets		
Lease equalisation reserve	441.89	128.75
Provision for gratuity	34.59	138.68
Provision for leave benefits	180.80	157.41
Provision for diminution in value of investments in a subsidiary	410.50	424.79
Allowance for doubtful financial assets and other assets	197.05	144.69
Property, plant and equipment and Intangible assets	836.84	730.63
Provision for incentive and bonus relating to earlier years	49.49	-
Others	12.09	49.15
Total deferred tax assets	<u>2,163.25</u>	<u>1,774.10</u>
Deferred tax liabilities		
Investments in mutual funds at fair value through profit or loss	290.10	155.92
Foreign exchange forward contracts at fair value through profit or loss (derivative financial instrument)	7.57	361.22
Provision for gratuity in Other Comprehensive Income (OCI)	(79.13)	43.04
Others	-	3.32
Total deferred tax liabilities	<u>218.54</u>	<u>563.50</u>
Net deferred tax assets	<u>1,944.71</u>	<u>1,210.60</u>

(a) Movement of deferred tax in statement of profit and loss-

	Year ended March 31, 2018	Year ended March 31, 2017
Rent equalisation reserve	313.14	1.06
Provision for gratuity	(104.09)	(280.93)
Provision for leave benefits	23.38	26.32
Provision for impairment in value of investment	(14.29)	14.29
Provision for doubtful debt and advances	52.35	58.12
Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	106.21	31.78
Provision for incentive and bonus relating to earlier years	49.49	-
Others	(37.06)	(1.65)
Total deferred tax assets	<u>389.13</u>	<u>(151.01)</u>
Set-off of deferred tax liabilities	-	-
Investment at fair value through profit or loss	134.18	122.02
Foreign exchange forward contracts	(353.65)	218.36
Provision for gratuity in Other Comprehensive Income	(122.16)	84.61
Provision for leave benefits	-	-
Others	43.35	1.84
Net deferred tax asset	<u>734.11</u>	<u>(577.84)</u>



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

(b) Income tax expense

	Year ended March 31, 2018	Year ended March 31, 2017
Break-up of tax expense		
Current tax	4,066.31	3,419.42
Adjustment of tax relating to earlier periods	247.89	(5.68)
Deferred tax (excluding tax impact recognized in Other Comprehensive Income)	(734.11)	577.84
Total tax expense	3,580.09	3,991.58

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax	12,978.78	11,591.83
Tax at the India tax rate of 34.608% (March 31, 2017 - 34.608%)	4,491.70	4,011.71
Capital gain taxable at lower rate	(1,075.41)	-
Corporate social responsibility expense	7.94	0.06
Expenses allowed earlier under tax purpose	-	(9.71)
Incentive accrual in the previous year allowed in this year	(66.87)	-
Sundry items	(25.16)	(4.80)
Sub-total	3,332.20	3,997.26
Adjustment of tax relating to earlier periods	247.89	(5.68)
Income tax expense	3,580.09	3,991.58

(c) Tax losses

	As at March 31, 2018	As at March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised	855.95	784.95
Potential tax benefit	296.23	271.66
The unused losses were incurred by certain overseas branches that is not likely to generate taxable income in the foreseeable future. The losses can be carried forward subject to regulations in respective tax jurisdictions.		

6 Financial assets - Current investments*

 Investments in Mutual Funds at fair value through profit or loss
 (Quoted on a recognized stock exchange)

	As at March 31, 2018		As at March 31, 2017	
	No. of Units	Amount	No. of Units	Amount
L&T Liquid fund Regular Growth	45,933	1,091.28	-	-
ICICI Pru Flexible Income -Growth	-	-	536,407	1,670.04
Kotak Floater Short Term - Growth	178,674	5,079.71	61,986	1,651.18
Baroda Pioneer Treasury Advantage Fund	25,430	517.03	-	-
Baroda Pioneer Liquid Fund(G)	-	-	99,441	1,852.29
ICICI Pru Money Market Fund (G)	-	-	698,997	1,568.42
Biila Sun Life- FRF Short Term Plan - Growth	2,594,921	5,996.17	419,492	907.10
Biila sun Life Saving Fund-Growth - Regular Plan	675,430	2,307.99	523,863	1,669.30
HDFC Floating Rate Income Fund-STP	3,268,985	988.11	3,268,985	924.14
Axis liquid Fund- Growth	-	-	180,032	3,237.01
SBI Ultra Short Term Debt Fund-Regular	26,829	601.45	14,368	301.80
IDFC Ultra Short Term Fund- Growth	-	-	3,684,736	848.56
	6,816,202	16,581.74	9,488,307	14,629.84
Aggregate amount of quoted investments		16,581.74		14,629.84
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment		-		-

* Refer note 37(iv) for earmarking of mutual funds

7 Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables	2,304.24	1,034.28
Receivables from related parties (refer note 44)	2,099.69	5,777.45
Less:- Allowance for doubtful debts	(82.16)	(19.07)
Total trade receivables	4,321.77	6,792.66
Current portion	4,321.77	6,792.66
Non current portion	-	-
Total	4,321.77	6,792.66

Break-up of trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
Unsecured, considered good	4,321.77	6,792.66
Unsecured, considered doubtful	82.17	19.07
	4,403.94	6,811.73
Allowance for doubtful debts		
Unsecured, considered doubtful	(82.17)	(19.07)
	(82.17)	(19.07)
Total Trade receivables	4,321.77	6,792.66



Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Refer note 42 for trade receivables given as collateral

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Movement in allowance for doubtful trade receivables

	As at March 31, 2018	As at March 31, 2017
Opening allowance	19.07	16.81
Add: Allowance created during the year (Refer Note 28)	63.10	2.26
Less: Amount written off/written back	-	-
Closing allowance	82.17	19.07

8 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
- in current accounts	1,980.31	3,782.82
- in EEFC account	28.85	1.58
Cheques/ drafts on hand	228.43	-
Funds in transit	39.38	-
Cash on hand #	0.00	-
	2,276.97	3,784.40

0 represents amount is below the rounding off norm adopted by the Company

9 Bank balances other than "Cash and cash equivalent"

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Balances with banks:		
- Deposits with original maturity of more than three months #	9,315.00	-
	9,315.00	-

Earmarked in an escrow account maintained with Kotak Mahindra Bank Limited (merchant banker) as per terms of scheme of arrangement (refer note 37)

10 Other financial assets

	As at March 31, 2018	As at March 31, 2017
Foreign exchange forward contracts at fair value through profit or loss	21.87	1,043.75
Unbilled revenue	672.53	424.73
Security deposits	893.86	827.10
Interest accrued on fixed deposits	97.37	-
Other bank balances**	16.00	17.74
	1,701.63	2,313.32

Allowance for doubtful balances

Unsecured, considered good	-	-
Unsecured, considered Doubtful	(91.65)	(79.31)
Total other financial assets	1,609.98	2,234.01

Breakup of above-

Non-current

Unsecured, considered good		
Security deposits	314.95	683.63
Other bank balances**	16.00	17.74
Total non-current financial assets	330.95	701.37

Current

Unsecured, considered good

Foreign exchange forward contracts at fair value through profit or loss	21.87	1,043.75
Unbilled revenue	672.53	424.73
Security deposits	487.26	64.15
Interest accrued on fixed deposits	97.37	-
Other bank balances**	-	-

Unsecured, considered doubtful

Security deposits	91.65	79.31
Less: -Allowance for doubtful deposits	(91.65)	(79.31)
Total current financial assets	1,279.03	1,532.63

** Other bank balances includes margin money of Rs. 16 lakhs (March 31, 2017: Rs. 16 lakhs) given against bank guarantee issued by a bank and fixed deposit of Rs Nil (March 31, 2017: Rs. 1.74 lakhs) given as security to sales tax department

Interest accrued on fixed deposits represents accrued interest on fixed deposits as disclosed in notes 8 and 9



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

11 Other assets	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Prepaid expenses	691.06	497.00
Capital advances	644.10	2.85
Advance to subsidiary	24.16	-
Advance tax / tax deducted at source (net of provision for taxation)	1,528.17	1,619.14
Balance with government authorities	1,248.91	617.38
Other advances (including recoverable from employees and interest on income tax refund)		
Unsecured, considered good	512.10	119.47
Unsecured, considered doubtful	395.55	319.72
	<u>5,044.05</u>	<u>3,175.56</u>
Allowance for other assets		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(395.55)	(319.72)
Total other assets	<u>4,648.50</u>	<u>2,855.84</u>
Breakup of above-		
Non-current		
Prepaid expenses	200.84	180.96
Capital advances	644.10	2.85
Advance tax / Tax deducted at source (net of provision for taxation)	1,528.17	1,619.14
Balance with government authorities	70.30	70.30
Total non-current	<u>2,443.41</u>	<u>1,873.25</u>
Current		
Prepaid expenses	490.22	316.04
Advance to subsidiary	24.16	-
Balance with government authorities	1,178.61	547.08
Other advances (including recoverable from employees and interest on income tax refund)	907.65	439.19
Less: -Allowance for doubtful other assets	(395.55)	(319.72)
Total current	<u>2,205.09</u>	<u>982.59</u>
12 Share capital	No.	Amount
(a) Authorised Share Capital		
Equity shares of Rs. 10 each		
As at March 31, 2016	49,000,000	4,900.00
Change during the year	-	-
As at March 31, 2017	49,000,000	4,900.00
Change during the year	-	-
As at March 31, 2018	<u>49,000,000</u>	<u>4,900.00</u>
(b) Terms/rights attached to equity shares		
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.		
(c) Issued Share Capital		
Equity shares of Rs. 10 each issued, subscribed and fully paid	No.	Amount
As at March 31, 2016	31,354,800	3,135.48
Change during the year	-	-
As at March 31, 2017	31,354,800	3,135.48
Change during the year	-	-
As at March 31, 2018	<u>31,354,800</u>	<u>3,135.48</u>
(d) Shares held by holding/ultimate holding company		
Out of equity shares issued by the Company, shares held by its holding company are as below:-		
	As at March 31, 2018	As at March 31, 2017
National Engineering Industries Limited, the holding company		
29,240,000 (March 31, 2017: 29,240,000) equity shares of Rs. 10 each fully paid up	2,924.00	2,924.00



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

(e) Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs 10 each fully paid up				
National Engineering Industries Limited, ultimate holding company	29,240,000	93%	29,240,000	93%
Central India Industries Limited	2,114,800	7%	2,114,800	7%

As per the records maintained by the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. Also refer note 37.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 32

13 Other equity	As at March 31, 2018	As at March 31, 2017
General reserve		
Opening balance	4,000.00	4,000.00
Add: Transfer from retained earnings	10,000.00	7,518.93
	<u>14,000.00</u>	<u>4,000.00</u>
Retained earnings		
Opening balance	22,369.65	16,360.24
Add: Total comprehensive income during the year, net of tax	9,548.20	7,518.93
Less: Appropriations :		
Final dividend *	(627.10)	(627.10)
Interim dividend *	(627.10)	(627.10)
Dividend distribution tax on :		
Final dividend *	(127.66)	(127.66)
Interim dividend *	(127.66)	(127.66)
Transfer to General reserve	(10,000.00)	
Net surplus in the statement of profit and loss	<u>20,408.33</u>	<u>22,369.65</u>
Total Other equity	<u>34,408.33</u>	<u>26,369.65</u>
Refer Note 14		

14 Distribution made and proposed

	As at March 31, 2018	As at March 31, 2017
(a) Cash dividends on equity shares declared and paid		
Final dividend for the year ended March 31, 2017 of Rs. 2 (March 31, 2016: Rs. 2) per fully paid share	627.10	627.10
Interim dividend for the year ended March 31, 2018 of Rs. 2 (March 31, 2017: Rs. 2) per fully paid share	627.10	627.10
Dividend distribution tax on final dividend	127.66	127.66
Dividend distribution tax on interim dividend	127.66	127.66
	<u>1,509.52</u>	<u>1,509.52</u>
(b) Proposed dividend on equity shares		
Final cash dividend for the year ended on March 31, 2018: Rs. 2 per share (March 31, 2017: Rs. 2 per share)	627.10	627.10
Dividend distribution tax on proposed dividend	127.66	127.66
	<u>754.76</u>	<u>754.76</u>

Proposed dividends on equity shares are recommended for payment by the Board of Directors and are subject to approval of the shareholders at the ensuing annual general meeting. The same is not recognised as a liability (including dividend distribution tax thereon) as at year end.

15 Trade payables

	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dues to related parties	854.18	
Others	2,941.28	1,712.31
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	<u>3,795.46</u>	<u>1,712.31</u>
Breakup of above-		
Non-current		
Current	3,795.46	1,712.31
Total	<u>3,795.46</u>	<u>1,712.31</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms. For explanations on the Company's credit risk management processes, refer to note 43



BIRLASFOT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

16 Provision for employee benefits

	As at March 31, 2018	As at March 31, 2017
Provisions for gratuity (refer note 31)	328.61	276.34
Provisions for leave benefits	522.40	454.85
Total	851.01	731.19
Breakup of above-		
Non-current		
Provisions for gratuity *	-	-
Provisions for leave benefits [refer note 31(b)]	-	-
Total	-	-
Current		
Provisions for gratuity *	328.61	276.34
Provisions for leave benefits	522.40	454.85
Total	851.01	731.19

* The provision for gratuity has been shown as current basis actuarial valuation certificate.

Movement in above balances-

	Gratuity	Leave benefits	Total
As at March 31, 2016	1,212.47	378.78	1,591.25
Provision during the year	364.21	192.18	556.39
Utilised	(212.23)	(282.30)	(494.53)
Remeasurement gains/(losses) on liability	125.82	166.19	292.01
Less:- Fair value of plan assets (including actuarial gains and losses)	(1,213.93)	-	(1,213.93)
As at March 31, 2017	276.34	454.85	731.19
Provision during the year	392.64	227.71	620.35
Utilised	(185.39)	(361.77)	(547.16)
Remeasurement gains/(losses) on liability	(232.76)	201.61	(31.15)
Less:- Fair value of plan assets (including actuarial gains and losses)	(1,136.15)	-	(1,136.15)
As at March 31, 2018	328.61	522.40	851.01

17 Provisions

	As at March 31, 2018	As at March 31, 2017
Provision for lease restoration costs (non-current)*	28.76	9.61
Total	28.76	9.61

***Provision for lease restoration costs**

The Company uses various premises on lease to run its operation. A provision is recognized for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements.

Particulars	Provision for lease restoration costs	
	Year ended March 31, 2018	Year ended March 31, 2017
Balance as at the beginning of the year	9.61	-
Add: Provision created during the year	18.03	8.90
Unwinding of discount and changes in the discount rate	1.12	0.71
Balance as at the end of the year	28.76	9.61
Classified as current	-	-
Total	28.76	9.61

18 Other financial liabilities (current)

	As at March 31, 2018	As at March 31, 2017
Payables for fixed assets	2,152.05	108.53
Employee related payables	1,341.02	2,385.11
Total	3,493.07	2,493.64

19 Current tax liabilities

	As at March 31, 2018	As at March 31, 2017
Provision for taxation (net of advance tax / tax deducted at source)	565.74	-
Total	565.74	-

20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Lease equalization reserve	67.21	26.36
Advances from customers	153.34	3.04
Unearned revenue	-	194.28
Statutory dues payable	768.00	500.79
Total	988.55	724.47



BIRLASOFT (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

Unearned revenue	-	194.28
Statutory dues payable	768.00	500.79
	<u>988.55</u>	<u>724.47</u>
21 Other Non current liabilities	As at March 31, 2018	As at March 31, 2017
	<hr/>	<hr/>
Lease equalisation reserve	1,209.66	338.96
	<u>1,209.66</u>	<u>338.96</u>



BIRLASOFT (INDIA) LIMITED
Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

22. Revenue from operations	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services		
Export	39,366.32	45,509.65
Domestic	3,989.17	3,242.38
Sale of traded goods		
Software licenses (refer note 35)	152.99	156.45
	43,508.48	48,908.48

23. Other income	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on bank deposits	109.62	117.59
Interest income on income tax refund	159.68	-
Income from recovery of support costs (refer note 47)	215.98	-
Realised gain on sale of current investments	890.64	544.71
Fair value gain on financial assets (investments) at fair value through profit or loss	387.73	347.79
Net gain on foreign currency transaction and translation	1,413.47	715.80
Fair value (loss)/gain on financial instruments at fair value through profit or loss*	(1,021.88)	610.83
Other finance income@	31.89	41.75
Gain on transfer of business (refer note 47) #	9,322.20	-
Miscellaneous income (refer note 45)	406.75	38.76
	11,916.08	2,417.23

* Represent fair value gain/(loss) on foreign exchange forward contracts

@ Represent interest income on financial assets

Includes adjustment of Rs. 307.39 lakhs (March 31, 2017: Rs. Nil) towards provision for gratuity of transferred employees pursuant to slump sale (refer note 47)

24. Purchase of traded goods	Year ended March 31, 2018	Year ended March 31, 2017
Software licenses purchased	150.05	146.34
	150.05	146.34

25. Employee benefits expense	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	25,125.82	25,243.66
Contribution to provident fund and other funds* [refer notes a below and 31]	1,409.99	1,364.72
Gratuity expenses [refer note (b) below]	621.28	364.21
Leave benefits expenses [refer note 31(b)]	429.32	358.37
Staff welfare expenses	608.97	914.13
	28,195.38	28,245.09

Notes-
(a) Defined contribution plans:

Description	31 March 2018	31 March 2017
Contribution to provident fund	1,282.45	1,238.44
Contribution towards administrative charges (provident fund)	73.39	79.05
Contribution to Employee State Insurance Fund	21.71	8.14
Contribution to superannuation fund and other funds (foreign branches)	32.44	39.09
Total	1,409.99	1,364.72

(b) Includes adjustment of Rs. 307.39 lakhs (March 31, 2017: Rs. Nil) towards provision for gratuity of transferred employees pursuant to slump sale (refer note 47)

26. Finance costs	Year ended March 31, 2018	Year ended March 31, 2017
Finance Charges		
- to banks	1.23	0.59
- to others	1.30	3.43
Bank charges and processing fees	53.54	36.91
	56.07	40.93



BIRLASOFT (INDIA) LIMITED
Notes to financial statements for the year ended March 31, 2018 (All amounts in Rs. Lakhs, unless otherwise stated)

27. Depreciation and amortization expense	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment (refer note 3.1)	1,237.94	1,078.14
Amortization of intangible assets (refer note 3.2)	237.96	254.07
	1,475.90	1,332.21

28. Other Expenses	Year ended March 31, 2018	Year ended March 31, 2017
Power and fuel	818.67	810.04
Cost of outsourced work	1,532.95	1,047.77
Rent (refer note 33)	2,974.12	1,620.63
Rates and taxes (refer note 37)	304.33	116.98
Insurance	65.57	60.91
Repairs and maintenance		
-Computers	696.81	767.66
-Others	1,119.78	939.72
Travelling and conveyance	1,477.91	2,032.96
Communication costs	559.24	672.00
Printing and stationery	63.25	78.39
Legal and professional fees (refer note 37 below)	2,195.97	667.23
Directors' sitting fees	41.50	28.00
Directors' commission	42.00	117.00
Payment to statutory auditors (refer note c below)	68.66	49.93
Loss on sale of property, plant and equipment (net)	-	3.75
Unbilled revenue written off	-	15.00
Allowance for doubtful other assets and other financial assets	88.17	165.67
Allowance for doubtful debts-trade receivables	63.10	2.26
Corporate social responsibility expenditure (refer note 38)	23.00	0.18
Recruitment and training expenses	251.38	548.97
Business promotion expenses	81.86	163.63
Miscellaneous expenses	100.11	60.63
	12,568.38	9,969.31

Notes:
(a). Payment to statutory auditors

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
- Audit fee	35.00	39.50
- Tax audit fee	2.00	2.00
In other capacity		
-Audit/review of special purpose financial statements	24.50	-
-Certification	5.25	4.65
Reimbursement of expenses	1.91	3.78
	68.66	49.93



Pre and post Scheme of Arrangement shareholding pattern of the companies involved in the Scheme:

Sr No	Description	Name of Shareholder	KPIT Technologies Limited - Pre Arrangement		Birlasoft (India) Limited – Pre Arrangement		KPIT Technologies Limited and KPIT Engineering Limited - Post Arrangement	
			No. of shares	%	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
	Individuals/ Hindu Undivided Family	Names of Promoter						
		<i>Kishor P. Patil</i>	29,89,080	1.51			29,89,080	1.09
		<i>Ajay Shridhar Bhagwat</i>	26,36,800	1.34			26,36,800	0.96
		<i>Shrikrishna Manohar Patwardhan</i>	11,00,000	0.56			11,00,000	0.40
		<i>Sachin Dattatraya Tikekar</i>	8,40,800	0.43			8,40,800	0.31
		<i>Shashishekhar Balkrishna Pandit</i>	4,30,500	0.22			4,30,500	0.16
		<i>Nirmala Shashishekhar Pandit</i>	2,39,000	0.12			2,39,000	0.09
		<i>Anupama K Patil</i>	1,22,330	0.06			1,22,330	0.04
		<i>Ashwini Ajay Bhagwat Pandit</i>	43,300	0.02			43,300	0.02
		<i>Pandit Chinmay Shashishekhar</i>	38,620	0.02			38,620	0.01
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate							
	(including sharehol	Proficient Finstock LLP	271,30,949	13.74			271,30,949	9.90

	ding of nominees)							
		K And P Management Services Pvt. Ltd.	3,00,910	0.15			3,00,910	0.11
		National Engineering Industries Limited	14,81,241	0.75	292,40,000*	93.26	729,56,797	26.61
		Central India Industries Limited	-	-	21,14,800	6.74	51,69,511	1.89
(d)	Financial Institutions/ Banks							
(e)	Any Others							
	Sub Total(A)(1)		373,53,530	18.91	313,54,800	100	139,98,597	41.58
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	<i>Ms. Hemlata Shende</i>	40,000	0.22			40,000	0.40
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Others							
	Sub Total(A)(2)		40,000	0.02	-	-	40,000	0.01
	Total Shareholding of Promoter and		373,93,530	18.93			1140,38,597	41.60

	Promoter Group (A)= (A)(1)+(A)(2)							
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	Total	92,67,695	4.69			92,67,695	3.38
		Idfc Sterling Value Fund	35,55,935	1.80			35,55,935	1.30
		Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	25,45,700	1.29			25,45,700	0.93
(b)	Foreign Portfolio Investor	Total	978,67,030	49.55			978,67,030	35.70
		Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	63,00,000	3.19			63,00,000	2.30
		New Horizon Opportunities Master Fund	58,28,000	2.95			58,28,000	2.13
		Acacia Partners, Lp	48,00,000	2.43			48,00,000	1.75
		Government Pension Fund Global	46,20,404	2.34			46,20,404	1.69
		Acacia Institutional Partners, Lp	45,97,575	2.33			45,97,575	1.68
		Acacia Conservation Fund Lp	34,30,056	1.74			34,30,056	1.25
		Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International	29,80,659	1.51			29,80,659	1.09

		Equity Index Funds						
		Acacia Banyan Partners	27,57,184	1.40			27,57,184	1.01
		Vanguard Total International Stock Index Fund	23,76,222	1.20			23,76,222	0.87
		Lsv Emerging Markets Equity Fund Lp	22,48,700	1.14			22,48,700	0.82
		Dimensional Emerging Markets Value Fund	20,56,795	1.04			20,56,795	0.75
		Ishares Core Emerging Markets Mauritius Co	20,30,453	1.03			20,30,453	0.74
		Fidelity Northstar Fund	20,00,000	1.01			20,00,000	0.73
(c)	Central Government/ State Government(s)	Total	-				-	-
(d)	Financial Institutions / Banks		76,711	0.04			76,711	0.03
(e)	Insurance Companies		2,65,000	0.13			2,65,000	0.10
(f)	Foreign Institutional Investors		-	-			-	-
(g)	Alternative Investment Funds		1,95,792	0.10			1,95,792	0.07
(h)	Any Other	Foreign Mutual Fund	-				-	-
							-	-

	Sub-Total (B)(1)		1076,72,228	54.52	-	-	1076,72,228	39.28
2	Non-institutions							
(a)	NBFCs registered with RBI	Total	50,04,945	2.53			50,04,945	1.83
		Bengal Finance & Investment Pvt. Ltd.	50,00,000	2.53			50,00,000	1.82
(b)	Individuals							-
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakhs		187,28,987	9.48			187,28,987	6.83
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		82,15,227	4.16			82,15,227	3.00
	Ashish Kacholia		35,25,000	1.78			35,25,000	1.29
(c)	Any Other		129,16,437	6.54			129,16,437	4.71
	IEPF		1,65,974	0.08			1,65,974	0.06
	Trusts		4,50,698	0.23			4,50,698	0.16
	Foreign Nationals		1,47,070	0.07			1,47,070	0.05
	Hindu Undivided Family		4,77,297	0.24			4,77,297	0.17

	Friends & Associates		5,36,920	0.27			5,36,920	0.20
	Non Resident Indians (Non Repat)		13,81,161	0.70			13,81,161	0.50
	Non Resident Indians (Repat)		11,56,660	0.59			11,56,660	0.42
	Clearing Member		12,71,987	0.64			12,71,987	0.46
	Market Maker		19,235	0.01			19,235	0.01
	Bodies Corporate		73,09,435	3.70			73,09,435	2.67
	Rajasthan Global Securities Private Limited		23,82,040	1.21			23,82,040	0.87
	Tata Aia Life Insurance Co Ltd- Whole Life Mid Cap Equity Fund- Ulif 009 04/01/07 We 110		2,05,501	0.10			2,05,501	0.07
	Sub-Total (B)(2)		448,65,596	22.72	-	-	448,65,596	16.37
								-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)		1525,37,824	77.23			1525,37,824	55.64
								-

	TOTAL (A)+(B)		1899,31,354	96.17	-	-	2665,76,42 1	97.24
(C)	Shares held by Custodians and against which DRs have been issued							
	Employee Benefit Trust		75,67,388	3.83	-	-	75,67,388	2.76
	GRAND TOTAL (A)+(B)+(C)		1974,98,742	100.00	-	-	2741,43,80 9	100.00

* 12 shares are held by 6 nominee shareholders for as a nominee of National Engineering Industries Ltd

Notes:

- 1.Pre-scheme shareholding is the company's shareholding as of June 2018
- 2.Pre-scheme, the entire share capital consisting of 100,000 equity shares of INR 10 each of KPIT Engineering Limited is held by KPIT Technologies Limited. Post Scheme, the shareholding pattern of KPIT Engineering shall mirror the shareholding of KPIT Technologies Limited.
- 3.Shares which may be issued to the employees in lieu of stock options held in Birlasoft (India) Limited have not been taken into account in the above shareholding details
4. Since Birlasoft (India) Limited shall be dissolved without being wound up, the post Arrangement shareholding pattern shall not be applicable.

This is a disclosure document prepared in connection with the proposed composite scheme of arrangement involving KPIT Engineering Limited (“Company”), KPIT Technologies Limited (“KPIT”), Birlasoft (India) Limited (“BSIL”) and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 (“Act”) (“Scheme”).

THIS DISCLOSURE DOCUMENT CONTAINS 4 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES. NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT

You may download the Scheme & other relevant documents from the websites of KPIT and BSE Limited & National Stock Exchange of India Limited where the equity shares of KPIT are listed (“Stock Exchanges”); viz: www.kpit.com; www.bseindia.com; and www.nseindia.com respectively.

This Disclosure Document dated July 20, 2018 should be read together with the Scheme and the Notice to the shareholders of KPIT.

KPIT ENGINEERING LIMITED

Registered Office and Corporate Office:		Plot-17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Hinjawadi, Taluka – Mulshi, Pune – 411 057			
Contact Person:	Mr. Vinit Teredesai	Telephone:	+91-20-66525000		
E-mail:	connectwithus@kpit.com	Website:	www.kpit.com	CIN:	U74999PN2018PLC174192

NAME OF PROMOTER OF THE COMPANY

KPIT Technologies Limited

SCHEME DETAILS, LISTING AND PROCEDURE

The Scheme provides for:

- (i) amalgamation of BSIL with KPIT and issue of shares of KPIT to the shareholders of BSIL;
- (ii) immediately upon implementation of (i) above, the demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from KPIT into the Company, on a *going concern* basis, and the consequent issue of shares by the Company to the shareholders of KPIT;
- (iii) the reduction and cancellation of the equity share capital of KPIT to the extent of shares held by the BSIL, if any; and
- (iv) the reduction and cancellation of entire pre-scheme share capital of the Company.

Subject to approvals under applicable laws, the equity shares to be issued by KPIT and by the Company in consideration of the aforementioned amalgamation and demerger respectively, shall be listed on the Stock Exchanges.

For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is BSE Limited.

NAME OF THE STATUTORY AUDITOR	B S R & Co. LLP (Firm’s Registration No. 101248W/W-100022)
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PROMOTERS OF THE COMPANY

The Promoter of the Company is KPIT. Currently, entire share capital of the Company is held by KPIT.

KPIT is a public listed company incorporated on December 28, 1990 under the provisions of the Companies Act, 1956 and is a leader in technology solutions and services, and currently partners with 200+ global corporations.

KPIT has two business divisions (i) the enterprise resource planning business of Oracle and SAP, digital business (as comprised under digital technology SBU) along with infrastructure management systems and extended product lifecycle management business; and (ii) engineering business of 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”).

KPIT's business IT solution offerings help clients run their businesses more efficiently and smartly while its product engineering solutions enable customers to build products that are energy efficient, cleaner, safer and yield more comfort for their end-customers. Leveraging technology and domain prowess, KPIT partners with clients to co-create transformational value that provides sustainable competitive advantage to their businesses.

Group Companies

The Company does not have any group companies covered in the list of related parties determined in accordance with AS 24, with which it has entered into any transactions, for the year ended March 31, 2018.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Overview

The Company has been incorporated on January 8, 2018 with an objective to engage in the Engineering Business. Pursuant to the Scheme, the Engineering Business of KPIT shall vest in the Company and shall specialize in providing product engineering solutions and services to key focus industries.

Strategy

The Company proposes to run the Engineering Business and ancillary and support services together with all the undertakings, assets, properties, investments (direct and indirect), branches (direct and indirect) and liabilities of whatsoever nature and kind, and wheresoever situated, of KPIT, as a going concern from the Appointed Date by virtue of, and in the manner provided in the Scheme.

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Mr. Shashishekhar Balkrishna Pandit	Director	He is the Co-founder, Chairman and Group CEO of KPIT. His vision has steered KPIT towards achieving leadership position as product engineering and IT consulting solutions and services provider. He currently focuses on development of new technology and practices.
2.	Mr. Kishor Patil	Director	He is the Co-founder, CEO and MD of KPIT. He has set high standards of excellence in running high growth international operations, effecting successful M&A and executing profitable integration. His exceptional people skill are instrumental in building an innovative enterprise.
3.	Mr. Sachin Dattatraya Tikekar	Director	He being Co-founder and President of KPIT, is responsible for driving sustainable growth across Asia and leads initiatives to launch innovative products and platforms. He has served in capacities like Head of US & Europe and Chief of People operations.

COMPOSITE SCHEME OF ARRANGEMENT

The Scheme provides for:

- (i) amalgamation of BSIL with KPIT and issue of shares of KPIT to the shareholders of BSIL;
- (ii) immediately upon implementation of (i) above, the demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from KPIT into the Company, on a *going concern* basis, and the consequent issue of shares by the Company to the shareholders of KPIT;
- (iii) the reduction and cancellation of the equity share capital of KPIT to the extent of shares held by the BSIL, if any; and
- (iv) the reduction and cancellation of entire pre-scheme share capital of the Company.

Subject to approvals under applicable laws, the equity shares to be issued by KPIT and by the Company in consideration of the aforementioned amalgamation and demerger respectively, shall be listed on the Stock Exchanges.

PRE-SCHEME SHAREHOLDING PATTERN AS ON DATE

Sr. No.	Particulars	Number of shares	% holding of Pre-Scheme
1	Promoter and Promoter Group	100,000	100
2	Public	-	-
	Total	100,000	100

STANDALONE AUDITED FINANCIALS

(All Amount in INR million except per share data)

Sr. No	Particulars	As at March 31, 2018 (as per Ind-AS)
1.	Total income from operations (net)	NIL
2.	Net Profit / (Loss) before tax and extraordinary items	(2.66)
3.	Net Profit / (Loss) after tax and extraordinary items	(2.66)
4.	Equity Share Capital	1.00
5.	Reserves and Surplus	(2.66)
6.	Net worth	(1.66)
7.	Basic earnings per share ¹	(30.24)
8.	Diluted earnings per share ²	(30.24)
9.	Return on net worth (%) ³	(160%)
10.	Net asset value per Share ⁴	(16.60)

Please note:

- Basic earnings per share is computed by dividing the 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 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.
- Return on net worth (%) is computed by dividing the net profit after tax by the net worth as on March 31, 2018.
- Net asset value per share is computed by dividing the net worth by the outstanding number of equity shares as on March 31, 2018.
- The Company is yet to commence its operations and hence at this point of time is loss making and having negative net worth.
- No financials are available for preceding years as the Company was incorporated on January 8, 2018.
- Consolidated financial statements are not required to be prepared.

INTERNAL RISK FACTORS

- The business of the Company depends on its ability to maintain consistency in customer service and other operations.
- The Company is required to apply for and/or receive consents/ renewals of certain statutory approvals/registrations/licenses/permissions, or renewals required in the ordinary course of our businesses, and if the Company is unable to obtain these approvals, permissions and licenses, our business could be affected.
- The Company may be exposed to product liability claims that could have an adverse effect on its operations.
- The Company will have to file applications for trademark registrations. If it is unable to obtain or maintain the registration of Trademarks, its brand value and consequently the business operations could be affected.
- There has been volatility in the exchange rate between the Indian rupee and other major currencies in recent years and the volatility in such exchange rates may impact the operating results of the Company.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the company and amount involved - **NIL**

B. Brief details of top 5 material outstanding litigations against the company and amount involved

NATURE OF LITIGATION	NO. OF CASES	AMOUNT INVOLVED (IN INR)
Civil proceedings	NIL	NIL
Criminal proceedings	NIL	NIL
Tax matters	NIL	NIL
Labour	NIL	NIL

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any - **NIL**

D. Brief details of outstanding criminal proceedings against Promoters - **NIL**

ANY OTHER IMPORTANT INFORMATION OF THE COMPANY – NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the disclosure document are true and correct.

Date: July 20, 2018

Place: Pune

THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AMONGST BIRLASOFT (INDIA) LIMITED (THE “COMPANY”), KPIT TECHNOLOGIES LIMITED AND KPIT ENGINEERING LIMITED AND THEIR RESPECTIVE SHAREHOLDERS (THE “SCHEME”). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITES OF THE COMPANY, BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE” AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) WHERE THE EQUITY SHARES OF KPIT TECHNOLOGIES LIMITED ARE LISTED; WWW.KPIT.COM, WWW.NSEINDIA.COM AND WWW.BSEINDIA.COM

THIS DISCLOSURE DOCUMENT CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT

This disclosure document has been prepared in connection with the Scheme pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This disclosure document dated July 19, 2018 should be read together with the Scheme and the notice to the shareholders of KPIT Technologies Limited in connection with the Scheme.



BIRLASOFT (INDIA) LIMITED

Registered Office:	Unit-216, C-Wing, 2nd Floor, 215-Atrium, Chakala, Near Acme Plaza, A.K. Road, Andheri-East, Mumbai-400093, Maharashtra	
Corporate Office:	Assotech Business Cresterra Tower-3, Plot No-22, Sector -135, Noida 201301, Uttar Pradesh	
Contact Person:	Ms. Sakshi Jain	Email: sakshi.jain@birlasoft.com; compliance@birlasoft.com
Telephone: 0120-6629000	Website: www.birlasoft.com	CIN: U74899MH1995PLC308512

NAME OF THE PROMOTERS OF THE COMPANY

National Engineering Industries Limited and Central India Industries Limited

SCHEME DETAILS AND PROCEDURE

Pursuant to the Composite Scheme of Arrangement amongst KPIT Technologies Limited, the Company, KPIT Engineering Limited and their respective shareholders (“Scheme”), the Company is proposed to be amalgamated with KPIT Technologies Limited. All the assets and liabilities of the Company shall be transferred to and vested into KPIT Technologies Limited. For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is BSE Limited.

In consideration of the aforementioned amalgamation, KPIT Technologies Limited shall issue equity shares of KPIT Technologies Limited to each member of the Company as on Record Date 1 (*as defined in the Scheme*). Upon amalgamation, the Company shall be dissolved without being wound up.

PROMOTERS OF THE COMPANY

The Promoters of the Company are National Engineering Industries Limited and Central India Industries Limited.

National Engineering Industries Limited (“NEIL”)

NEIL, a public limited company, bearing corporate identity number U29130WB1946PLC013643, was incorporated on April 24, 1946 under the Indian Companies Act, VII of 1913 as ‘National Bearing Company Limited’. Its registered office is situated at 9/1, R. N. Mukherjee Road Kolkata 700001. The name was subsequently changed from National Bearing Company Limited to its present name ‘National Engineering Industries Limited’ on December 27, 1957. NEIL is in the business of designing, developing, manufacturing and dealing in bearings mainly for automotive, industrial and railways.

Central India Industries Limited (“CIIL”)

CIIL, a public limited company bearing corporate identity number U02710WB1938PLC209971, was incorporated on November 29, 1938 under the laws of India. Its registered office is situated at ‘Birla Building’, 11th Floor, 9/1, R. N. Mukherjee Road Kolkata 700 001. CIIL is *inter alia* engaged in the business of investment of shares/ securities, mutual funds and deployment of surplus funds in fixed deposits with banks and inter-corporate deposits and is also involved in trading and marketing of bearings in India. CIIL has made an application to Reserve Bank of India for cancellation of certificate of registration as NBFC, which is pending.

Further, pursuant to the de-recognition of Delhi Stock Exchange Limited (“DSE”) vide SEBI Order No. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014, National Engineering Industries Limited and Central India Industries Limited, were moved to the dissemination board of BSE. Subsequently, pursuant to the applications made by them, names of National Engineering Industries Limited and Central India Industries Limited were removed from the dissemination board of the BSE with effect from May 15, 2017 and June 8, 2017 respectively.

Following are the subsidiaries of our Company:

1. Birlasoft Inc., USA
2. Birlasoft Sdn. Bhd., Malaysia
3. Birlasoft (Wuxi) Information technologies Co. Limited (Under Liquidation)
4. Enable Path LLC, Atlanta (Step Down Subsidiary)
5. Birlasoft (UK) Limited (Step Down Subsidiary)
6. Birlasoft GmBh., Germany (Step Down Subsidiary)

The Company does not have any other group companies covered in the list of related parties determined in accordance with AS 24, with which Company has entered into the transactions, for the year ended March 31, 2018.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY**Overview:**

The Company is an information technology company with expertise on enterprise applications and digital technologies across multiple verticals such as banking, financial services and manufacturing industries. The Company provides services across the IT lifecycle from consultancy to development to support & maintenance, for customers globally. Specific solutions around data & analytics, automation, CRM & ERP for customers in banking, insurance, manufacturing and life sciences are powering digitisation across these industries. With a workforce of over 2,500 employees, the Company is serving its clients in various geographies like United States, UK and Europe. The Company defines its mission as “Making societies more productive by helping our customers run their businesses”.

Strategy:

The Company's business strategy is serving the global enterprises in digitization through IT solutions. The Company intends to grow by serving its customers’ needs across industries and improving their business operations. The values of the Company are – Engaged, Dependable and Challenger. Being ‘Engaged’, the Company believes in being closer to the customers, colleagues and the suppliers with which it works. Being ‘Dependable’, the Company supports the customers in a way so that they may rely on the Company for their work. Being ‘Challenger’, the Company strives to go the extra mile to drive success for its customers. During the Financial Year 2017-18, the Company had divested its business with one of its largest customer and continued to grow from operations from other customers.

Name of the current statutory auditor: Price Waterhouse Chartered Accountants LLP
(Firm Registration No. 012754N/N500016)

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Mrs. Amita Birla	Chairman and Non-Executive Director	Mrs. Amita Birla, aged 61 years, is the Chairman of the Company. She is also the co-chairman of National Engineering Industries Limited and is a director on the boards of various companies including Orient Cement Limited and Neosym Industry Limited.
2.	Mr. Chandra Kant Birla	Non-Executive Director	Mr. C. K. Birla, aged 63years, is a director of the Company. He is the Chairman of National Engineering Industries Limited and is a director on the boards of various companies including Orient Paper and Industries Limited, Neosym Industry Limited and Avtech Limited.
3.	Mr. Anjan Lahiri	Managing Director and Chief Executive Officer	Mr. Anjan Lahiri, aged 52 years, is the Managing Director and CEO of the Company. He is also an additional director of KPIT Technologies Limited and has been on the Board of Mindtree Limited and Sasken Technologies Limited.
4.	Mr. Pramod Chandra Agarwala	Non-Executive Director	Mr. Pramod Chandra Agarwala, aged 86 years, is a director of the Company. He is also a director on the boards of other companies including Central India Industries Limited, Rajasthan Industries Limited, Hitaishi Investment Limited and Produce and Share Brokers Limited.
5.	Mr. Ashok Kumar Ladha	Non-Executive Director	Mr. A K Ladha, aged 69 years, is the director of the Company. He is also a director on the boards of various companies including CK Birla Corporate Services Limited, Indo Rama Synthetics (India) Limited, TCI Express Limited and CK Birla Healthcare Private Limited.
6.	Mr. Ananthanarayanan Sankaranarayanan	Non-Executive Director	Mr. A. S. Narayanan, aged 76 years, is the director of the Company. He is also a director on the boards of Avtech Limited, Neosym Industry Limited, Hindustan Motors Limited and PSA Avtec Powertrain Private Limited.
7.	Mr. Rajat Mukherjee	Independent Director	Mr. Rajat Mukherjee, aged 39 years, is the Independent Director of the Company. He is a Partner with Khaitan & Co. and is also a director on the boards of various companies including Salesforce.com India Private Limited and Comviva Technologies Limited.
8.	Mr. Manohar Lal Pachisia	Independent Director	Mr. M. L. Pachisia, aged 73 years, is the Independent Director of the Company. He is also a director on the boards of other companies including National Engineering Industries Limited, Orient Paper Industries Limited, GMCCO Limited and Special Engg. Services Limited.

COMPOSITE SCHEME OF ARRANGEMENT

The proposed Scheme provides for:

- i) the amalgamation of the Company with KPIT Technologies Limited and the consequent issue of shares by KPIT Technologies Limited to the Company's shareholders;
- ii) immediately upon implementation of (i) above, the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from KPIT Technologies Limited into KPIT Engineering Limited on a going concern basis, and the consequent issue of shares by KPIT Engineering Limited; and
- iii) the reduction of the share capital of KPIT Technologies Limited and KPIT Engineering Limited.

Upon sanction of the Scheme by the National Company Law Tribunal and the Securities and Exchange Board of India ("SEBI"), the Company would be dissolved without being wound up.

The Appointed Date for the Scheme is the Effective Date. The Effective Date means the day on which last of the conditions specified in Clause 32 of the Scheme (*Conditions Precedent*) are complied with or otherwise duly waived.

PRE-SCHEME SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre-Scheme number of shares	% holding of Pre-Scheme
1	Promoter and Promoter Group	31,354,800	100%
2	Public	-	-
	Total	31,354,800	100%

AUDITED FINANCIALS

Amount in Rupees Lakhs (unless otherwise stated)

Standalone	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
	Ind AS	Ind AS	Ind AS (Note 2 below)	I-GAAP	I-GAAP
	(a)	(b)	(c)	(d)	(e)
Total income from operations (net)	43,508.48	48,908.48	47,763.19	45,987.89	46,777.50
Net Profit / (Loss) before tax and extraordinary items (before other comprehensive income adjustments)	12,978.78	11,591.84	10,433.75	9,027.14	10,899.32
Net Profit / (Loss) after tax and extraordinary items (before other comprehensive income adjustments)	9,398.69	7,600.27	7,111.90	5,971.19	11,254.53
Equity Share Capital (Face Value of ₹ 10 each)	3,135.48	3,135.48	3,135.48	3,135.48	1,400.00
Reserves and Surplus	34,408.33	26,369.68	20,360.24	13,472.23	10,202.35
Net worth	37,543.81	29,505.16	23,495.72	16,607.71	11,602.35
Basic earnings per share (₹)	29.98	24.24	22.68	23.95	80.39
Diluted earnings per share (₹)	29.98	24.24	22.68	23.95	80.39
Return on net worth (%)	25.03%	25.76%	30.27%	35.95%	97.00%
Net asset value per share (₹)	120	94	75	53	83

Consolidated	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
	Ind AS	Ind AS	Ind AS (Note 2 below)	I-GAAP	I-GAAP
	(a)	(b)	(c)	(d)	(e)
Total income from operations (net)	89,879.83	109,949.73	107,582.61	101,862.37	Refer Note 1 below
Net Profit / (Loss) before tax and extraordinary items (before other comprehensive income adjustments)	16,830.24	15,656.79	12,981.98	10,623.40	
Net Profit / (Loss) after tax and extraordinary items (before other comprehensive income adjustments)	11,444.45	10,344.62	8,691.46	7,092.50	
Equity Share Capital (Face Value of ₹. 10 each)	3,135.48	3,135.48	3,135.48	3,135.48	
Reserves and Surplus	48,078.78	38,253.89	30,029.58	21,089.64	
Net worth	51,214.26	41,389.37	33,165.06	24,225.12	
Basic earnings per share (₹)	36.50	32.89	27.64	28.44	
Diluted earnings per share (₹)	36.50	32.89	27.64	28.44	
Return on net worth (%)	22.35%	24.99%	26.21%	29.28%	
Net asset value per share (₹)	163	132	106	77	

***Note:**

1. *The Consolidated financial statements of Birlasoft (India) Limited and its subsidiaries were presented for the first time in the financial statements of the year ended March 31, 2015 due to amalgamation of Birlasoft Technologies Limited, Birlasoft Enterprises limited into Birlasoft (India) Limited.*

2. *Audited Statutory Financial Statements of the Company for the year ended March 31, 2016 was prepared in accordance with the accounting standards, notified under section 211(3C) of the Companies Act 2013 [Companies Accounting Standards Rules, 2006 (as amended)], and other relevant provisions of the Companies Act, 2013. However information presented above in relation to March 31, 2016 is based on comparative information as disclosed in the financial statements for the year ended March 31, 2017.*

INTERNAL RISK FACTORS

For the purposes of the internal risk factors, the term ‘Company’ includes its subsidiaries.

1. The clients of the Company are largely concentrated in a few industries such as banking, financial services and manufacturing, which expose the Company to the overall performance of, and outsourcing trends within those industries. A downturn in any of these industries or a slowdown specifically, could decrease demand for the Company’s services, which can have a material adverse effect on the Company’s, business, results of operations and financial condition.
2. The Company requires certain regulatory approvals, licenses, registrations and permissions to operate its businesses. These approvals, licenses, registrations and permissions are required from a range of Central and State Governments, both in India and outside India, and their respective agencies. In addition, some of the approvals, licenses, registrations and permissions required for operating our businesses expire from time to time. The Company generally applies for renewals of such regulatory approvals, licenses, registrations and permissions prior to or upon their expiry. However, there can be no assurance that these will be obtained in a timely manner or at all and such delay or non-receipt of requisite regulatory approvals, licenses, registrations and permissions could adversely affect the Company’s business.
3. The Company derives a significant portion of its revenues from a limited number of clients. For the Fiscals 2018, 2017 and 2016, the top five clients cumulatively accounted for 43%, 40% and 45%, respectively, of its consolidated revenues. Since there is significant competition for the services the Company provides and the Company is typically not an exclusive service provider to its large clients, the level of revenues from the largest clients could vary significantly from year to year. There are other service providers who are working for the same clients. The loss of, or a significant reduction in the revenues that are received from one or more of its major clients, may adversely affect the business and profitability of the Company.
4. The Company has historically derived, and may continue to derive, a significant portion of its revenues from clients geographically located in the United States and the United Kingdom. Economic slowdowns in the United States and the United Kingdom, declines in the value of the United States dollar and the United Kingdom’s pound, changes in the laws of the United States and the United Kingdom including those relating to data security and privacy, laws that impose restrictions on outsourcing or immigration, visa permits or hiring local employees and other restrictions or factors that adversely affect the economic health of, or the ability of the Company to do business in, the United States and the United Kingdom may adversely affect its business and profitability.
5. The success of the Company depends on its ability to anticipate technological advances and simultaneously adapt standards and changing customer preferences and amend services to meet customer needs. Its future success in the information technology business will depend upon its ability to keep evolving its technology in line with industry trends. The adaptation to new technology may result in additional expenses. Further, any failure to anticipate technological advances and changing customer preferences in time, or at all, may lower the demand for its services which may affect its business and financial performance.
6. There has been volatility in the exchange rate between the Indian rupee and each of the U.S. Dollar and Pound Sterling in recent years and the volatility in such exchange rates may continue in the future. Our Company's operating results may continue to be impacted by fluctuations in the exchange rate between the Indian rupee and each of the U.S. Dollar and the Pound Sterling, as well as with other foreign currencies, including the Euro, Canadian Dollar and Australian Dollar.

7. The IT industry is highly labour intensive and our Company's success depends to a significant extent on its ability to attract, hire, train and retain qualified employees, including its ability to attract employees with needed skills in the geographic areas in which the Company operates. High attrition rates among tenured employees, in particular, could result in a loss of domain and process knowledge, which could result in poor service quality and lead to breaches by our Company of its contractual obligations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

A. Total number of outstanding litigations against the Company and amount involved

NATURE OF LITIGATION	NO. OF CASES	AMOUNT INVOLVED (₹ In lakhs)
Civil proceedings	3	267.46
Criminal proceedings	-	-
Tax matters	15	7,781.55

B. Brief details of top 5 material outstanding litigations against or involving the Company and amount involved

SR. NO.	PARTICULARS	LITIGATION FILED BY	CURRENT STATUS	AMOUNT INVOLVED (₹ in lakhs)
1.	For Assessment Year 2012-13, the Assessing officer, during assessment proceedings, made adjustment on account of transfer pricing and interest disallowance on borrowed loans. Aggrieved with the order of Assessing officer, the Company filed an appeal with the Income Tax Appellate Tribunal, New Delhi.	Birlasoft (India) Ltd.	Currently pending with ITAT, New Delhi	2,840.39
2.	For Assessment Year 2006-07, the Assessing officer, during assessment proceedings, made various adjustment in assessment order dated December 29, 2009. Aggrieved with the order of Assessing officer, the Company had filed an appeal with the Income Tax Appellate Tribunal (ITAT). ITAT had pronounced its order dated July 31, 2017 in favour of the Company. Aggrieved with the order of the ITAT, New Delhi, the Income Tax Department has filed an appeal with Hon'ble High Court of Delhi and the same has been admitted by the Hon'ble High Court of Delhi, for hearing on question of law.	Income Tax Department	Appeal pending before Hon'ble High Court of Delhi	2,502.87
3.	For Assessment Year 2013-14, the Assessing officer, during assessment proceedings, made adjustment on account of transfer pricing and interest disallowance on borrowed loans vide its order dated December 26, 2016. Aggrieved with the order of Assessing officer, the Company has filed an appeal with the Income Tax Appellate Tribunal, New Delhi.	Birlasoft (India) Limited	Currently pending with ITAT, New Delhi	926.30
4.	A civil writ petition 36543/2013 was filed by the Company at the Hon'ble High Court of Allahabad, challenging the order dated 18.05.2013 passed by Dist. Magistrate, Gautambudh Nagar. The matter relates to imposition of stamp duty of ₹ 1,29,79,100/- and	Birlasoft (India) Ltd.	An amendment application has been filed for modifying certain paragraphs of previously filed writ	194.69 (Stamp duty of ₹ 129.79 lakhs & Penalty of ₹ 64.90 lakhs)

SR. NO.	PARTICULARS	LITIGATION FILED BY	CURRENT STATUS	AMOUNT INVOLVED (₹ in lakhs)
	penalty of ₹ 64,89,559/-, by District Magistrate, Gautambudh Nagar, vide its order dated 30.03.2009. Aforesaid writ was dismissed by the High court and the Supreme Court vide its order dated 18 th August, 2017, has remanded back the writ to High Court for fresh adjudication.		petition, which has been admitted by the Hon'ble High Court of Allahabad and is now a part of the writ petition. The matter is currently pending and the hearing is awaited.	
5.	For Assessment Year 2004-05, the Assessing officer, during assessment proceedings, made various adjustments in assessment order dated December 28, 2006. Aggrieved with the order of Assessing officer, the Company filed an appeal with the Commissioner of Income Tax (Appeals). A favorable order in this respect has been received from CIT (A) vide order dated July 28, 2009 subsequent to which Income Tax Department filed an appeal with the Income Tax Appellate Tribunal (ITAT) against the order of CIT (A), ITAT pronounced its order dated June 17, 2011 in favour of the Company. Aggrieved with the order of ITAT, New Delhi, the Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi.	Income Tax Department	Appeal pending before Hon'ble High Court of Delhi	505.36

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any - Nil

D. Brief details of outstanding criminal proceedings against Promoters: - Nil

ANY OTHER IMPORTANT INFORMATION OF THE COMPANY: NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

Date: July 19, 2018

Summary of the Valuation Report along with the basis of such valuation

1. Birlasoft (India) Limited (“**Birlasoft**”), KPIT Technologies Limited (“**KPIT Technologies**”) and KPIT Engineering Limited (“**KPIT Engineering**”) (together referred to as “**Companies**”) collectively engaged S.R.Batliboi & Co. LLP (“**Valuer**”), as independent valuer to recommend the Share Exchange Ratio in connection with the proposed composite scheme of arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders (“**Scheme**”). Valuer has issued a valuation report dated 29 January 2018 (“**Valuation Report**”) which is enclosed as Annexure B-I.
2. KPIT Technologies appointed Equirus Capital Private Limited (“**Equirus**”) as the merchant banker to provide an independent opinion to the board of directors of KPIT Technologies as to the fairness of the Share Exchange Ratio recommended by the Valuer to the shareholders of KPIT.
3. Equirus reviewed the Valuation Report and the draft Scheme and carried out such independent analysis as is customary for issuance of fairness opinions. In its report dated 29 January 2018, enclosed as Annexure B-II (“**Fairness Opinion**”), Equirus has concluded that the Share Exchange Ratio recommended by the Valuer is fair to the shareholders of KPIT.
4. Based on the Valuation Report, the Fairness Opinion (in the case of KPIT Technologies) and presentations made to the board of directors of the Companies, the Share Exchange Ratio was approved by the respective boards of the Companies.
5. The Valuer carried out independent analysis using standard, generally accepted valuation methodologies.

Amalgamation of Birlasoft with KPIT Technologies

Arriving at the fair Share Exchange Ratio for the proposed amalgamation of Birlasoft with KPIT Technologies would require determining the fair value of equity shares of KPIT Technologies in terms of the fair value of the equity shares of Birlasoft. These values have been determined independently but on a relative basis without considering the proposed amalgamation.

For the proposed amalgamation, the Valuers have considered the following commonly used and accepted methods for determining the Share Exchange Ratio, to the extent relevant and applicable:

- a) Market Price Method (Market approach)
- b) Comparable Companies’ Multiples Method (Income approach)
- c) Discounted Cash Flows Method (Income approach)
- d) Net Asset Value Method (Asset approach)

Taking into account that KPIT Technologies is well traded and referring to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017, Circular No. CFD/DIL3/CIR/2017/26 dated 23 March 2017 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Valuer has given 100% weight to the value of equity share of KPIT Technologies as computed under the Market Price Method.

To arrive at the value of Birlasoft, the Valuer has given 100% weight to the value arrived at under the Comparable Companies' Multiples Method as the value computed under the Net Asset Value method does not capture the earning capacity of the business and hence the same would not be representative of the fair value.

Demerger of Engineering Business from KPIT Technologies to KPIT Engineering

Once the Scheme is implemented, all the shareholders of KPIT Technologies (including the shareholders of Birlasoft being allotted shares pursuant to its merger with KPIT Technologies) would become shareholders of KPIT Engineering and their shareholding in KPIT Engineering would mirror their shareholding in KPIT Technologies.

The effect of the demerger is that each shareholder of KPIT Technologies will become the owner of shares in two companies instead of one. No shareholder is, under the Scheme, required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The Scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the demerger. Post demerger, the percentage holding of the shareholder in KPIT Engineering and KPIT Technologies would remain unchanged from the proportion of capital held by such shareholder (after merger of Birlasoft) in KPIT.

Considering the above, any entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Thus, the management has recommended the current Share Exchange Ratio for the demerger.

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 618 OF 2018

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

And

In the matter of the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders

KPIT Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.

**Applicant / Demerged Company /
Transferee Company**

CIN: L72200PN1990PLC059594

Website: www.kpit.com | Email: connectwithus@kpit.com

Tel: +91 20 66525000 | Fax: +91 20 66525001

FORM OF PROXY

I/We, _____, the undersigned Equity Shareholder/s of KPIT Technologies Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at the registered office of KPIT Technologies Limited at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057 on Wednesday, the 29th day of August 2018 at 2:00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement amongst Birlasoft (India) Limited, KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders ("Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

Dated this _____ day of _____ 2018. Signature _____

Name: _____

Address: _____

Revenue
Stamp

No. of shares held: _____
(For Demat holding)

DP Id. _____ Client Id. _____
(For Physical holding)

Folio No. _____

KPIT

KPIT TECHNOLOGIES LIMITED

Registered & Corporate office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057, India

CIN: L72200PN1990PLC059594

Website: www.kpit.com • Email: connectwithus@kpit.com • Tel: +91 20 66525000 • Fax: +91 20 66525001

The last date for receipt of Postal Ballot is 28 August 2018, 5.00 p.m.

POSTAL BALLOT FORM

Postal Ballot No. _____

Sr No	Particulars	Details of Equity Shareholder(s)
1.	Name[s] of Equity Shareholder[s] [in block letters]	
2.	Registered Address of sole / first named Equity Shareholder [in block letters]	
3.	Registered Folio No./ DP ID & Client ID	
4.	No. of shares held	

I/ We hereby exercise my/ our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in Notice convening the meeting of the equity shareholders of the Company pursuant to Final Order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench dated 12 July 2018 by sending my / our assent or dissent to the said Resolution by placing the tick [✓] mark at the appropriate box below:

Item No	Description	No. of shares held	I / We assent [agree] to the Resolution [FOR]	I/ We dissent to the Resolution [AGAINST]
1.	Resolution for approval of the Composite Scheme of Arrangement amongst Birlasoft (India) Limited and KPIT Technologies Limited and KPIT Engineering Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.			

Place: Pune

Date: 25 July 2018

Signature of the Equity Shareholder

NOTE: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS FOR VOTING BY PHYSICAL VOTING / POSTAL BALLOT

1. An Equity Shareholder[s] desirous to exercise his/her vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the self-addressed postage prepaid business reply envelope. However, envelopes containing Postal Ballot[s], if sent by courier at the expense of the equity shareholder[s] will also be accepted.
2. This form should be duly completed and signed by the equity shareholder. In case of joint holding, this form should be completed and signed [as per the specimen signature registered with the Company or furnished by NSDL/ CDSL to the Company, in respect of share/s held in the physical form or demat form respectively] by the first named equity shareholder and in his absence, by the next named joint equity shareholder.
3. Unsigned / Incomplete Postal Ballot Forms will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 5:00 p.m. on 28 August 2018. Postal Ballot Form received after this time and date will be strictly treated as if the reply from the equity shareholder has not been received.
5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the equity shareholders as on the cut-off date i.e. 20 July 2018.
6. An equity shareholder may request for a duplicate Postal Ballot Form, if so required. The Postal Ballot Form can also be downloaded from the link www.kpit.com. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than 5:00 p.m. on 28 August 2018.
7. The exercise of vote through Postal Ballot is not permitted through a proxy.
8. The Scrutinizer's decision on the validity of the Postal Ballot Form would be final.
9. Equity shareholders are requested not to send any other paper / documents along with the Postal Ballot Form. If sent, the said paper[s]/ document[s] will not be acted upon.
10. Equity shareholders are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by erasable writing medium/s like pencil.
11. There will be one Postal Ballot Form for every Folio / Client ID, irrespective of the number of joint holders.
12. Equity shareholders can opt only one mode of voting i.e. either by Ballot or through e-voting. In case, you are opting for voting by ballot, then please do not cast your vote by e-voting and vice-versa. In case equity shareholders cast their votes both by postal ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot shall be considered invalid. The equity shareholders casting their votes through e-voting may log on www.evoting.nsdl.com and cast their vote, instructions for which are specified in detail in the Notice convening meeting.
13. In the case of shares held by companies, financial institutions, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
14. A Postal Ballot Form shall be considered invalid if;
 - a. Signature on the Postal Ballot Form does not match the specimen signature with the Company.
 - b. A form other than one issued by the Company has been used.
 - c. It has not been signed by or on behalf of the equity shareholder.
 - d. It is not possible to determine without any doubt the assent or dissent of the equity shareholder.

Only an equity shareholder entitled to vote is entitled to fill in the Postal Ballot Form and send it to the Scrutinizer, and any receipt of the Notice, who has no voting rights should treat the notice as intimation only.

KPIT

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

ATTENDANCE SLIP

(Please complete this attendance slip and hand over at the entrance of the meeting venue)

Registered Folio No./ DP ID & Client ID	
Name and address of the Equity shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of shares	

I/We hereby record my/our presence at the NCLT Convened Meeting of the Company held on Wednesday, August 29, 2018 at 02:00 p.m. at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057, India.

Equity Shareholder(s)/Proxy's name in Block Letters

Equity Shareholder(s)/Proxy's Signature

NOTES:

1. Equity Shareholder(s)/Authorised Representatives/Proxies are requested to bring the Attendance Slip with them. Duplicate Attendance Slip will not be issued at the meeting venue.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme which forms a part of the notice.
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.
5. A proxy is requested to bring his/her valid photo identity proof at the meeting.
6. A person can act as a proxy on behalf of not more than fifty equity shareholders and holding in aggregate not more than ten percent of the total share of the Company carrying voting rights.

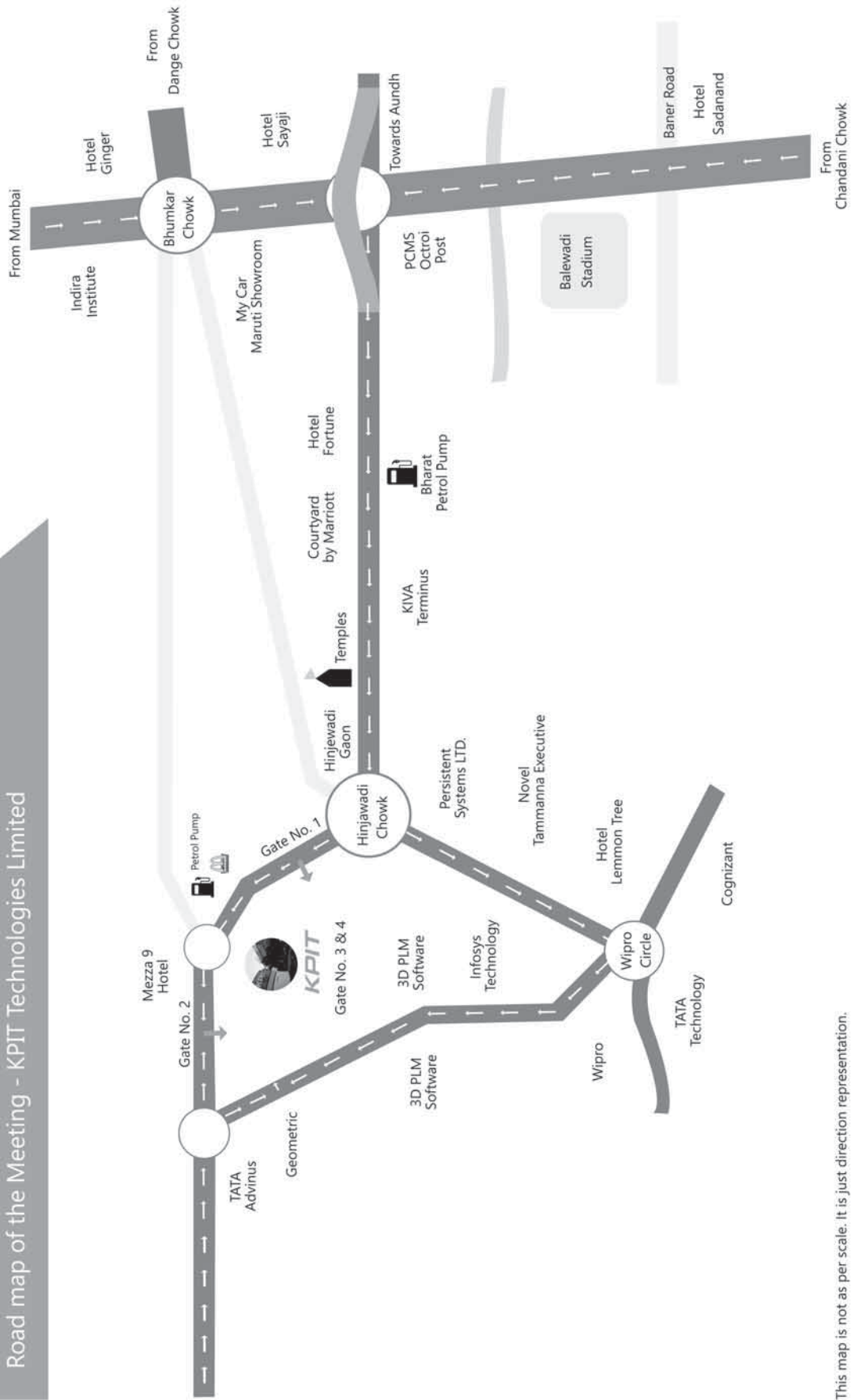
ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

Notes:

1. Please read the instructions for electronic voting printed along with the notice of the NCLT Convened Meeting to be held on Wednesday, August 29, 2018 at 02:00 p.m.
2. The remote e-voting period starts from Monday, July 30, 2018 (9.00 a.m.) to Tuesday, August 28, 2018 (till 5.00 p.m.) The voting module shall be disabled by National Securities Depository Limited (NSDL) for voting thereafter.

Road map of the Meeting - KPIT Technologies Limited



This map is not as per scale. It is just direction representation.