

...continued from previous page

Ajay Bhagwat is a Bachelor of Technology from the prestigious Indian Institute of Technology (IIT, Powai) in Mumbai. He has also completed his MS in Electrical and Computer Engineering from University of Iowa, USA. He has an experience of 32 years, specialization in Industrial Automation, Embedded Systems, Healthcare and IOT areas. His address is 1002, Rohan Tapovan, Gokhale Nagar, Pune- 411016, Maharashtra, India.

Ashwini Bhagwat is a Bachelor of Electronics from Shivaji University. She has over 20 years of experience in running manufacturing operations in Electronics. She is currently the Chief Operations Officer and Director at Renu Electronics Private Limited. She is responsible for the product delivery for the export market and is in charge of the factory operations. Her address is 1002, Rohan Tapovan, Gokhale Nagar, Pune - 411016, Maharashtra, India.

Sachin Tikekar, is the Whole-time Director on our Board. He holds a Masters' degree in Strategic Management and International Finance from Temple University's Fox School of Business and Management, Pennsylvania. He possesses an experience of 24 years. He has been a Director on our Board since incorporation. His address is 10 Erin Court, Kendall Park, New Jersey, 08824-1939, USA.

8. BUSINESS AND MANAGEMENT OF THE COMPANY

We are a technology company focused on automobile engineering and mobility solutions. We offer scalable and dependable technology solutions to help automobile OEMs' offer cleaner, smarter and safer mobility in passenger, commercial & off-highway vehicles. We offer embedded electronic and mechanical engineering solutions to our customers and analyze 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 back-end IT Systems and platforms for the automobile and mobility sector.

Our technology centers are located in Europe, USA, Japan, China and India, and we are associated with a majority of global automotive manufacturers. We also work closely with select Tier I vendors to these automotive OEMs.

Our business is organized as a practice structure, under which we build our technology base through platforms. In each practice area we offer software IP, software integration, feature development, verification and validation services. We are not just a product engineering services organization but also a software product organization. We continue to strive for the leadership position in Automotive Embedded Electronics space and going forward our key focus areas would revolve around CLEAN (ePowertrain), SMART (Autonomous), CONNECTED (Infotainment) and SAFE (Diagnostics, Security) with AUTOSAR as the standardization platform.

The solutions and service offerings made by us include:

- Autonomous Driving and ADAS
- Connected Vehicles
- Electric and Conventional Powertrain
- Vehicle Diagnostics
- AUTOSAR
- Mechatronics

Our Company has a global delivery model with integrated teams located across India, Germany, US, Brazil, China and Japan.

Board of Directors

The Company is managed by the Board of Directors consisting of the following Directors:

Name and designation	DIN	Address
Shashishekhar Pandit (Director)	00075861	"Pracheeti", S-42/4, Behind Hotel Surabhi, Paud Road, Bavdhan Khurd, Pune 411 021.
Kishor Patil (Director)	00076190	"Dwarka", Plot No. 15, Tejas Cooperative Housing Society, Kothrud, Pune 411 038.
Sachin Tikekar (Director)	02918460	10 Erin Court, Kendall Park, New Jersey 08824-1939
Alberto Sangiovanni Vincentelli (Director)	05260121	200,Tunnel Road, Berkeley, 947 05, California
Anant Talaulicar (Director)	00031051	1901, Sterling Tower, Harishchandra, Goregaonkar Marg, Gamdevi Lane, Grant Road, Mumbai – 400007
B V R Subbu (Director)	00289721	1/23, Shanti Niketan, Tyabji House, Off Rao Tula Ram Marg, New Delhi 110 021
Klaus Blickle (Director)	07958326	Heidelsteinstrasse 2 36093 Kuenzell Germany
Nickhil Jakatdar (Director)	5139034	25252 W, Fremont Road, Los Altos HLS, California 940 22
Shubhalakshmi Panse (Director)	02599310	Row House No. B-3, Roseland Residency, Pimple Saudagar, Pune -411027
Rohit Saboo (Director)	00086846	A-69, Shri Ram Marg, Shyam Nagar, Jaipur-302019 Rajasthan.

Key Managerial Personnel

In addition to our Chief Executive Officer, Kishor Patil, the details of our Key Managerial Personnel are as follows:

Name	Designation	Qualification	Experience	Effective Date of Appointment
Vinit Teredesai	Chief Financial Officer	B.Com (Hons.), Chartered Accountant, Cost and Works Accountant,CPA (U.S.A) and Executive Program in General Management from MIT Sloan School of Management, Cambridge, MA	24 years	January 16, 2019
Nida Deshpande	Company Secretary and Compliance Officer	B.Com (Hons), M.Com, Company Secretary	16 years	January 16, 2019

9. REASONS FOR THE SCHEME OF ARRANGEMENT

Rationale as provided in the Scheme:

KPIT Technologies Limited is a well-established technology company, having deep expertise in auto engineering and mobility solutions as well as a strong presence in business information technology and niche digital competency. Birlasoft Limited is a business information technology solutions company with wide expertise in digital solutions in multiple industries.

Given its diversified business, it had become imperative for KPIT Technologies Limited to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, KPIT Technologies Limited is desirous of enhancing its operational efficiency and overall capacities.

The Scheme proposes to reorganise and segregate the shareholdings of KPIT Technologies Limited in various businesses and thus proposed the demerger of the Engineering Business (as defined under the Scheme) from Birlasoft Limited (Erstwhile KPIT Technologies Limited) to KPIT Technologies Limited (Erstwhile KPIT Engineering Limited).

The proposed restructuring pursuant to this Scheme is expected, *inter alia*, to result in following benefits:

- Creation of two specialised and focussed companies which will result in wider industry coverage and deep domain expertise in auto engineering and mobility solutions for KPIT Technologies Limited;
 - Creation of a sharp focus in terms of industry and customer base;
 - Capacity to retain best talent; and
 - Make necessary investments in building technologies and solutions.
- The salient features of the Scheme are as follows:**
- Parts II and III, of the Scheme provides for demerger and vesting of the Engineering Business of KPIT Technologies Limited with the Company;
 - The Appointed Date for the Scheme is January 1, 2019.
 - The Scheme approved by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date (as defined in the Scheme).
 - Immediately on the Scheme becoming effective and with effect from the opening of business hours on the Appointed Date, subject to other provisions of the Scheme and applicable law, the Engineering Business, along with all its assets, liabilities, investments, contracts, arrangements, employees, permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from Birlasoft Limited (erstwhile KPIT Technologies Limited) and transferred to and be vested in or be deemed to have been vested in our Company as a going concern, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licenses, records, approvals, etc. of our Company.

The Engineering Business

The Engineering Business being transferred to our Company pursuant to the Scheme means all the engineering business of solutions of electronic or mechanical engineering and usage of 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.

Approvals with respect to the Scheme of Arrangement

The NCLT vide its Order dated November 29, 2018, subject to the conditions set out therein, has sanctioned the Scheme of Arrangement. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

10. AUDITED FINANCIAL STATEMENTS

Interim Consolidated Balance Sheet as at 01 January 2019 (Amount in ₹ million)

	Note	01 January 2019	31 March 2018		Note	01 January 2019	31 March 2018
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Property, plant and equipment	2A	2,603.38	-	Equity share capital	15	2,685.02	1.00
Capital work-in-progress		8.58	-	Other equity	32	6,739.99	(2.66)
Goodwill	2B	959.98	-	Equity attributable to owners of the Company		9,425.01	(1.66)
Other intangible assets	2C	748.78	-	Non-controlling interest		31.89	-
Intangible assets under development		18.63	-	Total equity		9,456.90	(1.66)
Equity accounted investees	3A	-	-	Liabilities			
Financial assets				Non-current liabilities			
Investments	3B	10.40	-	Financial liabilities			
Loans	4	273.67	-	Borrowings	16	548.92	-
Other financial assets	5	13.22	-	Other financial liabilities	17	38.96	-
Income tax assets (net)		11.77	-	Provisions	18	286.66	-
Deferred tax assets (net)	6	39.53	-	Deferred tax liabilities (net)	19	31.09	-
Other non-current assets	7	29.05	-			905.63	-
		4,716.99	-	Current liabilities			
Current assets				Financial liabilities			
Inventories	8	168.85	-	Borrowings	20	1,319.18	-
Financial assets				Trade payables	21	3,479.12	0.09
Investments	9	240.33	-	Other financial liabilities	22	1,510.13	2.51
Trade receivables	10	7,073.17	-	Other current liabilities	23	741.96	0.01
Cash and cash equivalents	11	1,422.84	0.95	Provisions	24	192.09	-
Other balances with banks	11	147.38	-	Income tax liabilities (net)		178.98	-
Loans	12	93.85	-			7,421.46	2.61
Unbilled revenue		882.73	-	TOTAL EQUITY AND LIABILITIES		17,783.99	0.95
Other financial assets	13	2,634.84	-	Significant accounting policies	1		
Other current assets	14	403.01	-	Notes referred to above form an integral part of the consolidated financial statements	2-40		
		13,067.00	0.95				
TOTAL ASSETS		17,783.99	0.95				

Interim Consolidated Statement of Profit and Loss for the period from 01 April 2018 to 01 January 2019 (Amount in ₹ million)

Particulars	Note	For the period from 1 April 2018 to 1 January 2019	For the period from 8 January 2018 to 31 March 2018
Revenue from operations	25 & 38	1,399.88	-
Total income		1,399.88	-
Expenses			
Employee benefits expense	26	416.16	-
Finance costs	27	21.32	-
Depreciation and amortization expense	2	0.88	-
Other expenses	28	682.67	2.66
Total expenses		1,121.03	2.66
Profit/(loss) before tax		278.85	(2.66)
Tax expense	39		
Current tax		33.99	-
Deferred tax charge		4.49	-
Total tax expense		38.48	-
Profit/(loss) for the period		240.37	(2.66)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		79.60	-
Total other comprehensive income		79.60	-
Total comprehensive income for the period		319.97	(2.66)
Profit/(loss) attributable to			
Owners of the Company		240.37	(2.66)
Non-controlling interests		-	-
Profit/(loss) for the period		240.37	(2.66)
Other comprehensive income attributable to			
Owners of the Company		79.60	-
Non-controlling interests		-	-
Other comprehensive income for the period		79.60	-
Total comprehensive income attributable to			
Owners of the Company		319.97	(2.66)
Non-controlling interests		-	-
Total comprehensive income for the period		319.97	(2.66)
Earnings per equity share for continuing operations (face value per share ₹ 10 each)			
Basic	36	224.05	(26.60)
Diluted	36	224.05	(26.60)
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated financial statements	2-40		

Interim Consolidated Statement of Changes in Equity for the period from 01 April 2018 to 01 January 2019 (Amount in ₹ million)

A Equity share capital

Equity share capital issued during the period	1.00
Balance as at 31 March 2018	1.00
Cancellation of shares pursuant to demerger scheme (Refer note 40(3))	(1.00)
Issue of share capital pursuant to demerger scheme (net of shares issued to employee welfare trust ₹ 56.41 million) (Refer note 40(3))	2,685.02
Balance as at 01 January 2019	2,685.02

B Other equity

	Reserves & surplus			Items of Other Comprehensive Income		Equity attributable to owners of the Company	Non-controlling interest	Total equity
	Capital Reserve	General reserve	Retained earnings	Remeasurement of the net defined benefit Plans (Refer note 33(2))	Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 29.3)		
Loss for the period	-	-	(2.66)	-	-	-	(2.66)	-
Balance as on 31 March 2018	-	-	(2.66)	-	-	-	(2.66)	-
Balance as on 01 April 2018	-	-	(2.66)	-	-	-	(2.66)	-
Profit for the period	-	-	240.37	-	-	-	240.37	-
Other comprehensive income (net of tax)	-	-	-	-	79.60	-	79.60	-
Total comprehensive income for the period	-	-	240.37	-	79.60	-	319.97	-
Others								
Accumulated deficit of employee welfare trust	-	-	(20.21)	-	-	-	(20.21)	-
Effect on account of purchase of stake in minority shareholder	(127.07)	-	-	-	-	-	(127.07)	-
Effect on account of acquisition of subsidiary under common control business combination	(172.81)	-	-	-	-	-	(172.81)	-
Effect on account of demerger scheme (Refer note 40(3))	2,179.70	(117.89)	4,716.47	(45.26)	-	9.75	6,742.77	31.89
Balance as on 01 January 2019	1,879.82	(117.89)	4,933.97	(45.26)	79.60	9.75	6,739.99	31.89
Significant accounting policies					1			
Notes referred to above form an integral part of the consolidated financial statements					2-40			

Notes forming part of the interim consolidated financial statements for the period from 01 April 2018 to 01 January 2019 Company Overview

KPIT Engineering Limited ("the Company") is a public limited company incorporated on 8 January 2018 under the Companies Act, 2013. The Company's registered office is in Pune and it has subsidiaries/joint venture/associate across multiple geographies.

The Group provides Technology solutions in embedded software for the Automobile and Mobility Industry.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 09 March 2019.

1. Significant accounting policies

1.1 Basis of consolidation

The Consolidated Financial Statements relate to KPIT Engineering Limited ("the Company"), its subsidiary companies and its joint venture which constitutes "the Group" (Refer note 34).

a. Basis of preparation of consolidated financial statements

- The financial statements of the subsidiary companies and the joint venture, used in the consolidation, have been aligned with the parent company and are drawn up to the same reporting date as of the Company.
- The Composite Scheme of Arrangement for (a) amalgamation of Birlasoft (India) Limited ("Transferor Company") with KPIT Technologies Limited ("Transferee Company" or "Demerged Company"); and (b) demerger of the engineering business of KPIT Technologies Limited into KPIT Engineering Limited ("Resulting Company"), has been approved by the National Company Law Tribunal, Mumbai Bench on 29 November 2018 and certified copy of the order was received on 18 December 2018.
- Pursuant to above, the interim consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind-AS) 34 "Interim Financial Reporting" 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, for the purpose of inclusion in the Information Memorandum to be filed with the stock exchanges. The 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, purchase consideration in business combinations 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 consolidated financial statements

Interim Consolidated Statement of Cash Flows for the period from 01 April 2018 to 01 January 2019 (Amount in ₹ million)

Particulars	01 January 2019	31 March 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	240.37	(2.66)
Adjustments for		
Income tax expense	38.48	-
Depreciation / Amortization	0.88	-
Interest expense	21.32	-
Unrealised foreign exchange loss/(gain)	(69.24)	-
Operating Profit before working capital changes	231.81	(2.66)
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(533.60)	-
Loans, other financials assets and other assets	(465.14)	-
Trade Payables	679.69	0.09
Other financial liabilities, other liabilities and provisions	(158.41)	2.52
Cash generated from operations activities (A)	(245.65)	(0.05)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(0.07)	-
Acquisition of subsidiary	(656.05)	-
Net Cash used in investing activities (B)	(656.12)	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and application money	-	1.00
Proceeds from Working Capital loan (net)	1,300.00	-
Net cash (used in)/from financing activities (C)	1,300.00	1.00
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	398.23	0.95
Cash and cash equivalents at close of the year (Refer note 1 below)	1,422.84	0.95
Cash and cash equivalents at beginning of the year (Refer note 1 below)	0.95	-
Opening cash and cash equivalents transferred pursuant to the scheme of demerger	1,023.66	-
Cash Surplus / (deficit) for the year	398.23	0.95
Note 1 :		
Cash and cash equivalents include:		
Cash on hand	0.13	-
Balance with banks	1,422.71	0.95
- In current accounts	1,422.84	0.95
Total Cash and cash equivalents	1,422.84	0.95
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 on statement of cash flows		

continued on next page...