

Notes forming part of the interim consolidated financial statements (continued) for the period from 01 April 2018 to 01 January 2019

2A Property, plant and equipment

	Land (Lease hold)	Building	Leasehold improvm ents	Plant and Equipment	Furniture and Fixtures	Vehicles		Office Equipme nts	Total
						Leased	Ow ned		
Gross carrying amount as at 1 April 2018	-	-	-	-	-	-	-	-	-
Additions	-	-	-	0.07	-	-	-	-	0.07
Additions pursuant to scheme of demerger (Refer Note 40(3))	412.60	1,092.40	235.23	1,195.36	211.59	5.02	43.64	447.43	3,643.27
Additions on account of business combinations	-	-	-	8.72	1.75	-	-	0.59	11.06
Gross carrying amount as at 1 January 2019	412.60	1,092.40	235.23	1,204.15	213.34	5.02	43.64	448.02	3,654.40
Accumulated depreciation as at 1 April 2018	-	-	-	-	-	-	-	-	-
Additions pursuant to scheme of demerger (Refer Note 40(3))	22.44	57.69	121.44	590.70	88.00	4.97	22.61	135.63	1,043.48
Additions on account of business combinations	-	-	-	5.92	0.89	-	-	0.11	6.92
Depreciation	-	-	-	0.55	0.05	-	-	0.02	0.62
Accumulated depreciation as at 1 January 2019	22.44	57.69	121.44	597.17	88.94	4.97	22.61	135.76	1,051.02
Carrying amount as at 01 January 2019	390.16	1,034.71	113.79	606.98	124.40	0.05	21.03	312.26	2,603.38

Notes:

(i) Refer note 16 for details of property, plant and equipment pledged as security for borrowings.

2B Goodwill

	01 January 2019	31 March 2018
Additions pursuant to scheme of demerger (Refer Note 40(3))	959.98	-
Carrying amount as at 1 January 2019	959.98	-

2C Other intangible assets

	Internally Generated		Other than Internally Generated	Total
	Product Development Cost	Technical Knowhow	Software	
Gross carrying amount as at 1 April 2018	-	-	-	-
Additions pursuant to scheme of demerger (Refer Note 40(3))	1,083.36	19.00	1,635.73	2,738.09
Additions on account of business combinations	3.32	-	-	3.32
Gross carrying amount as at 1 January 2019	1,086.68	19.00	1,635.73	2,741.41
Accumulated amortisation as at 1 April 2018	-	-	-	-
Additions pursuant to scheme of demerger (Refer Note 40(3))	624.87	19.00	1,347.76	1,991.63
Additions on account of business combinations	0.74	-	-	0.74
Amortisation	0.26	-	-	0.26
Accumulated amortisation as at 1 January 2019	625.87	19.00	1,347.76	1,992.63
Carrying amount as at 1 January 2019	460.81	-	287.97	748.78

(Amount in ₹ million)

Particulars	01 January 2019	31 March 2018
3 Non current investments		
Investments(Unquoted)		
3A Investments in equity accounted investees		
Yantra Digital Services Private Limited (Refer note 40(2))	169.60	-
7,000 equity shares of ₹ 10 each fully paid up		
Less : Share of accumulated losses	169.60	-
3B Investments in equity instruments of other entities measured at fair value through profit or loss		
Lithium Urban Technologies Private Limited	10.00	-
10,000 Compulsorily Convertible Preference shares of ₹ 1,000 fully paid up		
Munchner bank	0.40	-
100 equity share of € 50 each fully paid up		
	10.40	-
	10.40	-
Note:		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
4 Loans		
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
Loan to Director	6.94	-
Loan to Yantra Digital Services Private Limited	155.50	-
Loans and advances to other than related parties		
Security deposits	105.87	-
Loan to employees	5.36	-
	273.67	-
Note:		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
5 Other financial assets		
(Unsecured, considered good unless otherwise stated)		
Fixed deposits with banks	11.82	-
Interest accrued on fixed deposits	1.40	-
	13.22	-
Note:		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
6 Deferred tax assets (net)		
Deferred tax assets		
- Provision for doubtful debts and advances	3.67	-
- Provision for compensated absences	37.41	-
	41.08	-
Deferred tax liabilities		
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	1.46	-
- Forward contracts designated as cash flow hedges	0.09	-
-Others	1.55	-
	39.53	-
Net deferred tax asset		
7 Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	4.90	-
Advance rentals	17.49	-
Prepaid expenses	6.66	-
	29.05	-
8 Inventories		
(Valued at the lower of cost and net realisable value)		
Raw materials	143.07	-
Work-in-progress	5.58	-
Finished goods	16.67	-
Stores and spares	3.53	-
	168.85	-
9 Current investments		
Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted)		
Investment in Birlasoft Limited (erstwhile KPIT Technologies Limited)	240.33	-
	240.33	-
Note:		
(i) The details of aggregate value of unquoted investments and the Group's exposure to liquidity risk are disclosed in note 29.		

Particulars	As at 01 January 2019	As at 31 March 2018		
	Number of shares	(₹)	Number of shares	(₹)
Equity shares				
At the beginning of the period	100,000	1.00	100,000	1.00
Add: Issue of share capital pursuant to demerger scheme (Refer note 40(3))	274,143,808	2,741.43	-	-
Less : Shares held by employee welfare trust	5,641,373	56.41	-	-
Less: Cancellation of shares pursuant to demerger scheme (Refer note 40(3))	100,000	1.00	-	-
Outstanding at the end of the period	268,502,435	2,685.02	100,000	1.00

15.3 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.

15.4 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 01 January 2019	% of shares held	Number of shares as at 31 March 2018	% of shares held
National Engineering Industries Limited	72,956,796	26.61%	-	0.00%
Birlasoft Limited (erstwhile KPIT Technologies Limited)	-	0.00%	99,994	99.99%
Proficient Finstock LLP	27,130,949	9.90%	-	0.00%

15.5 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.

15.6 As per the approved 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"), shareholders of Transferor Company shall receive 22 equity shares of the Transferee Company for every 9 shares they hold. After the demerger of KPIT's engineering business, shareholders of the Demerged Company shall receive 1 share of the Resulting Company for every 1 share they hold and the Resulting Company is required to cancel the existing share capital held by the Transferee Company. The abovesaid process of issue of equity shares and cancellation of existing shares has been completed on 29 January 2019. The Company has passed the requisite accounting entries to reflect the above in these interim financial statement as the scheme came into effect on 1 January 2019 and the administrative process of allotting and cancelling the shares has completed subsequently.

(Amount in ₹ million)

	01 January 2019	31 March 2018
16 Non-current borrowings		
Term loans		
- From banks (Secured)		
External Commercial Borrowing (ECB) (Refer note (i))	522.08	-
Other loan (Refer note (ii) & (iii) below)	9.96	-
- From other than banks (Refer note (iv) below)	16.88	-
	548.92	-
Notes:		
(i) The ECB loan consists of loan secured by pari passu charge over the 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 + 95 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 12.50 million.		
(ii) Other term loans from bank are secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 9.25 % p.a. and is repayable in equated monthly installments of ₹ 0.28 million each upto October 2020.		
(iii) Other term loans from bank are secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 8.60 % p.a. and is repayable in equated monthly installments of ₹ 0.15 million each upto July 2025.		
(iv) Term loan from other than banks consist of unsecured loan, carrying interest rate of 3% p.a. The loan will be repaid upto October 2028.		
(v) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
17 Other non-current financial liabilities		
Other than trade payables		
Purchase consideration payable		
- MicroFuzzy Industrie-Elektronik GmbH	38.96	-
	38.96	-
Note:		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
18 Long term provisions		
Provision for employee benefits		
- Compensated Absences	117.27	-
- Gratuity (Refer note 33(2))	169.25	-
Other provisions		
- Provision for warranty (Refer note 37(1))	0.14	-
	286.66	-
19 Deferred tax liabilities (net)		
Deferred tax liabilities		
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/ amortisation provided in accounts	83.84	-
-Forward contracts designated as cash flow hedges	5.25	-
-Others	1.60	-
	90.69	-

29 Financial Instruments

29.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 1 January 2019 are as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss (FVTPL)		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments*	250.73	-	-	-	-	250.73	250.73
Trade receivables	7,073.17	-	-	-	-	7,073.17	7,073.17
Cash and cash equivalents	1,422.84	-	-	-	-	1,422.84	1,422.84
Other balances with banks	147.38	-	-	-	-	147.38	147.38
Loans	367.52	-	-	-	-	367.52	367.52
Unbilled revenue	882.73	-	-	-	-	882.73	882.73
Other financial assets	2,633.06	-	-	-	15.00	2,648.06	2,648.06
Total financial assets	12,777.43	-	-	-	15.00	12,792.43	12,792.43
Financial liabilities							
Borrowings	1,868.10	-	-	-	-	1,868.10	1,843.47
Trade payables	3,479.12	-	-	-	-	3,479.12	3,479.12
Other financial liabilities	1,549.09	-	-	-	-	1,549.09	1,549.09
Total financial liabilities	6,896.31	-	-	-	-	6,896.31	6,871.68

* Investments include shares of Birlasoft Limited (erstwhile KPIT Technologies Limited), where the market value of the shares as on 1 January 2019 is the value of the shares prior to effect of the Composite Scheme of Arrangement for (a) amalgamation of Birlasoft (India) Limited with KPIT Technologies Limited ("KPIT"); and (b) demerger of the engineering business of KPIT into KPIT Engineering Limited. Hence the carrying amount is considered to be the best approximation to the fair value.

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

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss (FVTPL)	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial assets					
Cash and cash equivalents	0.95	-	-	-	0.95
Total financial assets	0.95	-	-	-	0.95
Financial liabilities					
Trade payables	0.09	-	-	-	0.09
Other financial liabilities	2.51	-	-	-	2.51
Total financial liabilities	2.60	-	-	-	2.60

29.2 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).

Deferred tax assets

-Provision for doubtful debts and advances

6.12

-

-Provision for compensated absences

9.27

-

-Provision for gratuity

44.21

-

59.60

-

31.09

-

Net deferred tax liabilities

20 Current borrowings

Loans repayable on demand

- From other than banks (unsecured)

(Refer note (i) below)

1,319.18

-

1,319.18

-

Notes:

(i) Loan from other than banks consist of unsecured loan from Birlasoft Limited (erstwhile KPIT Technologies Limited). The loan carries interest upto SBI Marginal Cost Base Lending Rate (MCLR) + 1% and is repayable within 1 year from the date of disbursal i.e. upto 30 November 2019.

(ii) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.

21 Trade payables

Trade payables

3,479.12

0.09

3,479.12

0.09

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.

22 Other current financial liabilities

Current maturities of long term debt - from banks (secured)

359.59

-

(Refer note 16 - Term loan from banks for details of security and repayment terms)

- from others

2.92

-

(Refer note 16 Term loan from other than banks for details of security and repayment terms)

- Current maturities of finance lease obligations (Refer note 35(1))

0.09

-

Other than trade payables :

Purchase consideration payable

- MicroFuzzy Industrie-Elektronic GmbH

255.55

-

Payable to Joint Venture (Refer Note 34)

0.89

-

Accrued employee costs

483.55

-

Payables in respect of fixed assets

262.70

-

Payable to related parties (Refer Note 34)

130.37

2.51

Others

14.47

-

1,510.13

2.51

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.

23 Other current liabilities

Unearned revenue

413.84

-

Advances from customers

4.91

-

Statutory remittances

323.21

0.01

741.96

0.01

24 Short-term provisions

Provision for employee benefits

- Compensated Absences

144.30

-

- Gratuity (Refer note 33(2))

30.55

-

Other provisions

- Provision for Onerous Contacrts

5.19

-

- Provision for warranty (Refer note 37(1))

12.05

-

192.09

-

25 Revenue from operations

Engineering services (Refer note 38)

1,399.88

-

1,399.88

-

26 Employee benefits expense

Salaries, wages and incentives

416.16

-

416.16

-

27 Finance costs

Interest expense

21.32

-

21.32

-

28 Other expenses

Travel and overseas expenses (net)

1.81

-

Cost of service delivery (net)

668.23

-

Cost of professional sub-contracting (net)

12.35

-

Rates & taxes

0.11

2.51

Communication expenses (net)

0.54

-

Legal and professional fees

2.87

0.15

Printing & stationery

0.02

-

Foreign exchange loss (net)

0.13

-

Provision for doubtful debts and advances (net)

(3.41)

-

Miscellaneous expenses

0.02

-

682.67

2.66

Note:

Certain expenses are net of recoveries/reimbursements from customers.