20

FINANCIAL EXPRESS

.continued from previous page

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

(Amount in ₹ million) Land Building Leasehold Plant and Furniture Vehicles Office Total (Lease improvem Equipment and Equipme Leased Owned hold) ents **Fixtures** nts Gross carrying amount as at 1 April 2018 Additions 0.07 0.07 Additions pursuant to scheme of 211.59 demerger (Refer Note 40(3)) 412.60 1,092.40 235.23 1,195.36 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 135.63 1,043.48 590.70 88.00 22.61 demerger (Refer Note 40(3)) 22.44 57.69 121.44 4.97 Additions on account of business 5.92 0.89 0.11 6.92 combinations 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

(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	[2.00]
Carrying amount as at 1 January 2019	959.98	-

2C Other intangible assets

Capital advances

Advance rentals

Inventories

Prepaid expenses

realisable value)

Raw materials Work-in-progress

Finished goods

in note 29.

Stores and spares

Current investments

(Valued at the lower of cost and net

Investments in equity instruments of

other entities measured at fair value

(erstwhile KPIT Technologies Limited)

(i) The details of aggregate value of

unquoted investments and the Group's

exposure to liquidity risk are disclosed

through profit or loss (unquoted)

Investment in Birlasoft Limited

	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	-	e. 1	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 F	mil	lion)
(Alligani	1111		1110111

	Particulars	01 January 2019	31 March 2018	Particulars	01 January 2019	31 March 2018
3	Non current investments	2010	2010	10 Trade receivables	2013	2010
	Investments(Unquoted)			(Unsecured)		
BA	Investments in equity accounted			Considered good	7,073.17	
	investees			Considered doubtful	316.82	
	Yantra Digital Services Private Limited	169.60	1-		7,389.99	10.
	(Refer note 40(2))			Less: Allowances for bad and doubtful	316.82	82
	7,000 equity shares of ₹ 10 each fully paid up			trade receivables	7 072 47	
	Less : Share of accumulated losses	169.60	1-	Note:	7,073.17	-
		-	-	(i) Information about the Group's		
3B	Investments in equity instruments			exposure to interest rate risk, foreign		
	of other entities measured at fair			currency risk and liquidity risk is		
	value through profit or loss	500000000		disclosed in note 29.		
	Lithium Urban Technologies Private	10.00	1.5	11 Cash and bank balances		
	Limited			Cash and cash equivalents	0.40	
	10,000 Compulsorily Convertible Preference shares of ₹ 1,000 fully			Cash on hand	0.13	
	paid up			Balances with banks - In current accounts	1 422 74	0.95
	Munchner bank	0.40		- in current accounts	1,422.71 1,422.84	0.95
	100 equity share of € 50 each fully	0.10		Other bank balances	147.38	0.95
	paid up			Other bank balances	1,570.22	0.95
		10.40		Note:	1,570.22	0.50
		10.40	12	(i) Information about the Group's		
	Note:			exposure to interest rate risk, foreign		
	ACTION PROPERTY AND ACTION AND ACTION AND ACTION AND ACTION AND ACTION ACTION AND ACTION ACTI			currency risk and liquidity risk is		
	(i) Information about the Group's			disclosed in note 29.		
	exposure to interest rate risk, foreign			12 Loans		
	currency risk and liquidity risk is disclosed in note 29.			(Unsecured, considered good unless otherwise stated)		
4	Loans					
*				Loans and advances to related parties Loan to Director	6.43	
	(Unsecured, considered good unless otherwise stated)			Loans and advances to other than	0.43	
	Loans and advances to related parties			related parties		
	Loan to Director	6.94		Other loans and advances		
	Loan to Yantra Digital Services	155.50		Loan to employees	6.06	-
	Private Limited	0.0 (0.000.000		Security deposits	81.36	
	Loans and advances to other than			12 0	93.85	0.5
	related parties			Note:		
	Security deposits	105.87	-	(i) Information about the Group's		
	Loan to employees	5.36	19	exposure to interest rate risk, foreign		
		273.67	-	currency risk and liquidity risk is disclosed in note 29.		
	Note:			13 Other current financial assets		
	(i) Information about the Group's			(Unsecured, considered good unless		
	exposure to interest rate risk, foreign			otherwise stated)		
	currency risk and liquidity risk is disclosed in note 29.			Interest accrued on fixed deposits	2.64	12-
5	Other financial assets			Forward contracts designated as cash		
-	(Unsecured, considered good unless			flow hedges (Refer Note 29(3))	15.00	82
	otherwise stated)			Receivable from related parties	2,616.58	-
	Fixed deposits with banks	11.82	-	Other receivables	0.62	8,-
	Interest accrued on fixed deposits	1.40	-	44 00	2,634.84	
	more accorded on mod depoche	13.22	-	14 Other current assets		
	Note:		0	(Unsecured, considered good unless otherwise stated)		
	(i) Information about the Group's			Advance to suppliers	91.96	
	exposure to interest rate risk, foreign			Employee advances	31.50	× 5
	currency risk and liquidity risk is			Considered good	90.17	
25	disclosed in note 29.			Considered doubtful	7.09	
6	Deferred tax assets (net)				97.26	
	Deferred tax assets	37475250		Less: Provision for doubtful advances	7.09	
	- Provision for doubtful debts and	3.67	1.0		90.17	
	advances	07.44		Balances with statutory authorities	86.09	_
	- Provision for compensated abscences	37.41 41.08		Advance rentals	6.42	14
	Deferred toy liabilities	41.08		Prepaid expenses	128.37	35
	Deferred tax liabilities	4.40			403.01	ξ <u>χ</u> -
	 Excess of depreciation/amortisation on property, plant and equipment 	1.46		15 Equity share capital		
	under income-tax law over			Authorised:		
	depreciation/amortisation provided in			300,000,000 (Previous year 25,000,000)	3,000.00	250.00
	accounts			equity shares of ₹ 10 each.	0.000.00	686.5
	- Forward contracts designated as cash				3,000.00	250.00
	flow hedges	0.09	15	Issued subscribed and fully paid up:		0.0
	-Others	-		268,502,435 (Previous year 100,000) equity shares of ₹10 each fully paid up	2,685.02	1.00
		1.55		equity shares of CTO each fully paid up	2,685.02	1.00
	Net deferred tax asset	39.53	· ·	APA In the second district of		
7	Other non-current assets			15.1 In the event of liquidation of the Comp shares will be entitled to receive a share		
	(Unsecured, considered good unless			of the Company, after distribution of a		
	otherwise stated)			The distribution will be in proportion to		

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.

than 5% shares in the Company are as follows:

15.4 Number of equity shares held by each shareholder holding more

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	-	0.00%	99,994	99.99%
Limited) Proficient Finstock LLP	27,130,949	9.90%	17	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.

	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	

(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-Elektronic 38.96 GmbH 38.96

(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	×
	30/11/01/2	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	-

Deferred tax assets		
 Provision for doubtful debts an advances 	6.12	
 Provision for compensated abscences 	9.27	-
-Provision for gratuity	44.21	-
	59.60	-
Net deferred tax liabilities	31.09	1577
20 Current borrowings Loans repayable on demand - From other than banks (unsec (Refer note (I) below)	ured) 1,319.18	
	1,319.18	824

Notes:

 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

 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	0.53
Payables in respect of fixed assets	262.70	8070
Payable to related parties (Refer Note 34)	130.37	2.51
Others	14.47	_
**************************************	1,510.13	2.51

(i) Information about the Group's exposure to interest rate risk, foreign

currency risk and liquidity risk is disclose	ed in note 29.	
23 Other current liabilities	7	
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	20 Th (10 Th	
- Compensated Absences	144.30	-

30.55

1,399.88

2.87

0.02 0.13

(3.41)

0.02 682.67 0.15

2.66

-

-

 Provision for Onerous Contarcts 5.19 - Provision for warranty 12.05 (Refer note 37(1)) 192.09 25 Revenue from operations Engineering services 1,399.88 (Refer note 38)

- Gratuity (Refer note 33(2))

Other provisions

26 Employee benefits expense 416.16 Salaries, wages and incentives 416.16 -27 Finance costs Interest expense 21.32 -21.32 -28 Other expenses Travel and overseas expenses 1.81 Cost of service delivery (net) 668.23 Cost of professional sub-contracting 12.35 (net) 0.11 2.51 Rates & taxes 0.54 Communication expenses (net)

Miscellaneous expenses Note: Certain expenses are net of recoveries/reimbursements from

Legal and professional fees

Foreign exchange loss (net) Provision for doubtful debts and

Printing & stationery

advances (net)

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	at fair value t	nancial assets/liabilities 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	121	2	120	2	250.73	250.73
Trade receivables	7,073.17		<u>.</u>	020	- u	7,073.17	7,073.17
Cash and cash equivalents	1,422.84	(2)	2	929	2	1,422.84	1,422.84
Other balances with banks	147.38	140	- 1	523	×	147.38	147.38
Loans	367.52	190	9	199	-	367.52	367.52
Unbilled revenue	882.73	343	-	5.43		882.73	882.73
Other financial assets	2,633.06	140		8+8	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	1	8					
Cash and cash equivalents	0.95	-	×	-	18	0.95	0.95
Total financial assets Financial liabilities	0.95	-	-	3-3		0.95	0.95
Trade payables	0.09	-	-	5.40	× 1	0.09	0.09
Other financial liabilities	2.51	1 -1		10-0	(8)	2.51	2.51
Total financial liabilities	2.60	-	-	2.0	-	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).

continued on next page..

4.90

17.49

6.66

29.05

143.07

5.58

16.67

3.53

168.85

240.33

240.33

1.00

15.2 Reconciliation of the number of equity shares outstanding

As at 01 January 2019 | As at 31 March 2018

1.00

56.41

1.00

Number of (₹)

100,000

100,000

1.00

shares

at the beginning and at the end of the period:

Number of

shares

100,000

5,641,373

100,000

268,502,435 2,685.02

274,143,808 2,741.43

shares held by the shareholders.

Particulars

Equity shares

of the period

by employee

welfare trust

to demerger

scheme

At the beginning

Add: Issue of share

capital pursuant to

demerger scheme

(Refer note 40(3))

Less: Shares held

Less: Cancellation

of shares pursuant

(Refer note 40(3))

Outstanding at the

end of the period