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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 (Lease hold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
						Leased	Owned	
<b>Gross carrying amount as at 1 April 2018</b>	-	-	-	-	-	-	-	-
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	3,643.27
Additions on account of business combinations	-	-	-	8.72	1.75	-	-	11.06
<b>Gross carrying amount as at 1 January 2019</b>	<b>412.60</b>	<b>1,092.40</b>	<b>235.23</b>	<b>1,204.15</b>	<b>213.34</b>	<b>5.02</b>	<b>43.64</b>	<b>3,654.40</b>
<b>Accumulated depreciation as at 1 April 2018</b>	-	-	-	-	-	-	-	-
Additions pursuant to scheme of demerger (Refer Note 40(3))	22.44	57.69	121.44	590.70	88.00	4.97	22.61	1,043.48
Additions on account of business combinations	-	-	-	5.92	0.89	-	-	6.92
Depreciation	-	-	-	0.55	0.05	-	-	0.62
<b>Accumulated depreciation as at 1 January 2019</b>	<b>22.44</b>	<b>57.69</b>	<b>121.44</b>	<b>597.17</b>	<b>88.94</b>	<b>4.97</b>	<b>22.61</b>	<b>1,051.02</b>
<b>Carrying amount as at 01 January 2019</b>	<b>390.16</b>	<b>1,034.71</b>	<b>113.79</b>	<b>606.98</b>	<b>124.40</b>	<b>0.05</b>	<b>21.03</b>	<b>2,603.38</b>

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	Particulars	01 January 2019	31 March 2018
<b>3 Non current investments</b>			<b>10 Trade receivables</b>		
<b>Investments(Unquoted)</b>			<i>(Unsecured)</i>		
<b>3A Investments in equity accounted investees</b>			Considered good	7,073.17	-
Yantra Digital Services Private Limited	169.60	-	Considered doubtful	316.82	-
(Refer note 40(2))				7,389.99	-
7,000 equity shares of ₹ 10 each fully paid up			Less: Allowances for bad and doubtful trade receivables	316.82	-
Less : Share of accumulated losses	169.60	-		7,073.17	-
			Note:		
<b>3B Investments in equity instruments of other entities measured at fair value through profit or loss</b>			(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
Lithium Urban Technologies Private Limited	10.00	-	<b>11 Cash and bank balances</b>		
10,000 Compulsorily Convertible Preference shares of ₹ 1,000 fully paid up			Cash and cash equivalents		
Munchner bank	0.40	-	Cash on hand	0.13	-
100 equity share of € 50 each fully paid up			Balances with banks	1,422.71	0.95
			- In current accounts	1,422.84	0.95
			Other bank balances	147.38	-
	10.40	-		1,570.22	0.95
	10.40	-	Note:		
<b>Note:</b>			(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.			<b>12 Loans</b>		
<b>4 Loans</b>			<i>(Unsecured, considered good unless otherwise stated)</i>		
<i>(Unsecured, considered good unless otherwise stated)</i>			Loans and advances to related parties	6.43	-
Loans and advances to related parties			Loans to Director		
Loan to Yantra Digital Services Private Limited	6.94	-	Loans and advances to other than related parties		
Loans and advances to other than related parties	155.50	-	Other loans and advances	6.06	-
Security deposits	105.87	-	Loan to employees	81.36	-
Loan to employees	5.36	-	Security deposits	93.85	-
	273.67	-	Note:		
Note:			(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.		
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.			<b>13 Other current financial assets</b>		
<b>5 Other financial assets</b>			<i>(Unsecured, considered good unless otherwise stated)</i>		
<i>(Unsecured, considered good unless otherwise stated)</i>			Interest accrued on fixed deposits	2.64	-
Fixed deposits with banks	11.82	-	Forward contracts designated as cash flow hedges (Refer Note 29(3))	15.00	-
Interest accrued on fixed deposits	1.40	-	Receivable from related parties	2,616.58	-
	13.22	-	Other receivables	0.62	-
Note:				2,634.84	-
(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 29.			<b>14 Other current assets</b>		
<b>6 Deferred tax assets (net)</b>			<i>(Unsecured, considered good unless otherwise stated)</i>		
<i>(Unsecured, considered good unless otherwise stated)</i>			Advance to suppliers	91.96	-
- Provision for doubtful debts and advances	3.67	-	Employee advances	90.17	-
- Provision for compensated absences	37.41	-	Considered good	7.09	-
	41.08	-	Considered doubtful	97.26	-
<b>Deferred tax liabilities</b>			Less: Provision for doubtful advances	7.09	-
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	1.46	-		90.17	-
- Forward contracts designated as cash flow hedges	0.09	-	Balances with statutory authorities	86.09	-
-Others	-	-	Advance rentals	6.42	-
	1.55	-	Prepaid expenses	128.37	-
Net deferred tax asset	39.53	-		403.01	-
<b>7 Other non-current assets</b>			<b>15 Equity share capital</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>			<i>Authorised:</i>		
Capital advances	4.90	-	300,000,000 (Previous year 25,000,000) equity shares of ₹ 10 each.	3,000.00	250.00
Advance rentals	17.49	-			
Prepaid expenses	6.66	-		3,000.00	250.00
	29.05	-	<b>Issued subscribed and fully paid up:</b>		
<b>8 Inventories</b>			268,502,435 (Previous year 100,000) equity shares of ₹10 each fully paid up	2,685.02	1.00
<i>(Valued at the lower of cost and net realisable value)</i>				2,685.02	1.00
Raw materials	143.07	-	<b>15.1 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.</b>		
Work-in-progress	5.58	-	<b>15.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:</b>		
Finished goods	16.67	-			
Stores and spares	3.53	-			
	168.85	-			
<b>9 Current investments</b>					
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.					

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 Committee 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 been completed subsequently.

(Amount in ₹ million)

	01 January 2019	31 March 2018
<b>16 Non-current borrowings</b>		
<b>Term loans</b>		
- 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.

<b>17 Other non-current financial liabilities</b>		
<b>Other than trade payables</b>		
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.

<b>18 Long term provisions</b>		
Provision for employee benefits	117.27	-
- Compensated Absences	169.25	-
- Gratuity (Refer note 33(2))		
Other provisions	0.14	-
- Provision for warranty (Refer note 37(1))	286.66	-

<b>19 Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities</b>		
-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
<b>Financial assets</b>					
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	-	-	2,648.06	2,648.06
<b>Total financial assets</b>	<b>12,777.43</b>	<b>-</b>	<b>-</b>	<b>12,792.43</b>	<b>12,792.43</b>
<b>Financial liabilities</b>					
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
<b>Total financial liabilities</b>	<b>6,896.31</b>	<b>-</b>	<b>-</b>	<b>6,896.31</b>	<b>6,871.68</b>

\* 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
<b>Financial assets</b>					
Cash and cash equivalents	0.95	-	-	0.95	0.95
Total financial assets	0.95	-	-	0.95	0.95
<b>Financial liabilities</b>					
Trade payables	0.09	-	-	0.09	0.09
Other financial liabilities	2.51	-	-	2.51	2.51
<b>Total financial liabilities</b>	<b>2.60</b>	<b>-</b>	<b>-</b>	<b>2.60</b>	<b>2.60</b>

## 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).

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