

KPIT Technologies Limited

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PART I

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

₹ in million (except per share data)

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
1]	Sales / Income from operations	8,306.78	8,309.84	8,132.77	24,648.98	23,854.16	32,264.08
2]	Expenses :						
	a. Cost of materials consumed	63.38	75.98	9.95	182.06	124.85	172.27
	b. Changes in inventories of finished goods and work-in-progress	(17.95)	40.79	1.93	2.47	(20.00)	(38.10)
	c. Excise duty on sale of goods	5.96	15.17	2.79	24.26	18.42	21.17
	d. Employee benefit expenses	5,312.07	5,122.03	4,934.09	15,499.42	14,548.77	19,335.92
	e. Depreciation and amortization expenses	191.45	199.63	180.46	578.81	511.69	691.25
	f. Other expenses	1,144.36	1,135.23	1,051.43	3,340.48	3,333.48	4,589.14
	g. Professional fees subcontractor	953.12	1,006.71	965.95	2,984.40	2,828.93	3,841.38
	<b>Total expenses</b>	<b>7,652.39</b>	<b>7,595.54</b>	<b>7,146.60</b>	<b>22,611.90</b>	<b>21,346.14</b>	<b>28,613.03</b>
3]	Profit from operations before other income, finance costs and exceptional items (1-2)	654.39	714.30	986.17	2,037.08	2,508.02	3,651.05
4]	Other income	29.22	49.22	38.18	194.11	217.85	281.85
5]	Profit from ordinary activities before finance costs and exceptional items (3+4)	683.61	763.52	1,024.35	2,231.19	2,725.87	3,932.90
6]	Finance costs (Refer note 6)	65.65	13.55	37.05	135.56	139.80	165.41
7]	Profit from ordinary activities after finance costs but before exceptional items (5-6)	617.96	749.97	987.30	2,095.63	2,586.07	3,767.49
8]	Exceptional items (Refer note 9)	260.91	-	-	260.91	-	(112.98)
9]	Profit from ordinary activities before tax (7+8)	878.87	749.97	987.30	2,356.54	2,586.07	3,654.51
10]	Tax expense (Refer note 11)	143.04	188.17	266.74	508.37	704.35	845.48
11]	Net profit from ordinary activities after tax (9-10)	735.83	561.80	720.56	1,848.17	1,881.72	2,809.03
12]	Extraordinary items (Net of tax expense)	-	-	-	-	-	-
13]	Net profit for the period (11-12)	735.83	561.80	720.56	1,848.17	1,881.72	2,809.03
14]	Share of profit/(loss) of associate	-	-	-	-	-	-
15]	Non-controlling interest	-	-	-	-	-	-
16]	Net profit after taxes, non-controlling interest and share of profit of associates (13+14-15)	735.83	561.80	720.56	1,848.17	1,881.72	2,809.03
17]	Other comprehensive income (net of tax)	(25.02)	(89.37)	28.87	(54.70)	472.92	545.27
18]	Total comprehensive income for the period (16+17)	710.81	472.43	749.43	1,793.47	2,354.64	3,354.30
19]	Paid up equity capital [Face Value ₹ 2/- per share]	376.13	375.92	375.25	376.13	375.25	375.65
20]	Reserves excluding revaluation reserves						13,478.73
21] i.	Earnings per share for the period (before extraordinary items) (on par value of ₹ 2/-) (not annualised)						
	Basic	3.84	2.93	3.76	9.64	9.85	14.69
	Diluted	3.68	2.81	3.61	9.24	9.42	14.06
21] ii.	Earnings per share for the period (after extraordinary items) (on par value of ₹ 2/-) (not annualised)						
	Basic	3.84	2.93	3.76	9.64	9.85	14.69
	Diluted	3.68	2.81	3.61	9.24	9.42	14.06

Notes:

- The above unaudited consolidated financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their respective meetings held on January 18, 2017. These unaudited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with 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 Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly.
- The Statutory Auditors of the Company have conducted a limited review of the above consolidated financial results of the Company for the quarter ended December 31, 2016, September 30, 2016 and December 31, 2015 and nine months ended December 31, 2016 and December 31, 2015 and year ended March 31, 2016. An unqualified opinion has been issued by them thereon.

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PART I

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

₹ in million (except per share data)

Notes (continued):

4 Stand-alone information

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
a	Revenue from operations	3,295.33	3,418.75	3,079.97	10,001.45	9,369.41	12,641.02
b	Profit before tax	401.32	599.24	559.13	1,710.80	1,829.62	2,493.77
c	Net profit for the period	335.81	491.47	415.37	1,409.00	1,349.92	2,031.68
d	Other comprehensive income (net of tax)	(34.00)	5.66	13.96	(44.67)	(41.63)	(32.87)
e	Total comprehensive income	301.81	497.13	429.33	1,364.33	1,308.29	1,998.81

5 Details of Foreign exchange gain / (loss) included in Other income :

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
Exchange gain / (loss)	(1.48)	7.29	18.48	79.56	128.87	84.26

6 As per para 6 (e) of Ind AS-23 "Borrowing costs", the exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs. Details of net loss / (gain) on foreign currency transactions and translations considered as finance cost :

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
Interest expense	33.20	31.82	28.11	93.68	108.20	134.47
Net loss / (gain) considered as finance cost	32.45	(18.27)	8.94	41.88	31.60	30.94
Total finance cost	65.65	13.55	37.05	135.56	139.80	165.41

7 Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for earlier periods

Sr No	Nature of adjustments	Quarter ended	Nine months ended	Year ended
		December 31, 2015 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
A	Net profit under IGAAP	734.95	1,929.96	2,815.00
B	Effects of transition to Ind-AS on Statement of Profit and Loss :			
i.	Effect of measuring financial liabilities initially at fair value and subsequently at amortised cost	0.41	(5.60)	8.46
ii.	Effect of translation of foreign operations due to change in functional currency	0.54	(42.55)	(29.83)
iii.	Effect of fair valuation of security deposits and amortisation of advance rentals	0.02	(1.27)	(1.19)
iv.	Effect of ESOP measurement and amortisation based on fair value of options	(19.23)	(33.11)	(51.71)
v.	Effect of discounting and fair value changes of contingent consideration payable for business combinations	(3.17)	12.07	39.76
vi.	Actuarial loss on employee defined benefit plan recognised in Other Comprehensive Income	8.54	33.50	44.35
vii.	Deferred taxes on above Ind-AS adjustments	(1.50)	(11.28)	(15.81)
	Total adjustments	(14.39)	(48.24)	(5.97)
C	Net profit for the period under Ind-AS (A+B)	720.56	1,881.72	2,809.03
D	Other comprehensive income (net of tax)	28.87	472.92	545.27
E	Total comprehensive income (C+D)	749.43	2,354.64	3,354.30

8 The standalone results of the Company are available on the Company's website, www.kpit.com and also on the website of the BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com, where the shares of the Company are listed.

9(a) Current quarter represents gain on sale of the Company's entire stake in KPIT medini Technologies AG with effect from November 1, 2016.

9(b) During the previous year, the Company had written down an investment to its fair value by ₹ 112.98 million.

10 During the quarter, the Company through its German subsidiary has invested Euro 9.3 million for a majority stake in a strategic partnership with MicroFuzzy Industrie-Elektronik GmbH ("MicroFuzzy"), an Engineering Services Company. The strategic partner, MicroFuzzy, has over 20+ years of proven engineering expertise on Powertrain systems and Drivetrain Electronics.

11 During the previous year, Company's Research & Development facility was approved for the purpose of section 35(2AB) of the Income Tax Act, 1961, from April 1, 2014 to March 31, 2017. Based on this approval, a tax benefit on the weighted deduction u/s 35 (2AB) of the Income Tax Act, 1961 amounting to ₹ 98.51 million pertaining to earlier years had been considered in the previous financial year.

12 During the previous year, CPG Solutions, LLC (CPG) and Integrated Industrial Information, Inc. (I-Cubed) have been merged with KPIT Infosystems Incorporated (KPIT USA), their holding company, effective January 1, 2016.

13 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification / disclosure.

On behalf of the Board of Directors  
 For KPIT Technologies Limited

Kishor Patil  
 CEO & Managing Director

S.B. (Ravi) Pandit  
 Chairman & Group CEO

Place : Pune  
 Date : January 18, 2017

KPIT Technologies Limited

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PART II

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in million

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)	March 31, 2016 (Unaudited)
1	Segment Revenue						
	U.S.A.	5,855.85	5,621.49	5,614.96	16,912.86	16,319.71	22,047.59
	UK & Europe	1,279.14	1,446.51	1,450.87	4,290.97	4,234.47	5,807.04
	Rest of the World	3,366.65	3,478.77	3,070.84	10,120.48	9,352.55	12,585.22
	<b>Total</b>	<b>10,501.64</b>	<b>10,546.77</b>	<b>10,136.67</b>	<b>31,324.31</b>	<b>29,906.73</b>	<b>40,439.85</b>
	Less : Inter Segment Revenue	2,194.86	2,236.93	2,003.90	6,675.33	6,052.57	8,175.77
	<b>Sales / Income from operations</b>	<b>8,306.78</b>	<b>8,309.84</b>	<b>8,132.77</b>	<b>24,648.98</b>	<b>23,854.16</b>	<b>32,264.08</b>
2	Segment Results Profit before tax and interest						
	U.S.A.	1,296.34	1,174.31	1,267.81	3,489.32	3,591.63	5,106.33
	UK & Europe	236.81	405.76	495.51	1,058.97	1,378.94	1,881.54
	Rest of the World	219.43	206.71	105.37	555.49	351.79	536.70
	<b>Total</b>	<b>1,752.58</b>	<b>1,786.78</b>	<b>1,868.69</b>	<b>5,103.78</b>	<b>5,322.36</b>	<b>7,524.57</b>
	Less:						
	- Finance costs	65.65	13.55	37.05	135.56	139.80	165.41
	- Other unallocable expenditure (net of unallocable income)	1,068.97	1,023.26	844.34	2,872.59	2,596.49	3,591.67
	<b>Profit from ordinary activities before tax and exceptional items</b>	<b>617.96</b>	<b>749.97</b>	<b>987.30</b>	<b>2,095.63</b>	<b>2,586.07</b>	<b>3,767.49</b>
	Exceptional items	260.91	-	-	260.91	-	(112.98)
	<b>Profit from ordinary activities before tax</b>	<b>878.87</b>	<b>749.97</b>	<b>987.30</b>	<b>2,356.54</b>	<b>2,586.07</b>	<b>3,654.51</b>
3	Segment Assets						
	U.S.A.	5,183.23	5,507.07	4,466.24	5,183.23	4,466.24	5,011.04
	UK & Europe	1,818.63	1,738.56	1,577.80	1,818.63	1,577.80	1,669.65
	Rest of the World	1,649.91	1,853.55	1,320.91	1,649.91	1,320.91	1,026.44
	<b>Total</b>	<b>8,651.77</b>	<b>9,099.18</b>	<b>7,364.95</b>	<b>8,651.77</b>	<b>7,364.95</b>	<b>7,707.13</b>
	Unallocated Assets	16,041.21	14,858.86	15,044.93	16,041.21	15,044.93	14,005.91
	<b>Total Assets</b>	<b>24,692.98</b>	<b>23,958.04</b>	<b>22,409.88</b>	<b>24,692.98</b>	<b>22,409.88</b>	<b>21,713.04</b>
4	Segment Liabilities						
	U.S.A.	185.75	153.54	206.69	185.75	206.69	174.26
	UK & Europe	110.20	87.35	98.34	110.20	98.34	105.40
	Rest of the World	110.45	117.32	153.39	110.45	153.39	154.80
	<b>Total</b>	<b>406.40</b>	<b>358.21</b>	<b>458.42</b>	<b>406.40</b>	<b>458.42</b>	<b>434.46</b>
	Unallocated Liabilities	8,807.23	8,859.16	7,294.43	8,807.23	7,294.43	7,424.20
	<b>Total Liabilities</b>	<b>9,213.63</b>	<b>9,217.37</b>	<b>7,752.85</b>	<b>9,213.63</b>	<b>7,752.85</b>	<b>7,858.66</b>

On behalf of the Board of Directors  
 For KPIT Technologies Limited

Place : Pune  
 Date : January 18, 2017

Kishor Patil  
 CEO & Managing Director

S.B. (Ravi) Pandit  
 Chairman & Group CEO

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Pr. Ya.