KPIT

July 31, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Scrip ID: KPITTECH
Scrip Code: 542651

Kind Attn: The Manager,
Department of Corporate Services

National Stock Exchange of India Ltd.,
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400051.

Symbol: KPITTECH
Series: EQ

Kind Attn: The Manager,
Listing Department

Subject:- 4th Annual Report of KPIT Technologies Limited for FY 2020-21

Dear Sir / Madam,

Pursuant to provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 4th Annual Report of KPIT Technologies Limited for FY 2020-21.

Please note that the 4th Annual General Meeting will be held on Wednesday, August 25, 2021.

Kindly take the same on your records and acknowledge receipt thereof.

Thanking you,

Yours faithfully,

For **KPIT Technologies Limited**

Nida Deshpande
Company Secretary & Compliance Officer


KPIT
A YEAR LIKE NO OTHER!
RESILIENCE
Annual Report 2020-21

Board of Directors

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

Kishor Patil
CEO & Managing Director

Sachin Tikekar
Whole-time Director

Anant Talaulicar
Independent Director

B V R Subbu
Independent Director

Prof. Alberto Sangiovanni Vincentelli
Independent Director

Nickhil Jakatdar
Independent Director

Shubhalakshmi Panse
Independent Director (upto June 16, 2021)

Vinit Teredesai
Chief Financial Officer (upto June 12, 2020)

Priyamvada Hardikar
Chief Financial Officer (w.e.f. June 12, 2020)

Nida Deshpande
Company Secretary

Auditors
B S R & Co. LLP
Chartered Accountants
8th Floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi, Pune - 411001

Legal Advisors
Khaitan & Co.
One World Center,
10th & 13th Floors, Tower 1C,
841, Senapati Bapat Marg,
Mumbai – 400 013.

Financial Institutions
- HDFC Bank Limited
- The Hongkong & Shanghai Banking Corporation Limited
- Citibank N.A.
- Axis Bank Limited
- Kotak Mahindra Bank Limited
- State Bank of India
- ICICI Bank Limited
- The IDBI Bank Limited
- DBS Bank Limited

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S. B. (Ravi) Pandit

Letter from the Chairman

Dear Fellow KPITians,

Let me start the letter by trusting all of you have got yourselves and your near ones vaccinated and are taking all the necessary precautions to stay safe and healthy.

FY2021 was an unusual year by all counts. We lived through a pandemic that the world had not seen in the last hundred years. It affected our financial position, it altered our work life balance, it distorted the school years of our children and completely changed the way we lead our everyday life.

Having said that, the year also had a silver lining. Typically, a vaccine takes 10 years to develop. This time, it happened in less than a year. The pandemic also brought the world together as never before. We all saw the problems faced by humanity and together worked towards solving them. The pandemic accelerated some long-term trends such as digitization and decarbonization. It also enhanced our awareness about climate effects. On a personal front, I think it strengthened our family bonds. Many of us found time to reflect on our past and we reached out to our friends with whom we had not talked for a long time.

The year gone by was thus also a test of resilience for KPIT and our clients as well. You would notice that the theme of the Annual Report is also resilience since it captures the true spirit shown by every KPITian over the last year. I am personally very happy with the way every KPITian has risen to the occasion, worked seamlessly as a team globally and emerged triumphant, as the year went by.

On the business front, while we took a hit on revenues only in the first quarter of the year, we showed very good recovery during the second half, ending the year on a positive note. We had the last two quarters of the year reporting high revenue growth. The operating margins (EBITDA) improved every quarter and we ended the year with 17%+ operating margins. I am glad, as you would be aware, the market has responded well, recognizing the good work done. For further details on the performance of the year please refer to CEO and President joint letter.

The Automotive and Commercial Vehicle (Mobility) Industry

I would like to use my letter to give you a broad perspective about how the mobility industry is changing and what role we see KPIT executing in this change.

The Mobility industry, as most of the other industries, had a setback when the pandemic struck and revenues as well as profits dropped drastically for most of the players. The industry is used to cyclical falls in vehicle sales but this was something totally new and unexpected. Our clients were also no exception to this sudden jolt, but as they have done before, they also showed a lot of buoyancy and soon came to terms with the new normal, which is even newer for the mobility industry – a normal driven mostly by software.

The vehicle is the most complex, software-driven gadget that we own today. Electronics in the form of Electronic Control Units (ECUs), sensors and advanced chipsets work with millions of lines of code and play a differentiating role in the mobility industry. They enable newer business models and disrupt technology across CASE (Connected, Autonomous, Shared, Electric) domains. However, as the role of software and data grows, so does its complexity, thus making it necessary for the mobility industry to build deep software competence. The key challenge is to develop the requisite software on one hand and make it ready for production in the minimum possible time on the other. This is the challenge that your company has taken up.

Emerging Technology Trends:

The growing trend of CASE has software at its heart:
Connected Mobility: A digital cockpit is taking various forms and shapes from sophisticated infotainment systems for entertainment to maps and other meaningful information for drivers and passengers. Vehicles are starting to talk to each other and other sources while on the road – enabling varied use cases for diagnostics, over-the-air updates, payments and more. A study by ABI Research suggests that software issues cost carmakers $17 billion a year, which can be reduced with connected vehicle technologies. Connected mobility will continue to be a key node in a seamless lifestyle.

Autonomous Vehicles: In emerging markets, Advanced Driver Assistance features are becoming differentiators. Driven by regulation and consumer demand, features like Reverse Park Assist, Blind Spot Detection, Drowsiness Detection and several other features are becoming commonplace. Each of these features is powered by software to avert accidents and keep the car's occupants safe. In mature markets with standardized infrastructure, advancements towards fully autonomous driving have picked up pace in the last few years.

Shared Mobility: People are moving away from buying a car citing the hassles in maintenance and driving. This has resulted in an increased focus on shared mobility and the tremendous growth of on-demand services like Ola, Uber and Lyft, to name a few. An analysis by Morgan Stanley estimates that by 2030, shared car services will constitute 26 per cent of all global miles travelled. This growth in the mobility-as-a-service (MaaS) sector is bound to have an impact on how the automotive industry focuses on software competency and collaborations to deliver more reliable and meaningful consumer experiences.

Electric Vehicles: Growing environmental consciousness and regulations are catalyzing the development of a portfolio of EVs with more efficient electric powertrains, higher driving ranges and best-in-class safety. These EVs have sophisticated software for battery management, inverters and varied charging standards across the globe. Software is at the forefront here, too.

With these trends gaining momentum, the cost of electronics as a % of the total cost of a car is expected to go to almost 50% in 2030. This is close to a 60% increase over the current levels. While the global vehicle production CAGR for the next decade is expected to be around 3%-4%, the growth CAGR for the automotive software is anticipated to be around 14%. I am glad to inform you that KPIT is at the forefront of all the underlying technologies. We are investing in these areas and we are confident that we will continue to be leaders in dependable technologies relevant for the mobility industry.

KPIT Vision:

Having written about the thrust of our work, I think it is important for me to turn to our vision. I must tell you that we conducted a detailed vision exercise in which members of our extended leadership team were deeply engaged and everyone is now fully committed to the vision.

Our Vision is:
Reimagining mobility... with *YOU* for creation of a cleaner, smarter & safer world

I must add that every word in this vision is crafted with care and has deep meaning behind it. Let me therefore dwell on it a little more.

Reimagining: The paradigm shift in mobility gives us an opportunity to think afresh.
We will achieve this by
- Building Platforms, Tools, Accelerators, Innovative business models using domain knowledge
- Delivering globally with diverse teams in cultures, languages and thoughts
- Learning & applying transformational technologies (Artificial Intelligence, Digital, Big Data)

Mobility: Technologies that enable people and goods to move in cleaner, smarter and safer way. This includes passenger, commercial & off-highway vehicles and organizations that offer mobility as a service.

With you: Every KPIT Stakeholder is a key participant in this vision
- Clients - Accelerating the realization of our client's vision
- Employees - Providing an opportunity for our

freethinking entrepreneurial employees to paint on this canvas, while building on our strong foundation
- Partnership - Partnering with our customers, mobility ecosystem, stakeholders, universities, research organizations and other influencers to make the vision a reality.

For over 2 decades, KPIT has witnessed significant growth in the space of embedded software. Software within vehicles is a key differentiator for the mobility players, as it helps them acquire more customers and expand revenues over the lifetime of the vehicle. This is a disruptive time for the mobility industry. While on one side, mobility players are seeing reduced vehicle sales, they are also putting in immense resources into technology for upcoming product launches – technologies that will take them towards an electric, autonomous and connected future. Two key aspects though need to be addressed: First, how quickly and accurately can vehicle makers implement softwareled features so that their products reach markets in time while ensuring they do not lose market share or position? Second, how can vehicle makers ensure high quality, first-time-right delivery while keeping costs at check? It is at this intersection, where KPIT plays an active role, and the very reason for our strong partnerships with OEMs, Tier-1s and other mobility clients.

Our focus on the mobility industry, our focus on technology-led innovation, our focus on select trategic clients, our focus on excelling client expectations and our focus on creating and retaining talent is at the heart of things we do. We are grateful of the continued support from stakeholders like yourselves, over the years. All this will certainly yield good results in the coming years. I am very much excited about the journey ahead. I regard your support highly and appreciate it thoroughly.

Warm Regards,

Sincerely yours,
S. B. (Ravi) Pandit
Chairman

Kishor Patil

Sachin Tikekar

Joint Letter from the CEO & Managing Director and President & Whole-time Director

Dear Stakeholders,

We would like to extend our best wishes to you and your loved ones as we together overcome the tough times. We are looking forward to truly realize our Vision as stated in the Chairman's letter. To pursue it, we are committed to our Mission of:

1. Achieving Leadership in Platforms and Practices
2. Delivering Zero Defect
3. Being the Best Place to Grow
4. Having Strategic Relationships with our T25 Clients We have embraced the Culture of Excellence to make our Mission successful and achieve our Vision. We continue to be enthused in the transformation of our clients from passenger car and commercial vehicle manufacturers to complete mobility players. Our role in this transformation as an Independent Software Integrator is critical and prominent.

Emergence of an Independent Software Integrator as a partner for OEMs and Tier1s is gaining more prominence. We believe that is where KPIT has its strength. Defectfree software will undoubtedly play a much more important role than before. Time-to-market needs to be reduced, at the same time we need to ensure software works in production the same way it did in the prototype stage – the quality of software & softwarehardware integration is key. All these inherently require time and experience and hence the need for a software accelerator and integrator is on the increase.

We will dwell a little detail on our Mission:

Achieving Leadership in Practices and Platforms
Our core offerings will continue around CASE (Connected, Autonomous, Shared and Electric) which accounts for 90%+ of KPIT revenue and investments.

We will continue to go deeper in our understanding of mobility domain and strong knowledge of the CASE realm. Our thrust will remain on creating Platforms, Tools and Accelerators to enhance the value delivered to Clients. We will work on and invest in new relevant competency development.

Delivering Zero Defect
Our aim is to create a culture of Defect-free delivery across the company and achieve Client Delight with first time right, zero defect delivery. We have created a framework for productivity and automation

improvement. We are in the second year of implementation with an aim of 100% coverage of programs by the end of this year.

Being the Best Place to Grow
People is our biggest investment and we will strive to attract, nurture and develop the right talent. To achieve the above, we have formed serious partnerships with leading universities across the globe. We ensure every KPITian has the right access to continuous training and competency development. The aim is to enable our people to visualize & achieve a technology career path.

Having Strategic Relationships with our T25 Clients
We endeavor for achieving the highest level of relationship and commitment to a strategic partnership relevant to our practices. Our engagement with our strategic clients is of a high-quality, involving platforms, tools, accelerators and annuity programs and engagements and is vital from the overall mobility ecosystem perspective.

The year gone by
The financial year 2020-21 was quite eventful. The pandemic forced everyone to reorient and rethink the business priorities. At the beginning of the year, we laid down three basic goals viz.

1. Safety and well-being of our employees
2. Upholding all Client commitments
3. Maintaining and increasing liquidity

We are thankful to all our employees who made sacrifices, worked hard and did everything possible to quickly adapt to the changed situation. We are appreciative of the trust shown in us by our clients. Our clients reoriented their focus on technology led investments and our strong positioning with them enabled us to capture a good share of their renewed budgets as well as the pent-up demand. We experienced a revenue decline only in Q1FY21, the second quarter was stable and we registered a steep recovery in revenue growth and margin expansion during the second half. We delivered 6.5%+ sequential growth in Q3FY21 as well as Q4FY21. Thus, we ended the year with a strong growth momentum. This growth, coupled with operational efficiencies, also led to operating margin expansion with operating margins (EBITDA) moving from around 13.4% in Q1FY21 to 17%+ in Q4FY21.

We are pleased to state the company exited FY2021 with a higher absolute profit after tax, higher absolute EBITDA and higher EBITDA margins in Q4FY2021 as compared to Q4FY2020.

We need to be a net talent creator and thus aim KPIT to be The Best Place to Grow for our people. As stated earlier, the safety of our people is of paramount importance to us. We swiftly shifted to the Work from Home routine with minimal disturbance and negligible productivity loss. As we progressed over the months, our engineering productivity gradually improved. With a clear focus on individual growth and development, we launched 360-degree feedback and career planning with competency development plans for the Top 100 people within KPIT, during the year. We are now expanding the same to the next 300 people. Our overall and Top Block attrition continued to be on the lower side.

Our clients were no exception to the impact of the pandemic. Our goal was to uphold all our commitments, maintain our wallet share and initiate large strategic engagements with our strategic clients. During the second half of the year, we re-defined and started deployment of a renewed and more effective client engagement framework, which should be completely deployed during the current year. Our strategy of focus on strategic clients yielded good results with their share going beyond 85% of the total revenue for the year.

Liquidity and cash conversion has been a clear focus for us since the de-merger. We are particularly very happy with the way we have steadily increased our cash reserves. We started the year with a Net Cash Balance of ₹ 3,278 Million and ended the year with a Net Cash Balance of ₹ 8,224 Million with zero debt, an addition of just under ₹ 5.0 Billion during the year. This represents more than 6 months of operations for KPIT. Almost 70% of the Net Worth of KPIT is represented by Net Cash.

As at the end of FY2021 we had a total of around 5,510 seats in India and 4,026 seats were occupied. With the current trend of work from home and the evident continuance of the same for a sizable period, we have consolidated a couple of small facilities in Pune and have consolidated our operations in Munich, under a new single, 700 seat, state of art engineering center.

Thus, FY21 though a challenging period for everyone across the globe, made all KPITians more resilient and brought all of us emotionally closer. This resulted in increased teamwork, despite

remote working and the year ended on a high note with positivity imparted by commendable performance on the business front.

The year ahead:
We see a much favourable business environment for this year and beyond.

Our clients are dealing with certain challenges like chip shortages, apart from the pandemic induced challenges while they are adjusting to meet pent-up demand. There is a strong investment re-orientation towards electrification, autonomous and digital cockpit. We see fundamental changes happening in the software architecture and middleware. This is where we can create value for our clients by being a strategic partner to them, as an Independent Software Integrator.

With a strong financial base, we are now confidently positioned to deal with minor disruptions, if any and make strategic investments that will assert our growth trajectory. We are at the cusp of a transformative journey internally and an extraordinary opportunity externally.

We will continue to invest in the right technology areas to further strengthen our positioning as an Independent Software Integrator for our clients. CASE will remain the key area of investment for us as well as our clients.

The whole ecosystem is gaining importance and we will create the right alliances and partnerships to bolster our leadership in CASE led Practices.

Zero Defect Delivery is more of a culture, and we are working towards imbibing that culture in every KPITtian. It involves the right training and processes for first time right deliveries and picking up the red projects ahead of time for fixing them well in time. Improvement in engineering productivity and client CSAT, leading to increased wallet share within our strategic clients is the desired outcome of sustained zero defect delivery.

Continued focus on people and their development is one of the core areas for us. As stated earlier we will expand the leadership development and individual career development initiative to the top 350+ people within KPIT. We have a clear focus on improving the employee satisfaction and have identified distinct areas of improvement over the last year for the same. We persist to concentrate on overall as well as top block attrition. We are confident of maintaining the same at comparatively lower levels.

Our strategy to focus on select clients and ensure long term, mutually rewarding partnerships with them has yielded good results over the years. We will continue to build further on the same. We have re-defined and re-launched a renewed Client Engagement Transformation Program. This should help us and the clients progress faster with our commonly fulfilling objectives. We aim to grow these relationships through strategic, long-term engagements.

We are positive about continuing the growth momentum in FY22. We have demonstrated positive improvement in operating margins in the last three quarters. We expect the EBITDA margins to be in the 16%-17% range for FY2022.

The Medium Term

We have acquired our domain know-how through our sharp focus on the mobility industry and very deep relationships with our clients. Our clients are leaders in their space and conceptualize features that end consumers need most. We have delivered software for numerous production programs. We understand what clients need – not only do we work with the OEMs, but also Tier 1s to help them accelerate programs and deliver at scale. We deliver solutions that are very precisely tailored to individual OEM/ Tier 1 equirements.

The changes in architecture, middleware and role of cloud technologies will become important. A vehicle is typically in use for about 10-15 years, sometimes even longer. As electronics can now enable us, we can also introduce new features via Over the Air updates. This makes it possible for OEMs to achieve good revenues despite falling cyclical sales of new vehicles. End consumers need new features, which in practice means “new software”. This may lead to different business models for higher life cycle revenues and monetization of data and services.

We are hopeful of the current pandemic passing through and things returning to normal. The mobility industry has strong fundamentals and will be a major driver for economic activity in the times to come. We will create value for our clients by working with the whole ecosystem including Semicon companies, software tool companies and cloud players. KPIT’s strong domain focus on electric powertrain, autonomous, digital cockpit & connected vehicles combined with robust relationships with leading players in the mobility industry is a great asset. Our sustained investments in new-age technologies and expertise as a dependable Independent Software Integrator will aid us for a stronger, profitable growth in the medium term.

We are confident about the future and appreciate the trust put in the company, by all stakeholders.

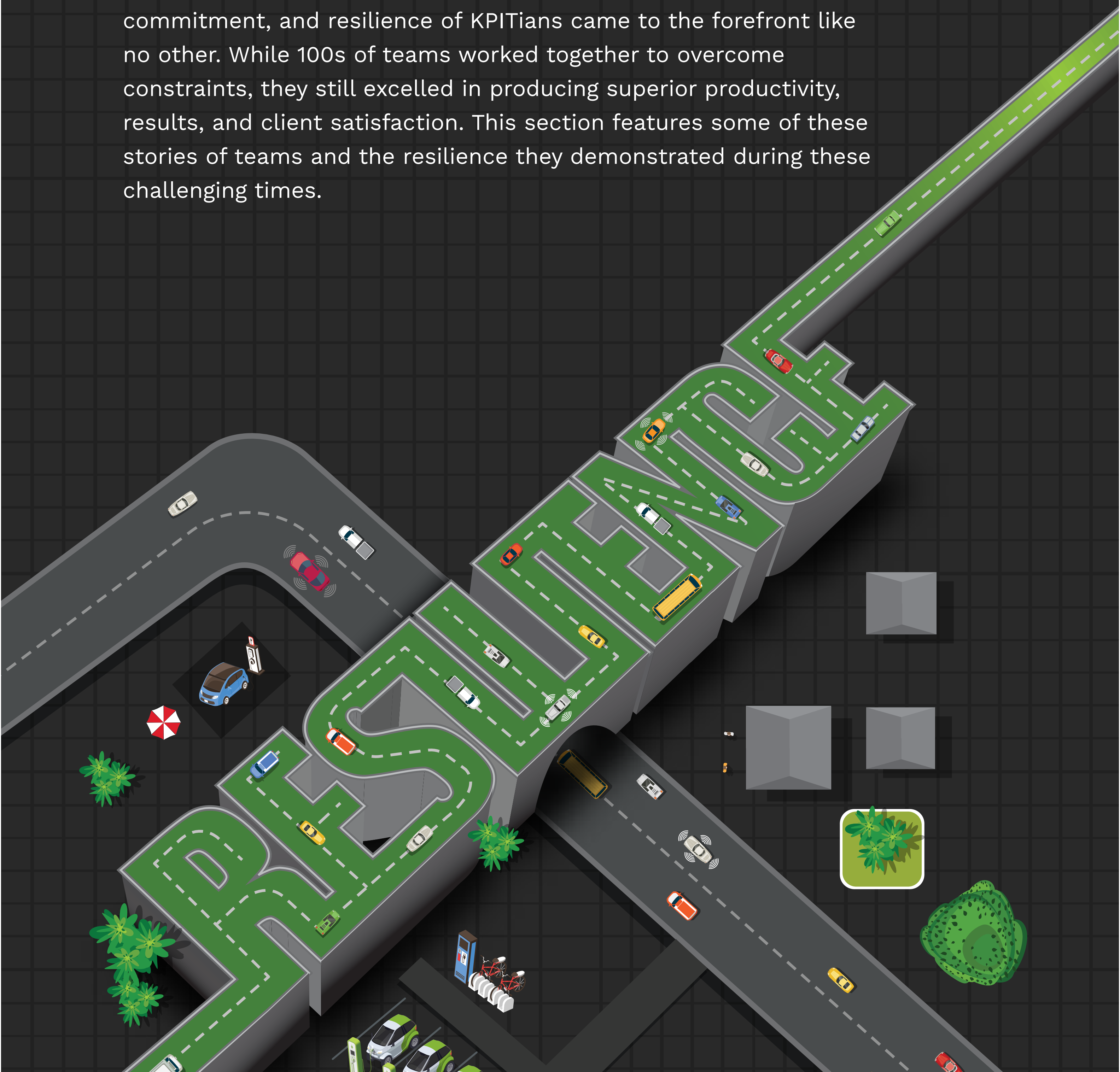
Best Regards, Sincerely Yours,

Kishor Patil
CEO & Managing Director

Sachin Tikekar
President

Stories of Resilience during the New Normal

KPIT is a family of over 7000 Automobelievers passionately working with a vision to reimagine mobility. During FY2020-21, the passion, commitment, and resilience of KPITians came to the forefront like no other. While 100s of teams worked together to overcome constraints, they still excelled in producing superior productivity, results, and client satisfaction. This section features some of these stories of teams and the resilience they demonstrated during these challenging times.



Employee health and safety as a top priority

Right from March 2020, when Covid started rearing its head the world over, the one thing we have been keeping as a top priority is employee health and safety. Our employees have been working from different places around the globe away from a set infrastructure at the office. Equipping employees with infrastructure, policies, lending a helping hand, and more was the need of the hour. There was a cross functional team which has been working to enable productive, collaborative and safe work from home.

- Covid19 testing for employees who were required to come to the office during the pandemic (varied by region and severity of caseload)
- Partnerships with insurance agencies for better coverage for employees and their extended families
- Regular wellness sessions for different segments including communication by leadership
- Collaborations with electronics and furniture partners for employees to set WFH infrastructure
- Ongoing drives for safe and early access to vaccines to employees and their dependents
- Regular Employees' feedback through Surveys, pulse from HR and leaders to provide support

Several employees also took the lead to volunteer and play a role in combatting Covid19 around the world. Being healthy and taking proactively multiple measures was one of the key factors that contributed to our staying resilient.

With inputs from
Mr. Rajesh Singh, (Global Head - HR)

Business applications for enhancing productivity

The Information Systems Group's (ISG) primary goal is to develop new applications for the benefit of employees and ensure that the workstations of employees at KPIT are continuously up and running for the business. When the pandemic threw initial signs, it rapidly needed us to move to the work from home model. The support requests raised by employees increased more than 27%. The team was able to resolve 99% of tickets within 48 hours. The team developed applications required to implement work from home and business continuity - like Internet expenses reimbursement, COVID-related self-declarations, employee surveys in a minimal time. The team played a vital role with marketing and HR teams to build modular and highly scalable innovative platforms. These platforms became the destination for all employee communications and engagement on myWorld; icancrackit portal - where every KPITian could post and solve domain and business-level problems of each other; and CSR app - The one-stop destination that made volunteering hassle-free. The team had to overcome many constraints, get used to the work from home model quickly, and deliver many business applications. The team is motivated to do more.

With inputs from
Mr. Samir Kulkarni (Head, ISG)
and ISG Team

Keeping the communication flow on

The Communication team within Business Continuity Planning (BCP) groups responsibility is to ensure seamless communication for Business continuity. It involves people from leadership, marketing, HR, and other functions. From May 2020, the team rolled out regular communications about safety measures, health advisories, insurance, people planning, infrastructure, information security, procuring and distribution of resources, and ensuring support to all KPITians.
These communications measures were very dynamic and had to be adapted during the initial days of pandemic impact. The team members became nodal points for regular communication across the functions and mediums to deliver the correct information in a limited time. Tailoring of communication to the audience – clients, employees, and geographies became necessary. The team has contributed significantly to ensuring business continuity and employees' well-being in the post-COVID situation.

With inputs from
Mr. Mohit Kochar, (VP & Head – Global Marketing & Branding)
and BCP Communications Team

Strengthening cash position

This year, we responded challenging situation with taking some tough decision to curtail every corner of costs while continuously improving operational efficiency. Moreover, concentrated on strengthening net cash balance as part of our Business Continuity Plan.

Cash is the backbone of every growing company. Over the last couple of years, there have been focused efforts to improve cash position. The importance and impact of these measures became more pronounced in the previous year. With our rigorous efforts on collection and conservation of cash, our Balance Sheet grew robust at 69% Networth in Cash of Rs 8.2billion with zero debt and DSO at 54 days. Consequently, increasing the net cash position tenfold in the last 30 months as a result of running well-oiled cash engine.

This gave the organization a lot of boost to overcome difficult times by giving resources for growth opportunities and confidence to tackle unforeseen situations.

Cross functional teams concentrated with common objective and pooled in efforts to seamlessly execute three significant steps to improve cash position in a synchronized manner

1. Continuous rigor for reduction in DSO (Days Sales Outstanding)
    a. First-time right billing - ensuring seamless coordination and access to the right information
    b. Reduce Cash Conversion Cycle – tracking every billing opportunity and improving it further
    c. Predictive approach and continuous monitoring to avert delays than being reactive follow up
    d. Proactive engagements and discussions with banking partners as part of supply chain funds
2. Effective Treasury Management concentrating on funding arrangements , maximizing investment opportunities and minimize costs consistently.
3. Prioritizing these aspects in review process across all levels within the Company periodically.

With inputs from
Ms. Priya Hardikar, (Senior V.P. and Head Corporate Finance & Governance)

Shouldering a herculean task

The Technical Infrastructure Management Services' (TIMS) key role is to manage the infrastructure of workstations and devices, network, information security for the workstations at KPIT and create a secure network environment for work.

When the lockdown and other measures were announced in India and around the globe, the team was continuously connected and implemented all the necessary system movements with stringent security for more than 3000 users within a day. They also implemented 1200 + Virtual Desktop Infrastructure (VDI) within a week. The challenge before the team after the Work from Home implementation was to deal with IP Protection policies of clients across geographies. The team defined and executed a whole new IT Strategy for the situation and minimized the disruption to the business. As the phishing attacks and cyber threats to systems increased in the new normal, the team implemented strict guidelines to protect data. It conducted extensive audits of information security guidelines for clients and received very positive feedback. The team made itself 24*7 available for helping KPITians.

With inputs from
Mr. Faheem Kohlar, (Head, TIMS)
and TIMS Team

Collaboration despite odds

KITE cabinet is an Integrated Testing Rig - a lightproof testing cabinet that performs complete Vision-based Automation testing of Clusters capable of conducting 200 -300 thousand test cases in one month. The teams at KPIT working on Vehicle Engineering Design and Connected vehicles collaborated against the odds. They finalized the supplier to execute the complex design of the rig by physically visiting multiple supplier facilities. The teams even helped to procure the material for building the rig. The KPIT team arranged more than 40% of the building components by exploring availability and in-person travel to do the procurement. The team visited the supplier facility regularly to check the progress. In a short span, the team was able to deliver the fully functional rig. Because of the team's determination and never-give-up spirit, multiple KITE cabinets are completed today and are functional in KPIT engineering centers.

With inputs from
Mr. Manjunathan Krishnaswamy, (Delivery Director)
and VED & CV Teams

Agile is name of the game

Autonomous Driving tech team works on end-to-end ADAS developments starting from requirement gathering, development, integration to testing the code on the test bench and the car. This team does deliveries every two weeks following the Agile methodology framework. It was a challenge to ensure everything in place as the system shifted to Work from Home. There were some organizational and program shifts from the client-side. As a result, some team members had to be moved to different programs entirely, but the team adapted to new assignments and performed very well. Though WFH was enabled for almost all team members, some of the team members in Munich had to go to workspaces/ labs to test their codes in the vehicles. While doing that, the team abided by the COVID guidelines recommended by the client team. The team adapted quickly to changing requirements of the client and has set an excellent example of resilience.

With inputs from
Mr. Badari Prasad Kotejoshyer, (Associate Vice President)
Winifred Paul, (Delivery Director)
and AD Team working for the European OEM

Continuing to win and build trust of clients

One of our Electric powertrain software teams working for a European OEM works on developing the base software and software integration for the client's Charging Control Unit (CCU). When work from home was necessitated during the pandemic onset, the team was still fresh for the project, and the team size was getting ramped up. The project's test setups were new; the team had no prior knowledge of them, but it started building the expertise and ownership gradually and successfully did the project kick-off in the new normal. Because of the team's excellent performance and resilience, the client offered the team further responsibilities to complete applications and system engineering even in remote collaboration. The team accepted the offer and became the single owner of complete software development, testing, and integration. For taking over these new responsibilities, some team members had to travel onsite for the handover. During the pandemic, the team's dedication and quick learning skills helped ramp up the team size significantly and start operations in new geographies across the APAC region.

With inputs from
Mr. Rahul Agarwal, (Director Delivery)
and Powertrain Team working for the European OEM

Becoming the preferred partner

The KPIT team working for a European OEM does System Engineering, Development, Integration, Validation, and Automation for OEMs various projects in AUTOSAR, ADAS, Body, Powertrain, and Diagnostics. The team deals with many hardware and test benches for their work; they enabled a system to operate the hardware remotely. And in some places arranged the hardware setup with the additional equipment at their homes. The team members worked on a shift basis to access the hardware and managed to deliver as per the set deadlines. During these times, the team's commitment contributed significantly to getting KPIT in the client's Preferred Supplier List (PSL).

With inputs from
Mr. Sandeep Banthiya, (Delivery Director)
and Team working for European OEM

Ensuring delivery amidst the pandemic

One of our teams under VED practice works on Engineering design, software development, and testing for Commercial Vehicles of an American OEM. The team responded very well to constraints at the client-side, given decreasing business visibility. Their flexibility, value through time, and trust helped the team gain more confidence and business. The team engaged with the client and strengthened the bond between them by participating in hackathons organized by the client. 100% WFH was enabled for the team except for 35 team members operating in the secure area. These 35 people, even during the lockdown, kept working from the office following the appropriate COVID behavior.

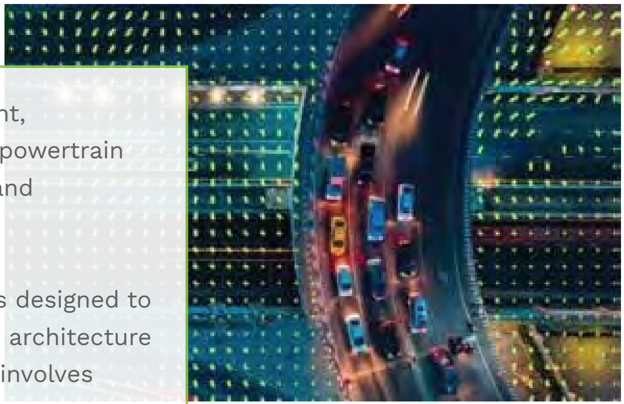
With inputs from
Mr. Avinash Badave, (Delivery Director)
and VED Team working for American OEM

Highlights
from last year

Working with top brands and tech leaders in mobility

KPIT's deep understanding of the automotive industry plays an important role in positioning it as an Independent Software Integration Partner to Global Automotive Leaders. Here are some instances that strengthen KPIT's bond with its clients.

KPIT receives an important strategic large deal from BMW Group for the next generation charging electronics program



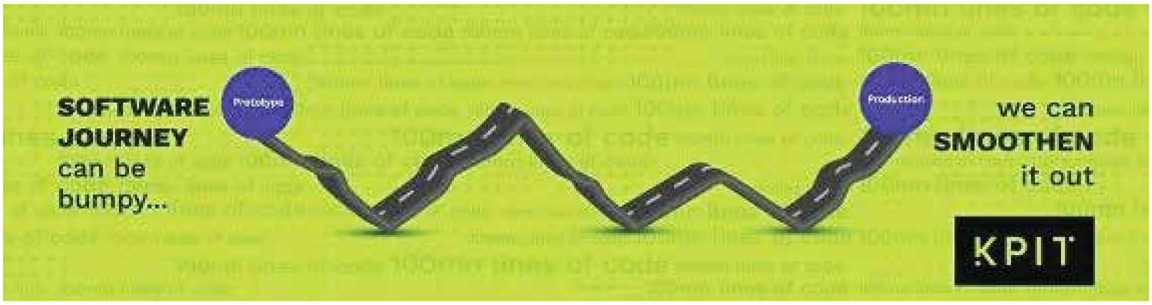
The engagement covers software development, integration, and maintenance of a combined powertrain coordination unit including charging control and extends over several years.

The combined powertrain coordination unit is designed to power the next-generation power electronics architecture of BMW Battery Electric Vehicles (BEV's) and involves software development, integration, and maintenance. The integrated charger unit is an onboard charger that is combined with the vehicle control unit.

Triumph Motorcycles partners with KPIT to bring 'Distraction Free Digital Connected Experience' to bikers

KPIT develops one of the earliest technology solutions for Turn-by-Turn navigation based on Google maps for Triumph's premium bikes. KPIT's software platform enables 15+ models of Triumph with digital connected experience across the globe that is safe and distraction-free through 'My Triumph Connectivity System' application, effectively leveraging over two decades of expertise in building automotive software and connected vehicle technologies. KPIT played a key role in defining the solution architecture of this digital connected services platform through its end-to-end capability of UX, app development, embedded software development, integration, hosting and automated testing and validation.

KPIT publishes advertorial in the StandPUNKT trade journal: StandPUNKT is an important communication channel within the VW Group

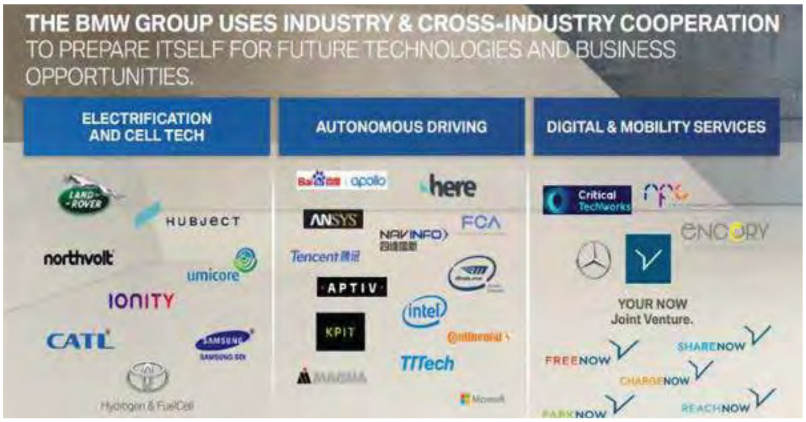


KPIT published an advertorial in the StandPUNKT trade journal. The annually published print format is a communication channel for companies that want to increase their awareness within Volkswagen and is addressed to the executives and managers at Volkswagen.

The advertorial presents KPIT an opportunity to penetrate deeper into VW's decision-making ecosystem.

KPIT mentioned as Autonomous Driving partner in BMW's Investor results

It is a proud moment for **#BrandNewKPIT** and KPIT's Autonomous Driving team to be featured in BMW Group's Investor Report 2020. Over the past years, BMW and KPIT relationship has grown from strength to strength as a result of our strategic partnership to accelerate BMW's vision. We are humbled by this inclusion.



KPIT brings together women leaders to discuss diversity for the mobility industry

This International Women's Day, KPIT brought together women leaders to discuss diversity for the mobility industry. The panel hosted by KPIT discussed What can be done as individuals, as companies and as a society globally, to encourage women in STEM and women leaders in mobility?

The esteemed team of panelists included Nancy Gioia, Executive Chairman, Blue Current, Inc.; Principal, Gioia Consulting Services, LLC, Dr. Cathy Choi, Ph.D., Executive Director, Engineering, Cummins Inc., Ankur Ganguli, Director, Global Battery Engineering, General Motors, Regina I Lopez, Vice President, Terminal Tractors, Kalmar, Priya Hardikar, Head, Corporate Finance & Governance, KPIT and Jayada Pandit, Director, Thought Leadership Initiatives, KPIT.

KPIT at dSPACE DIGITAL 2021: Our Autonomous Driving and Powertrain experts as panelists

dSPACE DIGITAL is a virtual conference focusing on Autonomous Driving and Electric Mobility was organized by dSPACE with a focus on areas of ADAS, autonomous driving and new solutions for simulating and testing electrical systems.

Dr. Manaswini Rath, Vice President and Global Head, Autonomous Driving, KPIT was a panelist for the discussion on 'Safety Validation, Path to homologation'.

Ketan Doshi, Senior Solution Architect, Electric Powertrain, KPIT was a panelist for the discussion on 'E-Mobility: The Road Ahead'.

KPIT hosted a Grand Inauguration of the New Software Engineering Center in Munich

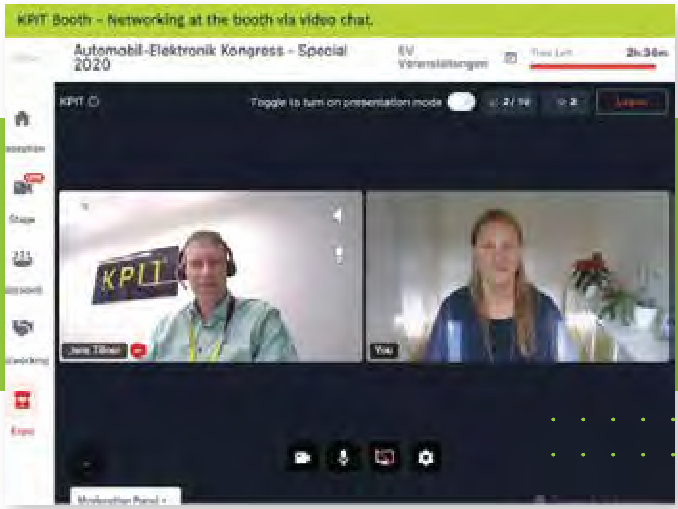
The Software Engineering Center in Munich will be the largest center for software development and integration in the areas of Electrification, Autonomous Driving, AUTOSAR & Vehicle Diagnostics in Europe. This center will be home for talent across Europe and the globe from more than 25 countries.

KPIT as exhibitor at the 24th International Automobil - Elektronik Kongress

KPIT was an exhibitor at the 24th International Automobil - Elektronik Kongress special 2020. We presented our offerings in areas of Autonomous Driving, Connected Vehicles, Conventional Powertrain/Electric Powertrain, AUTOSAR, Mechatronics and Vehicle Diagnostics.

Anup Sable, CTO, KPIT spoke at the Kongress on 23rd and 24th November. He gave an overview on how innovation happens through software

The other speakers at the event were prominent personalities from Volkswagen, Audi, Daimler, dSPACE, Nvidia, Green Hills Software and many more.



Transformational Automotive Software Sourcing – KPIT's automotive industry virtual panel discussion

KPIT recently hosted its automotive industry virtual panel discussion centered around its client, Volkswagen's global eco-system. The panel was dedicated to the evolving role of procurement teams with the topic of discussion being "Transformational Automotive Software Sourcing".

While the event strengthened our positioning across the brands and our alliance partners, it further supported establishing us as a key partner in VWs software strategy.

KPIT contributes as a technology partner to develop India's first indigenous Hydrogen Fuel Cell technology for vehicles in partnership with CSIR

KPIT in partnership with CSIR, has successfully run trials of India's first indigenously developed Hydrogen Fuel Cell (HFC) prototype. .

This experience and knowledge will enable KPIT to support its clients in the Automotive & Mobility ecosystem in their innovation towards the adoption of these new-age technologies. It is not our intention to manufacture fuel cells or any other hardware. Our technology should help us deliver better services to our clients.

Automobelievers taking the leap

KPITians presented insights and thought leadership at eminent forums

KPIT innovates versatile ventilators in fight against COVID-19

In March 2020, the world grappled with COVID-19 & its challenges. For us, the lack of timely & sufficient availability of ventilators was what struck the most. We realized KPIT's years of specialization in product engineering and embedded software expertise could possibly help save lives. In 3 months, braving the challenges of lockdown, our team innovated a versatile, safe, robust, portable, yet fully functional ventilator.

"Vyoman" was awarded by Marico Foundation as one of the top winners in Innovate2BeatCOVID national challenge in the ventilator category that received more than 600 entries. The award is a testimony to KPIT's capability and efforts of continued contributions through uncompromised, top-notch solutions in creation of a cleaner, smarter & safer world.

KPIT Germany's Managing Director, Jens Tillner attends the round table conference hosted by the Consulate General of India in Munich

Jens Tillner, Managing Director of KPIT Germany, was invited to a round table discussion on 1st September by the Consulate General of India in Munich. Ambassador of India, Mrs. Mukta Dutta Tomar, and Mr. Mohit Yadav, the Consulate General of India, Munich, were the host of the round table conference. The agenda of the conference was to bring together companies from India which are active and investing in southern Germany and discuss opportunities for support through the embassy.

KPITians at DAF Hackathon's Embedded Engineering Global Edition

DAF Hackathon is a 24-hour global live event/ competition. Around the end of 2020, KPIT members from PITC (Paccar India Technical Center) participated in its global embedded engineering edition.

At the event, there were six teams, out of which PITC participated in two teams to implement the POC (Proof of Concept) to increase productivity and efficiency. The global technical event brought forth the expertise of participating KPITians and strengthened the bond between PITC and DAF participants.

Mr. Ravi Pandit has accepted the Chairmanship of CSIR's Electronics lab "CEERI" (Central Electronics Engineering Research Institute)

Mr. Ravi Pandit accepted the Chairmanship of CSIR's Electronics lab, Central Electronics Engineering Research Institute (CEERI).

CEERI is based in Pilani and is one of the leading research labs in the country. Council of Scientific and Industrial Research (CSIR) is India's highest body for Scientific and Industrial Research. CSIR employs over 4600 scientists.

Ravi Pandit
Chairman & Co-founder, KPIT

Becoming the Global No.1 Software Integration Partner Kishor Patil, CEO of KPIT Technologies, interviewed by leading German automotive magazine - Automobil-Elektronik

A leading German automotive magazine, AUTOMOBIL-ELEKTRONIK interviewed Kishor Patil, Co-founder, MD, and CEO of KPIT, about various topics related to automotive software and the role KPIT plays as the mobility industry undergoes a paradigm shift. Kishor Patil spoke about KPIT's positioning of becoming the Global No.1 Software Integration Partner in this Cover-interview.

Mr. Anup Sable shares his perspectives with TechGig on the emerging tech trends of 2021

The feature is titled 'Trends that will dominate 2021 in automotive and mobility ecosystem' and it focuses on the developments in the areas of Digital Cockpit, Autonomous Driving and the Electric Powertrain. TechGig is a platform exclusively for technology professionals to synergize, share, exchange ideas, facts and information as well as showcase their work and express their views on the vast repertoire that the industry encompasses.

Dr. Manaswini Rath joins the panel to discuss "The Role of Data in the Mobility CASE - India & UK Perspective"

Dr. Manaswini Rath VP and Global Head, Autonomous Driving, KPIT was a panelist at the event hosted by London & Partners and NASSCOM on "The Role of Data in the Mobility CASE - India & UK Perspective".

The discussion focused on priorities and opportunities in the Connected – Autonomous – Shared – Electric (CASE) in both the UK and India. The event was aimed at Startups and Scaleups from both India and the UK that are interested in learning more about CASE and exploring opportunities in new markets.

KPIT at The Battery Show and Electric & Hybrid Vehicle Technology, North America

Sophia Suo, Head, Electrified Powertrain Practice, KPIT spoke at The Battery Show and Electric & Hybrid Vehicle Technology, North America.

At the event, she discussed Challenges in Software Development for EV Charging Communication & Control.

The event witnessed speakers from Ford, FCA, Daimler Trucks North America, Nissan and many others.

Sophia Suo
Head, Electrified
Powertrain Practice, KPIT

World EV Day Special: KPIT at AUTOCAR Professional e-Conference on Electric Mobility

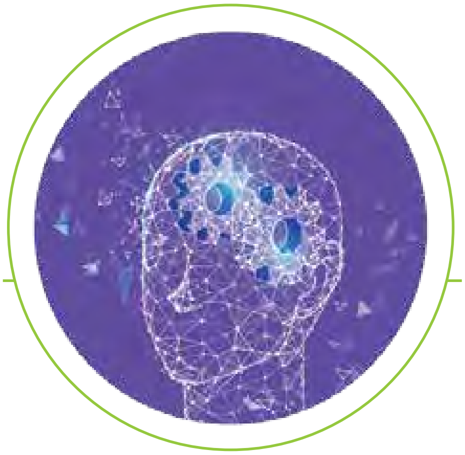
Mr. Kishor Patil joined as a panelist at the e-conference's first session titled 'Can EVs step up the game in the post COVID era?'. The other panelists in the session were Mr. Henrik Fisker, Chairman and CEO, Fisker Inc., Mr. Naveen Munjal, MD, Hero Eco Group, and President, SMEV, Anand Kulkarni, Product Line Director, Electric Mobility, Tata Motors. The discussion was moderated by Autocar Professional's Mr. Sumantra Barooah.

KPIT, dSPACE and Microsoft share perspectives on 'Collaboration: Future of Automotive Development'

Rajeev Kulkarni, VP Strategic Alliances & Partnerships, KPIT, Peter Waeltermann, President, dSPACE and Henry Bzeih, Chief Strategy & Technology Officer Automotive, Microsoft shared perspectives on 'Collaboration: Future of Automotive Development'.

To ride this wave of "software-driven automobiles" of the future, the automakers are redefining their businesses across all dimensions including product definition, engineering, manufacturing, supply chains and business models.

Embracing this change, the industry is witnessing increased openness of automakers to collaborate amongst themselves as well with the supply chain.



Best place to grow

Providing all KPITians multiple opportunities and initiatives to learn, perform and becoming the best place to grow.

KPIT Sparkle's 7th edition goes all virtual in 2021!

Shri. Nitin Gadkari, Hon'ble Minister for Road Transport and Highways and Minister of Micro, Small and Medium Enterprises, Govt. of India and Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, were guest of honour and chief guest, respectively, at the virtual grand finale event.

For this edition, we had renowned knowledge partners such as the Ministry of New and Renewable Energy, Department of Science and Technology, AICTE, National Institute of Design, ONGC Energy Centre and MathWorks India.

KPIT Sparkle's 7th edition took place virtually. It attracted over 21,000+ student registrations from 1000 colleges in 27 Indian states with 2700+ projects. It is one of India's biggest innovation platforms for students, faculties, colleges, and universities.

KPIT launches Higher Education Initiative for Diploma Engineers

Staying true to the spirits of Learning and Growth, KPIT virtually inaugurated and launched the first-ever cohort of KPIT-KLE Tech University Industry Integrated Program for Diploma Engineers under its Higher Education Initiative.

This unique collaboration will enable diploma holding engineers at KPIT to pursue their
Bachelor's Degree in Electronics and Communication while at work.

KPIT partners with the Ministry of Human Resource Development for Smart India Hackathon 2020

Smart India Hackathon 2020 is a nationwide initiative by the Government of India (Ministry of Human Resource Development) to provide students a platform to solve some of the pressing problems we face in our daily lives, and thus inculcate a culture of product innovation and a mindset of problemsolving. It is the world's biggest open innovation model.

KPIT has been partnering with the Ministry of Human Resource Development's (MHRD's) Smart India Hackathon since its inception in 2017.

This year, the grand finale of SIH 2020 was organized virtually. Hon'ble Prime Minister of India, Shri Narendra Modi interacted with students and encouraged them to solve the problems shared by various ministries and state

Virtual graduation ceremony of Coventry University cohort-2 graduates

Three successful years of strategic collaboration of KPIT and Coventry University has resulted in the graduation of 100+ KPITians in MTech in Automotive Electronics and MBA in Engineering Strategic Management.

The successful graduation of Cohort 2 was celebrated virtually!

This collaboration is one example in the direction of making KPIT truly the 'Best place to Grow'

KPIT celebrates the graduation of 48 KPITians from the Coventry University, UK under KPIT's Higher Education Initiative (HEI) program

KPIT's Higher Education Initiative (HEI) is a program to encourage full-time KPITians to continue education, leading to a master's degree from Coventry University, the UK, in areas of Product Engineering, Information Technology, and Management education and associated fields.
This year, 23 KPITians graduated with an M.Tech in Automotive Electronics and 25 KPITians graduated with an MBA in Strategic Engineering Management.

This is a special moment for all the KPITians who graduated and for the rest of us at KPIT.

Fun at Work and CSR

Though the year was tough, KPITians found ways to interact with each other virtually and have fun while working from home. They also worked as volunteers in the fight against the pandemic.

KPIT wins the prestigious FICCI Corporate Social Responsibility Award under the ’Exemplary Innovation Category’!

KPIT Sparkle won the prestigious FICCI Corporate Social Responsibility Award under the ’Exemplary Innovation Category’! FICCI Corporate Social Responsibility Award is India’s first CSR award that was instituted in 1999 and aims to identify and recognize the efforts of companies in integrating and internalizing Corporate Social Responsibility(CSR).

This award is a testimony to the hard work and dedication shown by the KPIT Sparkle team for the past six years. We are honored and humbled by this recognition.

10 years of KPIT China

KPIT China has completed 10 years. KPIT’s China office is a Technology and Development center at a prime location in Shanghai. Here, around 100 KPITians are working in the areas of Autonomous Driving/ADAS, Powertrain, AUTOSAR and Mechatronics.

KPIT celebrates promotions by sending cakes to employees across India, China and Thailand

As the world reels under the crisis of COVID-19, KPITians have come up with a unique way to stay connected in these times of being socially distant. As a small gesture to the performance of the KPITians who were promoted in this cycle, KPIT in India, China and Thailand had a small surprise delivered to them.

The KPITians on the receiving end were pleasantly surprised by the cake deliveries at the gates of their homes. They shared some of that surprise and joy through these images.

The Winter Wonderland: KPITians enjoying winter sports in the US

KPITians in Michigan, US took advantage of the recent snowy conditions and enjoyed some outdoor activities in the form of winter sports. Here are glimpses of some of our employees and their families enjoying the snow.

Extending a helping hand during the COVID-19 crisis

KPITians came together with organization Jankalyan Samiti to fight the current pandemic. They volunteered by joining the Corona Suspect Drive in Pune and Nashik. During the drive, they performed screening of every person in more than 150 households. They also distributed immunity-boosting medicines. The volunteers donated blood, organized blood donation camps at their residential complexes and donated food to more than 500 underprivileged families. Going beyond the drive, KPIT volunteers also performed the last rites for some of the COVID-19 victims We at KPIT are proud of these volunteers for such great initiatives and commitment towards the community!

Teaching Online at Thayimane (Foster home for destitute children)

In the midst of lockdown in India, KPITians were busy volunteering with the opportunity to feel connected to a cause close to their heart. Volunteers taught various interesting topics to the students at Thayimane (Foster home for destitute children) in Bengaluru. These regular online classes helped students continue their learning, the classes also put a smile on KPITians as they feel connected to the cause of child education.

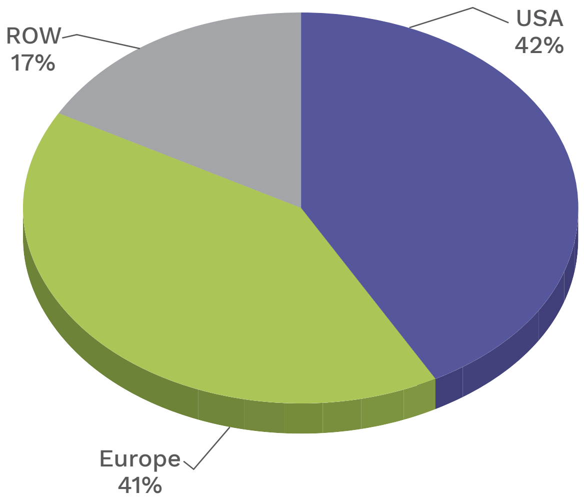
Financial **Highlights**

Financial Highlights

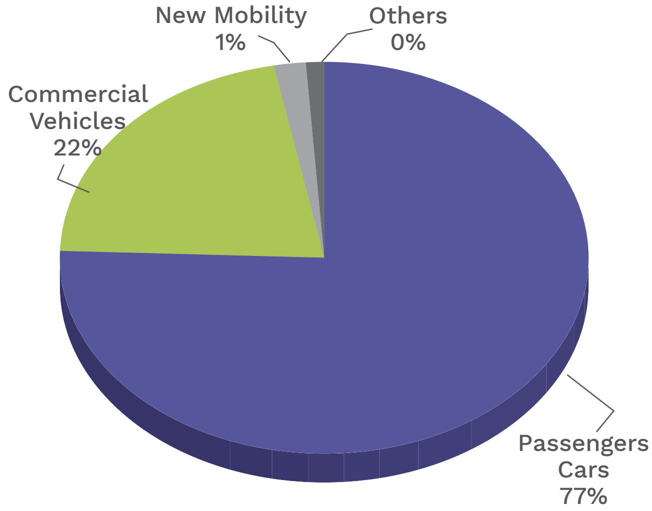
(₹ In million)

CONSOLIDATED INCOME STATEMENT	FY 2021	FY 2020
Sales ($ million)	274.8	303.8
Total income	20,515.0	21,844.9
Total expenses	18,738.8	20,038.8
Profit/(loss) before tax	1,776.2	1,806.1
CONSOLIDATED BALANCE SHEET		
Share Capital	2,690.4	2,688.8
Other Equity	9,378.0	7,802.3
Total Shareholder Funds	12,068.4	10,491.1
Non-Controlling Interest	28.7	35.7
Non-Current Liabilities	2,301.6	1,294.6
Current Liabilities	5,276.7	4,550.7
Total Equity & Liabilities	**19,675.4**	**16,372.2**
Fixed Assets	2,371.0	2,700.6
Right of use Assets	2,505.1	1,627.6
Goodwill on Consolidation	1,013.8	987.8
Other Non-current Assets	828.6	924.1
Current Investment	59.5	82.2
Trade Receivables	3,083.5	4,486.8
Cash and cash equivalents	8,210.1	3,810.4
Other Current Assets	1,604.0	1,752.7
Total Assets	**19,675.4**	**16,372.2**
KEY RATIOS		
Long Term Debt to Equity	0.0%	3.6%
Total Debt to Equity	0.0%	5.2%
Cash/Total Assets	41.7%	23.3%

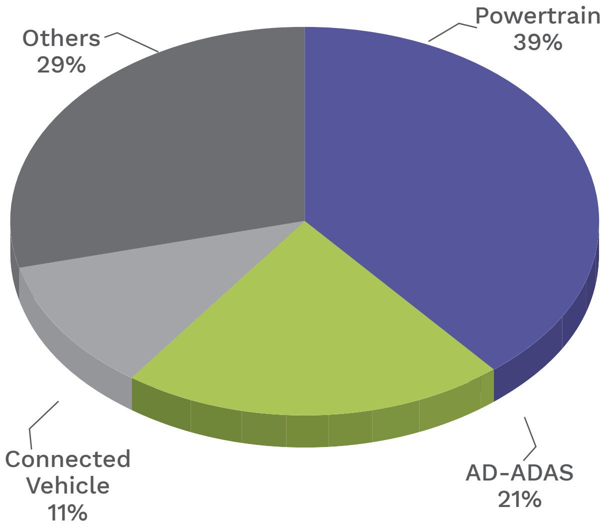
REVENUE BY GEOGRAPHY - FY21



REVENUE BY VERTICAL - FY21



REVENUE BY PRACTICE - FY21



Management **Discussion & Analysis**

Management Discussion & Analysis

GLOBAL OUTLOOK

The Global economy has been severely impacted over the last one year. The pandemic has had its impact on all spheres of the economy, driving unemployment rates in double digits resulting in contraction of world output by 3.3%. The silver lining however is vaccines are now developed in record time with promising efficacy rates. A sustainable economic recovery with a limited handholding by fiscal and monetary policies is certainly seen on the horizon. The IMF latest forecasts have projected the global economy to grow by 6.0% in 2021 and the growth rate is expected to moderate to 4.4% in 2022.

With various governments rapidly implementing inoculation programs, covering large sets of the populations, future risks of any economic stoppages have been reduced to a considerable extent. The economic damage due to the pandemic was also addressed by Fiscal and Monetary Stimulus, led by the developed world economies. The IMF in its latest world economic report highlighted that without the extraordinary policy support, the contraction could have been three times as large. Markets too have navigated the black swan event, as economic prospects kept improving through 2020. Equity markets reached all-time highs, driven by accommodative monetary policies, ample liquidity, a weaker dollar and reflation trade expectations, driven by pent up demand. With the reflation trade gathering steam, long term yields of government bonds have risen on growth expectation. With most of the world either through or in the second wave, future sustainable economic recovery is strongly dependent on pace of vaccination, vaccine efficacy and nature of the COVID-19 virus mutation and strains. Policies of most economies promise to remain supportive to growth.

The US economy contracted by 4.7% in 2020. The IMF forecasts US economy shall grow by 5.1% in 2021 and 3.6% in 2022. The US unemployment that peaked at 14.2% in April of 2020 has strongly recovered at 6% in March 2021. US is expected to be at full employment in 2023. Monetary policy promises to continue to remain accommodative with the federal reserve FOMC members not expected to raise rates at least until end of 2022. Policy decisions would be highly dependent on how the pandemic evolves. The fiscal stimulus in the US was driven through multiple legislations such as the CARES Act, Paycheck protection program, the Fed driven Mainstreet lending program as well as the latest USD 1.9 trillion American Rescue plan act that have played a major role in priming demand and bringing down unemployment levels. Latest has been the USD 2 trillion spending plan to overhaul and upgrade the infrastructure. All these bode well for a strong growth of the US economy, as inflation continues to remain low and the country has also been leading the inoculation drive globally.

The Euro zone contracted by 6.6% in 2020. As per the IMF, the Euro zone is expected to grow 4.4% in 2021 and 3.8% in 2022. Interest rates continue to remain in negative territory for a substantial period, with the ECB continuing with its bond buying program. The Euro zone governments' fiscal stimulus has supported the economy. The Euro zone has been lagging on the vaccination numbers and a surge in cases towards the end of 2020 resulted in further lockdowns and containment measures. But the renewed decline in private consumption was much smaller than expected. As per the ECB (European Central Bank), private consumption is expected to recover sharply in 2021 and shall be the key driver of the recovery. Investment is expected to recover substantially in 2021 and 2022 and is expected to return to pre-crisis level in early 2022.

The Asian economy contracted by 1.0% in 2020. The IMF expects growth to rebound to 8% in 2021 and grow 6% in 2022. 2021 is expected to be very positive for Asia and again vaccination numbers shall be a key factor in determining pace of growth. Sharper economic recovery would be driven by vaccinations, stronger global recovery and easy financial conditions. As per the latest IMF forecasts, Growth in 2021 will be led by India (12.5%) and China (8.4%), with ASEAN countries (4.9%) contributing modestly.

INDUSTRY TRENDS

The Automotive Industry saw a severe contraction of sales in H1 of FY20 followed by a steady recovery where growth is now expected to be in double digits in 2021.

Auto-sales growth as per IHS Markit is expected to be positive for the next 3 years with as much as 9% growth in 2021. Forecasts Indicate that globally new passenger car sales will rise by 15% and commercial vehicles sales by 16%, in 2021. Global EV sales in 2021 are predicted to be at 3.4 Mn units from 2.5 Mn units in 2020, supported by government incentives.

In 2021 Europe is expected to lead sales growth (10.8%) after 2 years of weak sales. The narrative of renewed enthusiasm of driving and owning a car, at least till the virus remains a threat, will help keep demand steady.

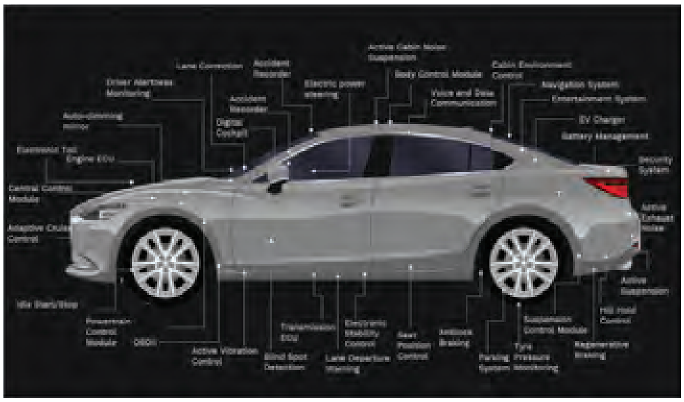
The coming decade promises to be one of the largest in terms of Investments for Automakers. Megatrends driven by Connectivity, Autonomous, Shared mobility and Electrification (CASE) continue their secular adoption, as they persist to disrupt the industry. The coming years will also see investments getting prioritized by Automakers in areas of digital and customer experience.

A recently published (April 21) report by IHS Markit on 'Automotive R&D Investments Growth Rates in 2021' states the top three key domain areas leading the automotive R&D budgets to be software & software related feature development, electrical architecture and related hardware. R&D spending on software & software related feature development is leading at OEMs as well as Tier-1s with 41% & 50% R&D spending expected, respectively. E-mobility has emerged as the main feature of investment according to the 2021 R&D survey results, namely around battery technology and management systems, e-motors and power electronics. Other key feature areas are Autonomy, Infotainment & Digital Cockpit and Connected Car.

OEMs are defining their R&D strategy toward the development of features/requirements to comply with upcoming regulations (in terms of e-mobility, connectivity, and autonomy). All car companies have an ambitious plan to deliver BEVs (Battery Electric Vehicles) that have to comply with all upcoming regulations from Europe, Greater China, North America, and other regions.

Electronics cost per car as a percentage of the total car cost has steadily increased from 27 per cent in 2010 to 40 per cent in 2020 and is expected to reach 45-50 per cent by 2030.

The following illustration tries to depict the number of features in a car powered by software and electronics.



A car is thus now appropriately being called as 'software on wheels'.

KPIT Positioning

KPIT is positioned as an independent, scalable and dependable partner to build and integrate software features (Software Integration Partner) to accelerate the journey through prototype to production. We are focused only on the automotive and mobility industry with strategic client relationships in the passenger cars, commercial vehicles and new mobility verticals.

Significant Deal Wins in FY20-21

KPIT won a multi-million USD strategic deal for a European Automaker's electrification program. The engagement pans in excess of 5 years and deal value is estimated at USD 50+ million. KPIT will set up a dedicated software competence center in Munich and India. This strategic software program spans across development, integration and software maintenance post start of production.

A leading Automotive Tier I and system supplier for Autonomous Driving and ADAS and a market leader in automotive safety electronics products has selected KPIT as their strategic software partner. This Strategic partnership will leverage cutting edge software technology from KPIT for various vehicle programs globally for Autonomous Driving, ADAS and AUTOSAR domains. The engagement pans for 5 years and the deal value is estimated at USD 60+ million. The partnership involves KPIT to collaborate seamlessly with them across multiple countries in Europe, US and Asia for various production programs.

FINANCIAL PERFORMANCE:

REVENUE:

During this year, our $ revenue stood at $ 274.77 Million, against $ 303.81 Million in FY20. During the second half of the year, there was a considerable shift in the work from onsite to offshore and thus in terms of volumes the revenue decline during the year was limited. In ₹ terms, revenue for the year was reported at ₹ 20,357 Million as against ₹ 21,562 Million in FY20.

The passenger cars vertical contributed around 77% of the total revenues in FY21 whereas the commercial vehicles segment contributed around 22% of the revenues. New Mobility is a new vertical of focus and contributed just around 1% of the revenues whereas the balance was from other small segments.

In terms of geography, US contributed around 42%, Europe 41% and the balance 17% came from Asia. All our strategic clients are global in nature and hence the geography break-up is increasingly becoming global.

Our Strategic Accounts (T25) contributed around 86% of the overall revenues as compared to around 82% last year.

PROFITABILITY:

The EBITDA for FY21 stood at 15.2% as against 13.7% for FY20. The EBITDA for FY21 was ₹ 3,101 Million as against ₹ 2,954 Million for FY20. The Net Profit for FY21 stood at ₹ 1,461 Million.

In the medium term, we want to focus on improvement in operating profitability with emphasis on productivity improvement, increase in offshore revenues, broadening of offshore employee pyramid, leveraging of fixed costs and scaling up in our strategic accounts.

SHAREHOLDER'S FUNDS

The Shareholder's Funds as at March 31, 2021 stood at ₹ 12,068 Million.

LIQUIDITY

The Cash Balance as at March 31, 2021 stood at ₹ 8,224 Million as against ₹ 3,820 Million as at March 31, 2020.

The DSO were at 54 days as at March 31, 2021 as against 66 days as at March 31, 2020. We have consistently focused on faster cash conversion and as a result have been able to bring down the DSO substantially.

As on March 31, 2021 our total debt stood was NIL. As on March 31, 2020 the total debt was at ₹ 542 Million comprising of ₹ 376 Million of Term Loan and ₹ 166 Million of Working Capital Loan.

Thus, the Net Cash Balance as at March 31, 2021 stood at ₹ 8,224 Million as against ₹ 3,278 Million as at March 31, 2020, a net increase of ₹ 4,946 Million.

EMPLOYEES

The total headcount for the company stood at 6,366 as at the end of FY21. The same was 7,125 as at the end of FY20. The Development Headcount was 5,848 as against 6,594 last year. The detail update on People is covered under the CEO and President's Joint Letter.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The CEO & CFO certification provided elsewhere in this Annual Report discusses the adequacy of internal control systems and procedures in place.

RISKS AND CONCERNS

A separate report on Enterprise Risk Management is provided elsewhere in this Annual Report.

COVID-19 PANDEMIC NOTE

Though the COVID-19 pandemic did bring some disruption in the industry in the medium term, industry and business fundamentals are strong. Our aim was to be nimble, adapt quickly and innovate to respond to client needs during the pandemic time and contribute to their success. Our business fundamentals were very strong and we continue to deliver consistent results.

Our key focus initially was on employee well being and safety, upholding of client commitments and improving liquidity and conserving cash. We enabled 98% of our global workforce to work from home by the beginning of April 2020 as employee safety while meeting client commitments was our top priority. Our road map on meeting customer commitments was strong with a clear focus on Zero Defect Delivery and increasing productivity. We are appreciative towards all our employees for the tremendous resilience shown by each one of them and grateful to our clients for showing confidence in us.

Cautionary Statement

Certain statements under 'Management Discussion & Analysis' describing the Company's objectives, projections, expectations may be forward looking statements within the applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could differ materially from those expressed or implied, since the Company's operations are influenced by external and internal factors beyond the Company's control. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, basis any subsequent developments, information or events.

Board's **Report**

Board's Report

Dear Members,

The Directors are pleased to present the Fourth Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2021.

Performance of the Company

(In million)

Particulars	Standalone 2020-21		Consolidated 2020-21	
	USD	₹	USD	₹
Revenue from operations	108.36	8,028.48	274.77	20,357.41
Profit before Tax (PBT)	13.41	993.51	23.97	1,776.23
Profit after Tax (PAT)	12.62	935.26	19.85	1,471.03

Result of Operations

During the year under review, the total revenues from operations (consolidated) were ₹ 20,357.41 million. Earnings before interest, tax, depreciation and amortization was ₹ 3,100.75 million on consolidated basis. Net profit after tax (consolidated) was ₹ 1,471.03 million.

In US Dollar terms, revenues from operations for the year on consolidated basis was $ 274.77 million. Average realization rate was ₹ 74.09 per US Dollar.

Standalone sales for the financial year 2020-21 reached ₹ 8,028.48 million and Net profit after tax ₹ 935.26 million.

Revision of Financial Statements giving effect to the Composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on April 28, 2021, had considered and approved the Audited Standalone as well as Consolidated financial statements of the Company for the year ended March 31, 2021. However, subsequently on receipt of merger order on June 15, 2021, approving the scheme of merger by absorption of Impact Automotive Solutions Limited, a wholly owned subsidiary, with KPIT Technologies Limited and their respective shareholders [Company Joint Petition No.: C.P. (CAA)/ 1058/MB-II/ 2020 Connected with Company Joint Application No.: C.A. (CAA)/3219/ MB-II/2019] by the Hon'ble Mumbai Bench of National Company Law Tribunal, with an appointed date of April 1, 2019, as defined in the Scheme itself and became effective on June 22, 2021 by filing the said order with Registrar of Companies. The Board of Directors at its meeting held on July 23, 2021 considered and approved the Revised Audited Standalone as well as Consolidated financial statements for the year ended March 31, 2021 for giving effect of merger accounting treatment.

Dividend

The Directors are pleased to recommend a final dividend of ₹ 1.50/- per equity share of face value of ₹ 10/- each (15%) on the paid-up equity share capital of the Company for the year under review. The total payout will amount to ₹ 411.22 million including dividend distribution tax.

Recently, the Company has amended its Dividend Distribution Policy by increasing the Annual Dividend Payout Ratio up to 35% in coming two to three years. The said Dividend Distribution Policy is uploaded on the website of the Company (https://www.kpit.com/investors/#policies-reports-filings).

Awards & Recognition

- KPIT has received award for innovation from Marico Foundation as the top winner in their Innovate2BeatCOVID national challenge.
- KPIT has received 18th FICCI CSR Award for KPIT Sparkle under Category 7 - Exemplary Innovation.

Quality, Productivity and Innovation

Quality, Productivity, and Innovation have been the three pillars that have driven our passion for continuous improvement in the way we determine and improve our process framework. This is driven with an objective to ensure zero defect delivery to our customers.
To achieve this objective, we had come out with a comprehensive quality framework with involvement of all key stakeholders and leadership team. As part of this

framework, key initiatives in the areas of People, Process and Technology were identified with a focus on improving performance at Project/Program level, Practice level and Unit level. We picked key initiatives for the year from this framework and started with detailed plan for each of the initiative. Initiatives that were deployed across all projects during the previous year were sustained through strong governance. For the initiatives planned during the year, we defined a framework for sustainable process, improved it through pilots and then tracked deployment across all projects through strong governance.

Competency Management and Knowledge Management was one of the key initiatives. A clear framework for identification of skill gaps at project and practice level and a clear structure for ramping down skill gaps through training and other mechanisms was put in place and deployed across all projects. This helped in improving competency at individual level, project level and practice level. Now, an integrated system has been designed to manage this and first phase of automation has been deployed.

Katapult framework that was developed during previous year was deployed across all projects for improving code quality through daily run on the developed code. The scope of this framework was extended to measure testing performance and now the deployment across all projects is in progress. This has started showing significant benefits in terms of achieving product quality on a continuous basis.

On the quantitative analysis initiative, actions started with defining/redefining KPIs in alignment to customer needs across all projects and now the focus is on achieving First Time Right. To get this framework and mindset across, new measures have been defined and the required automation is in place for uniform application across all projects.

All these initiatives helped us in moving towards zero defect delivery and resulted in higher CSAT ratings from customer with a consistent higher coverage in all quarters compared to previous year. This has also resulted in downward trend on high risk and red projects.

To sustain quality with our scalability, there is more dependence on our processes, Tools and Systems. Continuous improvement is our focus to achieve efficiency in our processes and to keep at pace with new trends. These improvements come through learnings in the projects, feedback from customers and ideas from the employees. During the year, in addition to the quality framework initiatives, we took up many such improvements, upgraded our processes, published and deployed across projects. The focus is on keeping the processes efficient and lean.

Our commitment to quality is ratified by our consistent endeavour in certifying ourselves to the best standards in the Industry. We continue to sharpen our Quality focus through internal initiatives and by certifying against international standards. In accordance with this, we underwent surveillance audit on ISO9001:2015. We continue to maintain our certification on Automotive SPICE OML5 and our next recertification assessment is planned this year. We also continue to maintain our certification on Information Security Management (ISO/IEC 27001:2013), IT Service Management (ISO/IEC 20000-1:2011) and Business Continuity Management (ISO 22301:2012).

Share Capital

The issued, subscribed and paid-up capital of the Company as on March 31, 2021 is ₹ 2,741.43 million consisting of 274,143,808 equity shares of ₹ 10/- each.

Institutional Shareholding

As on March 31, 2021, the total institutional shareholding in the Company was 36.36% to the total share capital.

ICRA Ratings

ICRA has assigned the (ICRA) A1+ as short term rating and (ICRA) AA- with the “Positive” outlook as the Long term rating.

Information about the Subsidiary & Associate Companies

As on March 31, 2021, the Company had eleven subsidiaries and one associate company.

In accordance with Section 129(3) of the Companies Act, 2013, (hereinafter referred to as “the Act”) the Company has prepared consolidated financial statements of the Company and all its subsidiary companies, which forms a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary Companies in Form AOC-1 is annexed to this Report as “Annexure 1”.

In accordance with Section 136(1) of the Act, the Annual Report of the Company, containing the standalone and the consolidated financial statements and all other documents required to be attached thereto have been placed on the website of the Company, www.kpit.com. Further, a report on the highlights of performance of subsidiaries and their contribution to the overall performance of the Company has also been placed on the website of the Company. Ministry of Corporate Affairs (MCA), vide General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 02/2021 dated January 13, 2021 provided certain relaxations for companies, including conducting Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio – visual means (OAVM) for passing of special and ordinary resolution by Company on account of threat posed by COVID-19. Further, MCA vide General Circular 20/2020 dated May 5, 2020, & Securities and Exchange Board of India vide circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has extended these relaxations to Annual General Meeting of companies to be conducted during the calendar year 2021 and it has also dispensed with the printing and dispatch of annual reports to shareholders. In view of the same, Members interested in obtaining a soft copies of the audited annual accounts of the Company and it's subsidiary companies may visit investor section on website of the Company www.kpit.com.

Directors

Owing to other business commitments and preoccupation, Mr. Rafi Maor resigned from the post of directorship of the Company with effect from June 9, 2020. Further, due to the urgent personal pressing engagements, Ms. Shubhalakshmi Panse has resigned from the post of directorship of the Company with effect from June 17, 2021.

The Board places on record its appreciation for valuable services provided by them during their tenure.

In accordance with Section 152 of the Act, Mr. Sachin Tikekar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Board at its meeting held on January 14, 2019, pursuant to the recommendation of Nomination and Remuneration (HR) Committee, appointed Prof. Alberto Sangiovanni Vincentelli as Additional Director and Independent Director for a period of 5 years with effect from January 16, 2019. Under Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is being sought by the Company in compliance with Regulation 17(1A) of Listing Regulations, for continuance of Prof. Alberto Sangiovanni Vincentelli beyond June 23, 2022 on account of his attaining the age of 75 years on that date.

Independence of the Board

The Board of Directors of the Company comprises of optimum number of Independent Directors. In the opinion of the Board, the independent directors possess integrity, expertise and experience (including the proficiency). Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act:

1. Mr. Anant Talaulicar
2. Mr. B V R Subbu
3. Prof. Alberto Sangiovanni Vincentelli
4. Mr. Nickhil Jakatdar
5. Ms. Shubhalakshmi Panse (resigned w.e.f. June 17, 2021)

Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Act, read with the Rules framed thereunder:

1. Mr. Kishor Patil - Chief Executive Officer (CEO) and Managing Director;
2. Ms. Priyamvada Hardikar - Chief Financial Officer with effect from June 12, 2020;
3. Ms. Nida Deshpande – Company Secretary.

During the year under review, Mr. Vinit Teredesai resigned from the post of Chief Financial Officer with effect from June 12, 2020.

Board Meetings

Four meetings of the Board of Directors were held during the year. More details about the meetings are available in the Report on Corporate Governance, which forms a part of this Annual Report.

Committees of Board

The details regarding the Committees of the Board of Directors of the Company are given in the report on Corporate Governance, which forms a part of this Annual Report.

Company's Policy on Directors' appointment and compensation

The Nomination and Remuneration Policy of the Company provides roles and responsibilities of the Nomination and Remuneration (HR) Committee and the criteria for evaluation of the Board and compensation of the Directors and senior management. Further, as per the policy, the said Committee shall identify potential candidates for becoming members of the Board and determining the composition of the Board based on the need and requirements of the Company from time to time to bring out diversity in the Board and also identify persons to be recruited in the senior management of the Company and ensure the Companies compensation packages and other human resource practices are effective in maintaining a competent workforce and make recommendations relating thereto. Pursuant to the provisions of Section 134(3)(e) of the Act, the said policy of the Company on the appointment and compensation of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on Company's website at the link: https://www.kpit.com/investors/#policies-reports-filings.

Audit Committee Recommendations

During the year, all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as mentioned in the Report on Corporate Governance, which forms a part of this Annual Report.

Corporate Social Responsibility (CSR)

KPIT's Corporate Social Responsibility ("CSR") is aligned to have a stronger commitment towards the community. KPIT demonstrate its commitment across all the regions of KPIT's global presence. It also aims to create long-lasting impact across the focus areas of education, environment and employee engagement. KPIT firmly believe, through technology and innovation, KPIT can add significant values to the communities worldwide. The Company had constituted a Corporate Social Responsibility (CSR) Committee and has framed the Policy on Corporate Social Responsibility as per the provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy including annual action plan is available on Company's website at the link: https://www.kpit.com/investors/#policies-reports-filings. The initiatives taken by the Company on CSR during the year as per the said rules has been annexed to this Report as "Annexure 5".

Vigil mechanism/whistle blower policy

The Company has established a vigil mechanism/ whistle blower policy as per Regulation 22 of the SEBI (LODR) Regulations, 2015 for Directors and employees to report their genuine concerns. The details of the same are explained in the Report on Corporate Governance. The Policy on Vigil Mechanism & whistle blower may be accessed on the Company's website at the link: https://www.kpit.com/investors/#policies-reports-filings.

Auditors

Pursuant to the provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on August 29, 2018 for a period of five years.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The report does not contain any qualification, reservation or adverse remark.

The Board of Directors of the Company appointed Dr. K. R. Chandratre, Practicing Company Secretary, as the Secretarial Auditor to conduct audit for the year under review. The Secretarial Auditor's report for the year under review is annexed to this Report as "Annexure 6". The report does not contain any qualification, reservation or adverse remark.

Internal Control Systems and Adequacy of Internal Financial Controls

The internal control systems of the Company are adequate considering the nature of its business, size and complexity. The Statutory Auditors of the Company have expressed their opinion on adequacy of internal financial controls with reference to financial statements for the year under review and operating effectiveness of such controls.

Corporate Governance

A separate section on Corporate Governance with a detailed compliance report thereon forms a part of this Report. The Auditors' Certificate in respect of compliance with the provisions concerning Corporate Governance, forms a part of this Annual Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI (LODR) Regulations, 2015").

Management Discussion and Analysis

A Management Discussion and Analysis Report giving detailed information on operations, performance and future outlook of the Company and its business forms a part of this Report.

Particulars of Employees

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1 crore 2 lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 lakh or more a month, and other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as "Annexure 3 (a)".

The ratio of the remuneration of each director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as "Annexure 3 (b)".

Employees Stock Option Schemes (ESOSs)

In compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, information relating to ESOSs of the Company is annexed to this Report as "Annexure 4".

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a policy on prevention of sexual harassment at workplace and has put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, no case was filed with the POSH committee. Thus, there were no complaints pending as on March 31, 2021.

The company has taken various measures to create awareness amongst employees such as sending emails and communication to all employees, conducted awareness sessions with new joiners and a session for ICC members by Advocate for explaining them legal remedies available to victims etc. for prevention of Sexual Harassment of Women at Workplace.

Fixed Deposits

The Company has not accepted any deposits as on March 31, 2021.

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014

Conservation of Energy

The energy conservation is always a focus of KPIT. More than 50% of energy is consumed by HVAC. Hence the focus was on HVAC operations to maximize efficiency.

Due to Pandemic conditions in year 2020-21, most of the employees were working from home hence, there is a drastic reduction in power consumption. New measures were implemented due to minimum occupancy in office, as AC and lights were put ON with respect to areas occupied. With these changed scenario, the Company has implemented various measures as putting on lights and HVAC only in areas where they are occupied and in use. Rounds were carried out frequently to identify areas to optimize usage of energy. As per COVID-19 guidelines, operating temperature of floor was restricted to 25 degree, thus reducing the consumption of energy.

We have energy efficient lighting all across campus. The Company also focused on other utilities by continuous monitoring and measurement. Solar energy plant has been initiated by the Company and energy generated will be consumed internally.

Green Initiatives

The following initiatives were undertaken at the Company level to create awareness about importance of environmental protection and reducing pollution:

- In the state of Maharashtra, the Koyna-Chandoli corridor has been a host of KPIT's afforestation efforts in association with the Wildlife Research & Conservation Society (WRCS). Continuing our previous year's efforts, we aligned our afforestation activities with the onset of monsoon. Due to the COVID-19 pandemic, our volunteers have not been able to participate physically in the plantation activities this year. With the help of local villagers and full-time activists of WRCS, we planted a total of 5,000 saplings. With this, a cumulative of 45,900 saplings were planted in an area of 252 acres with an overall survival rate of 80 percent.

- Our Chairman Mr. S. B. (Ravi) Pandit along with his family visited reforestation project at Koyna-Chandoli Corridor, Maharashtra. He further encouraged our contribution and efforts towards the environment and towards generating structured livelihood for the locals. The locals have been delighted to interact with Mr. Pandit and showcase the fruits of all the efforts. It was overwhelming to see them obtain vocational training with artifacts/t-shirts to generate further awareness towards environment conservation and further help support themselves financially.

- KPIT celebrated World Environment Day as Environment month inviting all KPITians globally to be part of various virtual events with the theme "Celebrate Biodiversity". Events included Poster Design Campaign, Grow Your Plant Campaign and a guest talk on Biodiversity by Dr. Sanjay Joshi, (Ph.D, Zoology), Mumbai.

- KPIT organized a "Make best out of waste" campaign inviting all KPITians to be part of various virtual workshops that included Eco-friendly Ganesha, Eco-friendly Diwali lanterns, Up-cycling old denim, Best out of E-waste.

- KPIT, under its Water Conservation through Mass Volunteering Initiative, started the fourth fresh drinking water well in Maharashtra. This project, intended to address the potable water scarcity for the months when the nearby natural spring dries out; was a collaboration between KPIT, Jnana Prabodhini and the villagers. A well with 32 ft diameter and 32 ft depth will be able to store 7 lac litres of water. As a result, the village, with a population of 200 people and 1,000 cattle will now be tanker-free even in the arid months of the year. The project will be completed by January 2022.

Occupational Health and Safety Assessment Series (OHSAS)

In view of ongoing pandemic, the following activity sessions were carried out by the Company virtually for ensuring health and safety of our employees in the year 2020-21.

- Weekly webinars on nutrition, wellness, stress management, infectious disease prevention, mental health, childcare, pain management, meditation.

- Consultation through our in-house doctors and psychologists.

- Yoga sessions from beginners to advanced level with expert trainers.

- On Occasion of International Women's Day, Fit mind Body & Soul session, Talk with leading nutritionist, Talk with a senior gynecologist.

- Engagement through Wellness activities throughout the year such as – Zumba, Bolly fitness, Pilates exercise, ergonomics.

Specific preventive measures taken for safety of employees during COVID-19 pandemic:

- Implemented 96% Work From Home (WFH) to reduce risk of spread of COVID-19.

- Weekly COVID-19/RTPCR tests from renowned lab for all employees and 3rd party staff.

- Vaccination mandatory for all above 45 years.
- Temperature monitoring was done by keeping the air-conditioning at more than 25 degrees in Pune and 23 degrees in Bengaluru Office.
- Sanitizers were kept at all common places.
- Alternate wash basin and Urinal are closed to maintain distancing in washrooms.
- Daily windows are kept open for one hour before and after office hours for cross ventilation.
- Formed cross functional team across the globe for safety, well-being and communication.
- Deep cleaning and sanitization of office premises including increased frequency of cleaning – all touch points like doorknobs, switches etc. throughout the day.
- Wearing mask made mandatory for everyone in the office and for all third-party staff, face masks and gloves were mandatory in the week leading to the lockdown.
- Operations are being resumed with limited employees in staggered manner.
- Social distancing measures at all times from commuting, office work, cafeteria, and reduced the number of chairs in the cafeteria. Only 4 people could sit on one table initially and later only 2 people were seated on a table meant for 6. Face to Face seating was discontinued.
- Personal hygiene and Safety First being followed all the time.
- Temperature checks and Status checks on Aarogya Setu app mandatory at office entry points.
- All doors including that of ODCs were kept open to reduce the touch points.
- Restricted use of elevator and only stairs to be allowed.
- Restrictions on use of Gym, recreation and resting rooms as per directions of the government.
- Recommended QR code-based payments in cafeteria.
- COVID warrior at every floor to oversee enforcement.
- Continuous awareness among employees through leadership videos, myWorld banners and communication.

Technology Absorption

During the year under review, multiple technological improvement initiatives were rolled out. These initiatives helped to improve the systems and applications performance and reduction of cost.

- **Business Continuity Planning (BCP) – Enabling Secured WFH**

Given the unprecedented nature of COVID-19 crisis, KPIT is vigilant and working towards anticipating and planning for various scenarios. Business continuity planning team will keep track, assess incidents and work with client teams to build and execute specific plans.

Objectives of BCP:

- Implementing a set of measures for avoiding possible failures.
- Prioritization of Key services and providing for alternate service delivery.
- Educating the users of their responsibility before, during and after the business interruptions.
- Providing an orderly and efficient transition from normal to emergency condition and back to normal maintaining consistency in action.

Solution: Secure Work from Home (BCP) Enablement

Considering secure & successful working from home module, KPIT has created solution considering highly trusted technologies, Process & People framework.

Access to KPIT network over Next Generation Firewall Global Protect IPSec VPN:

- Secure Access through multifactor authentication overactive directory credentials to ensure access by an authorized individual only.
- Before granting access – Validating KPIT systems with HIPS for Security Certificate, Antivirus, Anti threat protections.
- KPIT Laptops with hardened OS & with latest security patches.

- Virtual desktop infrastructure in applicable scenarios with hardened OS images with latest security patches and controls.
- Endpoint protection using McAfee endpoint protection to detect and prohibit suspicious or malicious activity.
- Endpoint ATP using advance threat and anti-exploit protection.
- Endpoint Device DLP for threat monitoring, logging, and restriction on USB storage ports.
- Data exchange over end-to-end encryption with IPSEC tunnel from endpoint till secure gateway.
- Web-content filtering to protect against web malware.
- Collaboration using Microsoft Teams, Cisco WebEx.

Process and Policy controls for BCP:

- Strict adherence to KPIT Information Security Policy.
- User acceptance of Work from Home undertaking.
- Re-iteration of individual roles and responsibilities by Delivery Management.
- Setting up of BCP Command center.
- **New Open-Source Platform**

During the year under review, KPIT has started exploring open-source platform based on Kubernetes and deployed state of the art, highly available, auto-scalable Open-Source Platform for Digital Technologies called OKD 4.5 (OpenShift's Open-Source Community Distribution) to cater the need of data services, we deployed highly available open-source database clusters of MongoDB and Percona XtraDB for MySQL. With zero surprises, all the corporate applications and data is migrated from an Enterprise Platform to new Open-Source Platform. This helped organization in saving considerable yearly subscription cost.

Solution and Technology Deployed:

Considering hefty year on year subscription cost, KPIT decided to explore Open-Source option for an Enterprise Platform which was already in use. Identifying & creating a robust open-source platform without compromising features provided by earlier platform was difficult task. Also, it was not related to setting up a robust platform alone but building capability to support open-source technology was very critical. DevOps Team effectively took this challenge by deploying highly available and scalable OKD 4.5 on Fedora CoreOS with Kubernetes at its heart. Dev Team recoded all the applications and seamlessly migrated to the new platform with zero surprises. End user experience with applications running on new platform is further enhanced.

- **Big Data Platform**

Traditionally data has been residing in silos across the organization in multiple systems. Data lake can help break these silos and enable organizations to get 360-degree actionable insights in true sense and leverage the benefits of data-driven, fact-based decision making. With Big Data, organization can shift interactions from reactive to proactive (e.g. from product mass branding to 1:1 targeting, from 'break then fix' approach to 'repair before break' etc.).

Solution and Technology Deployed:

By choosing right data, right interfaces and right big data platform (like Hortonworks Data Platform - HDP), KPIT was sure that this challenge can be overcome. HDP is powered by Hadoop and is highly scalable open-source platform for storing, processing and analyzing large volumes of data coming from sources like ERP, CRM, Web Logs, Click Streams, Sensor Data, Geolocation Data, Server Logs, Documents, Emails, Social Media etc. This data can be ingested into HDP using batch processing or via APIs. DevOps team took this challenge and deployed highly available Hortonworks Data Platform 3.1. Self-service is the key towards democratization of big data which can be realized using tools like Tableau, Power BI, Zeppelin etc. This platform will soon become available to larger community of business users.

- **Smart Campus Platform**

KPIT has begun the Smart Campus initiative and rolled out various "Smart Applications" for Employees. These applications were aimed at changing the user experience while optimizing the energy consumption. KPIT has pursued this initiative further and taken it to the next level by deploying "Smart Campus" platform and has integrated fourteen different systems and sensor driven devices that come under the aegis of Building Management System (BMS). Traditionally all these BMS systems such as Access control, CCTV, Fire alarm system and air-conditioning systems operate within their own silos and use legacy (often proprietary) protocols. The siloed approach leads to an absence of ability to conduct common monitoring and controlling.

Solution and Technology Deployed:

KPIT has brought in higher level of automation in all these 14 systems by use of various control panels and adaptors and have got them integrated to our platform. This has enabled the Company to provide accurate instantaneous reporting data of all these systems along with control functionality in a single dashboard. We are getting more visibility on electrical consumption across floors buildings, with clarity on which system is consuming how much electricity, how it can be effectively optimized. Automation in various pumps and Fan system gives more operational efficiency for the operations team and reduction in human errors along with reduction in electrical usage. Operations team is now better equipped to see all the systems in single dashboard. Because of instantaneous alerts mapped on various gateways (SMS/E-mail), they are now better equipped to manage various BMS systems effectively, this also helps them in taking care employee safety at work.

- **Hyper-Converged Infrastructure**

KPIT is an early adopter of Hyper-converged infrastructure and reaping its benefits since last 2 years. In our pursuit of continual services optimization, Company has adopted Hyper-converged Infrastructure from all the three OEM solutions – Nutanix Acropolis, Cisco HyperFlex and EMC VxRAIL.

Solution and Technology Deployed:

KPIT was looking for an agile solution which will help us in making operations simpler, could be commissioned much faster, could be scaled on demand and could be effectively managed by skilling existing human resources.

Hyper-converged infrastructure addressed these issues. We could implement hyper-converged solution within a few hours. This infrastructure is helping us in adding capacity on demand, without vendor lockdown. Even achieving Disaster Recovery (DR) is much simpler and it even supports multi-hypervisor environments. Besides easing datacenter migrations, Company do not have to make upfront investments now.

Following Environmental Returns are achieved: Hyper-converged Infrastructure has helped us in saving power, cooling and space by an additional 30%. We could also optimize the asset ratio from 7 to 1 for the same compute capacity in the datacenter. We continued investing into this technology last year too and the organization is reaping its benefits.

- **Virtual Desktop Environment**

Like majority of business organizations globally, KPIT also relies on its internal IT implementations to make processes more efficient, increase automation and deploy IT to make collaboration across geographies easier. The Company has deployed the most advanced technologies for its processes. These deployments are scalable and future ready to support changing work styles, information security criteria and the changing usage patterns of computing devices.

Solution: KPIT decided to shift from conventional desktop technology to Virtual Desktop Interface (VDI). Following operational aspects were considered while implementing the VDI solution: Deliver on-demand services for users Increase IT efficiency, Simplify management, Ensure software compliance. Though KPIT was already evaluating a virtualization solution that was deployed in a limited environment, it had not explored the idea of transitioning the core ERP processes onto the virtualized environment but had transitioned only the less critical ones. Taking a step further toward optimizing energy requirement and consumption, KPIT decided to increase use of virtualization technology.

Solution and technology deployed:

VMware, EMC and CISCO infrastructure platforms
VMware Horizon View Virtual Desktop Infrastructure (VDI)
Thin client

Following Environmental Returns were achieved after deployment of VDI:

1. Energy savings: More than 60% reduction in energy consumption was achieved by moving to the private cloud platform (including new technologies like hyper converged) with VDI as compared to using conventional computers. Cisco Unified Computing System, which is included as part of the private cloud platform, delivers high-memory capacity to support a large number of virtual machines on each blade server, thus reducing the amount of

physical equipment to be powered and cooled. The desktop computers that consume around 150 watts of electricity, were replaced with very small devices called thin clients that consume just 30 watts. This has resulted in energy savings of approximately 3,00,000 units per year amounting to 375 MT of Co_2 emission.

2. Reduction in e-waste: Almost 90% reduction in e-waste generation was achieved due to the increased IT hardware refreshment cycle for desktops, laptops and workstations. Lifespan of the above-mentioned hardware is about five years due to high resource requirement, capacity and performance demand, and due to newer operating systems, application software and tools. Being a technology provider, it is extremely important for us to update our IT hardware platform and ready it for next generation development tools. The thin client on the other hand has more than eight years of lifespan. Till that time, it does not require upgrades or replacement as all the resources such as computing power, memory and disk space are accessed through VDI setup hosted in the datacenter. Under this infrastructure, we deployed 600 VDIs for the business users.

3. Reduced IT Asset Ratio from 1.20:1 to 1.10:1: VDI environment enables multiple users to access their accounts using a single machine without compromising on the security aspect. Before deploying the virtual desktop environment, the asset-to-employee ratio was 1.20:1. This meant that much of the IT infrastructure was underutilized and was consuming more natural resources. After the deployment of the Private Cloud platform with VDI, the asset ratio has reduced to 1.10:1 thereby reducing the computer hardware consumption by 10%

4. Workplace utilization increased by 10%: The VDI helped in improving the utilization and flexibility of IT assets. Users can access their desktop, applications and data from any location, without compromising on the security of the system. In addition, employees can connect to corporate resources using any of the personal devices like iPads, Windows and Android based mobiles, thus enabling Consumerization of IT. This has led to workplace flexibility and optimal utilization of workspaces.

5. Reduction in travel across locations: KPIT has deployed best of the solutions such as Cisco Telepresence (Audio/Video conferencing) & Microsoft Teams across the offices and Cisco WebEx for better collaborations. With these solutions, our users can have conference meetings from anywhere and through any device. Even our business reviews, recruitment and customer meeting are conducted using these technologies. It has been observed that overall business travels across the globe has reduced by 25%. As this is a unified collaboration platform, end user productivity is also substantially improved. This solution hugely enabled remote collaborations during COVID-19 in big way.

Research and Development (R&D) Activity

During current year, the Company has not claimed any weighted deduction under section 35(2AB) of Income Tax Act 1961 for in-house R&D expenditure, as the same is not available with effect from April 1, 2020.

Foreign Exchange Earnings and Outgo

Total foreign exchange earnings during the year have been ₹ 6,993.48 million (previous year ₹ 8,465.52 million) and foreign exchange outgo (including imports) has been ₹ 167.56 million (previous year ₹ 217.99 million).

Particulars of loans, guarantees or investments under Section 186 of the Act

Particulars of loans, guarantees or investments made during the year under review, pursuant to the provisions of Section 186 of the Act are as below:

Sr. No.	Name of the subsidiary	Nature of transaction	Duration	Rate of Interest (%)	Amount (in million)	Purpose
1	KPIT Technologies (UK) Limited	Guarantee	till revolving facility is open	2.69% p.a.	GBP 5	For setting up revolving credit facility from Axis Bank UK
2	ThaiGerTec Co., Ltd.	Investment in subsidiary	N.A.	N.A.	INR 0.01	This is consequent to the transfer of investment from a wholly owned subsidiary, KPIT Technologies Pte Limited, Singapore.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act

Pursuant to the provisions of Section 134(3)(h) of the Act, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, is annexed to this Report as "Annexure 2".

Update on Merger & Acquisition

During the year under review, the merger petition was filed with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") for seeking approval to the Scheme of Merger of Impact Automotive Solutions Limited with the Company and to obtain further direction from NCLT. The Company has received certified copy of merger order from NCLT approving scheme on June 15, 2021. The scheme became effective on June 22, 2021 by filing the said order with Registrar of Companies.

Further, on March 11, 2020, the Company had entered into an agreement with Vayavya Labs Private Limited ("VL") and its shareholders for acquiring majority stake in VL where the deal was expected to get closed by the fourth quarter of FY 2021. In view of the changed environment due to the COVID-19 pandemic, on November 2, 2020, the Company and VL decided not to go ahead with the proposed transaction. This withdrawal had no impact on the Company's revenue and profit outlook for FY 2021.

Material changes and commitments affecting the financial position of the Company

FY21 saw unprecedented events with an advent of the COVID-19 pandemic. The world momentarily came to a standstill as governments enforced lockdowns and other measures for public health and safety. During this period of global crisis, our priority was to ensure the safety and wellbeing of our employees while helping our customers maintain seamless business service continuity. The Company scaled up fast to adopt social distancing norms, adopting new policies and restricting travel while enabling remote working for our associates.

We enabled multilevel communication with clients, backed by a technology engagement plan covering detailed steps across various aspects of each program. We helped clients with their BCP, anticipating challenges in their business while addressing them with technological solutions. Customers have appreciated the swiftness of our response, quality control, data protection and the level of support to ensure business continuity.

Parallelly, the safety of our people and their families is of paramount importance to us. We are in constant communication with our teams across the globe for any assistance that they might need. We also prioritized the wellness of our associates for which various sessions such as consultation through doctors and psychologists, yoga trainer, talk with leading nutritionist etc. were conducted.

We are equipped to support the communities we serve and the ones our people inhabit. It is our commitment to help citizens live and work sustainably and confidently in an ever-changing digital landscape.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Enterprise Risk Management Policy

A policy to identify, assess, monitor and mitigate various risks to key business objectives of the Company is in place. A detailed information on Enterprise Risk Management is included in this Annual Report.

Annual Return

The Annual Return of the Company for the financial year 2019-20 in Form MGT-7 has been uploaded on website of the Company i.e. www.kpit.com.

Responsibility Statement of the Board of Directors

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that:

i) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended March 31, 2021;

iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual financial statements have been prepared on a going concern basis;

v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CEO & CFO Certification

Certificate by Mr. Kishor Patil, CEO & Managing Director and Ms. Priyamvada Hardikar, Chief Financial Officer, pursuant to the provisions of regulation 17(8) of the SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on April 28, 2021.

A copy of such certificate forms a part of the Report on Corporate Governance.

Cost Records

The Company is not required to maintain cost records under the provisions of Section 148(1) of the Companies Act, 2013.

Directors & Officers Insurance Policy

The Company has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board.

Acknowledgments

We take this opportunity to thank all the shareholders of the Company for their continued support.

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

We further thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, the Software Development Centers (SDCs)/Special Economic Zones (SEZs) – Bengaluru, Pune and all other government agencies for their support and look forward for their continued support in future.

For and on behalf of the Board of Directors

Pune
July 23, 2021

S. B. (Ravi) Pandit
Chairman

Annexure 1

Form AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in million except exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11
Name of the subsidiary	KPIT (Shanghai) Software Technology Co. Limited, China	KPIT Technologies (UK) Limited (Refer note 'd' below)	KPIT Technologies Netherlands B.V.	KPIT Technologies GmbH, Germany (Refer note 'a' below)	MicroFuzzy Industrie-Elektronic GmbH, Germany (Refer note 'c' below)	KPIT Technologias Ltda, Brazil (Refer note 'b' below)	KPIT Technologies GK (Refer note 'e' below)	KPIT Technologies Inc. (Refer note 'f' below)	KPIT Technologies Holding Inc.	ThaiGerTec Co. Ltd. (Refer note 'g' below)	KPIT Technologies Pte. Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency	CNY	GBP	EUR	EUR	EUR	BRL	JPY	USD	USD	THB	SGD
Exchange rate as on the last date of the relevant financial year	11.1546	100.9509	86.0990	86.0990	86.0990	12.9630	0.6636	73.5047	73.5047	2.3408	54.3459
Average exchange rate	10.9240	97.3435	86.7660	86.7660	86.7660	13.5871	0.7000	74.0639	74.0639	2.3810	54.2586
Share capital	157.24	1,513.32	43.05	1,242.41	2.24	0.01	18.18	367.52	1,249.58	37.45	36.53
Reserves & surplus	5.39	798.96	172.82	(340.50)	534.07	15.66	237.15	1,046.99	(1.20)	23.35	2.54
Total assets (excluding 9 below)	319.69	2,710.15	385.12	4,178.07	2,664.17	25.92	1,189.98	3,479.61	1,248.38	106.42	42.53
Total liabilities (excluding 5 & 6 above)	157.06	397.88	169.26	3,276.16	2,128.29	10.25	934.65	2,065.10	-	45.62	3.45
Investments (except in case of investment in subsidiaries)	-	-	-	-	0.43	-	-	-	-	-	-
Turnover	413.51	1,283.03	454.16	4,203.01	3,532.57	80.23	1,957.14	8,443.57	-	160.38	64.61
Profit / (Loss) before taxation	31.96	2.63	66.57	(27.44)	216.94	7.93	83.48	401.22	(1.07)	(20.18)	20.73
Provision for taxation	(1.34)	(0.26)	(15.09)	(81.04)	(17.20)	(1.32)	(27.79)	(101.27)	-	-	(1.64)
Profit / (Loss) after taxation	30.62	2.37	51.48	(108.48)	199.74	6.61	55.69	299.95	(1.07)	(20.18)	19.09
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	95%	100%	100%	100%	100%	98.37%	100%

Notes :

a. 100% owned by KPIT Technologies (UK) Limited

b. 99.9% owned by KPIT Technologies Limited, India (erstwhile KPIT Engineering Limited) and 0.1% owned by KPIT Technologies Holding Inc., USA

c. 95% owned by KPIT Technologies GmbH, Germany

d. Includes branch KPIT Technologies (UK) Limited Filial and KPIT Technologies (UK) Limited Italy Branch.

e. Includes branch KPIT Technologies GK, Korea

f. 100% owned by KPIT Technologies Holding Inc., USA

g. 98.31% owned by KPIT Technologies (UK) Limited and 0.06% owned by KPIT Technologies Limited

Pune

July 23, 2021

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Yantra Digital Services Private Limited
1	**Latest audited Balance Sheet date**	31/03/2021
2	**Shares of Associate / Joint Ventures held by the company on the year end**	Nil
	No.	
	Amount of investment in Associates / Joint Venture	
	Extend of holding (%)	
3	**Description of how there is significant influence**	As per IND AS 28 para 5, if an entity holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g. through subsidiaries), less then 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. Significant influence is established as KPIT Technologies Limited ("KPIT") holds 45% share in Yantra Digital Services Private Limited. (On approving the scheme of merger of Impact Automotive Solutions Limited, a wholly owned subsidiary, with KPIT and issuing a certified copy of the Merger order on June 15, 2021 by Hon'ble NCLT. The said order has become effective from June 22, 2021 upon filing of it with the Registrar of Companies.)
4	**Reason why the associate / joint venture is not consolidated**	We follow equity method of accounting as per IND AS, hence, only share of profit or loss is considered.
5	**Net worth attributable to shareholding as per latest audited Balance Sheet**	N.A.
6	**Profit / (Loss) for the year**	₹ 33.71 million
i	Considered in consolidation	Nil
ii	Not considered in consolidation	₹ 33.71 million

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Annexure 2

Form No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis: -

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid/ received as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
1. **KPIT Technologies GK, Japan** [Wholly Owned Subsidiary of **KPIT Technologies Limited (KPIT India)**]	Contract for providing offshore software development and consultancy services to **KPIT Japan**	Contract shall be effective from **April 01, 2019** and shall be valid until terminated, as per the provisions of this agreement.	**KPIT India** will carry out the software development, services, consultancy work and engineering designing activities as per the requirements of **KPIT Japan;** **KPIT Japan** will pay to **KPIT India** a specified percentage of the offshore revenue as prescribed in intercompany service agreement from time to time.	Not required. Approval of Board was not required as the Contract entered into was in ordinary course of business and at arm's length basis.	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid/ received as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
2. **KPIT Technologies Inc., USA** [Subsidiary of **KPIT Technologies Holding Inc.,** USA, which is a wholly Owned Subsidiary of **KPIT Technologies Limited (KPIT India)]**	Contract for providing offshore software development and consultancy services to **KPIT USA**	Contract shall be effective from **April 01, 2019** and shall be valid until terminated, as per the provisions of this agreement.	**KPIT India** will carry out the software development, services, consultancy work and engineering designing activities as per the requirements of **KPIT USA;** **KPIT USA** will pay to **KPIT India** a specified percentage of the offshore revenue as prescribed in intercompany service agreement from time to time.	Not required. Approval of Board was not required as the Contract entered into was in ordinary course of business and at arm's length basis.	NIL

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Annexure 3

a) Statement of employees covered under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Employee Name	Age (Yrs.)	Designation	Qualification	Exp. (Yrs.)	Date of joining	Remuneration received (₹ in million)	Particulars of previous employment
Part A: Particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than Rs.1,02,00,000/- p.a. in aggregate.							
Employee Name	**Age (Yrs.)**	**Designation**	**Qualification**	**Exp. (Yrs.)**	**Date of joining**	**Remuneration received (₹ in million)**	**Particulars of previous employment**
Kishor Patil	59	CEO & Managing Director	Chartered Accountant	37	08-Jan-18*	21.67	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Sachin Tikekar	53	Whole-time Director	MBA (Strategic Management & International Finance)	27	08-Jan-18*	21.17	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Part B: Particulars of employees who were in employment for part of the financial year and are in receipt of remuneration of not less than ₹ 8,50,000/- p.m.							
Vinit Teredesai	50	Chief Financial Officer	CA, CWA, CPA (USA)	25	01-Jan-19**	2.78	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Sumedha Nashikkar	58	Vice President	M.E. (Electronics & Telecommunication)	36	01-Jan-19**	2.53	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Srinivasa Rao Patnala	54	Vice President - Global Business Leader	MTech. (Mechanical)	30	01-Jan-19**	2.30	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Nitin Bansal	38	Head-Sales	MBA (International business)	14	01-Jan-19**	1.24	KPIT Technologies Limited (renamed as Birlasoft Limited)**

Notes:

Remuneration comprises basic salary, allowances and taxable value of perquisites.

Remuneration does not include Company's contribution to provident fund and actuarial valuation of gratuity.

Employees mentioned above are neither relatives of any director of the Company nor hold two percent or more of the paid up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The nature of employment is contractual in all the above cases.

* Mr. Kishor Patil and Mr. Sachin Tikekar have been appointed as the directors of the Company since the date of incorporation.

** As a result of demerger, the employees have been transferred from KPIT Technologies Limited (renamed as Birlasoft Limited) to the Company with effect from the appointed date as per the Composite Scheme i.e. January 1, 2019.

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Top ten employees in terms of remuneration drawn during the year

Employee Name	Age (Yrs.)	Designation	Qualification	Exp. (Yrs)	Date of Joining	Remuneration received (₹) in million	Particulars of previous Employment
Kishor Patil	59	CEO & Managing Director	Chartered Accountant	37	08-Jan-18*	21.67	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Sachin Tikekar	53	Whole-Time Director	MBA (Strategic Management & International Finance)	27	08-Jan-18*	21.17	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Anup Sable	52	EVP & CTO	B.E. (Mechanical)	33	01-Jan-19**	9.25	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Rajesh Janwadkar	52	Executive Vice President	B.E. (Civil)	32	01-Jan-19**	8.01	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Pushpahas Joshi	46	Executive Vice President	B.E. (Mining)	27	01-Jan-19**	7.62	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Vimit Kapur	44	Director IT	MBA (Marketing & Systems)	22	02-Mar-2020	7.24	Vodafone India Limited
Priyamvada Hardikar	49	Sr. VP & Head - Corporate Finance & Governance	ICWA	28	01-Jan-19**	6.89	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Suneel Pandita	55	Vice President	Doctorate in materials science	23	27-Jun-2019	6.46	Boeing International
Nishant Tholiya	45	Vice President - Business Leader	B.E. (Electronics & Telecommunication)	26	01-Jan-19**	6.45	KPIT Technologies Limited (renamed as Birlasoft Limited)**
Manaswini Rath	47	Practice Head	M. S. (Industrial Electronics)	27	01-Jan-19**	6.42	KPIT Technologies Limited (renamed as Birlasoft Limited)**

* Mr. Kishor Patil and Mr. Sachin Tikekar have been appointed as the directors of the Company since the date of incorporation.

** As a result of demerger, the employees have been transferred from KPIT Technologies Limited (renamed as Birlasoft Limited) to the Company with effect from the appointed date as per the Composite Scheme i.e. January 1, 2019.

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Annexure 3(b)

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Disclosure</th></tr>
<tr><td>i.</td><td>The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year</td><td>
<table>
<tr><th>Names</th><th>Ratio</th></tr>
<tr><td>Mr. S. B. (Ravi) Pandit</td><td>4.75</td></tr>
<tr><td>Mr. Kishor Patil#</td><td>37.48</td></tr>
<tr><td>Mr. Sachin Tikekar#</td><td>35.36</td></tr>
<tr><td>Prof. Alberto Sangiovanni Vincentelli</td><td>2.66</td></tr>
<tr><td>Mr. B V R Subbu</td><td>2.93</td></tr>
<tr><td>Mr. Anant Talaulicar</td><td>3.33</td></tr>
<tr><td>Mr. Nickhil Jakatdar</td><td>1.73</td></tr>
<tr><td>Ms. Shubhalakshmi Panse</td><td>2.31</td></tr>
<tr><td>Mr. Rafi Maor*</td><td>Not Applicable</td></tr>
</table>
#Remuneration does not include amount of Provident Fund. The Company decides the remuneration of its Managerial Personnel on the basis of Cost to Company (CTC), whereas, under the provisions of the Act, the managerial remuneration is calculated as per Income Tax Act, 1961. The reported figures looks higher or lower depending on the components of the CTC.

*Not applicable as figures for 2020-21 are for the part of the year.
</td></tr>
<tr><td>ii.</td><td>The percentage increase in remuneration of each Director, CFO, CS in the financial year</td><td>
<table>
<tr><th>Names</th><th>Percentage$</th></tr>
<tr><td>Mr. S. B. (Ravi) Pandit</td><td>(90.62)</td></tr>
<tr><td>Mr. Kishor Patil#</td><td>(15.91)</td></tr>
<tr><td>Mr. Sachin Tikekar#</td><td>(12.36)</td></tr>
<tr><td>Prof. Alberto Sangiovanni Vincentelli</td><td>(12.70)</td></tr>
<tr><td>Mr. B V R Subbu</td><td>(17.61)</td></tr>
<tr><td>Mr. Anant Talaulicar</td><td>(18.15)</td></tr>
<tr><td>Mr. Nickhil Jakatdar</td><td>(14.29)</td></tr>
<tr><td>Ms. Shubhalakshmi Panse</td><td>(18.14)</td></tr>
<tr><td>Mr. Rafi Maor*</td><td>Not Applicable</td></tr>
<tr><td>Mr. Vinit Teredesai*</td><td>Not Applicable</td></tr>
<tr><td>Ms. Priyamvada Hardikar*</td><td>Not Applicable</td></tr>
<tr><td>Ms. Nida Deshpande</td><td>(10.77)</td></tr>
</table>
#The Company decides the remuneration of its Managerial Personnel on the basis of CTC, whereas, under the provisions of the Act, the managerial remuneration is calculated as per Income Tax Act, 1961. Actual remuneration includes VPI paid for H2 of previous year and H1 of current year.

*Not Applicable as figures for 2020-21 are for the part of the year.

$Due to global economic condition of COVID-19 pandemic on the Company, there is reduction in the compensation made to Directors & KMP during the year as compared to previous financial year. Therefore, the percentage mentioned are in negative figures.
</td></tr>
</table>

Sr. No.	Particulars	Disclosure
iii.	The increase in the median remuneration of employees in the financial year	8%
iv.	The number of permanent employees on the rolls of the Company	5,034 employees as on March 31, 2021.
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase in salaries of employees other than Managerial Personnel is (7)% Average increase in the remuneration of Directors and Key Managerial Personnel is (40.05)%
vi.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.	

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Annexure 4

A. Summary of Status of ESOPs Granted

The position of the existing scheme is summarized as under -

I. Details of the ESOP/ESOS/ESPS

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
1	Date of Shareholder's Approval	29-Aug-18	23-Jul-19	23-Jul-19
2	Total Number of Options approved	1,807,450	3,793,923	40,000
3	Vesting Requirements	Pursuant to the Scheme of Arrangement and the Applicable Law, Company has taken into account the Vesting Period completed under the KPIT ESOPs prior to the Grant of Options to the Employee under the ESOP 2019.	The Options would vest not earlier than statutory minimum Vesting Period of 1 (One) year and up to the maximum period of 4 (Four) years from the date of Grant of Options or such period as may be decided by the Committee at the time of each Grant of Options.	Not Applicable to the scheme as there are no Options granted or vested under the Scheme.
4	The Pricing Formula	The Exercise Price per Option shall be determined by the Committee which shall not be lesser than the face value of the Share as on date of Grant of such Option. The specific Exercise Price shall be intimated to the Option Grantee in the letter of Grant at the time of Grant.	Exercise price per Option shall be determined by the Committee which shall not be lesser than the face value of the share (₹ 10/-) as on date of Grant of Option.	The Offer Price per Share shall be such price being not less than the face value of a Share of the Company at the time of the Offer.
5	Maximum term of Options granted (years)	Pursuant to the Scheme of Arrangement and the Applicable Law, Company has taken into account the Vesting Period completed under the KPIT ESOPs prior to the Grant of Options to the Employee under the ESOP 2019.	The Exercise Period in respect of an Option shall be subject to a maximum period of 5 (Five) years from the date of Vesting of such Option.	Not applicable to the Scheme.
6	Method of Settlement	Settlement by issue of Equity shares		Not applicable to the Scheme.

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
7	Source of shares	These schemes use shares issued by Company vide order passed on November 29, 2018 by Mumbai Bench of Hon'ble National Company Law Tribunal (NCLT) for the Composite Scheme of Arrangement amongst Birlasoft (India) Limited ("Transferor Company") and KPIT Technologies Limited ("Transferee Company") and KPIT Engineering Limited ("Company or Resulting Company") and their respective shareholders .		
8	Variation in terms of the Scheme	NIL	On June 30, 2020, the shareholders approved the amended ESOS 2019A Scheme with the variation of the exercise price per option from 'market price per share as on date of grant' to 'not less than face value of the shares as on date of grant of option as determined by the Nomination & Remuneration (HR) Committee of the Board of Directors of the Company'.	NIL

II. Option Movement during the year ended March 2021

Sr. No	Particulars	ESOP 2019 Scheme		ESOS 2019A Scheme		ESPS 2019 Scheme	
		No. of Options	Wt. Avg Exercise Price	No. of Options	Wt. Avg Exercise Price	No. of shares	Wt. Avg Exercise Price
1	No. of Options/ shares Outstanding at the beginning of the year	1,321,455**	44.53	3,255,000	85.05	24,050***	10.00
2	Options Granted during the year	0	0.00	3,757,500	10.00	0	NA
3	No. of additional shares offered during the year	0	0	0	0	3,505	10.00
4	Options/ shares Forfeited / Surrendered during the year	25,750	44.96	3,305,500	83.90	0	NA
5	Options/ shares Lapsed during the year	99,100	40.90	0	NA	2,475	10.00
6	Options/ shares Exercised during the year	158,700	40.92	0	NA	5,125	10.00
7	Total number of shares arising as a result of exercise of options	158,700	NA	0	NA	5,125	10.00
8	Money realised by exercise of options (Rs.)	6,493,462	NA	0	NA	51,250	NA
9	Number of options/ shares Outstanding at the end of the year	1,037,905	45.41	3,707,000	10.00	19,955	10.00
10	Number of Options/ shares exercisable at the end of the year	1,023,905	45.42	0	NA	0	NA

**A total of 1,807,450 options were issued under ESOS 2019 scheme which was introduced with a view to give fair and reasonable adjustments to the respective employees of the Demerged Company (erstwhile KPIT Technologies Limited renamed as Birlasoft Limited) and the Company (KPIT Engineering Limited renamed as KPIT Technologies Limited) pursuant to Composite Scheme of Arrangement between the Demerged Company and the Company. These grants were duly intimated to stock exchanges as per SEBI (LODR) Regulations, 2015.

***Excluding 6,930 shares which have been allocated/ offered to eligible employees who have left the company before exercising the said offer.

III. Weighted Average Remaining Contractual Life

Range of Exercise Price	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
	Weighted Avg Contractual Life (in Years) as on 31st March 2021		
0 to 50	1.54	6.44	0.00
No. of Options Outstanding	987,905	3,707,000	0.00
50 to 100	3.47	0.00	NA
No. of Options Outstanding	50,000	0.00	NIL
100 to 150	NA	NA	NA
No. of Options Outstanding	NIL	NIL	NIL
150 to 200	NA	NA	NA
No. of Options Outstanding	NIL	NIL	NIL

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
IV.	**Weighted Average Fair Value of Options granted during the year ended March 2021 whose**			
(a)	Exercise price equals market price	No Options Granted during FY 2020-21	NA	No Options Granted during FY 2020-21
(b)	Exercise price is greater than market price		NA	
(c)	Exercise price is less than market price		57.18	

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
V.	The weighted average market price of options exercised during the year ended March 2021	103.59	NIL	NIL

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
VI.	**Employee-wise details of options granted during the financial year 2020-21**			
(i)	**Senior Managerial Personnel**			
	Name of the Employee	**No. of Options Granted**	**No. of Options Granted**	**No. of Options Granted**
1.	Priya P Bal	No Options Granted during FY 2020-21	25,000	NA
2.	Satish Kumar		25,000	
3.	Hemant Gandhi		3,500	
4.	Chandrashekhar Sonsale		15,000	
5.	Omkar Panse		25,000	
6.	Abhijeet Tembe		36,000	
7.	Nishant Tholiya		46,000	
8.	Rajeev Kulkarni		25,000	
9.	Pushpahas Joshi		56,000	
10.	Rohan Sohoni		46,000	
11.	Rajesh Janwadkar		70,000	
12.	Suresh Umakanthaiah		22,500	
13.	Priyamvada Hardikar		46,000	
14.	Mohit Kochar		25,000	
15.	Manaswini Rath		46,000	
16.	Dhruba Sarma		22,500	
17.	Marcus Hoetger		22,500	
18.	Rajeeb Nath		56,000	

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
VI.	**Employee-wise details of options granted during the financial year 2020-21**			
(i)	**Senior Managerial Personnel**			
	Name of the Employee	**No. of Options Granted**	**No. of Options Granted**	**No. of Options Granted**
19.	Rajesh Singh	No Options Granted during FY 2020-21	25,000	NA
20.	Srini Rao M		25,000	
21.	Anup Sable		70,000	
22.	Pankaj Sathe		56,000	
23.	Divyesh Desai		15,000	
24.	Suneel Pandita		25,000	
25.	Jens Tillner		36,000	
(ii)	**Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year**			

Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
	No. of Options Granted	**No. of Options Granted**	**No. of Options Granted**
Name of the Employee	None of the employees were granted more than 5% or more of the options granted during the year**		NA

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant

Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
	No. of Options Granted	**No. of Options Granted**	**No. of Options Granted**
Name of the Employee	None of the employees were granted more than 1% or more of the options granted during the year**		NA

Sr. No.	Particulars	ESOP 2019 Scheme	ESOS 2019A Scheme	ESPS 2019 Scheme
VII.	**Method and Assumptions used to estimate the fair value of options granted during the year ended March 2021** The fair value has been calculated using the Black Scholes Option Pricing model. The Assumptions used in the model are as follows:			
	Variables	**Weighted Avg below**	**Weighted Avg below**	**Weighted Avg below**
1.	Risk Free Interest Rate %	No Options Granted during FY 2020-21	5	NA
2.	Expected Life (in years)		3.76	NA
3.	Expected Volatility %		49.79	NA
4.	Dividend Yield %		0.00	NA
5.	Exercise Price		10.00	NA
6.	Price of the underlying share in market at the time of the option grant. (₹)		65.40	NA

Assumptions

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicy available information.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VIII. Effect of share-based payment transactions on the entity's Profit or Loss for the period:

Sr. No.	Particulars	31-Mar-21
1	Employee Option Plan Expense	103,598,940
2	Total Liability at the end of the period	142,888,994

IX. Details related to Trust

Pursuant to Composite Scheme of Arrangement amongst Birlasoft (India) Limited ("Transferor Company") and KPIT Technologies Limited ("Transferee Company") (renamed as Birlasoft Limited) and KPIT Engineering Limited ("Resulting Company/the Company") (renamed as KPIT Technologies Limited) and their respective shareholders, KPIT Technologies Employees Welfare Trust has been transferred to the Company."

The details in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are :

i) General Information of the Scheme

<table>
<tr><th>Particulars</th><th colspan="5">Details</th></tr>
<tr><td>Name of the Trust</td><td colspan="5">KPIT Technologies Employees Welfare Trust</td></tr>
<tr><td rowspan="4">Details of the Trustee(s)</td><td>Sr. No.</td><td>Name</td><td>Address</td><td>Occupation</td><td>Nationality</td></tr>
<tr><td>1</td><td>Mr. Shriharsh Ghate</td><td>68 Shailesh Society, Ganesh Nagar, Pune - 411052</td><td>Service</td><td>Indian</td></tr>
<tr><td>2</td><td>Mr. Sudheer Tilloo</td><td>Amit Blossom, 12th Lane, Prabhat Road, Pune - 411004</td><td>Service</td><td>Indian</td></tr>
<tr><td>3</td><td>Mr. Suhas Deshpande</td><td>101, Bhosale Saptasur Apts, Plot N-61/62, Bhosale Nagar, Pune - 411007</td><td>Service</td><td>Indian</td></tr>
<tr><td>Amount of loan disbursed by company / any company in the group, during the year</td><td colspan="5">NIL</td></tr>
<tr><td>Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year</td><td colspan="5">NIL</td></tr>
<tr><td>Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee</td><td colspan="5">NIL</td></tr>
<tr><td>Any other contribution made to the trust during the year</td><td colspan="5">NIL</td></tr>
</table>

ii) Brief details of transactions in shares by the Trust

Particulars	Details	
Number of shares held at the beginning of the year	5,264,073	
Number of shares acquired during the year through		
primary issuance	NIL	
secondary acquisition	NIL	
percentage of paid up equity capital as at the end of the previous financial year	NIL	
Number of shares transferred to the employees / sold along with the purpose thereof	**Number of shares transferred to the employees / sold during the year**	**purpose for transfer of shares to the employees / sold during the year**
	163,825	KPIT Technologies Employees Welfare Trust ("Trust"), is a trust formed for employee welfare activities, which includes, administration of our Company's Employee Stock Option Plan ("ESOP") Schemes. As part of its operations, the Trust is allotted shares by the Company and the Trust, in turn, transfer to the employees and sells such shares in the course of administration of the ESOP schemes. The holding of shares and the sale/ transfer of shares by the Trust, is done on behalf of the employees.
Number of shares held at the end of the year	5,100,248	

iii) In case of secondary acquisition of shares by the Trust

Particulars	Number of shares	As a percentage of paid-up equity capital at the end of the year immediately preceding the year in which shareholders' approval was obtained.
Held at the beginning of the year	3,773,694	1.37
Acquired during the year	NIL	0.00
Sold during the year	NIL	0.00
Transferred to the employees during the year	163,825	0.06
Held at the end of the year*	3,609,869	1.32

*All these secondary shares are backed by outstanding options (grants).

For and on behalf of the Board of Directors

Pune
July 23, 2021

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

Annexure 5

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company.

Corporate Social Responsibility (CSR) has been an intrinsic part of KPIT's philosophy since its inception. Being a socially responsible business organization, we continue to push the bar higher through technology and innovation driven CSR activities. We believe that it is our moral responsibility to give back to the community, which in so many ways has contributed to our success and helped our business grow.

KPIT's Corporate Social Responsibility ("CSR") policy is aligned to have a stronger commitment towards the community. We demonstrate this commitment across all the regions of KPIT's global presence. The policy aims to create long-lasting impact across the focus areas of education, environment and employee engagement. We firmly believe, through technology and innovation, KPIT can add significant values to the communities worldwide.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anant Talaulicar	Chairman	2	2
2	Mr. S. B. (Ravi) Pandit	Member	2	2
3	Mr. Sachin Tikekar	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :
https://d1rz4ui464s6g7.cloudfront.net/wp-content/uploads/2021/07/06173419/CSR-Policy-KPIT.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5): ₹ 931,250,000

(The Hon'ble NCLT issued certified copy of the Merger order on June 15, 2021 approving merger of Impact Automotive Solutions Limited, a wholly owned subsidiary of the Company with the Company, with the appointed date April 1, 2019. The Company thereafter, has filed said certified copy of the merger order with the Registrar of Companies on June 22, 2021 upon which the said order has become effective. As the said order has been received after the end of financial year 2020-21, relevant change in the net profit on account of merger is not considered while calculating the "average net profit" for CSR purpose.)

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 18,630,000

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 18,630,000

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 15,320,475	₹ 3,309,525	27-04-2021	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Environmental Sustainability	IV	Yes	Maharashtra	Pune	3 years	3,309,525	0	3,309,525	No	NA	NA
Total								**0**	**3,309,525**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Water Conservation Program	IV	Yes	Maharashtra	Pune	1,000,000	No	In Association with Jnana Prabodhini	CSR00002565
2	Conservation of Private Forests in Koyna-Chandoli Corridor	IV	Yes	Maharashtra	Pune	500,000	No	In Association with Wildlife Research & Conservation Society	CSR00004158
3	Chhote Scientists	II	Yes	Maharashtra Karnataka	Pune Bengaluru	2,109,000	No	In Association with Jnana Prabodhini & Youth For Seva	CSR00002565 & CSR00000368
4	KPIT Sparkle	II	Yes	PAN India		4,778,542	Yes	-	-
5	Lila Poonawalla girls Education program	II	Yes	Maharashtra	Pune	900,000	No	In Association with Lila Poonawalla foundation	CSR00000090
6	Teaching Classes at Thayimane, Bengaluru	II	Yes	Karnataka	Bengaluru	200,000	No	In Association with Shri Vidya Vikas Kendra	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
7	Donation to Maharashtra State Lawn Tennis Association (MSLTA)	VII	Yes	Maharashtra	Pune	2,500,000	No	In Association with MSLTA	-
8	Economic Empowerment of Women through skill training	III	Yes	Maharashtra	Pune	525,000	No	In Association with Maharshi Karve Stri Shikshan Sanstha	CSR00003823
9	Economic Empowerment of Women through skill training	III	Yes	Karnataka	Mysore	626,188	No	In Association with Swami Vivekanand Youth Mission	CSR00002215
10	COVID Care Center	I	Yes	Maharashtra	Pune	1,282,500	No	In Association with Sevavardhini	CSR00000860
11	KPIT Ventilator	I	Yes	Maharashtra	Pune	133,221	No	In Association with eAdicct	-
	TOTAL					**14,554,451**			

Details of CSR spent during the financial year are included in Notes to Accounts in Standalone Financial Statements (Refer note 44) The total spent referred in the annexure below is direct spend off ₹ 15,320,475/- towards CSR activities and the Company has also spent employee participation cost ₹ 5,477,120/- over and above to its direct spent.

(d) Amount spent in Administrative Overheads: ₹ 766,024

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 15,320,475

(g) Excess amount for set off, if any: Not Applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
Not Applicable								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

(a) Date of creation or acquisition of the capital asset(s) : Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Unspent amount is ₹ 3,309,525

- Project Name: Environmental Sustainability.
- During the financial year 2020-21, the Company identified and initiated project amounting to ₹ 7,000,000 which had spilled over the next year because of the COVID-19 pandemic situation. We anticipate that these projects will be fully executed by December 2021.

For and on behalf of the Board of Directors

Kishor Patil
CEO & Managing Director

Anant Talaulicar
Chairman of CSR Committee

Pune
July 23, 2021

Annexure 6

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
KPIT Technologies Limited,
Plot No. 17, Rajiv Gandhi Infotech Park, MIDC- SEZ
Phase III, Maan Taluka- Mulshi, Hinjawadi, Pune-411057

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KPIT Technologies Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31 March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**.

(vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Information Technology Act, 2000.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 28 April 2021
UDIN: F001370C000201526
Peer Review Certificate No.: 463/2016

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To:
The Members,
KPIT Technologies Limited,
Plot No. 17, Rajiv Gandhi Infotech Park, MIDC- SEZ
Phase III, Maan Taluka- Mulshi, Hinjawadi, Pune-411057

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 28 April 2021
UDIN: F001370C000201526
Peer Review Certificate No.: 463/2016

Report on Corporate Governance

Corporate Governance Philosophy:

Corporate Governance entails managing business in a manner that is accountable and responsible to the shareholders. In a wider interpretation, corporate governance includes Company's accountability to shareholders and other stakeholders such as employees, suppliers, customers and local community. Corporate governance implies an accurate, adequate and timely disclosure of relevant information. Efficient, transparent and impeccable corporate governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such corporate governance has now become more intensified, owing to ever-growing competition and rivalry in the businesses of almost all economic sectors, both at the national and international levels.

Corporate Governance is basically an approach of managing efficiently and prudently all the activities of a Company, in order to make the business stable and secure, growth-oriented, maximally profitable to its shareholders and highly reputed and reliable among all customers and clients. The Company is directed and controlled in a way in order to achieve the goals and objectives to add value to the Company and also benefit the stakeholders in the long term. The Board Structure and Top Management are directly and exclusively responsible for such governance. For these purposes, the top management must have flawless and effective control over all affairs of the organization, regular monitoring of all business activities and transactions, proper care and concern for the interest and benefit of the shareholders and strict compliances to regulatory and governmental regulations. Thus, corporate governance is strict and efficient application of all best management practices and corporate & legal compliances, amid the contemporary and continually changing business scenarios.

We believe practicing corporate governance to ensure transparency in our corporate affairs and are committed to continuously scale up the corporate governance standards.

Our corporate governance framework has been built on a value system which has evolved over a period of time. This value system has been abbreviated as CRICKET, which illustrates the Company's attributes as follows:

- Customer Focus
- Respect for Individual
- Integrity
- Community Initiative
- Knowledge Worship
- Entrepreneurship and Innovation
- Teamwork and boundarylessness

Our philosophy is aimed at conducting business ethically, efficiently and in a transparent manner; fulfilling its corporate responsibility to various stakeholders and retaining and enhancing investor trust and is based on the following principles:

1. Compliance with the relevant provisions of securities laws and conformity with globally accepted practices of corporate governance, secretarial standards prescribed by the Institute of Company Secretaries of India and laws of India in true spirit;
2. Integrity in financial reporting and timeliness of disclosures;
3. Transparency in the functioning and practices of the Board;
4. Balance between economic and social goals;
5. Equitable treatment and rights of shareholders;
6. Maintenance of ethical culture within and outside the organization;
7. Establishing better enterprise risk management framework and risk mitigation measures and
8. Maintaining independence of auditors.

We seek to protect the shareholders' rights by providing timely and sufficient information to the shareholders, allowing effective participation in key corporate decisions and by providing adequate mechanism to address the grievances of the shareholders. This ensures equitable treatment of all shareholders including minority and foreign shareholders. We ensure timely and accurate disclosure on significant matters including financial performance, ownership and governance of the Company. We implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into account the interest of the stakeholders and the annual audit is conducted by an independent and qualified auditor. Investor updates and earnings call transcript are uploaded on the Company's website on quarterly basis. Further, additional updates are provided to the stakeholders on any matter that concerns them, as and when the circumstances arise.

Our Board of Directors periodically reviews its corporate strategies, annual budgets and sets, implements and monitors corporate objectives. It effectively monitors the Company's governance practices and ensures transparent Board processes. Further, it appoints and compensates the key executives and also monitors their performance. It strives to maintain overall integrity of the accounting and financial reporting systems.

I. BOARD OF DIRECTORS

A. Size and composition of the Board

In order to maintain independence of the Board, we have a judicious mix of Executive, Non-Executive and Independent Directors on the Board which is essential to separate the two main Board functions viz. governance and management. Out of the total strength of eight Directors as on March 31, 2021, one is Non-Executive Chairman, two are Executive Directors and five are Independent Directors. The Board members have diverse background and possess rich experience and expertise in various industries such as automotive, energy & utilities, manufacturing, electronics, finance and research. The Board periodically evaluates the need for increasing or decreasing its size. The composition of the Board and the number of directorships held by each Director both in the Company as well as outside the Company is detailed in Table 1.

Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2021

Sr. No.	Name of Director	Category of Directorship at KPIT	Relationship with the Directors	No. of Director ships held in Public Companies*	No. of Committee Membership in Companies@	No. of Chairmanship in Committees@	Names of the listed entities where the person is a director and the category of directorship	
							Name of listed entity	Category of directorship
1	Mr. S. B. (Ravi) Pandit, Chairman	Non-executive	None	4	1	Nil	Thermax Limited	Independent Director
2	Mr. Kishor Patil, CEO & Managing Director	Executive	None	3	1	Nil	Nil	Nil
3	Mr. Sachin Tikekar, Whole-time Director	Executive	None	1	1	Nil	Nil	Nil
4	Mr. Anant Talaulicar	Independent	None	8	4	Nil	1) The Hi-Tech Gears Limited 2) Force Motors Limited 3) Birlasoft Limited 4) Everest Industries Limited 5) India Nippon Electricals Limited	Non-Executive Director Independent Director Independent Director Independent Director Independent Director
5	Mr. B V R Subbu	Independent	None	4	1	1	Greaves Cotton Limited	Independent Director
6	Prof. Alberto Sangiovanni Vincentelli	Independent	None	1	Nil	Nil	Nil	Nil

Sr. No.	Name of Director	Category of Directorship at KPIT	Relationship with the Directors	No. of Director ships held in Public Companies*	No. of Committee Membership in Companies@	No. of Chairmanship in Committees@	Names of the listed entities where the person is a director and the category of directorship	
							Name of listed entity	Category of directorship
7	Dr. Nickhil Jakatdar	Independent	None	1	Nil	Nil	Nil	Nil
8	Ms. Shubhalakshmi Panse#	Independent	None	4	2	2	1) Sudarshan Chemical Industries Limited 2) Can Fin Homes Limited 3) Atul Limited	Independent Director

* including directorship in KPIT Technologies Limited.

@ includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies including KPIT Technologies Limited.

Resigned with effect from June 17, 2021.

B. Core competencies of the Board of Directors as per the requirements given in Schedule C of Corporate Governance Report of the SEBI (LODR) Regulations, 2015:

The Board of Directors has identified skills/competencies/expertise such as Business Operations & Management, Technical expertise, Business operations at Global Level including Industry knowledge, Strategy and planning, Financial, Treasury Management and Taxation, Governance, Compliance and Risk Management in order to assist the management and provide them advice in the business operations, which are available with the current Board of Directors of the Company. The list of expertise/core skills/competencies identified by the Board of Directors is detailed in Table 2.

Table 2: Expertise/core skills/competencies identified by the Board of Directors.

Sr. No.	Name of Director	Business Operations & Management	Technical expertise	Business operations at Global Level including industry knowledge	Strategy and planning	Financial, treasury management and taxation expertise	Governance, Compliance and Risk Management
1	Mr. S. B. (Ravi) Pandit	-	√	√	√	-	√
2	Mr. Kishor Patil	-	-	√	√	√	-
3	Mr. Sachin Tikekar	√	-	√	√	-	-
4	Mr. Anant Talaulicar	√	-	√	√	√	√
5	Mr. B V R Subbu	√	√	√	√	√	√
6	Prof. Alberto Sangiovanni Vincentelli	-	√	√	√	-	-
7	Dr. Nickhil Jakatdar	-	√	√	√	-	-
8	Ms. Shubhalakshmi Panse#	-	-	√	√	√	√

Resigned with effect from June 17, 2021.

C. Independent Directors:

1. Independent Director

All our Independent Directors fulfill the criteria of independence as prescribed under section 149 of the Companies Act, 2013 and also Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI (LODR) Regulations, 2015") as explained below. We confirm that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;

b. who is or was not a Promoter of the Company or its subsidiary or associate companies; (or member of the promoter group of the listed entity);

c. who is not related to Promoters or Directors in the Company or its subsidiary or associate companies;

d. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company or its subsidiary or associate companies, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

e. none of whose relatives has or had pecuniary relationship or transaction with the Company or its subsidiary or associate companies, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

f. who, neither himself nor whose relative(s)-

(i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its subsidiary or associate companies in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of–

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its subsidiary or associate companies; or

(B) any legal or a consulting firm that has or had any transaction with the Company or its subsidiary or associate companies amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, Directors or its subsidiary or associate companies or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or lessor or lessee of the Company;

g. who is not less than 21 years of age.

h. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

2. Limit on number of directorships

The number of companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015.

3. Maximum tenure of Independent Directors

None of the Independent Directors has exceeded the tenure prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015 and under Section 149 (10) of the Companies Act, 2013.

4. Formal letter of appointment to Independent Directors

The Company has issued formal appointment letters to the Independent Directors and brief terms & conditions of which have been placed on the Company's website.

5. Performance evaluation of Independent Directors

The Nomination and Remuneration (HR) Committee has laid down criteria for performance evaluation of Independent Directors, in its policy which are given below:

a) Attendance at Board meetings and Board Committee meetings;

b) Chairmanship of the Board and Board Committees;

c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;

d) Guidance and support provided to senior management of the Company outside the Board meetings;

e) Independence of behavior and judgment; and

f) Impact and influence.

As a part of the Annual Board Evaluation, detailed questionnaires were circulated to all the Directors. On the basis of responses received on these questionnaires, the Chairman of the Board and the Chairman of the Nomination and Remuneration (HR) Committee evaluated the Board's performance and that of its committees. The Board also conducted evaluation of independent directors which included performance of directors and fulfilment of criteria as specified in SEBI (LODR) (Amendment) Regulations, 2018, and their independence from the management, where the independent directors did not participate.

6. Separate meeting of the Independent Directors

During FY 2020-21, a separate meeting of the Independent Directors of the Company was held on February 19, 2021.

7. Familiarization Programme for Independent Directors

Our Directors, at the time of their appointment, are provided with information about the Company and its organization structure, business model, vision and values, latest published results and internal policies to enable them to familiarize themselves with the Company's procedures and practices. The new Directors are also invited for meetings of Board of Directors and Board Committees held before their appointment which helps them to familiarize themselves with the Company and its Board process. A familiarization programme was also conducted in the month of February, 2021. The details of such familiarization programs are uploaded on the website of the Company (https://www.kpit.com/investors/#policies-reports-filings).

Further, at every Board meeting, there are detailed business presentations made which are useful to the Directors in understanding the business. The presentations are made by the business leaders so that the Directors are able to connect with the leaders and ask them related questions.

D. Responsibilities of the Chairman and other Executive Directors

Mr. S. B. (Ravi) Pandit is the Chairman of the Board of Directors, Mr. Kishor Patil is the Chief Executive Officer (CEO) & Managing Director and Mr. Sachin Tikekar is a Whole-time Director of the Company. The authorities and responsibilities of each of the above Directors are clearly demarcated as under:

The Chairman as a founder of the Company, has steered the Company towards achieving leadership position in software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. He is a Promoter of the Company and also plays a strategic role in Community Initiatives and Corporate Governance. He also interacts with global thought leaders to enhance the Company's leadership position and with various institutions to highlight and take the benefits of the technology to every section of society.

The CEO & Managing Director is in-charge of the overall management of the Company. He is specifically responsible for all day-to-day operational issues like planning and executing business, reviewing and guiding the country offices, customer delivery units and support functions and ensuring efficient and effective functioning of the organization as a whole. He has a particular focus and vision for growing products and platforms. Currently, he is focusing on creation and management of new Product Business Units, executive sponsorship of critical GAMs, management of key external relationships in India & strategic infrastructure projects. He is also responsible for building strategic partnerships and integration of acquired entities.

The Whole-time Director works on providing leadership and guidance in many different areas of the Company. He is an executive sponsor responsible for driving sustainable business growth & lead initiatives to launch innovative products and platforms. In both roles, he is intrinsically involved in managing and growing strategic relationships with key customers and partners.

E. Membership Term

As per the current laws in India, Independent Directors can hold office for a term of up to five years which can be extended for another period of five years by the shareholders of the Company. Mr. Anant Talaulicar, Mr. BVR Subbu, Prof. Alberto Vincentelli, Dr. Nickhil Jakatdar and Ms. Shubhalakshmi Panse were appointed as Independent Director of the Company for a period of five years with effect from January 16, 2019 which was approved by the shareholders in Annual General Meeting held on August 28, 2019.

During the year under review, Mr. Rafi Maor resigned from the post of directorship of the Company with effect from June 9, 2020, due to his other business commitments and preoccupations.

The Executive Directors are appointed by the shareholders of the Company for a maximum period of five years at a time (subject to retirement by rotation as mentioned hereinabove) but are eligible for re-appointment upon completion of their respective term.

As for the Non-Independent Directors, at least two-third of them shall be liable to retire by rotation. One-third of such directors as are liable to retire by rotation shall retire every year and if qualified, shall be eligible for re-appointment. Mr. Sachin Tikekar, retires at the forthcoming Annual General Meeting and being eligible, seeks re-appointment as a Director.

A certificate has been received from Dr. K R Chandratre, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

F. Board & Committee Meeting Agenda and Minutes

The Company Secretary receives details on the matters which require the approval of the Board from various departments of the Company, well in advance, so that they can be included in the Board meeting agenda, if required. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. In compliance with the statutory requirements, the following items are discussed in the meetings:

- Minutes of the previous Board meeting and meetings of Board committees held in the previous calendar quarter;
- Noting of resolutions passed by circulation;
- Minutes of Board meetings of all subsidiaries held in the previous calendar quarter;
- Quarterly results of the Company and its operating divisions or business segments;
- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Presentation on the financial results, which generally includes the following:
    - ➢ Financials for the quarter and its analysis;
    - ➢ Cash profit generated during the quarter
    - ➢ Yearly financial plan vs. actual

- SBU (Strategic Business Unit) wise performance
- Profitability drivers
- Utilization of resources
- Peer group analysis and analyst coverage
- Mergers and acquisitions pursuits
- Investments in the Company
- Subsidiaries' financials and operations
- Statement on foreign exchange exposure and related mitigating activities;

- Presentations of Statutory Auditors' Audit and Limited Review Report;
- Related party transactions (including material transactions with subsidiaries);
- Corporate Governance compliances and statutory compliance certificate;
- Other statutory agenda including action tracker on implementation of decisions taken in previous Board meeting(s) and presentation by Internal Auditors;
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer (CFO) and the Company Secretary, if any;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods / services sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement and its compliance;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front;
- Sale of material, nature of investments, subsidiaries, assets, not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and any shareholders' service such as non-payment of dividend, delay in share transfer etc.

Every agenda and minutes of the meetings are prepared in compliance with the Companies Act, 2013 and the rules framed thereunder, in force from time to time and the Secretarial Standards issued by the Institute of Company Secretaries of India. The draft minutes of the proceedings of the meetings of the Board and Committee are circulated to all the Directors and Committee members.

G. Non-Executive Directors' shareholding

Mr. S. B. (Ravi) Pandit has been designated as a Chairman and Non-Executive Director of the Company with effect from March 29, 2020. None of the Non-executive Directors hold Equity Shares of the Company except Mr. S. B. (Ravi) Pandit who holds 9,89,306 equity shares in the Company as on March 31, 2021.

Details of compensation paid/payable to other Non-executive Directors are disclosed elsewhere in this Report.

H. Other provisions as to Board and Committees

1. Board meetings schedule:

As a good practice, the dates of the Board meetings in a financial year are decided before the start of the financial year and circulated to all the Board members. These dates are also given in the 'Additional Shareholder Information', which forms a part of this Annual Report. Generally, the Board meetings are held at the Registered Office of the Company located in Pune however, during the year under review, the meetings were held through Video Conferencing pursuant to amended Rule 4 of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 as amended vide MCA notifications dated March 19, 2020, June 23, 2020, September 28, 2020 and December 30, 2020 due to COVID-19 pandemic. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members in advance. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. In addition, the Board normally meets annually, for discussions on the annual operating plan.

During the year, four Board meetings were held on the following dates:

a) May 27, 2020;

b) August 3, 2020;

c) October 21, 2020;

d) January 28, 2021;

Table 3: Number of Board meetings and the attendance of Directors during FY 2020-21

Sr. No.	Name of the Director	No. of Board meetings held during the tenure of each Director	No. of Board meetings attended*	Attendance at the last AGM
1	Mr. S. B. (Ravi) Pandit, Chairman	4	4	Yes
2	Mr. Kishor Patil, CEO & Managing Director	4	4	Yes
3	Mr. Sachin Tikekar, Whole-time Director	4	4	Yes
4	Mr. Anant Talaulicar	4	4	Yes
5	Mr. B V R Subbu	4	4	Yes
6	Ms. Shubhalakshmi Panse#	4	4	Yes
7	Prof. Alberto Sangiovanni Vincentelli	4	4	Yes
8	Dr. Nickhil Jakatdar	4	4	Yes
9	Mr. Rafi Maor@	1	1	NA

* Attendance by videoconference.
@ Resigned with effect from June 9, 2020.
# Resigned with effect from June 17, 2021.

2. Membership of Board committees

None of the Directors of the Company hold membership of more than ten committees nor Chairmanship of more than five committees of boards of all the companies where he / she holds directorships. (Please refer Table 1).

3. Review of compliance reports

For monitoring and ensuring compliance with applicable laws by the Company and its subsidiaries located in and outside India and for establishing adequate management control over the compliances of all applicable acts, laws, rules, regulations and regulatory requirements, the Company has set-up a regulatory compliance process within the organization. The CFO and the Company Secretary of the Company presents a quarterly compliance certificate before the Board of Directors of the Company which reviews the same on a quarterly basis in its Board Meetings.

I. Code of Conduct

The Company has adopted a Code of Conduct for its Board members, senior management and all employees and this Code has been posted on the Company's website. All the Board members and senior management personnel affirm compliance with the Code on an annual basis. The declaration of the CEO & Managing Director to this effect is provided in this Report.

J. Vigil Mechanism and Whistle Blower Policy

In an effort to demonstrate the highest standards of transparency, the Company has adopted the 'Vigil Mechanism' and 'Whistle Blower Policy', which has established a mechanism for employees to express and report their concerns to the management in a fearless manner about unethical behavior, fraud, violation of the code of conduct or ethics. This mechanism also provides for adequate safeguards against victimization of employees who avail this mechanism and also provide direct access to the Chairman and members of the Audit Committee in exceptional cases. This policy has been uploaded on the website of the Company for effective circulation and implementation. The purpose of this policy is to establish procedures for the:

1. receipt, retention and treatment of complaints received by the Company regarding improper activities, financial or otherwise, in the Company and
2. submission by Whistle Blower on a confidential and / or anonymous basis, of concerns regarding improper activities.

The purpose of this policy is also to state clearly and unequivocally that the Company prohibits discrimination, harassment and / or retaliation against any Whistle Blower who:

1. raises concerns against improper activities or
2. provides information or otherwise assists in an investigation or proceeding regarding improper activities.

The Policy also aims to protect any Whistle Blower who legitimately and in good faith raises concerns or provides information against improper activities.

Everyone in the Company is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No employee or Director of the Company has the authority to engage in any conduct prohibited by this Policy.

II. COMMITTEES OF THE BOARD

During the year, the Board of Directors of the Company continue to have five Committees viz - Audit Committee, Nomination and Remuneration (HR) Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Enterprise Risk Management Committee. All of these Committees are chaired by Independent Directors. The Board is responsible for constituting, co-opting and fixing the terms of reference for the committees. Normally, the Audit Committee and Nomination and Remuneration (HR) Committee meet at least four times a year. Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Enterprise Risk Management Committee meet at least twice a year. Except where a statutory quorum has been prescribed, the quorum for committee meetings is either two members or one-third of the total strength of the committee, whichever is higher. Draft minutes of the committee meetings are circulated to the members of those committee for their comments and thereafter, confirmed in their next meeting. The Board of Directors also take note of the minutes of the committee meetings held in the previous calendar quarter, at its meetings.

A. Audit Committee

Composition

The Audit Committee consists of three Independent Directors. During the year under review, Chairperson of the Audit Committee was changed from Mr. Anant Talaulicar to Ms. Shubhalakshmi Panse. Mr. Anant Talaulicar & Mr. B V R Subbu are the other members of the Committee. All members of this Committee are financially literate. A brief profile of all the Committee members is provided in 'Additional Shareholders Information' section of this Annual Report. The Company Secretary is the Secretary to the Committee. The Statutory Auditors and the Internal Auditors also make their presentations at the Committee meetings.

Post resignation of Ms. Shubhalakshmi Panse, Mr. Anant Talaulicar has been elected as Chairman of the Audit Committee and Mr. S. B. (Ravi) Pandit has been inducted as member of the Committee with effect from June 21, 2021.

Role and objectives

The Company has duly defined the role and objectives of the Audit Committee. The role and objectives of the Audit Committee, as defined by the Board of Directors, inter alia include:

1. oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b) changes, if any, in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions;
    g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors;

18. to review the functioning of the whistle blower mechanism;

19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. carrying out any other function as is mentioned in the terms of reference of the audit committee;

21. management discussion and analysis of financial condition and results of operations;

22. statement of significant related party transactions (as defined by the audit committee), submitted by management;

23. management letters / letters of internal control weaknesses issued by the statutory auditors;

24. internal audit reports relating to internal control weaknesses;

25. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

26. reviewing the utilization of loans and/or advances from investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary whichever is lower including existing loan / advances / investments existing as on the date of coming into force of this provision;

27. statement of deviations:

a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

28. approval or any subsequent modification of transactions of the company with related parties;

29. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

Meetings

During FY 2020-21, the Audit Committee met four times i.e. on May 26 & 27, 2020, July 30 & August 3, 2020, October 20 & 21, 2020 and January 27 & 28, 2021. The details of meetings and attendance are given in Table 4.

Table 4: Audit Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Shubhalakshmi Panse – Chairperson	4	4
2	Mr. BVR Subbu	4	4
3	Mr. Anant Talaulicar	4	4

B. Nomination and Remuneration (HR) Committee

Composition

The Nomination and Remuneration (HR) Committee consists of three Independent Directors and one Non-executive Director. During the year under review, Chairman of the Nomination and Remuneration (HR) Committee was changed from Ms. Shubhalakshmi Panse to Mr. Anant Talaulicar. Ms. Shubhalakshmi Panse, Mr. B V R Subbu and Mr. S. B. (Ravi) Pandit are the other members of the Committee.

Subsequent to resignation, Ms. Shubhalakshmi Panse ceased to be a member of Nomination and Remuneration (HR) Committee with effect from June 17, 2021.

Role and objectives

The role and objectives of the Committee, as defined by the Board of the Directors of the Company, are as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of Board of Directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the Board all remuneration in whatever form payable to senior management
7. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.

Meetings

During FY 2020-21, the Nomination and Remuneration (HR) Committee met four times i.e. on May 26, 2020, July 30, 2020, October 20, 2020 and January 27, 2021. The details of meetings and attendance are given in Table 5.

Table 5: Nomination and Remuneration (HR) Committee - meetings and attendance.

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Mr. Anant Talaulicar - Chairman	4	4
2	Mr. S. B. (Ravi) Pandit	4	4
3	Mr. B V R Subbu	4	4
4	Ms. Shubhalakshmi Panse	4	4

C. Stakeholders Relationship Committee

Composition

The Stakeholders Relationship Committee consists of one Independent Director and two Executive Directors to look into shareholder related matters. Mr. B V R Subbu is the Chairman of the Committee. Mr. Sachin Tikekar and Mr. Kishor Patil are the other members of the Committee. The details of complaints received, solved and pending from the shareholders / investors are given elsewhere in this Annual Report. The Company has a dedicated e-mail address: grievances@kpit.com for communicating shareholders' grievances.

Role and objectives

The role and objectives of the Committee as defined by the Board of Directors of the Company are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Consider and resolve the grievances of security holders of the company.

Meetings

During FY 2020-21, the Stakeholders Relationship Committee met two times i.e. on July 30, 2020 and January 27, 2021. The details of meetings and attendance are given in Table 6.

Table 6: Stakeholders Relationship Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Mr. B V R Subbu - Chairman	2	2
2	Mr. Sachin Tikekar	2	2
3	Mr. Kishor Patil	2	2

D. Corporate Social Responsibility (CSR) Committee

Composition

The Corporate Social Responsibility (CSR) Committee consists of three directors including one Independent Director to oversee the discharge of Corporate Social Responsibility obligations, as required by Section 135 of the Companies Act, 2013 and the relevant rules. Mr. Anant Talaulicar is the Chairman of the Committee. Mr. S. B. (Ravi) Pandit and Mr. Sachin Tikekar are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as defined by the Board of Directors of the Company, are as under:

1. formulation and recommendation of CSR policy to the Board;
2. identification of activities to be undertaken by the Company pursuant to Schedule VII of the Companies Act, 2013;
3. recommendation of amount of expenditure on CSR activities;
4. monitor the CSR policy from time to time.

Meetings

During FY 2020-21, the Corporate Social Responsibility (CSR) Committee met twice i.e. on May 26, 2020 and October 20, 2020. The details of meetings and attendance are given in Table 7.

Table 7: Corporate Social Responsibility (CSR) Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Mr. Anant Talaulicar - Chairman	2	2
2	Mr. S. B. (Ravi) Pandit	2	2
3	Mr. Sachin Tikekar	2	2

E. Enterprise Risk Management Committee

Composition

The Enterprise Risk Management Committee consists of three Independent Directors. During the year under review, Chairperson of the Enterprise Risk Management Committee was changed from Mr. Anant Talaulicar to Ms. Shubhalakshmi Panse. Mr. Anant Talaulicar and Mr. B V R Subbu are the other members of the Committee. The Company has an integrated approach to managing the risks inherent in the various aspects of business. As a part of this approach, the Company's Board is responsible for monitoring risk levels according to various parameters and ensuring implementation of mitigation measures, if required.

Post resignation of Ms. Shubhalakshmi Panse, Mr. Anant Talaulicar has been elected as Chairman of the Audit Committee and Mr. S. B. (Ravi) Pandit has been inducted as member of the Committee with effect from June 21, 2021.

Role and objectives

1. To formulate a detailed risk management policy of the Company as per the statutory requirements as amended from time to time.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Meetings

During FY 2020-21, the Enterprise Risk Management Committee met twice i.e. on May 26, 2020 and October 20, 2020. The details of meetings and attendance are given in Table 8.

Table 8: Enterprise Risk Management Committee – meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Shubhalakshmi Panse – Chairperson	2	2
2	Mr. B V R Subbu	2	2
3	Mr. Anant Talaulicar	2	2

III. SUBSIDIARY COMPANIES

Brief details of the Company's subsidiaries, including step-down subsidiaries, are given in the Board's Report. The updates of major decisions of the unlisted subsidiary companies are regularly presented before the Audit Committee and the Board.

Following are the key matters relating to subsidiaries which are taken up in the Board meeting:

- Minutes of all the meetings of subsidiaries held in the previous quarter;
- Review of the financial statements, the investments made by the subsidiaries;
- Major dealings of subsidiaries' investment, fixed assets, loans, etc.;
- Statement of all significant transactions and arrangements;
- Compliances by subsidiaries with all applicable laws of that country.

KPIT Technologies Inc. and KPIT Technologies (UK) Limited, are the Material Subsidiaries of the Company for FY 2021. The Company has complied with all the legal requirements in respect of the Material Subsidiaries.

The Company has formulated a policy for determining 'material subsidiaries' and the said policy has been uploaded on the Company's website. (https://www.kpit.com/investors/#policies-reports-filings)

IV. DISCLOSURES

A. Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and the same has been uploaded on the Company's website (https://www.kpit.com/investors/#policies-reports-filings). The related party transactions are placed before the Board for their approval / noting as the case may be. There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2021. Details of all material transactions with related parties have been disclosed quarterly to the stock exchanges along with the compliance report on corporate governance.

B. Disclosure of Accounting Treatment

The Company has adopted the prescribed accounting standards i.e. Indian Accounting Standards (Ind AS), for preparation of financial statements during the year.

C. Remuneration of Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

(₹ In million)

Particulars	Amount
Audit Fees – Standalone and Consolidated	4.50
Audit Fees - Limited review quarterly	1.80
Certification fees and other Services	1.55
Total	**7.85**

D. Remuneration of Directors

Within the limits prescribed under the Companies Act, 2013, the Nomination and Remuneration (HR) Committee determines and recommends to the Company's Board the remuneration payable to Executive and Non-Executive Directors and thereafter, the Board and shareholders consider the same for approval. During the year under review, no ESOPs were granted to the Directors. The details of remuneration paid to the Executive Directors of the Company are given in Table 9 below:

Table 9: Remuneration paid to Executive Directors in FY 2020-21

(Amount in ₹ million)

Name of Director/ Remuneration Details	Mr. Kishor Patil	Mr. Sachin Tikekar#
	CEO & Managing Director	Whole-time Director
Salary	10.96	11.67
PF	1.31	0.42
Leave Encashment	-	-
Variable Performance Incentive	18.94	16.61
Perquisites	0.08	-
Bonus	-	-
Notice Period	6 Months	6 Months
Severance fees	Notice Pay	Notice Pay
Total	**31.29**	**28.71**

#Does not include USD 4,800 paid to Mr. Sachin Tikekar by KPIT Technologies Inc., USA, during FY 2020-21.

Note:

1. Managerial remuneration excludes provision for gratuity, as separate actuarial valuation for the directors is not available.

Under Section 197 of the Companies Act, 2013, a Director who is neither in the whole-time employment of the Company nor a Managing Director ('Non-Executive Directors'), may be paid remuneration by way of commission if the members of the Company, authorize such payment. However, the remuneration paid to all such Non-executive Directors taken together should be up to 1% of the net profit of the Company in any relevant financial year, if the Company has a Managing or a Whole-time Director or Manager. The Board of Directors of the Company has approved a commission of ₹ 14.15 million (previous year ₹ 13.10 million) to the Non-executive Directors of the Company for the financial year 2020-21. There is no other remuneration to the Non-executive Independent Directors, except Commission. The details of remuneration to the Non-executive Independent Directors for the financial year 2020-21 are given in Table 10.

Table 10: Remuneration to Non-Executive Independent Directors

(Amount in ₹ million)

Name of Director	Commission	Sitting fees
Mr. S. B. (Ravi) Pandit	3.80	0.14
Mr. Anant Talaulicar	2.66	0.28
Mr. B V R Subbu	2.34	0.24
Ms. Shubhalakshmi Panse	1.85	0.24
Prof. Alberto Sangiovanni Vincentelli	2.13	0.06
Dr. Nickhil Jakatdar	1.38	0.06
Mr. Rafi Maor	-	0.02
TOTAL	**14.16**	**1.04**

Basis for remuneration paid to Non-Executive Directors

Remuneration	Board member	Committee Chairman	Committee member
Sitting Fees	₹ 15,000/- per meeting	₹ 20,000/- per meeting	₹ 12,500/- per meeting
Commission	The total amount of commission paid to the Non-executive Directors for FY 2020-21 is ₹ 14.15 million. This is distributed among the Non-executive Directors on the basis of their chairmanship / membership of Board committees, duration of their directorship during the year and their general contribution to the Company outside board / committee meetings.		

E. Management Discussion & Analysis

During the year, there have been no material financial and commercial transactions made by the management, where they had personal interest conflicting with the interest of the Company at large. A detailed Management Discussion and Analysis is given as a separate section in this Annual Report.

F. Legal Compliance Reporting

The Company has in place a compliance tool which provides automated Statutory Compliance Report from various functions on PAN India basis for compliance with laws applicable to the respective function. The consolidated report on compliance with applicable laws is presented to the Board. The Company is constantly striving to strengthen the reporting system to take care of the continuously evolving compliance scenario.

G. Reconciliation of Share Capital

As stipulated by the Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out the audit of Reconciliation of Share Capital and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This reconciliation is carried out every quarter and the report thereon submitted to the stock exchanges and also placed before the Board. The Audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

H. Shareholders

i) Disclosure regarding appointment or re-appointment of Directors

According to the provisions of the Companies Act, 2013, at least two-third of the Non-Independent Directors are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and, if eligible and willing, may be re-appointed by the shareholders. Accordingly, Mr. Sachin Tikekar retires at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board has recommended his re-appointment. Detailed resume of Mr. Sachin Tikekar is provided in 'Additional Shareholders Information' section in this Annual Report.

ii) Communication to shareholders

The Company's quarter and year-end financial results as on March 31, 2021, investor updates and other investor related information are posted on the Company's website (www.kpit.com). The financial results relating to quarter and year end March 31, 2021 of the Company were published in Financial Express and Loksatta. Financial results and all material information are also regularly provided to the Stock Exchanges as per the requirements of the SEBI (LODR) Regulations, 2015. Any presentation made to analysts and others are also posted on the Company's website.

The details of correspondence received from the shareholders / investors during the period April 1, 2020 to March 31, 2021, are given in the 'Additional Shareholders Information' section in this Annual Report.

iii) General body meetings

Table 11: Details in respect of the last three Annual General Meeting (AGM) of the Company

Date of the meeting (year)	Venue of the meeting	Time of the meeting	Special Resolution Passed
August 29, 2018 (2017-18)	35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057.	9.30 A.M.	To borrow funds under Section 180 (1) (c)
August 28, 2019 (2018-19)	"Vivanta Pune", Xion Complex, Hinjawadi Road, Hinjawadi, Pune 411057	10.30 A.M.	-
September 2, 2020 (2019-20)	through Video Conference (VC) / Other Audio Visual Means (OAVM)	10.30 A.M.	-

(iv) Special Resolutions through Postal Ballot

Date of Passing Special Resolutions	Details of Special Resolutions through Postal Ballot
June 30, 2020	1. Approval of amended 'KPIT Technologies Limited - Employee Stock Option Scheme 2019A' 2. Approval of grant of stock options to the Employees Of the Subsidiary Company(ies) of the Company under 'KPIT Technologies Limited - Employee Stock Option Scheme 2019A' as amended

v) The details of Investors'/Shareholders' Grievance Committee are given in 'Additional Shareholders Information' section in this Report.

vi) The details of Share transfer system are given in 'Additional Shareholders Information' section in this Annual Report.

vii) There are no relationships between the Directors of the Company, inter-se.

V. Dividend Distribution Policy

The Company has formulated Dividend Policy to state the guiding principles of dividend declaration by the Company and the same has been uploaded on the website of the Company (https://www.kpit.com/investors/#policies-reports-filings).

VI. CEO AND CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate to the Company's Board is annexed to this Report.

VII. CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, the certificate on corporate governance issued by a the auditor annexed to this Report.

Further, during the years under review, there have been no penalties, strictures imposed on the Company by the stock exchanges and other statutory authorities, on any matter relating to capital markets.

Lastly, the Company has also made the necessary disclosures as required in sub-para (2) to (10) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

VIII. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations, 2015.

IX. COMPLIANCE AGAINST DISCRETIONARY REQUIREMENTS OF THE SEBI (LODR) REGULATIONS, 2015

1. The Company has appointed different persons for the post of Chairman and Managing Director/Chief Executive Officer.

2. The Company prepares quarterly investor updates which covers operational details apart from financial details which are uploaded on the website of the Company and stock exchanges. Copies of the same are being provided on request.

3. The Internal Auditor presents the internal audit report to the Audit Committee.

Training of Board members

During the year, the Board members were provided a deep and thorough insight to the business model of the Company through detailed presentations on the operational aspects of the Company's business. At every Board meeting, detailed business presentations are made which are useful to the Directors in understanding the business. The presentations are made by the business leaders so that the Directors are able to connect with the leaders and also ask them related questions. Efforts are also made to acquaint and train the Board members about the emerging trends in the industry.

Corporate Sustainability Report

The Company has prepared a Corporate Sustainability Report giving detailed information of the Company's efforts towards managing sustainable growth. The report can be accessed on the Company's website.

Business Responsibility Report

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has prepared a Business Responsibility Report and the same forms a part of this Annual Report.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued 10 Secretarial Standards. Out of which 2 Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

Declaration of the Chief Executive Officer & Managing Director

This is to certify that the Company has laid down code of conduct for all the Board members and senior management personnel of the Company and the same is uploaded on the website of the Company www.kpit.com.

Further, certified that the members of the Board of Directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended March 31, 2021.

Pune | **Kishor Patil**
July 23, 2021 | CEO & Managing Director

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited)

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and addendum to the engagement letter dated 24 April 2021.

2. We have examined the compliance of conditions of Corporate Governance by KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) ("the Company"), for the year ended 31 March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

Swapnil Dakshindas
Partner
Membership number: 113896
ICAI UDIN: 21113896AAAACC8156

Date: 28 April 2021
Place: Pune

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, **Kishor Patil, CEO & Managing Director and Priyamvada Hardikar, Chief Financial Officer** of KPIT Technologies Limited, ("the Company") to the best of our knowledge and belief, certify that:-

A. We have reviewed financial statements (consolidated and standalone) for the year April 1, 2020 to March 31, 2021 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year i.e. April 1, 2020 to March 31, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors

(1) significant changes in internal control over financial reporting during the year i.e. April 1, 2020 to March 31, 2021.

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Pune	**Kishor Patil**	**Priyamvada Hardikar**
April 28, 2021	CEO & Managing Director	Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:
The Members
KPIT Technologies Limited
Plot No. 17, Rajiv Gandhi Infotech Park
MIDC SEZ, Phase-III, Maan,
Taluka- Mulshi, Hinjawadi, Pune - 411057.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KPIT Technologies Limited (CIN-L74999PN2018PLC174192) and having registered office at Plot No. 17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka- Mulshi, Hinjawadi, Pune-411057, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. S. B. (Ravi) Pandit	00075861	08 January 2018
2.	Mr. Kishor Parshuram Patil	00076190	08 January 2018
3.	Mr. Sachin D. Tikekar	02918460	08 January 2018
4.	Mr. Anant Jaivant Talaulicar	00031051	16 January 2019
5.	Mr. Subbu Venkata Rama Behara	00289721	16 January 2019
6.	Ms. Shubhalakshmi Aamod Panse	02599310	16 January 2019
7.	Mr. Nickhil Harshavardhan Jakatdar	05139034	16 January 2019
8.	Prof. Alberto Luigi Sangiovanni Vincentelli	05260121	16 January 2019
9.	*Mr. Rafi Maor	08474070	23 October 2019

* term as an Independent Director ended on 9 June, 2020 due to resignation.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 28 April 2021

Dr. K R Chandratre
FCS No. 1370, C P No: 5144
UDIN: F001370C000201570

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	:	L74999PN2018PLC174192
2.	**Name of the Company**	:	KPIT Technologies Limited
3.	**Registered address**	:	Plot No. 17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka - Mulshi, Hinjawadi, Pune-411057
4.	**Website**	:	www.kpit.com
5.	**E-mail ID**	:	grievances@kpit.com
6.	**Financial Year reported**	:	2020-21
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	:	Architecture and Engineering Activities; Technical testing and analysis – Code 71

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. KPIT provides embedded software, AI & Digital solutions for its clients in the areas of Electric & Conventional Powertrain, Autonomous Driving, Connected Vehicles, Vehicle Networks, Diagnostics, Vehicle Engineering & Design.

9. Total number of locations where business activity is undertaken by the Company (Major locations):

(a) Number of International Locations:

Sr. No.	Region	Country
1	USA	United States of America Brazil
2	Europe	United Kingdom Germany Netherlands Italy Sweden
3	APAC	China Japan Korea Singapore Thailand

(b) Number of National Locations:

1. Pune, Maharashtra
2. Bengaluru, Karnataka

10. Markets served by the Company – Local/State/National/International: Company serves the Indian as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR) –** 2690.44 million
2. **Total Turnover (INR) –** 8,028.48 million
3. **Total profit after taxes (INR) -** 935.26 million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR) –** The Company was required to spend ₹ 18.63 million towards Corporate Social Responsibility. During the year, the Company has spent ₹ 15.32 million towards Corporate Social Responsibility through external people, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset. In addition, the Company spent ₹ 5.47 million on account of usage of its internal resources on CSR, thereby aggregating to a total of ₹ 20.79 million.
5. **List of activities in which expenditure in 4 above has been incurred -**
   1) Water Conservation Program
   2) Conservation of Private Forests in Koyna-Chandoli Corridor
   3) Chhote Scientists
   4) Lila Poonawalla girls Education program
   5) Teaching classes at Thayimane, Bengaluru
   6) KPIT Sparkle

7) Donation to Maharashtra State Lawn Tennis Association (MSLTA) for "Training & Development of Indian Tennis Players"

8) Economic Empowerment of women through skill training

9) COVID Care Center & Development of KPIT Ventilator

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has the following subsidiaries:

Sr. No.	Name of Subsidiary	Nature
1	KPIT Technologies (UK) Limited	Wholly owned subsidiary
2	KPIT Technologies Netherlands B. V.	Wholly owned subsidiary
3	KPIT Technologies Holding Inc.	Wholly owned subsidiary
4	KPIT Technologias Ltda	Wholly owned subsidiary
5	KPIT (Shanghai) Software Technology Co. Limited	Wholly owned subsidiary
6	KPIT Technologies GK	Wholly owned subsidiary
7	KPIT Technologies Pte. Limited	Wholly owned subsidiary
8	KPIT Technologies GmbH	Subsidiary of KPIT Technologies (UK) Limited
9	ThaiGerTec Co., Limited	Subsidiary of KPIT Technologies (UK) Limited
10	MicroFuzzy Industrie-Elektronic GmbH	Subsidiary of KPIT Technologies GmbH
11	KPIT Technologies Inc.	Subsidiary of KPIT Technologies Holding Inc.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes, three subsidiaries take up BR initiatives in line with the initiatives of the parent company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].

No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

1. DIN: 02918460
2. Name: Mr. Sachin Tikekar
3. Designation: Whole-time Director

(b) Details of the BR head:

No.	Particulars	Details
1	DIN	02918460
2	Name	Mr. Sachin Tikekar
3	Designation	Whole-time Director
4	Telephone number	+91 20 6770 6000
5	E-mail ID	grievances@kpit.com

2. Principle-wise (as per NVGs) BR Policy/policies:

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words) These policies have been devised in confirmation to respective regulations/national standards that come into effect from time to time. These policies are revisited on regular basis and are updated as and when there is any change in the norms.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/appropriate Board Director? These policies are signed by the respective owners.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	Code of conduct & Whistler Blower Policy	Available on our intranet	Available on our intranet	CSR policy	POSH & Whistler Blower Policy	Available on our intranet	Available on our intranet	CSR Policy	Code of conduct
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the Sustainability report yearly. The same is available on (https://www.kpit.com/company/investors/corporate-governance).

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

   No, it also covers the Subsidiary Companies.

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The policy covers employees of the Company as well as its subsidiaries, contractual service providers, contractors, customers & other third parties dealing with the Company.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the year, no complaint were registered with SEBI. The Company's code of conduct outlines and creates a set of values for all concerned people to behave in an ethical manner while working for and on behalf of the Company. It takes into account factors like regulatory compliance, equal employment opportunity, non-harassment & prevention of sexual harassment, prevention of use of alcohol, illegal drug or medication, use of company's, customers' and suppliers' resources and competition.

   It is applicable to all, Directors and employees (all KPIT managers and employees, including managers and employees of its divisions, subsidiaries and other affiliates worldwide, as well as agents and contractors working on behalf of the Company, its subsidiaries and affiliates).

   Prevention of Sexual Harassment (POSH) policy: The policy framework aims at educating employees on any sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken.

   E-learning on POSH has been mandated for all employees.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   KPIT works with global mobility and automotive companies which brings cleaner and greener vehicles to the market. In such engagements, KPIT provides software and technology solutions which helps in reducing environmental concern of increasing pollution and CO_2 emissions. Some examples are

   1. Providing software, control algorithms and battery management solutions for new electric vehicles

   2. Providing software and testing of solutions which help in reduction of CO_2 in gasoline and diesel engines.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   KPIT focuses on envisioning and enabling a cleaner, greener, intelligent world - a world that is self-sufficient, sustainable and efficient. We provide technologies that help our clients succeed, such that the products and solutions they offer to their end-customers are of high quality, targeted, affordable, energy efficient and use lessor material and improve the state of industries they operate in. KPIT, in collaboration with its clients and its suppliers, works toward improving the world through technology and engineering innovations.

Due to Pandemic conditions in year 20-21, most of the employees were working from home hence there is a drastic reduction in power and water consumption. There is reduction in power by around 70% and 40% in water consumption compared to previous year.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing at KPIT represents contribution to the following areas namely: Waste Management, Water management, Energy conservation, Environment Awareness

- **Water Management:**

  This year, due to low occupancy in office water consumption has reduced significantly. Used water is treated through STP Plant and is recycled & used for flushing and gardening purposes. Apart from recycling of water, drip irrigation system for internal garden, due to hill as backdrop rainwater and water run off through the hill is channelized through swell and stored in quarry having total storage capacity of approx. 35 Lac Ltrs of water. Terrace water collection system is designed for efficient collection of water for rain harvesting to support ground water.

- **Energy Conservation:**

  Energy conservation is always been a focus of KPIT. HVAC consumes around 50% of energy, hence focus was on HVAC operations. Low occupancy in office due to Pandemic situation new process and practices were implemented such as AC temperature settings, monitoring of AC system w.r.t to occupancy, cross ventilation etc., Max air changes etc. Having efficient HVAC VRF system gives more efficiency and flexibility to control smaller areas as per operational requirement.

- **E-waste Management:**

  Being an IT Company, we generate e-waste like laptops, computers, monitors, servers, etc. Apart from this we also generate electrical waste like wires etc. We have a waste management policy in place, which is the defining guideline for handling all types of waste and complying with the Government and Maharashtra Pollution Control Board (MPCB) norms.

- **Hazardous Waste:**

  Hazardous waste is disposed through authorized agencies as per the guidelines of Ministry of Environment and Forests (MoEF). Additionally, all the used printer cartridges are sent back to the manufacturer to ensure proper recycling.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company through its CSR activities contributes to the society through its projects like Water & Forest Conservation, Tree plantation, KPIT Sparkle, Teaching the under privileged students, donating school kits in association with NGOs etc.

As part of make best out of waste campaigns in KPIT, our employees have donated old jeans and e-waste to our partner NGOs supporting them to produce useful products out of the donated material. NGOs raised good amount of money by selling the products in the market and few of our employees also procured from them.

Every year on the occasion of World Environment Day and Diwali celebrations at KPIT Pune & Bengaluru offices, we invite different NGOs to setup stalls and showcase their products. But this year, due to COVID-19 pandemic, we couldn't organize such stalls as everyone is working from home.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

   The Company has taken the following initiatives to recycle products and waste:

   - Sewage Water received at STP plant, is treated and used for flushing and gardening purpose. We have treated around 9605 Cu.M3 of water and reused in last year.
   - Recyclable waste such as paper, plastic, corrugated sheet, metal etc. are sent through MPCB authorized scrap dealer. In the year 2020-21, we have disposed around 4,450 Kg of recyclable waste.
   - Other mixed dry waste as used tissue paper is sent to PMC waste collection center. This is being carried out by organization known as Swach and other authorized agency.
   - As per MPCB rules, Hazardous waste and e-waste is to be disposed through authorized recycler. Being our assets are new, there has been no generation and disposing of any e-waste and Hazardous waste, nor any disposal of any printer and toner cartridges in the year 2020-21.

Principle 3

1. Please indicate the total number of employees.

   6915

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   4% of employees are hired through contractors and sub-contractors.

3. Please indicate the number of permanent women employees.

   28% overall and 31% in India are Women employees.

4. Please indicate the number of permanent employees with disabilities.

   Less than 1%.

5. Do you have an employee association that is recognized by management?

   No.

6. What percentage of your permanent employees are members of this recognized employee association?

   Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   No complaints were received relating to child labour, forced labour, involuntary labour, sexual harassment during the year.

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

   - Percentage of Permanent Employees Undergone Training in year 2020 - 21 : 16.32%
   - Percentage of Permanent Female Employees Undergone Training in year 2020 – 21 : 16.26%
   - Percentage of Non - Permanent Employees Undergone Training in year 2020 - 21 : 6.44%
   - Employees with Disabilities: We don't maintain the data of employees with special abilities separately. They have equal participation as other employees in all types of trainings

KPIT Sparkle 2021

In its 7th year, KPIT Sparkle is an umbrella platform that connects budding technology entrepreneurs with the incubation ecosystem. It provides the multidisciplinary outlook required to first-time student entrepreneurs.

The i-Innovate contest which is run under KPIT Sparkle has a systematic innovation process laid out for the students to follow and learn through an experiential product or service building. This platform exposes them to test their hypothesis of entrepreneurship by validating the idea. Affordability, Sustainability, Scalability, Universal, Rapid, Excellence, and Distinctive are the dimensions that are weighted. The i-Innovate platform also guides the students in form of mentorship to deserving top ideas.

The 20 finalists' teams with India's best innovations in the space of Mobility & Energy were shortlisted from over 2,700 entries across India, successfully presented prototypes virtually. The highlights were participation from 42 premier Institutes (IITs - 18 & NITs - 24) and 82 of the top 100 colleges all over India.

Campus Recruitment @ KPIT

Team campus recruitment is an integral part of ECoDe. Objective of having exclusive campus recruitment team is to bring in focus in identifying young engineering talent from the premier, tier 1 and tier 2 colleges across India. This year we have conducted Hackathon for hiring Talents from B.Tech 2021 batch. Overall, we had a great response and around 11000+ talents have registered for our process. Among these talents, 6000+ talents participated in our Hackathon. 135 talents reached final stage and they were further assessed on Introspect tool to check their learnability level. 75+ talents were given final offer.

PACE: Program for Academic Collaboration and Engagement

KPIT has strategic partnership with 20 + technical universities pan India. This program gives significant visibility to quality talent from campuses and attracts them to join KPIT. KPIT has created industry relevant courses and has trained 160 faculty members from its partner institutions. The KPIT Online education platform KPIT-Eduonline, serves as a source for learning Automotive technologies for students and faculty.

As part of this initiative on-campus support is provided by KPIT SMEs through Guest lectures, internships, Project mentorship, hosting technical events, syllabus formulation and student contests. KPIT SMEs are Board of Studies Members in many of these universities and on Academic Council.

VIRTUAL GENESIS: Virtual Graduate Engineering Training Program

Virtual Genesis is an online training program for enabling smooth campus to corporate transition of fresh graduate engineers offered by the company. The program aims to expedite the process of absorption into customer projects, incorporate self-learning culture, make talents independent and seek professionalism in their career. It is a mandatory training program comprising of various technical and professional skills development modules along with necessary assessments. Modules' delivery is a combination of hands-on sessions, self-learning videos, faculty connect through online platforms, discussions forums, etc. The initiative is an extremely crucial one, since it has a direct business impact, in terms of talents being useful contributors in company's growth.

GENESIS: Graduate Engineering Training Program

Duration of GENESIS Program is 8 to 10 weeks comprising of Technical, Domain and Process and Professional skills. GENESIS program is executed through "Engineering Academy". This program ensures that talent skill requirements and learning models are aligned and released to the respective projects in a timely manner. Over 1200+ graduate engineers are trained every year aligned to needs of the organization. They are trained under AUTOSAR, AD/ADAS, Infotainment & cluster, Model Based development and Embedded tracks. All the Training Modules, case studies and assessments are aligned with Business requirements. The focus is on transforming graduates to job-ready professionals by giving them an opportunity to learn & execute modern day IT skills on real-time projects. Our training program enables candidates to upskill themselves to become comprehensive IT professionals before starting their career with KPIT.

Professional Skills Academy imparts training on language and personality development skills. Its curriculum also incorporates written and verbal communication, email writing skills, telephone skills and the business ethics.

After the completion of GENESIS Program, every Graduate engineer gets a course completion certificate. BEST PERFORMER and TRAINER CHOICE Awards are given away during the graduation ceremony.

Internship program @ KPIT

Internship program for M. Tech students for a duration of 10 months which gave opportunity for interns to evaluate the work that are executed at KPIT. This program also helped to sow the seed of automotive electronics into students. Interested talents from top 75 NIRF colleges are currently undergoing the assessment process.

Internship program to B.Tech students from topmost premier institutions (like top 10 IIT's, II.Sc, & BITS Pilani). First time students from II.Sc have participated in our program. 12 talents were offered internship.

For the first time we have also offered Premier internship to HR and Marketing function. Talents from IIM-C, Tata Institute of Social Science (TISS) and Symbiosis were offered summer internship.

CONTINOUS EDUCATION:

ECoDe Kaizen:

To cater to the prerogative of lifelong learning which is the need of the hour, this certification program looks at streamlining the certification and prowess honing skills across Technology, Project Management, Domains, Processes, Professional Skills and Leadership Development for employees globally at various experience levels. This allows them to move on to the next level in their career paths and helps them get cross-skilled and stay relevant.

Training on Demand:

To provide an opportunity for business leaders to raise a request for relevant training for themselves or their team members and provide a seamless time bound service. Training on Demand (ToD) system is a platform through which ECoDe can capture & service business/project specific learning requirements raised by business swiftly which is over and above the ECoDe | KAIZEN program. Thereby, enhancing the overall learning experience.

PROJECT MANAGEMENT DEVELOPMENT PROGRAM (PMDP) and Agile CoE:

PMDP is offered to associates who are currently playing the role of Project Lead, Project Manager, Sr. Project Manager and Program Manager. The PMDP framework is well aligned with the international standard such as PMI PMP® and is completely hands on with a pragmatic approach in training delivery. Programs are classified as per the grades and are called PMDP FTM, PMDP Silver and PMDP Gold. In order to compete in the VUCA world, companies have to be highly agile and nimble. The Agile CoE aims at training, consulting, coaching and mentoring various projects and teams to be agile in their approach to deliver successful outcome to their customers. These programs have been developed with industry best practices and aligned to the core philosophy of agility.

Competency development framework:

In order to develop a competency-based organization this initiative aims at providing clear growth path for the employees, build a culture of continuous learning based on competencies, objectively assess people's performance and drive project allocations based on competency. Each associate will go through a competency baseline exercise aligned with the appraisal cycle. This competency repository will be key to all the different aspects of the organization.

EDUONLINE:

KPIT eduOnline is an e-learning platform that offers interactive online courses for the employees. The eduOnline allows the employees to access course content including videos, textbooks, and problems, and to check their progress in the course. The eduOnline also offers a forum for discussion and a wiki open to both employees and course team members to contribute. For course team members, the eduOnline includes an Instructor Dashboard, with options for employees to enroll, produce reports, and administer a course while it runs. One can access and use the eduOnline directly through a browser.

HIGHER EDUCATION INITIATIVE:

Learning is an incessant process and KPIT truly believes in creating a conducive learning environment for the employees. The Higher Education Initiative (HEI) at KPIT encourages KPIT Full Time Employees (FTE) for continuing education, leading to Master's Degree and Bachelor's Degree from reputed Indian and Overseas Universities. This is to enable employees to acquire higher professional knowledge in areas of their interest and/or those that align with the growing business needs of the organization, including Product Engineering, Information Technology and Management education and allied fields.

We offered two Master's programs, M Tech in Automotive Electronics and MBA in Strategic Engineering Management as part of which we launched 3 Cohorts covering 150+ employees. 100+ Employees have earned their Master's degree so far and Cohort 3 will complete their degree later this year. We are looking at version 2.0 of this program to be launched in Sept 2021.

We launched a new program for Bachelor's Degree program in Electronics and Communication for our diploma employees. This program is aimed towards providing an opportunity to complete their engineering degree while they work on their projects. This program has been designed in association with KLE-Tech University, Hubali and the first cohort was launched in Oct 2020.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes. KPIT has mapped its internal and external shareholders and their mode of engagement is as below:

Stakeholders	Mode of Engagement
Government and regulatory authorities	Industry body/forums
Employees	Newsletters, employee satisfaction survey and various trainings, rewards and recognitions, online meeting with eminent personalities and online team building activities
Local community	CSR activities
Investors and shareholders	Analyst calls, e-AGM and annual report
Bankers, customers & vendors	Visits

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Community Contribution is one of the seven core values at KPIT. It has a significant mention in our Mission and Vision to reflect our commitment towards it. Considering our capabilities and the need of the communities that we serve, we have reassessed the focus of our CSR initiatives. Actions in line with CSR guiding principles, our strategies for the year 2020-21 are focused on key initiatives to ensure significant impact. The initiatives are implemented through 4 focus areas:

Environment: Making this planet a better place to live in

Education: Transforming lives through science and technology education

Energy: Developing innovate solutions for efficient energy consumption and renewable supply

Employee Engagement: Maximizing impact through responsible volunteering

Economic Empowerment of women through skill training, Pune

The COVID-19 pandemic has given a major financial setback especially for families from economically weaker sections of the society. Generally, women from these sections earn income to run their families through work that includes being a domestic help, construction labourers etc. Some of them have lost their earnings during the lockdown.

KPIT Technologies partnered with Maharshi Karve Stree Shikshan Samstha (MKSSS), Pune to empower these women by providing skill training and creating employment opportunities for them. This was a community outreach program through which women from Yerwada and Vishrantwadi slum areas have been trained on skills to support their livelihood.

The training program includes,

Basic Tailoring course for kids' garments and ladies' garments (50 participants).

Patient Assistant course in which young women are taught how to take care of patients as well as elderly people. After the completion of training, the placements will be provided by MKSSS (20 participants).

Anticipated outcome of this program is to have self-reliant women.

Enhancing the Skill of Rural & Tribal Community through Vocational Training Programs, Mysore

With a primary goal to support the rural women who lost their employment due to the pandemic, KPIT Technologies partnered with Swami Vivekananda Youth Movement (SVYM) to provide training on "General Duty Assistant - Healthcare" to the residents of H D Kote, Nanjangud taluka of Mysore district of Karnataka.

This is a residential training program (90 Days) for a batch of 25 students. The course lays special emphasis on inculcating empathetic and ethical behaviour beyond the patient.

This program is affiliated with the National Skill Development Corporation (NSDC) and post the training, candidates will have placement opportunities in Govt (PHCs) and private healthcare institutions in Mysuru & Bengaluru based on the student's locality & interest.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

   The policies not only cover employees but also contractors, clients and others.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   NIL.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

   Policy covers only the activities in KPIT Corporate office, Pune and does not extend to Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, pls refer to the Sustainability Report 2020-21.

   (https://www.kpit.com/company/investors/ corporate-governance).

3. Does the Company identify and assess potential environmental risks?

   Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes,

whether any environmental compliance report is filed?

Yes, we file six monthly EC compliance report.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.

   Yes, please refer Question 1 & 5 of Principle 2 and Part iii of Question 3 of Principle 4 of this report. Sustainability link (https://www.kpit.com/company/investors/corporate-governance).

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The emission and the waste generated at KPIT Corporate office, Pune is under the permissible limits of MPCB. We have a continuous monitoring and tracking system in place which is reviewed periodically and subsequently compliance is submitted.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No, we have not received any show cause/legal notice from MPCB for financial year 2020-21.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

   a. NASSCOM

   b. MCCIA

   c. ACMA

   d. CII

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

   - NASSCOM – (a) Governance and Administration (b) Economic Reforms (through NASSCOM ER&D Council)
   - ACMA – (a) Governance and Administration - Represented a case for solar power plan permission issue for SEZ unit through ACMA
   - MCCIA - (a) Governance and Administration - Represented a case for solar power plan permission issue for SEZ unit through MCCIA

Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, please refer Question 3 of Principle 4 of this report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The initiatives are undertaken jointly with agencies and partner NGOs.

3. Have you done any impact assessment of your initiative?

   Every activity/initiative undertaken by the Company is assessed and its impact to the society is published in the Annual Report and the Sustainability Report.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

   For details, please refer CSR annexure which forms a part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   KPIT Sparkle successfully transformed from innovation contest to innovation platform. For this efforts KPIT Sparkle was accepted by both Incubation communities and various Government institutions.

KPIT Sparkle 2021 was privileged to be associated with the Department of Science and Technology, Government of India; Ministry of New and Renewable Energy; ONGC Energy Center; National Institute of Design (NID); All India Council for Technical Education (AICTE); MathWorks as its knowledge partners.

Contributing to the startup ecosystem of the country, KPIT partnered with the Nehru Group of Institutions Technology Business Incubator (NGI TBI); Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad; Bhau Institute of Innovation, Entrepreneurship and Leadership; Manipal University, Jaipur; TBI KEC Incubation Centre; Marathwada Accelerator for Growth and Incubation Council (MAGIC); International Institute of Information Technology, Hyderabad; Sandip Incubator Association; MIT TBI; iCreate; SINE, IIT Bombay to provide incubation opportunities to deserving ideas.

KPIT Sparkle provides infrastructure and business support services, such as mentoring, training, Intellectual Property Rights (IPR) services, technical and networking support to the selected teams. So far, it has resulted in the filing of more than 50 patents by the participants and funding from the Government of India, Department of Science & Technology (DST) and India-supported Bhau Institute of Innovation. Successful Incubation of 5 Ideas with a grant of INR 50 Lakhs by DST and 7 ideas started incubation process at iCreate, Gujrat with funding of INR 50K each.

In the state of Maharashtra, the Koyna-Chandoli corridor has been a host of KPIT's afforestation efforts in association with the Wildlife Research & Conservation Society (WRCS). Continuing our previous year's efforts, we aligned our afforestation activities with the onset of monsoon. Due to the COVID-19 pandemic, our volunteers have not been able to participle physically in the plantation activities this year. With the help of local villagers and full-time activists of WRCS, we planted a total of 5000 saplings. With this, a cumulative of 45,900 saplings were planted in an area of 252 acres with an overall survival rate of 80 percent.

Our Chairman Mr. S. B. (Ravi) Pandit along with his family visited this project. He further encouraged our contribution and efforts towards the environment and towards generating structured livelihood for the locals. The locals have been delighted to interact with Mr. Pandit and showcase the fruits of all the efforts. It was overwhelming to see them obtain vocational training with artifacts/t-shirts to generate further awareness towards environment conservation and further help support themselves financially.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   NIL.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A/ Remarks (additional information).

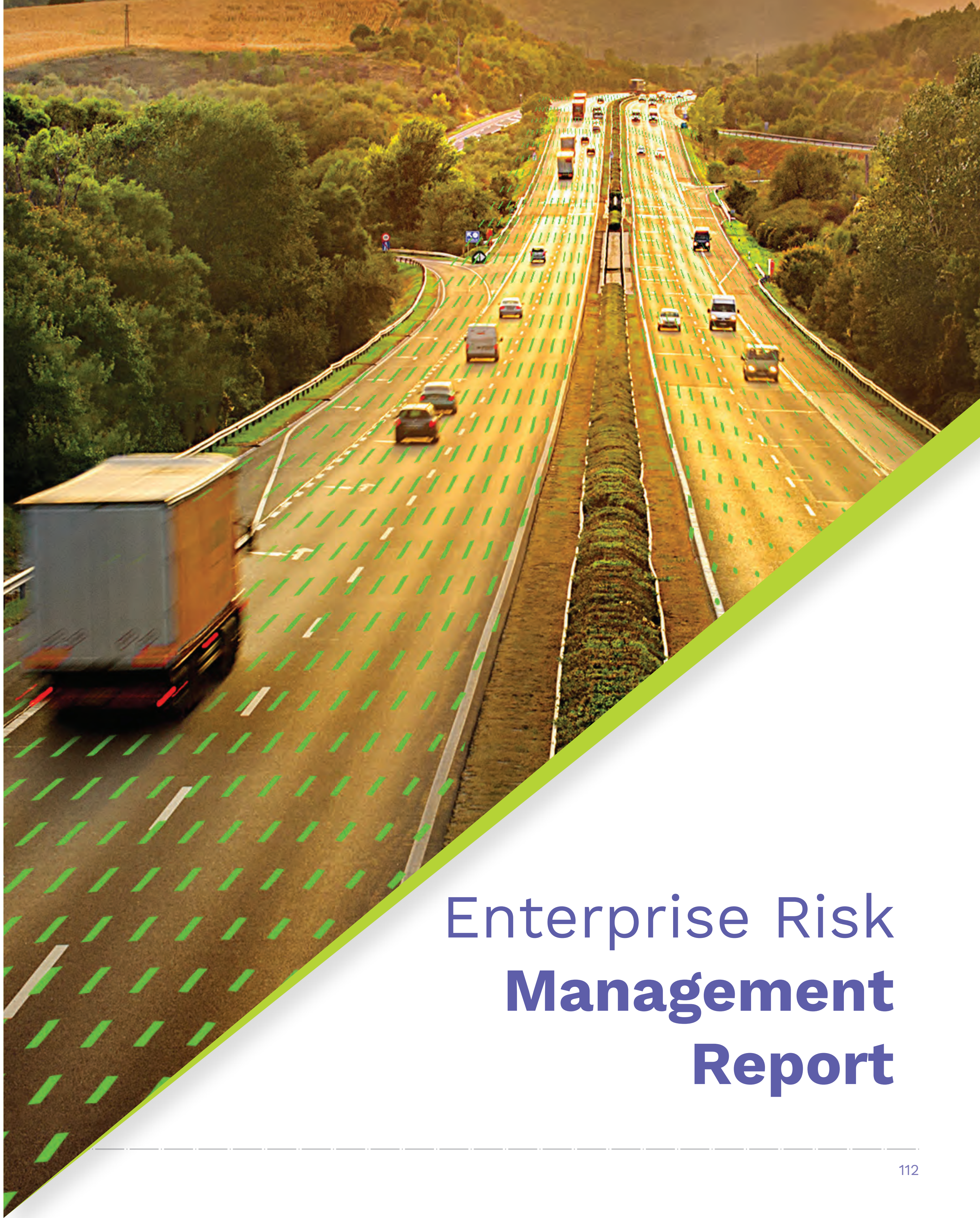
   No.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   Yes, we carry CSAT survey quarterly or at a defined frequency agreed with clients through a web based portal. We take responses on parameters like, Delivery, Quality, Cost, Project Management, Responsiveness, NPS etc. We also capture voices of clients mostly qualitative through one on one meetings between C level executives of clients and KPIT.



Enterprise Risk **Management Report**

Enterprise Risk Management

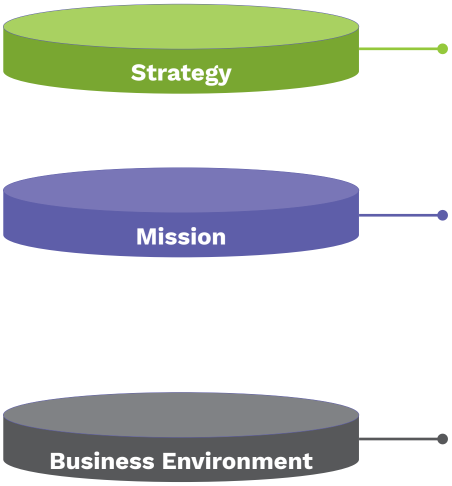
KPIT Technologies Limited ("the Company") has a robust and structured Enterprise Risk Management (ERM) framework. The Risk Management Committee of the Board oversees implementation of risk management framework across the Company. The Company has created Risk Management Office & has identified risk owner/owners for each risk, who are senior management members of the Company. Risks and mitigation plan are reviewed by Risk Management Committee who suggest identification of additional risks and modification of mitigation plan.

The Company has defined risk management governance framework which helps in

- Identify and assess risk
- Measure, mitigate and monitor risk
- Report and review risk

The Company's risk management framework covers Strategic risks, Operational risks, Financial risks, Economic & political risks, Legal & compliance risks, Reputation risks, Data privacy & security risks and Physical security & Cyber security risks.

All identified risks are mapped with Company's Strategy, Mission and Business environment



Strategy

1. Cyclical nature/Disruption in Automotive Industry

Mission

1. Techlonogy disruption
2. Delivery Excellence
3. Top Talent retention and attraction
4. Inability to grow in T25 accounts
5. Lower Profitability

Business Environment

1. Major currency fluctuation
2. Ineffective capital management, liquidity & funding
3. Economic & Political events impacting business stability
4. Liability from client contracts
5. IT Infrastructure availability & Cyber security risk
6. Employee Safety risk

Summary of key risks

1. Impact of COVID-19 pandemic on Company's business

   In view to mitigate the COVID-19 impact, the Company created and executed response plan in FY 2020-21

   - to ensure safety of all employees and their families
   - to ensure all client commitments are met
   - to have focus on managing and improving liquidity
   - to create a flexible operating model for lower revenue

There is also possible risk due to subsequent waves of COVID-19 pandemic which may have impact on client business and in turn on KPIT business. There is a possibility that some employees and their families may get infected which may result in delay in client deliverables impacting revenue and near future growth. We will continue to have all measures to keep all our employees and their families safe while balancing the need for timely client deliveries.

Risk & Impact	Mitigation Plan
Cyclical nature / Disruption in Automotive Industry - Company's current revenues are generated from automotive vertical and in particular passenger car segment. Cyclical nature / disruption in automotive industry can have an impact on Company's growth and profitability.	Positioning as a Strategic software integrator. Deep engagement with identified strategic clients with senior level engagement and win in new software architecture programs of OEM. Exploring logistics as a service- Reassess offerings considering current business environment. Focusing on partnerships and alliances for specific skills/expertise.
Top Talent retention & attraction - Ability to attract and retain talent, especially having competence in new technology areas in our key focus areas is key for the Company to maintain leadership in technology areas. Higher attrition may impact delivery and focus on growth opportunities.	Focus on controlling attrition of top talent. Focus on talent acquisition through referral hiring, retention and talent grooming with right competencies. The Company has made strategic collaboration with universities / Institutions in India as well as globally to bridge the gap between academics & industry needs with the Company created curriculum. Leadership development, individual development plans and career planning for employees. Under competency management framework, training programs are also conducted for continuous upgradation of skills and certifications across all the experience levels. Effective employee engagement and recognition framework at different level, people rotation with focus on top talent which helps in talent retention.
Inability to grow in Top clients – Inability to execute strategy will impact Company's growth	Focus on select top OEM & Tier1 clients to drive its growth strategy. Position as strategic software integrator. Client engagement transformation program to achieve desired positioning, build excellence and provide best value to clients. Client engagement for understanding technology road map and goals of clients in order to cultivate relationship and serve better. Focus on increase in client wallet share. Collaboration across account management, subject matter experts, program managers & delivery managers to drive growth as well as build strong strategic relationship with top clients.

Risk & Impact	Mitigation Plan
Lower Profitability – Company's profitability is significantly influenced by clients' spending patterns, competitive pricing pressure and increasing employee and other operational costs. Lower profitability may have impact on sustainability and future investments.	People cost is significant cost the Company. To manage people cost despite annual wage increase, the Company continues to monitor various matrix like utilization, employee pyramid etc. to improve average salary cost to drive operational efficiency. Leverage global delivery model for effective use of talent across various centers. Invest in tools & automation to further improve productivity & profitability. Redefine operational model for profitability even at lower revenue considering current business environment. Focus on improvement in rate realization.
Major Currency fluctuation – Significant currency fluctuations have an impact on Company's financial results. Rupee appreciation against major currency, in which the Company transacts will negatively impact the Company profitability.	The Company has adopted a prudent forex hedging policy which is reviewed by management and approved by the Board. Policy helps the Company to minimize the impact of currency fluctuations on its profitability. Policy is reviewed periodically and its implementation is reviewed by Chief Financial Officer (CFO). The Company also looks for possibility of creating a natural hedge by having revenues and costs in same currency and explore financing options in multiple currencies where The Company can benefit from lower interest rates.
Ineffective capital management, liquidity & funding – Effective capital and liquidity management is key considering liquidity tightening and stringent regulatory environment, volatile financial markets and foreign currency due to geo-political and trade conflicts and crisis situations especially like COVID-19.	The Company has effective controls and processes in place to ensure adequacy of funds for smooth business operations as well as for growth and investment. The Company meticulously reviews liquidity position which includes active monitoring of cash flow and cash flow projections, control on days sales outstanding (DSO) by focus on timely collection of receivables from the clients and rigor on factoring. The Company has adequate and effective control on procurement process for commitment of any expenses of operating as well as capital nature. It has also setup up adequate lines of credit from bankers especially considering risk of delay in collection in current business environment. Focus on investment yield improvement while minimizing risk.

Risk & Impact	Mitigation Plan
Economic & Political risk – The Company as well as its Clients have global footprint and are affected by economical & political events occurring across world. US trade policy changes post-election and restrictions on cross border people movement due to pandemic may have impact on growth opportunities.	Focus on building global presence with local talent in delivery centers in all major locations where it operates. Regular review of changes in regulations, especially immigration laws is done as part of proactive planning. Periodic review is also done on impact of such events on client's business and investments are realigned / planned based on new opportunities that are created based on changing business environment.
Liability from client contracts – Client engagement is critical for client-oriented business like ours. Ineffective client relationships may impact our core operational areas and revenues or might result in additional costs to the Company. This may culminate in claims for damages by client which may adversely affect profit margins.	This risk is measured by risk on account of delayed project execution or defective deliveries or products, poor client satisfaction scores, long disputed outstanding or issues and any other aspect considered relevant for determining the possibility of claim. The Company mitigates this risk by scrupulous review of client contracts, clearly define scope, deliverables & client dependencies in contract, appropriate risk covers, establish service delivery excellence by strengthening program management capability & global delivery management framework. The Company also spreads awareness related to data security and privacy laws and have implemented related controls. Focus on select clients.
IT infrastructure availability & cyber security risk - IT infrastructure availability and security is key for our business and especially in situations like COVID-19. It is crucial to provide secured infrastructure to enable work from home for all the employees. Inability to provide the same may impact the Company operations.	The Company has put in place Business Continuity Plan and is focused on further strengthening of Business Continuity Process to ensure business continuity, additional investments and surveillance for increased threats, increase awareness of data security and review of data protection policies and also have systems and processes for responding to disruptive incidents. Conduct trainings and awareness programs on Information Security covering all employees and partners. IT security audits by reputed third party agencies.
Inadequate employee safety - Employee safety is a crucial factor for the Company.	Periodical employee safety awareness programs are conducted. Comprehensive framework for employee safety in view of COVID-19 outbreak is put in place, in compliance with local laws at all its locations across countries. There is continuous review of the same to ensure adequate measures. The Company has taken various measures for employee safety like creating awareness related to social distancing, conducting webinars and ensure employee well-being with frequent communications with employees, tele consultation by doctors and work from home facility for maximum employees.

R&D **Activities**

R&D Activities

The Chief Technology Office (CTO) functions to enable innovation, technology, research and development at KPIT. The Chief Technology Officer drives the R&D activities at KPIT. Following are some of the research projects under development:

ECU Virtualization

With growing customer expectations and technology advancements, the major focus of the industry is towards accelerated product development. Conventional automotive software development cycles are longer as the component and system validations start only with ECU, hardware and fully functional software available from the suppliers. The industry has been exploring Shift Left methods to enable gradual overlap of development and validation cycle to accelerate product development, reduce cost and time to market.

The Shift Left methods with virtual ECU (Digital twin of real ECU) and Virtual Test Platform have been implemented for electric powertrain component development within KPIT. In accordance with the various use case requirements across software development and maintenance cycle, varied fidelity of virtual ECU implementations have been enabled for Battery Management System (BMS), On Board Charger (OBC) and Inverter Control modules. The Virtual Test Platform enables automated simulation comprising of build and test execution using library of components for selected configurations. Environment is further enhanced to represent Electric Powertrain (ePT) system comprising of various components in single simulated vehicle.

The Virtual Test Platform development further enhances the vehicle level simulation consisting of all required ECUs of the target vehicle as Virtual ECU's. A wide range of function models, virtual ECUs, bus systems and plant models can be simulated in an integrated environment. The platform enables use of best-in-class plant modelling tools for component models, testing tools & scripts along with industry standards based Functional Mock-up Interface (FMU's)

Platform enables adoption of Agile methodology for virtual ECU build, test execution scaling using private cloud for Continuous Integration (CI), Continuous Deployment (CD) & Continuous Testing (CT) workflows. To achieve accelerated execution performance, the components are simulated in a distributed private cloud environment. Cloud based simulation and orchestration engine allows parallel simulations to be executed with large number of concurrent users.

KPIT Software Middleware Platform

A modern car is already estimated to have software comprising 100 million lines of code. With the addition of autonomous driving software, it is estimated that the cars will carry software content with anywhere about 300 million lines of code. Such large software complexity cannot be managed by existing signal based and control-oriented software architecture. Further, the cars are already increasingly connected and they are rapidly evolving into machines which are nothing short of "data on wheels", bringing rich connected, digital services to customers. While it is possible to update software of cars today, there is a lot that can be asked for. A future-ready and service-oriented architecture is essential to meet demands of speed of development, updatability, on-demand feature addition as well as safety and security. As a technology leader in the area of automotive software across domains from in-vehicle operating system to autonomous driving, KPIT is at the forefront of these technology advancements. With multiple assets such class AUTOSAR platform, boot loader, OTA update solution and a service-oriented architecture based AUTOSAR Adaptive platform, KPIT is engaged with carmakers to realize the middleware platform approach for domain controllers and next-generation High Performance Computers.

Here are some key aspects of the middleware platform:

- Built on Service Oriented Architecture
- Technology to combine signal oriented and services oriented implementation on a multi-core SoC
- Platform to manage safety critical software together with user-centric infotainment software
- Support for remote, over the air software updates
- Customizable for different domains from body domain controller to AD/ADAS domain controller
- Partnership with leading semiconductor and operating system companies
- Robust, end-to-end security

KPIT Integrated Test Environment (KITE) platform

KPIT has been developing an integrated platform for automating testing of automotive software.

Following are the latest updates for the KITE platform:

- Integrated test environment platform extended for eCockpit test automation.
- Platform is extended for AUTOSAR and Diagnostic practices. Over 1000+ reusable test assets created
- Platform can now be used for covering use cases across different subsystems including Infotainment, AUTOSAR, Diagnostics

AUTOSAR OS multi core Optimizer and Simulator

The automotive industry now is facing a migration from traditional single-core processors to parallel multi-core processors. The multi-core technology raises new challenges related to both timing predictability as well as to the possibility of obtaining a reasonable performance when executing embedded software.

Optimizer and simulator tool is primarily designed to address the key problems faced by various AUTOSAR project teams in KPIT.

The key features include:

- Optimal combinations of periodic task list to be assigned to each core to minimize inter core communication and ensure optimized scheduling of tasks in multicore environment
- Optimal task offsets to ensure uniform free time across the cores to handle interrupts better
- Simulation module to verify system performance
- Ability to introduce randomized interrupts using statistical models to test system performance
- Detailed analysis of timing behavior to identify possible bottlenecks / deadlock conditions which in turn helps system architects to achieve optimal system design
- Interactive timing analysis visualizations in the form of Gantt charts and reports give AUTOSAR developers insights about the overall system performance

Optimization of Neural Network models using Glow Compiler

Deep-learning models involve complex mathematical operations, making them unemployable directly on embedded platforms until these operations are optimized. “GLOW” is a graph-lowering neural network compiler that optimizes and converts a neural network model into embedded employable form. Target independent and dependent optimization in Glow increases the inference performance on a large range of hardware platforms. Glow converts a neural network model into a bundle that can be integrated with application code.

At KPIT, we have used glow for following:

- Optimize recurrent (time series data) and CNN networks (image classification) to make them employable on embedded devices
- Achieved reduction in dynamic and static memory usage during inferencing
- Verified the trade-off between the accuracy and inference time by playing with multiple Glow configurations

Domain wise breakup of all patents filed:

- Automotive (ADAS) – 17
- Automotive (Hybrid) – 5
- Fuel Cell – 5
- Autonomous Vehicle - 3
- Others (Energy, BMS, Infotainment, EV, Autosar, Diagnostics etc.) - 15
- Total patents filed in this FY - 6 patents (1 complete specs and 5 provisional)
- Total number of patents granted in this FY - 2

Patent Description (Filed):

Patent title	Application Type	Description
System and Method for Discharging a Charged Source	Complete specification	System and method for discharging a charged source are described. The present disclosure relates to a method for active discharge of a charged source of an automotive Electronic Control Unit (ECU). The ECU comprises a full bridge rectifier electrically coupled with the charged source and having a first leg with a pair of switches M1 and M2, and a second leg with a pair of switches M3 and M4. The full bridge rectifier is electrically coupled with a power supply through a transformer. In an embodiment, the charged source of the ECU is a Direct Current (DC) Link capacitor. The ECU is electrically coupled to a high voltage battery through a set of switches S1 and S2, and wherein a control unit is configured to facilitate simultaneous switching of each of the switch S1 and the switch S2. Switching of either the switches M1 and M2 to ON state; or the switches M3 and M4 to ON state creates a short-circuit across the charged source resulting in discharging of the charged source.
A Portable Automated Resuscitator System and Method thereof	Provisional specification	The portable automated resuscitator system and method of the present invention, KwickSave, is a portable, easy to use, efficient and an economical resuscitator system and method. The system includes a AMBU bag operated with a motorized mechanism, an on-board controller to control the amount of air/oxygen supplied and the respiration rate, a pressure relief value with an on/off lock feature, an outgoing air filter to prevent the spread of the virus, various modes of operations as per the requirement and a display panel/audio-visual indicator for monitoring various parameters locally or remotely.
A System and Method for a Fuel Cell Assembly Assimilator	Provisional specification	The present invention relates a system and method for a fuel cell assembly assimilator. The system and method for a fuel cell battery assimilator comprises of a welded metal bipolar plate with an assimilator which is an additional stamping/bump that acts like a suspension and provides for a uniform pressure distribution across the fuel cell assembly. The fuel cell assembly includes a welded metal bipolar plate, a membrane electrode assembly, a gasket and a sub-gasket assembly. The system and method of the present invention of an in-built assimilator in the welded metal bipolar plate of the fuel cell provides for a constant and uniform pressure distribution in the active and non-active areas of the bipolar plate.

Patent title	Application Type	Description
A hybrid system and method for estimating state of charge of a battery	Provisional application	The present invention relates to a hybrid system and method for battery state of charge estimation. The hybrid system and method of the present invention comprises a physics-based battery model and a plurality of neural networks for accurately estimating SOC of the battery. The battery model output is provided to the plurality of neural networks, which eliminates the need of the conventional Kalman filters. The hybrid system works on predictions and corrections (estimations) of two state variables: State of Charge of the battery cell (SOC) and polarization voltage (Vp). The hybrid system of the present invention improves the accuracy of the SOC estimation.
A modular and scalable system architecture and method for hybrid and battery-operated vehicles	Provisional application	The present invention relates to a modular and scalable system architecture and method suitable for any type of hybrid and battery-operated vehicles. The modular and scalable system architecture and method of the present invention comprises of a vehicle system which is isolated from the flexible energy storage system through a unique defined interface. The unique defined interface comprises of a software communication interface, an electrical interface and a mechanical interface. The isolation of the vehicle system and the flexible energy storage system through the defined interface of the present invention provides for a modular and scalable system architecture and method suitable for any type of hybrid and battery-operated vehicles.
A system and method for estimating a state of charge of a battery	Provisional application	The present invention relates to a deep learning-based battery state of charge estimation. The system of the present invention includes a battery module, a pre-processor module and a deep learning module for accurately estimating SOC of the battery. The raw features received from the battery module are processed by the pre-processor module. The input features processed by the pre-processor module are provided to the deep learning module to estimate the SOC of the battery. The deep learning module uses an attention-based LSTM network for estimating SOC of the battery. The input features include current entropy, voltage entropy and a difference in the open circuit voltage of the battery module. Based on the three input features, the attention-based LSTM deep learning module accurately calculates the SOC of the battery.

Patent Description (Granted):

Patent No.	Country of Grant	Patent Title	Description
ZL 201680013346.2	China	A System and Method for Ambient Light Detection	The present invention discloses a method and system for detecting ambient light. The method includes capturing one or more images visible by an image capturing device, converting color of each of the captured image into a grey color, determining histogram of each of the grey color captured image, computing average frequency mean value and data mean value of the determined histogram, and comparing at least one of the average frequency mean value with a predetermined FM threshold and the data mean value a predetermined DM threshold for detecting ambient light.
PI2015704403	Malaysia	Retrofit system for converting a vehicle into one of a Hybrid Electric Vehicle (HEV) and Electric Vehicle (EV)	A retrofit system for configuring a vehicle into a hybrid electric vehicle or electric vehicle is provided. The system consists an Electric Power Source (EPS) having one or more motors to provide fail safe torque to the vehicle and harness braking energy for charging one or more batteries, one or more attachable Electric Power Gear Assemblies (EPGA) configured to couple the one or more motors to a propeller shaft for providing the torque to the vehicle, and an electronic control unit coupled to the Electric Power Source (EPS) for dynamically controlling functioning of the one or more motors based on the running conditions to drive the vehicle. The motor controller actuates one or more motors based on the torque and power required to drive the vehicle.

Technical Publications:

Paper Title	Conference	Domain
Significance of Predictive Motion Control	IEEE ICIPRoB 2020, Negombo	Control System, MPC, ACC

KPIT Sparkle 2021

In its 7th year, KPIT Sparkle is an umbrella platform that connects budding technology entrepreneurs with the incubation ecosystem. It provides the multidisciplinary outlook required to first-time student entrepreneurs.

The i-Innovate contest which is run under KPIT Sparkle has a systematic innovation process laid out for the students to follow and learn through an experiential product or service building. This platform exposes them to test their hypothesis of entrepreneurship by validating the idea. Affordability, Sustainability, Scalability, Universal, Rapid, Excellence and Distinctive are the dimensions that are weighted. The i-Innovate platform also guides the students in form of mentorship to deserving top ideas.

The 20 finalists' teams with India's best innovations in the space of Mobility & Energy were shortlisted from over 2,700 entries across India, successfully presented prototypes virtually. The highlights were participation from 42 premier Institutes (IITs - 18 & NITs - 24) and 82 of the top 100 colleges all over India.

The event was held completely digitally this year owing to the COVID-19 pandemic. The Grand Finale was scheduled on 4th – 5th & 6th March 2021. Shri. Nitin Gadkari, Hon'ble Minister for Road Transport and Highways and Minister of Micro, Small and Medium Enterprises, Govt. of India and Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, were guest of honor and chief guest, respectively, at the virtual grand finale event.

Winners of KPIT Sparkle 2021:

Awards	Team Name	Project Name	College
Platinum	Nano Fluid	Nano-Fluid Based Portable Pail for Cooling Milk from Milking Point	ICAR-National Dairy Research Institute, Bengaluru
Gold	3D Printer	Continues Carbon Fibre 3d Printing	Pimpri Chinchwad College of Engineering, Pune
Silver 1	Sand Bird	Semi-autonomous electric tractor which will reduce operation cost by 10 times with home charging.	Vellore Institute of Technology, Vellore and KCG College of Technology, Kancheepuram
Silver 2	AL-Air Battery	AI Air Battery	Indian Institute of Technology (IIT) Madras, Chennai
Most Popular Project	Auto-monitor	Novel Diagnostic System For EV-Motor Monitoring & Automatic Fault Protection by AI Controlled Drive	Dr. D. Y. Patil Institute of Technology, Pune
*Covid-19 solution	Ox-ylinder	Oxygen concentrator for vehicles and Ambulance for passengers and patients	Indian Institute of Technology (IIT), Kanpur
Pat on the Back	Soft-Spy	Accident information collection unit	North Eastern Regional Institute of Science and Technology (NERIST), Itanagar

*The Covid-19 solution was awarded on behalf of Department of Science and Technology, India.

Incubation Partnership:

KPIT partnered with the Nehru Group of Institutions Technology Business Incubator (NGI TBI); Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad; Bhau Institute of Innovation, Entrepreneurship and Leadership; Manipal University, Jaipur; TBI KEC Incubation Centre; Marathwada Accelerator for Growth and Incubation Council (MAGIC); International Institute of Information Technology, Hyderabad; Sandip Incubator Association; MIT TBI; iCreate; SINE, IIT Bombay to provide incubation opportunities to deserving ideas.

Incubation Updates from KPIT Sparkle 2020 and 2021 edition

The finalists of the 2020 edition were incubated at Bhau Institute, Pune with support of the Department of Science and Technology, India. These teams were provided an initial fund of INR 10 Lacs each, for their startup from DST.

Details are mentioned in table below:

Project Name	College	Incubated at	KPIT Sparkle Edition	Funding Amount (INR)
Modified Vertical Axis Wind Turbine	Army Institute of Pune, Maharashtra	COEP'S Bhau Institute, Pune	2020	10 Lacs
Vortex Energy Generator	IIT Kharagpur, West Bengal	COEP'S Bhau Institute, Pune	2020	10 Lacs
Smart helmets to avoid road accidents	Vidya Pratishthan Kamalnayan Bajaj Institute of Engg. and Tech., Baramati, Maharashtra	COEP'S Bhau Institute, Pune	2020	10 Lacs
Wheelchair attached electric hand bike	D. Y. Patil Eng. Kolhapur, Maharashtra	COEP'S Bhau Institute, Pune	2020	10 Lacs

Project Name	College	Incubated at	KPIT Sparkle Edition	Funding Amount (INR)
DbyT Dynamics	IIT Madras, Tamil Nadu	COEP'S Bhau Institute, Pune	2020	10 Lacs

There are some projects who got support from iCreate through the Spark-up program.

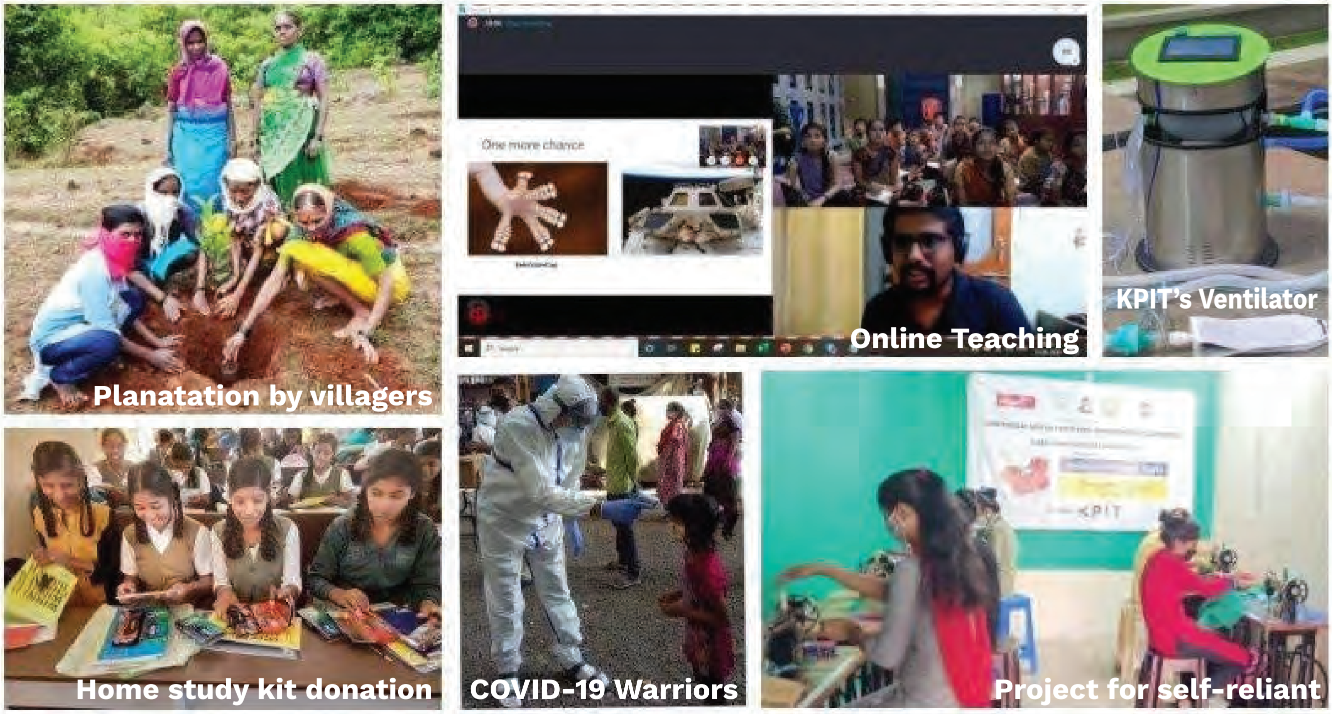
Details are mentioned in table below:

Project Name	College	Incubated at	KPIT Sparkle Edition	Funding Amount (INR)
Two-wheel cargo electric cycle with passive cold storage chamber on board	IIT Madras, Tamil Nadu	iCreate	2020	Up to 10 Lacs under Nidhi-Prayas Scheme
Electrical Vehicle using smart motor drive	Annasaheb Dange College of engineering and technology, Sangli	iCreate	2020	50,000 under Spark-Up Program
Smart Highway VAWT	JSS Academy of Technical Education, Noida, Uttar Pradesh	iCreate	2020	50,000 under Spark-Up Program
Customized diesel oxidation catalyst	Veer Surendra Sai University of Technology, Burla, Odisha	iCreate	2021	50,000 under Spark-Up Program
Automated Tariff Smart Device & Fault protector for electric vehicles	Amrutvahini College of Engineering, Sangamner, Maharashtra	iCreate	2021	50,0000 under Spark-Up Program
Virtual Reality and IOT based Smart Helmet	R. M. D. Engineering College, Thiruvallur, Tamil Nadu	iCreate	2021	50,000 under Spark-Up Program
Deep vision	Mangalore Institute of Technology & Engineering, Mangalore, Karnataka	iCreate	2021	50,000 under Spark-Up Program
Acoustic Energy Harvester	KLE Dr. M. S. Sheshgiri College of Engineering and Technology, Belgaum, Karnataka	iCreate	2021	50,000 under Spark-Up Program

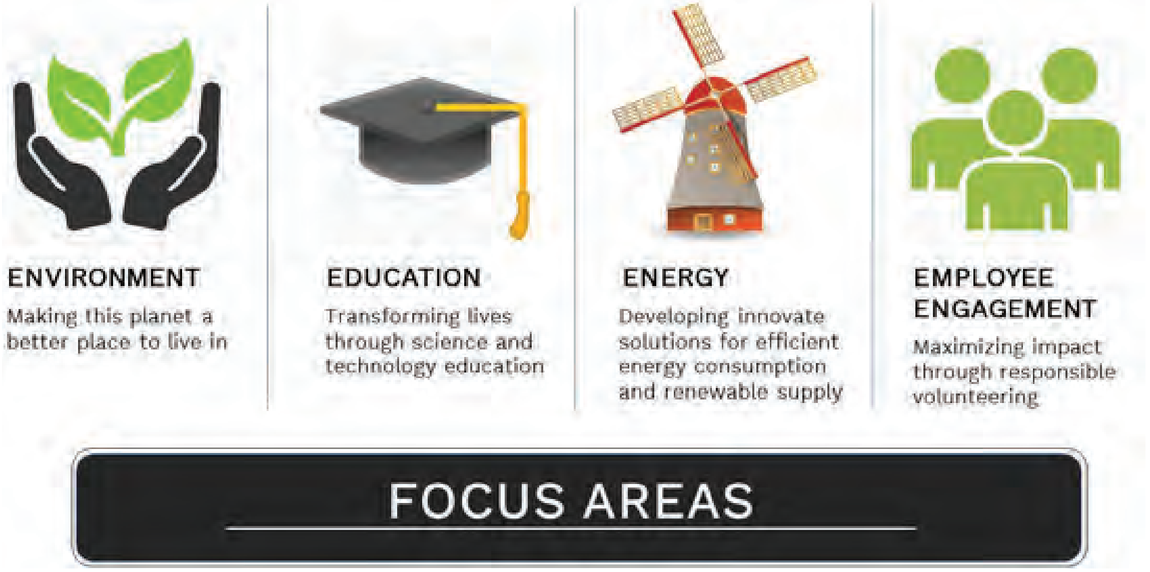
Community **Initiatives at KPIT**

Community Initiatives at KPIT

Reimagining mobility with you for creation of a cleaner, smarter & safer world



KPIT's incorporation as a new corporate entity has realigned the CSR policy to have a stronger commitment towards the community. We demonstrate this commitment across all the regions of KPIT's global presence. This year with the pandemic effect across the globe, our current talent along with their family members have created a long-lasting impact across our focus areas of education, environment, energy and employee engagement.



Environment

Environment Month at KPIT

Staying true to our commitment towards a cleaner world, we at KPIT celebrated World Environment Day inviting all KPITians globally to be part of various virtual events with the theme "**Celebrate Biodiversity**".

Poster Design Campaign

An in-house "Poster Making" campaign has been conducted encouraging the employees to participate in making striking posters bringing out their real concern to save the environment.

Figure 1: Shortlisted posters from Poster Design Campaign

Grow your plant campaign

If we start treating the earth as our home, there will be plants and trees in our home year-round. With this belief, the "Grow Your Plant" campaign was conducted and encouraged all KPITians to be part of environmental welfare in a small way by planting a sapling at their homes for a greener tomorrow.

Figure 2: KPITians with their family members planting the saplings

Guest talk on Biodiversity

In continuation with our series of activities, we organized a talk on "Biodiversity and our role as an individual towards it" by Dr. Sanjay Joshi, (Ph.D, Zoology).

This was the first-ever online webinar event organized by the KPIT CSR team. With active participation of our talent members and their family members, we had an extremely overwhelming positive response.

Figure 3: Dr. Sanjay Joshi addressing KPIT employees on Biodiversity

Afforestation- Sapling plantation and nurturing at the Koyna-Chandoli corridor

KPIT, a socially responsible organization, has taken upon itself the task of restoring forests in areas we can. In the state of Maharashtra, the Koyna-Chandoli corridor has been a host of **KPIT's afforestation efforts in association with the Wildlife Research & Conservation Society (WRCS)**. Continuing our previous year's efforts, we aligned our afforestation activities with the onset of monsoon. Due to the COVID-19 pandemic, our volunteers have not been able to participate physically in the plantation activities this year. With the help of local villagers and full-time activists of WRCS, we planted a total of 5000 saplings. With this, **a cumulative of 45,900 saplings were planted in an area of 252 acres with an overall survival rate of 80 percent.**

Figure 4: Tree plantation by villagers at Koyna-Chandoli corridor

Chairman's visit to KPIT's Koyna afforestation project

Our Chairman Mr. S. B. (Ravi) Pandit along with his family visited this project. He further encouraged our contribution and efforts towards the environment and towards generating structured livelihood for the locals. The locals have been delighted to interact with Mr. Pandit and showcase the fruits of all the efforts. It was overwhelming to see them obtain **vocational training with artifacts/t-shirts** to generate further awareness towards environment conservation and further help support themselves financially.

Figure 5: Chairman's interaction with beneficiaries at Koyna project

Well Excavation and construction at Nigdicha Wada village, Mulshi, Pune

KPIT, under its Water Conservation through Mass Volunteering Initiative, started the fourth fresh drinking water well in Maharashtra. This project, intended to address the potable water scarcity for the months when the nearby natural spring dries out; was a collaboration between KPIT, Jnana Prabodhini and the villagers.

Since the pandemic has limited in-person volunteering opportunities, we decided to excavate the well by using machines and the help of the villagers. A well with 32 ft diameter and 32 ft depth will be able to store 7 lac litres of water. As a result, the village with a population of 200 people and 1000 cattle will now be tanker-free even in the arid months of the year.

Figure 6: Well construction work-in-progress at Nigdicha Wada village

Education

Online teaching at Thayimane

For the last 10 years, KPIT has been working closely with Thayimane, a foster home for needy underprivileged children in Bengaluru. Students from rural parts of Karnataka and North-East India are studying in Thayimane's residential facility. With the sudden COVID-19 lockdown, some of the students could not travel to their homes.

KPIT CSR team and Thayimane management structured a program to engage these students. KPITians with their family members volunteered with the opportunity to feel connected to a cause close to their heart and conducted online teaching sessions for the students at Thayimane.

Total 85 sessions were taken by 20 volunteers on various topics like art & craft, storytelling, drawing, Yoga, a virtual visit to farmland, moral stories, learn from nature, quiz, etc., for a period of 6 months.

The sessions with the children gave an opportunity to create a positive atmosphere among the families of KPITians while doing good deeds together.

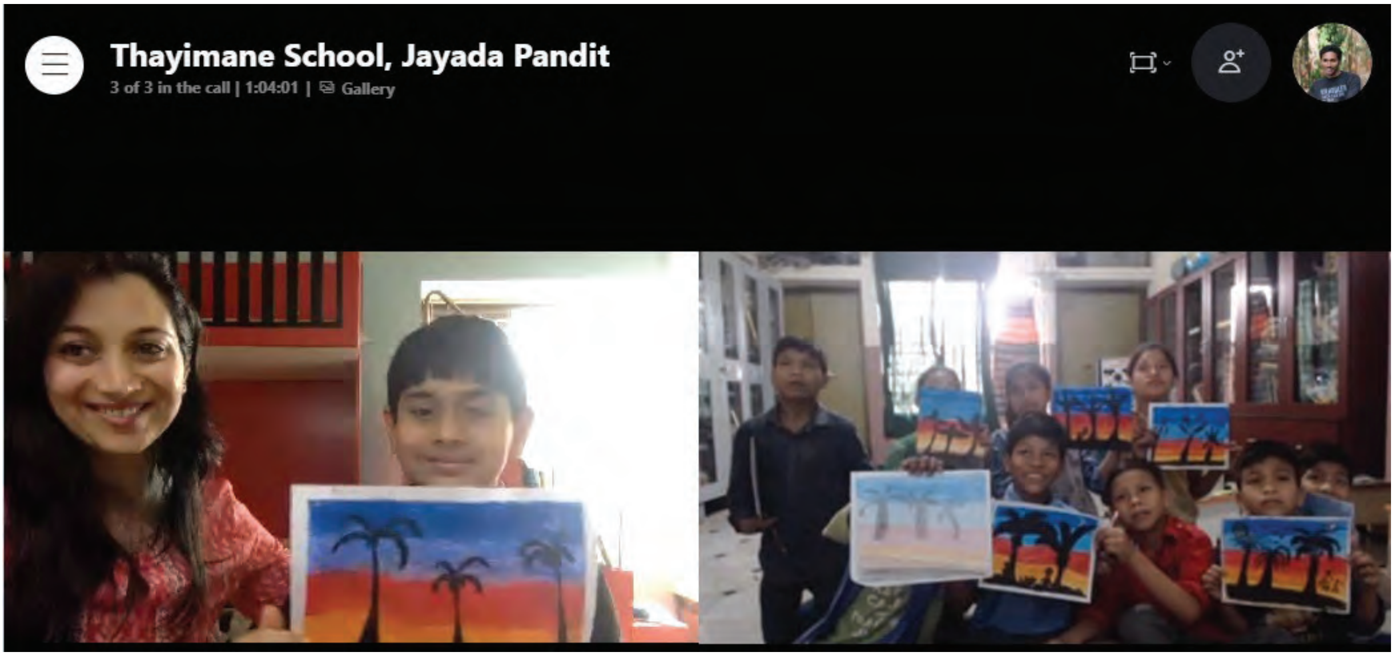


Figure 7: Online classes by KPITians at Thayimane

Home study kit donation drive

KPIT strongly believes that education is essentially the most important attribute for personal & professional growth.

Over the past decade, we have successfully executed multiple School Kit Drives with the support of our employees and in association with renowned voluntary organizations like '**Seva Sahyog**' & '**Youth for Seva**.'

This year, the ongoing COVID-19 pandemic has led to uncertainty all around and education has taken a backseat for many parents. Government & educational institutes tried their best to fill the gaps through online/digital classes for which textbooks were available online but there was always a need for stationery to help daily studies of the children.

Addressing this issue, KPIT partnered with Seva Sahayog Foundation and distributed **Home Study Kits to needy and underprivileged students in Pune**, Maharashtra. Also, we extended this drive to the **children of security personnel, housekeeping staff and Sodexo staff at KPIT.**

Similarly, **exam kits were distributed to students studying in 10th grade of Government schools and Ashram schools in Mysore**, Karnataka. This was done in partnership with Swami Vivekananda Youth Movement (SVYM). This initiative has benefitted more than **1570 underprivileged students.**

Figure 8: KPITians distributing Home Study Kits to needy children in Pune & Mysore

Chhote Scientists

KPIT has always been at the forefront of various education initiatives.

"Chhote Scientists" is one such initiative **to kindle the love for science** amongst school-going children with the help of easy-to-make & fun-to-learn scientific toys.

This year, with COVID-19 pandemic impacting education of children, particularly on those from marginalized sections, we quickly adapted to the changing environment and effectively reshaped the program to **"Online teaching". Students were able to connect easily from their parents' smartphones and continued learning from the comforts of their homes.** KPIT employees had stepped up to ensure the students were able to grasp the concept and also enjoy learning from home by demonstrating science experiments with material commonly available at their homes.

In association with Jnana Prabodhini, Pune, this program has benefitted **1500 students with the support of 239 KPIT volunteers completing 120 sessions at 40 municipal schools in the Pune and Pimpri-Chinchwad corporation area.**

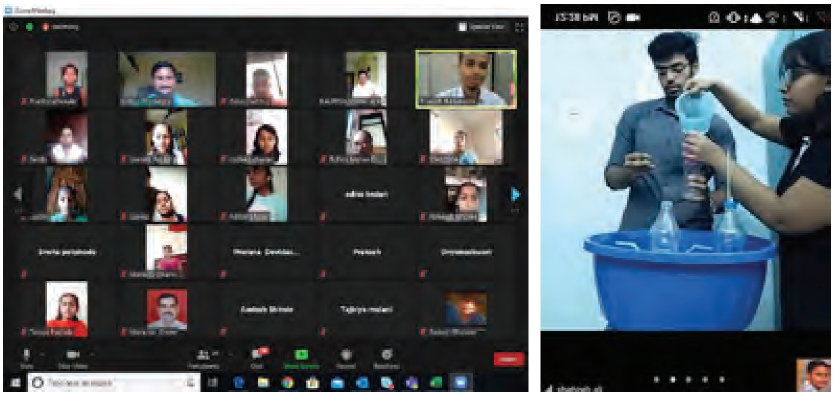


Figure 9: Chhote Scientists attending online sessions conducted by KPITians

vSolve 2021

vSolve is an annual competition to conclude the Chhote Scientists Program. This is a great platform for our chhote scientists students to showcase their learnings and come up with innovative solutions for given problem statements.

This year the competition was organized online. 70 students from 23 schools have participated in this event. They were given challenges related to the 'High-pressure car washer without using electric motor' and 'Alarm based device to protect the crop from birds and animals' and were asked to come up with a working solution. One working day was given to the students for preparations. During the virtual assessment, students came up with excellent solutions and different models.

Figure 10: Students demonstrating working models at virtual vSolve 2021

KPIT Sparkle 2021

KPIT Sparkle, an annual national-level contest, cultivates a culture of innovation by inspiring students from the STEM (science, technology, engineering, mathematics) streams to identify and solve sustainability-related real-life problems using technology. It also encourages and facilitates students to secure intellectual property for their solutions. The 20 finalists teams with India's best innovations in the space of Mobility & Energy were shortlisted from over 2,700 entries across India, that successfully presented prototypes virtually.

The completely virtual event had its Grand Finale on 4th, 5th & 6th March 2021.

Shri. Nitin Gadkari, Hon'ble Minister for Road Transport and Highways and Minister of Micro, Small and Medium Enterprises, Govt. of India and Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, were the guest of honour and chief guest, respectively, at the virtual grand finale event.

The Winners

- **Team Nano-Fluid** from **ICAR-National Dairy Research Institute, Bengaluru,** won the **platinum award** of INR 10,00,000 for designing a portable nano-fluid-based milking pail for cooling milk after production in an environment-friendly and cost-effective manner.
- **Team 3D Printer** from **Pimpri Chinchwad College of Engineering, Pune,** won the gold award of INR 5,00,000 for designing continuous fibre 3D printing. The technology involves 3D printing of continuous carbon fibre embedded in nylon.
- **Two teams won the silver prizes of INR 2,50,000 each for the following ideas:**
  - **Team Sand Bird** from **Vellore Institute of Technology, Vellore,** and **KCG College of Technology, Kancheepuram,** for designing a semi-autonomous electric tractor that reduces operation cost by ten times with home charging.
  - **Team Al-Air Battery** from **the Indian Institute of Technology (IIT) Madras, Chennai,** for developing a novel electrolyte-based rechargeable Al-air battery, which increases the energy density by up to eight times and is efficient in saving more than 1 lakh tonnes of CO2 production per year.
- **Most Popular Award**
  - **Team Auto-Monitor from Dr. D. Y. Patil Institute of Technology, Pune** won the **most popular award of INR 1,00,000** for designing a novel diagnostic system for EV-motor monitoring & automatic fault protection by AI controlled drive.
- **Two teams won the special jury award for the following ideas :**
  - **Team OX-YLINDER** from the **Indian Institute of Technology (IIT) Kanpur** won a **special award of INR 50,000** for designing an oxygen concentrator for vehicles and ambulance, equipped with new technology.
  - **Team Soft.Spy** from the **North Eastern Regional Institute of Science and Technology (NERIST), Itanagar,** won **a pat-on-the-back award** of INR 10,000 for designing a device that records the cause of vehicle accidents and helps the user to decide who was responsible for the accident by retrieving technical data collected during the time of the accident.

Incubation opportunities

KPIT partnered with the Nehru Group of Institutions Technology Business Incubator (NGI TBI); Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad; Bhau Institute of Innovation, Entrepreneurship and Leadership; Manipal University, Jaipur; TBI KEC Incubation Centre; Marathwada Accelerator for Growth and Incubation Council (MAGIC); International Institute of Information Technology, Hyderabad; Sandip Incubator Association; MIT TBI; iCreate; SINE, IIT Bombay to provide incubation opportunities to deserving ideas.

Knowledge partners

KPIT Sparkle 2021 was privileged to be associated with the **Department of Science and Technology, Government of India; Ministry of New and Renewable Energy; ONGC Energy Center; National Institute of Design (NID); All India Council for Technical Education (AICTE); MathWorks** as its knowledge partners.

KPIT Sparkle Impact

KPIT Sparkle provides infrastructure and business support services, such as mentoring, training, Intellectual Property Rights (IPR) services, technical and networking support to the selected teams. So far, it has resulted in the filing of more than 50 patents by the participants and funding from the Government of India, Department of Science & Technology (DST) and India-supported Bhau Institute of Innovation.

Figure 11: Glimpses of digital KPIT Sparkle 2021

KPIT Sparkle winner of FICCI CSR Award, 2018-19

KPIT Sparkle has emerged as the winner of 'FICCI Corporate Social Responsibility Awards 2018-19' for **incubating path-breaking innovations by young entrepreneurs** from across the country which addresses the challenges of 'Real India.'

On the 27th of July 2020, Shri Anurag Thakur, Hon'ble Minister of State for Finance and Corporate Affairs, GoI presented the award to the KPIT team through the virtual award presentation ceremony.

Figure 12: KPIT Sparkle winner of FICCI CSR Award, 2018-19

Employee Engagement

Audio recording of books for Visually Impaired Students

Persons with blindness, low vision, learning and certain physical disabilities face various challenges in their day-to-day life. The lack of books and reading material in alternate and accessible formats for these people have a negative impact on education, employment prospects and personality development.

Addressing this issue, KPIT has partnered with the **'Samarthanam Trust for The Disabled'** (Bangalore-based non-profit organization) and 'Snehalaya' (Pune-based non-profit organization), to launch a volunteering program for employees to help people who cannot read books due to visual, cognitive or physical disabilities. KPIT has called upon all those selfless individuals, who look for meaningful ways to volunteer during the COVID-19 lockdown. Many KPITians have shown interest and spread the joy of books by recording audiobooks for the visually impaired.

The need to record a large number of books and the passion of KPITians to support the cause has made this take the shape of an on-going activity. **150 KPITians have recorded audiobooks that include short stories, novels, autobiographies, technical content and academic books.**

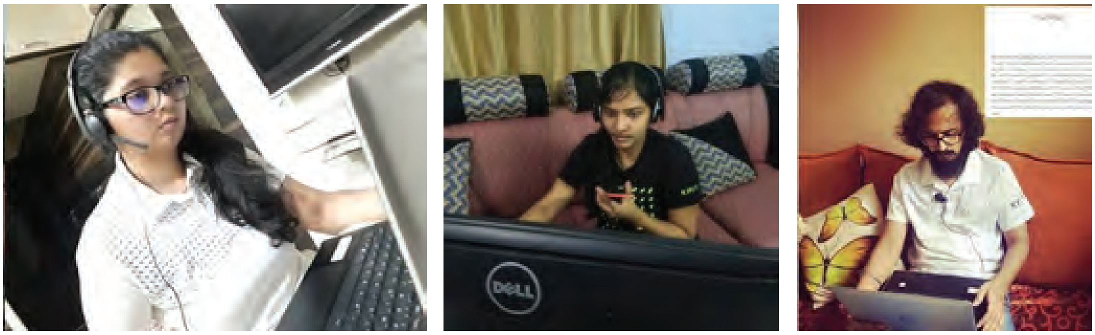


Figure 13: KPITinas while audio recording the books for visually impaired students

Eco-Friendly Ganesha Making Workshop

Ganesh Chaturthi is one of the biggest festivals which is celebrated all over India to worship Lord Ganesha. KPIT being an environmentally conscious company, encouraged all its employees and their families to consider the importance of an **eco-friendly idol to stay away from materials that are harmful to the environment**. KPIT CSR team organized a workshop to create beautiful & creative Ganesha idols with the materials available right at home.

Figure 14: Families of KPITinas with the beautiful eco-friendly Ganesha idols made by them

Make Best Out of Waste Campaign

In continuation with our true commitment towards a cleaner world, we at KPIT had organized a “Make best out of waste” campaign inviting all KPITians to be part of various virtual workshops.

Workshop on making eco-friendly Diwali Lanterns

With festive mood around the festival of Diwali, the KPIT CSR team organized a workshop on making eco-friendly lanterns and received an overwhelming response from KPITians and their family members. All the participants had learned to make their own **handmade traditional and beautiful eco-friendly lanterns** and dazzled their homes with colorful celebrations.

Figure 15: KPITinas with the handmade colorful eco-friendly lanterns

Workshop on up-cycling old denim

The COVID-19 pandemic has taught us the important lesson to save our environment while supporting the needy in our neighborhood. With similar thoughts in mind, the KPIT CSR team organized a workshop to help the employees learn to **prepare useful products from their old denims** lying at home.

Over 150 employees along with their family members joined this virtual session and made beautiful products. Aiding in employment, a donation drive was also organized to donate old denim clothes to women’s self-help groups supported by **Poornam Eco-Vision** (a Pune based Non Governmental Organization (NGO) working in the field of waste recycling)

Figure 16: KPITinas with the beautiful denim products made by them

Workshop on best out of E-waste

As part of the campaign "Make best out of waste", the KPIT CSR team organized a workshop on e-waste and witnessed great participation from KPITians. Employees along with their family members made **beautiful products out of e-waste that we generate at home.**

We also organized an e-waste collection drive to donate the collected material to women self-help groups supported by Poornam Eco-Vision to create employment.

Figure 17: Workshop by Poornam Eco-Vision team on best out of E-Waste

Employee Volunteer Development & Capacity Building Program

Employee engagement is the core of KPIT's CSR. We always encourage individuals across the organization to devote a portion of their time and talent to support the community in resolving social challenges and making the world a better place.

We believe that with improved volunteer skills and focused engagement, CSR programs can create greater social impact.

KPIT in association with the partner NGO, Youth For Seva, Bengaluru has designed and launched an 8-month program for the Development and Capacity building of passion-driven KPIT/NGO volunteers. This program will have multiple sessions from various social changemakers. Participants will interact and learn from the life experiences of these social icons. Topics covered will be, Overview of NGOs & development sector, Monitoring, Evaluating and Reporting a social project, Fundraising methods etc. This program has received an overwhelming response from the participants.

Figure 18: Talk by Dr. R. Balasubramaniam (first from left) on Development & Its Stakeholders

KPIT's Association with Lawn Tennis in India

KPIT Technologies Limited has been at the forefront of encouraging the Olympic sport of Tennis, in India. KPIT has partnered with **Maharashtra State Lawn Tennis Association (MSLTA)** since 2014 to organize and bring to India and specifically in Pune city the KPIT MSLTA Challenger Tennis Tournament.

The key objective of this tournament is to provide Indian Tennis players a platform to compete with international players here in India. The KPIT MSLTA Challenger tournament is one of the longest-running challenger tournaments and over the years the tournament has seen tremendous participation from Tennis players both from India and abroad. Players from more than 20 countries travel to Pune to participate in this tournament. Winning players get 80 ATP points at their record.

Numerous activities are conducted simultaneously along with the tournament to promote tennis in Pune and Maharashtra, e.g. clinics for coaches from across the state, medical insurance packages for coaches, tennis clinics for enthusiasts, tennis kit distribution in schools, senior and junior tournaments, etc. The aim is to encourage more and more people to take up tennis. Special arrangements are made each year to bring students from nearby schools to come and watch the games.

In 2020, all sporting activities had come to a halt due to the pandemic and Indian Tennis players did not have an opportunity to participate in any tournaments. Thus, staying aligned to the objective of providing them a platform to compete with international Tennis players, in March 2021, KPIT partnered with MSLTA and other Tennis associations to conduct one of the first international tournaments in India. A unique tournament for girls and boys was organized at the Deccan Gymkhana, Pune. The KPIT MSLTA WTT ITF Tennis Cup witnessed participation **from more than 100 (Boys and Girls) tennis players from 20+ countries.**

Figure 19: Highlights of KPIT MSLTA WTT ITF Tennis Cup

Covid Combat

Hats off to brave KPITians

During this pandemic, when everyone stayed at home, some of our employees dared to come out of their comfort zone and worked with the volunteering organization Jankalyan Samiti, Maharashtra on various drives.

The employee volunteers participated in **Corona Suspect Drives** in the cities of Pune and Nashik. During the drive, they performed screening of every person in **more than 150 households and also distributed immunity-boosting medicines** in the community.

Some of the volunteers donated blood and others organized blood donation camps at their residential complexes. Volunteers also donated food to more than 500 migrant labour families who were dependent on the daily wages and lost their work.

Going beyond the drives, KPIT employee volunteers also performed the last rites for few COVID-19 victims. After participating in these activities, all the volunteers diligently quarantined themselves, thus abiding by the government guidelines.

Figure 20: Brave KPITinas serving the society during the COVID-19 pandemic lockdown

COVID-19 Care Center

There was a situation where Pune had emerged as India's new "Corona capital" with the large number of tests being conducted in the city. KPIT Technologies Limited had played a key role in setting up a **200 bedded COVID-19 care center in Garware college, Pune,** in association with **Pune Municipal Corporation, SevaVardhini and Sahyadri Hospital.**

This facility was especially for the patients who had been advised for home quarantine but do not have sufficient space at their homes. This was also for those who come from the **weaker economic sections of the society** and could not have afforded the expenses of tests, sanitization and medicines.

The center had facilities that include, everyday **yoga sessions, hygiene care, medical care with nutritious food** which were provided free of cost. It also had a counseling center and two duty doctors available 24x7 for continuous follow-up. Another important factor was that young volunteers from across Pune city had provided voluntary support services and took care of patients admitted in the center.

1,626 patients were benefitted from this center.

Figure 21: COVID-19 care centre setup in Pune with the support from KPIT

KPIT’s Innovation of versatile ventilator

In March 2020, when the world grappled with COVID-19, the lack of timely & sufficient availability of ventilators was the biggest challenge.

As a technology company that cares, we realised KPIT’s years of specialization in product engineering and embedded software expertise could possibly help save lives.

In 3 months, braving the challenges of lockdown, KPIT’s team **innovated a versatile, safe, robust, portable,** yet fully functional ventilator.

The ventilator was solutioned to be of support through the entire spectrum - from ambulances, ICUs to at-home-care. These ventilators have been **certified by NABL** (National Accreditation Board for Testing and Calibration Laboratories) accredited laboratories and validated by doctors.

KPIT ventilator, named **‘Vyoman’** (meaning ‘air’ in Sanskrit), has helped patients breathe. “Vyoman” was **awarded by Marico Foundation** as one of the **top winners in Innovate2BeatCOVID national challenge** in the ventilator category that received more than 600 entries. The award was a testimony to KPIT’s capability and efforts of continued contributions through uncompromised, top-notch solutions in creation of a cleaner, smarter & safer world.

Figure 22: KPIT’S Innovation of versatile Ventilator “Vyoman”

Economic Empowerment of women through skill training

The COVID-19 pandemic has given a major financial setback especially for families from economically weaker sections of the society. Generally, women from these sections earn income to run their families through work that includes being a domestic help, construction labourers etc. Some of them have lost their earnings during the lockdown.

KPIT Technologies partnered with **Maharshi Karve Stree Shikshan Samstha** (MKSSS), Pune to empower these women by providing skill training and creating employment opportunities for them. This was a community outreach program through which women from Yerwada and Vishrantwadi slum areas have been trained on skills to support their livelihood.

The training program includes,

Basic Tailoring course for kids’ garments and ladies’ garments (50 participants).

Patient Assistant course in which young women are taught how to take care of patients as well as elderly people. After the completion of training, the placements will be provided by MKSSS (20 participants).

Anticipated outcome of this program is to have self-reliant women.

Figure 23: Skill training program for Women in Pune

Enhancing the Skill of Rural & Tribal Community through Vocational Training Programs

With a primary goal to support the rural women who lost their employment due to the pandemic, KPIT Technologies partnered with **Swami Vivekananda Youth Movement** (SVYM) to provide training on **"General Duty Assistant - Healthcare"** to the residents of H D Kote, **Nanjangud taluk of Mysore** district of Karnataka.

This is a residential training program (90 Days) for a batch of 25 students. The course lays special emphasis on inculcating empathetic and ethical behaviour beyond the patient. This program is affiliated with the National Skill Development Corporation (NSDC) and post the training, candidates will have placement opportunities in Govt (PHCs) and private healthcare institutions in Mysuru & Bengaluru based on the student's locality & interest.

Figure 24: General Duty Assistant-Healthcare Training Program in Mysore

Media Coverage

BUSINESS NEWS THIS WEEK

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KPIT wins 'FICCI CSR Award' for incubating path-breaking innovations addressing the challenges of 'Real India'

August 11, 2020 | Gouri Acharya | Business | 0

Business News This Week > Business > KPIT wins 'FICCI CSR Award' for incubating path-breaking innovations addressing the challenges of 'Real India'

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KPIT wins 'FICCI CSR Award' for incubating path-breaking innovations addressing the challenges of 'Real India'

BusinessLine

Companies

KPIT Chairman connects intelligent electronics and affordable medical devices

For Pune-based KPIT Technologies, Marico Innovation Foundation's (MIF) nationwide hunt for innovative, cost-effective ventilators to mitigate the outbreak of the Novel CoronaVirus seemed both – a challenge to test its prowess and opportunity

HEALTHCARERADIUS

KPIT Technologies innovates versatile ventilators in fight against COVID-19

Innovation awarded by Marico Foundation as the top winner in their Innovate2BeatCOVID national challenge

TIMES SPORT

Tejasvi Kate

Tejasvi in final qualifying round of ITF tennis

Wildcard entrant and Pune girl Tejasvi Kate knocked out fourth seed Emma Van Poppel of the Netherlands 4-6, 6-2, 10-8 to enter the final qualifying round of the $25,000 KPIT-MSLTA ITF Cup women's tennis at the Deccan Gymkhana on Sunday.

लोकमत

सिद्धार्थ रावतला एकेरीत, तर दुहेरीत प्रशांत, वर्धन यांना अव्वल मानांकन

पुरुष टेनिस : केपीआयटी-एमएसएलटीए आयटीएफ डब्लूटीटी

Voices of Employee Volunteers

"I have been part of KPIT's CSR activities for many years. The team is taking up excellent initiatives/ projects and executing them quite well.

The year 2020 was a challenging and tough year for all of us. Still, our CSR team continued its enthusiasm, positivity and innovative approach to carry out so many activities. I participated in many of them like Diwali Lantern Making, Eco-friendly Ganesha Making, Grow Your Plant, Make Best out of e-Waste, Upcycle The Old Denim etc. I really appreciate the way the CSR team successfully carried out these events. I enjoyed it a lot, learned a lot and experienced the environmental connection in some way. Eagerly looking forward to more such initiatives."

Rashmi Raoot, KPIT Pune

"Online teaching program was an amazing platform to interact and be directly involved with Thayimane children. It was also a good break for us from our day-to-day office work. Every session was received well by the children, responding to all the tasks with a lot of enthusiasm. So far it's been a great journey because of the background work done by the KPIT CSR team to make all the sessions go smoother without any hindrance."

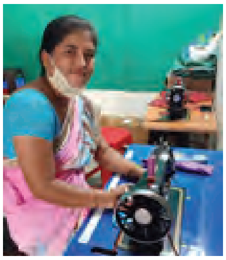
Himanshu Rangadhol, KPIT Bengaluru

Voices of Beneficiaries

"KPIT SPARKLE innovation platform challenges the young innovators of our Bharat to think beyond the academics and drives the student community to become Tennovators of Today to Entrepreneurs of Tomorrow.

If you have an innovative idea and a vision to have a business out of it, KPIT Sparkle is the one-stop destination to get all your dreams true."

Team 3D-Printer, one of the finalists at KPIT Sparkle 2021



"Thank you KPIT and MKSSS for conducting the Basic Tailoring course in our Vasti. I like tailoring but was not aware of specific skills required for kids' garments and ladies' garments. Now, I can stitch the garments on my own. This course helped me learn the skills and earn for my family."

Asha Vinod Gaykwad, Bhim Nagar, Vasti, Pune

"KPIT & SVYM's support by gifting us the examination kit is motivating us to perform better in our academics. The kit is essential at this point of time for us as it's difficult for our families to afford. The stationeries such as books, pen, mathematical box and exam pad are useful for us to prepare and write our SSLC exams. On behalf of all the students of Sagare Govt. High School, H D Kote taluk I would like to thank KPIT and SVYM!"

Roopa D, 10th std, Sagare Govt. High School, Mysuru

Additional Shareholders Information

1.	**Registered and Corporate Office**	:	Plot No. 17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase- III, Maan, Taluka-Mulshi, Hinjawadi, Pune- 411057. Tel No. +91-20-6770 6000 Website: www.kpit.com.
2.	**Date of Incorporation**	:	January 8, 2018
3.	**Registration No./CIN**	:	L74999PN2018PLC174192
4.	**Date, Time and Venue of 4th AGM**	:	August 25, 2021, 10.30 a.m. through Video Conferencing/ Other Audio-Visual Means. The Notice of the Annual General Meeting is being sent to the Members along with this Annual Report.
5.	**Record Date**	:	August 18, 2021
6.	**Dividend Payment Date**	:	After August 25, 2021, but within the statutory time limit of 30 days subject to shareholders approval.
7.	**Financial Year**	:	April 01, 2020 - March 31, 2021.
8.	**Financial Calendar for 2021-2022 (tentative and subject to change)**		
	Financial reporting for the first quarter ending June 30, 2021	:	July 26, 2021
	Financial reporting for the second quarter ending September 30, 2021	:	November 1, 2021
	Financial reporting for the third quarter ending December 31, 2021	:	February 1, 2022
	Financial reporting for the last quarter and year ending March 31, 2022	:	April 27, 2022
	Annual General Meeting for the year ending March 31, 2022	:	August, 2022
9.	**The shares of the Company are listed on the following Stock Exchanges:**		
	National Stock Exchange of India Limited	:	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051. **NSE Code : KPITTECH**
	BSE Limited	:	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. **BSE Code: 542651**
	ISIN Number of the Company	:	**INE04I401011**

The Company has paid the Annual Listing Fee for the Financial Year 2021-22 to both the Stock Exchanges on which the shares of the Company are listed.

10. Shareholders are requested to send all share transfers and correspondence relating to shares, dividend etc. to our Registrar & Share Transfer Agent at:

KFin Technologies Private Limited (Formerly known as Karvy Fintech Pvt. Ltd.), Contact Person: Mr. S V Raju, Selenium Tower B, Plot no. 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Phone: +91 40-6716 2222, E-mail: einward.ris@kfintech.com; Website: www.kfintech.com. You can also contact Ms. Nida Deshpande, Company Secretary and Compliance Officer, No.: +91 20-6770 6000 Extn. – 6967, E-mail: Nida.Deshpande@kpit.com, in case you need any further assistance. For any kind of grievance and for their speedy redressal, the shareholders may send their grievances to grievances@kpit.com.

11. Share transfer system:

The share transfer activities are carried out by our Registrar & Share Transfer Agent, the details of which are given above. The documents are received at their office in Hyderabad. The share transfers are carried out within a period of fifteen days from the date of receipt of request for transfer, provided, all the documents received are in order.

12. Dematerialization of shares and liquidity:

As on March 31, 2021, 99.68% of the total issued share capital was held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.

13. Shares allotted during the financial year ended March 31, 2021:

KPIT Technologies Employees Welfare Trust ("the Trust") is a trust formed for employee welfare activities, which includes, administration of Company's Employee Stock Option Plan ("ESOP") Schemes. As part of its operations, the Trust is allotted shares by the Company or it acquires shares from open market and the Trust, in turn, sells such shares for administration of the ESOP schemes. The holding of shares and the sale of shares by the Trust, is done on behalf of the employees. As per provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the total number of shares under secondary acquisition held by the Trust shall at no time exceed five percent of the paid up equity capital. To comply with these provisions, shares are allotted during the year under ESOP schemes by way of transfer of shares from trust to employee and no fresh allotments were made by the Company during the year.

14. Shareholding Pattern as on March 31, 2021:

Category	No. of shares held	% of total share capital
Promoters & Promoters Companies	**110,052,171**	**41.14**
Public	**158,991,389**	**58.00**
Mutual Funds	37,531,562	13.69
Foreign Portfolio Investors	57,339,226	20.92
Bodies Corporate	7,751,375	2.83
Non-Resident Indian	3,431,657	1.25
Others	52,937,569	19.31
Non-Promoter – Non-Public	**5,100,248**	**1.86**
TOTAL	**274,143,808**	**100**

During the year under review, post approval in Annual General Meeting held on September 2, 2020, the Company had filed application for reclassification of National Engineering Industries Limited (NEIL) and Central India Industries Limited (CIIL) from "Promoter and Promoter Group" category to "Public" category to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company received approval from NSE and BSE on November 19, 2020 approving reclassification application. Thereafter, the Company made public announcement of the receipt of said approvals on BSE and NSE. The relevant details thereof are available on the website of the Company and the Stock Exchanges.

15. As on March 31, 2021, the top ten shareholders of the Company were as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% of total paid up share capital	Category
1	Proficient Finstock LLP	88,861,500	32.41	Promoter
2	Mr. Kishor Patil	13,345,605	4.87	Promoter
3	ICICI Prudential Life Insurance Company Limited	11,849,441	4.32	Qualified Institutional Buyer
4	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	10,416,457	3.80	Mutual Fund
5	Massachusetts Institute of Technology	8,522,617	3.11	Foreign Portfolio Investors (Corporate)
6	Auburn Limited	7,786,222	2.84	Foreign Portfolio Investors (Corporate)
7	Acacia Partners, LP	6,940,870	2.53	Foreign Portfolio Investors (Corporate)
8	Acacia Conservation Fund LP	5,712,000	2.08	Foreign Portfolio Investors (Corporate)
9	Franklin India Smaller Companies Fund	5,600,639	2.04	Mutual Fund
10	KPIT Technologies Employees Welfare Trust	5,100,248	1.86	Non-Promoter-Non-Public
Total		**164,135,599**	**59.86**	

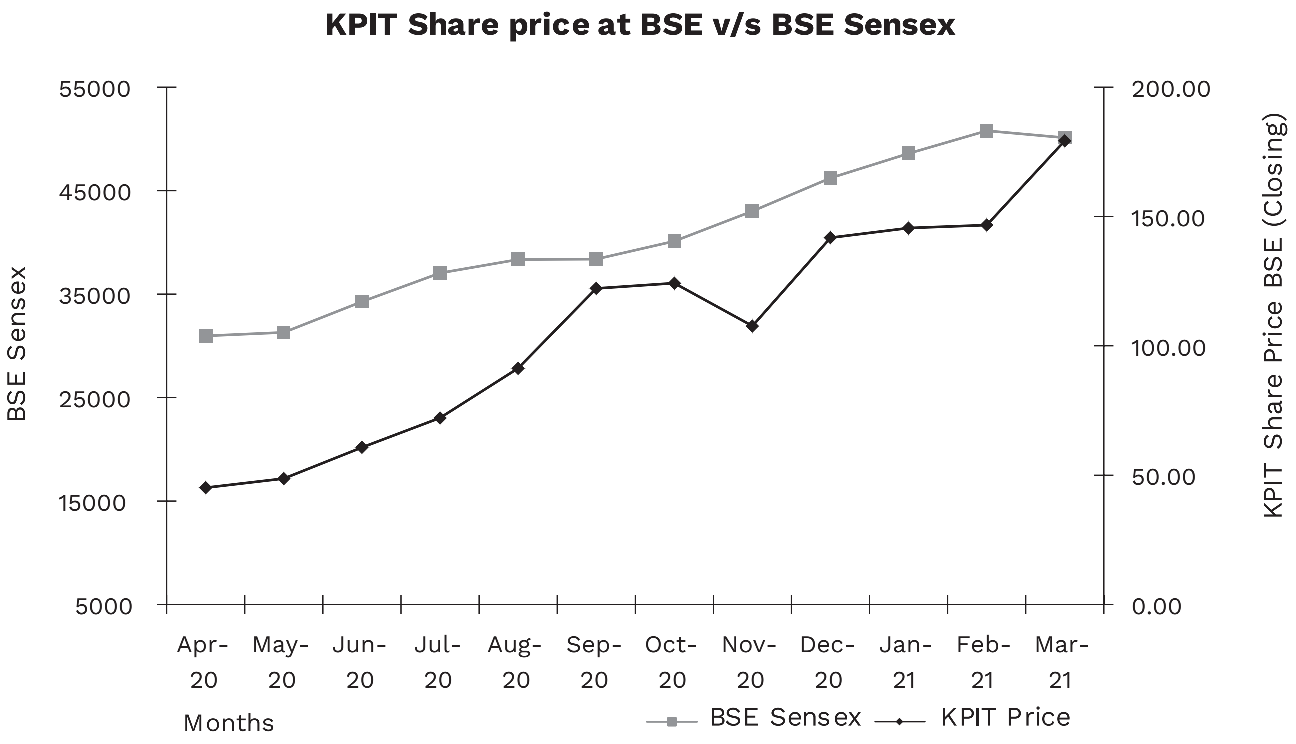
16. Distribution Schedule as on March 31, 2021:

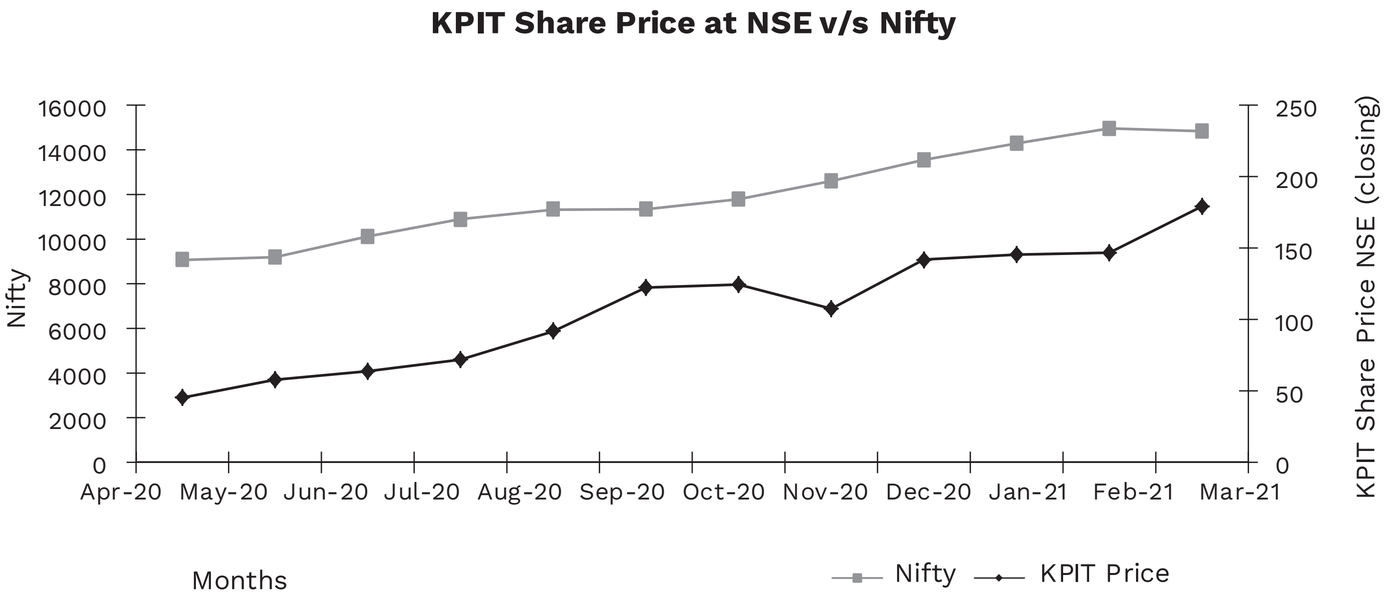
Quantity of Shares	Shareholders		Face Value of shares held (₹)	%
From – To	Number	%		
1 - 5,000	69,218	90.11	61,771,940	2.25
5001 – 10,000	3,562	4.64	28,841,230	1.05
10,001 - 20,000	1,931	2.51	31,299,580	1.14
20,001 – 30,000	595	0.77	15,298,360	0.56
30,001 – 40,000	332	0.43	12,075,100	0.44
40,001 – 50,000	231	0.30	10,868,780	0.40
50,001 – 1,00,000	372	0.48	27,413,210	1.00
1,00,001 & above	577	0.75	2,553,869,880	93.16
TOTAL	**76,818**	**100.00**	**2,741,438,080**	**100.00**

17. Monthly high / low and average of KPIT's share prices on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)

	NSE				BSE				Total Volume
	High	Low	Average	Volume	High	Low	Average	Volume	NSE + BSE
April '20	55.75	34.95	45.26	4,304,911	54.90	34.50	45.13	180,298	4,485,209
May '20	60.45	55.00	57.85	3,245,527	60.45	39.00	48.66	203,360	3,448,887
June '20	66.90	63.75	63.75	2,445,149	66.85	51.65	60.75	1,988,432	4,433,581
July '20	72.50	70.00	71.95	1,127,081	72.35	69.75	72.10	102,971	1,230,052
Aug '20	95.85	88.50	91.70	2,466,389	95.70	88.80	91.30	983,933	3,450,322
Sept '20	127.00	117.70	122.35	4,213,806	127.00	118.00	122.20	1,579,977	5,793,783
Oct '20	129.70	121.00	124.45	2,195,623	129.60	121.05	124.20	353,420	2,549,043
Nov '20	112.35	104.55	107.60	2,102,959	110.00	110.00	107.65	120,014	2,222,973
Dec '20	144.30	132.60	142.00	4,486,662	144.10	132.75	141.80	466,129	4,952,791
Jan '21	148.65	142.85	145.45	3,405,591	148.70	143.00	145.50	614,616	4,020,207
Feb '21	150.00	141.45	146.70	1,632,716	148.00	140.20	146.70	254,247	1,886,963
Mar '21	185.00	175.40	179.20	12,204,967	185.00	175.60	179.20	4,955,934	17,160,901

18. Share performance chart of the Company in comparison to BSE Sensex and Nifty:





19. Details of dividend in the Unpaid / Unclaimed Dividend Accounts as on March 31, 2021:

(₹ in million)

Year	Balance	Date of completion of 7 years*
For the financial year 2018- 2019 (Final)	0.40	October 1, 2026
For the financial year 2019-2020 (1st Interim)	0.26	March 3, 2027
For the financial year 2019-2020 (2nd Interim)	0.41	April 8, 2027

*As per Section 124 of the Companies Act, 2013, any money transferred to the Unpaid Dividend Account of a Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to IEPF. In view of this provision, the shareholders are kindly requested to get their pending dividend warrants, if any, pertaining to the above financial years, encashed at the earliest. Shareholders can send the unpaid dividend warrants to the Registrar & Share Transfer Agent of the Company for the purpose of revalidation/reissue.

National Company Law Tribunal ("NCLT"), Mumbai Bench vide its Order dated November 29, 2018 approved the Composite Scheme of Arrangement amongst KPIT Technologies Limited, ("Transferee Company" or the "Demerged Company") (renamed as Birlasoft Limited) and Birlasoft (India) Limited, ("Transferor Company") and KPIT Engineering Limited, ("Resulting Company") (renamed as KPIT Technologies Limited). Pursuant to the Clause 20 of the said Composite Scheme, on January 29, 2019 the Resulting Company has allotted shares in the ratio of 1:1 to the existing shareholders of Transferee Company (record date was January 25, 2019). On the said record date, Investor Education and Protection Fund ("IEPF Authority") was holding 175,113 shares of Transferee Company, as a result of which shares of Resulting Company were allotted to the IEPF Authority in ratio 1:1. Aforementioned 175,113 shares were transferred to IEPF Authority by Transferee Company prior to the NCLT order, being unpaid, unclaimed shares liable to transfer to IEPF Authority on completion of seven years as per the provisions of section 124 of the Companies Act, 2013. The KPIT Technologies Limited has declared and paid a final dividend and 2 interim dividends during the Financial year 2019-20. The Dividend on Shares transferred to IEPF are credited with IEPF Authority. Members can claim back such dividend and shares including all benefits accruing on such shares from IEPF Authority after following the procedure prescribed in the Rules. Details of name and years of transfer are available on Transferor Company's website.

20. Details of correspondence received from the Shareholders / Investors during the period from April 1, 2020 to March 31, 2021:

Sr. No.	Nature of request / complaints	No. of pending requests / complaints as on April 1, 2020	No. of requests/ complaints received	No. of requests/ complaints processed	No. of pending requests/ complaints as on March 31, 2021
1	Clarification regarding shares	Nil	15	15	Nil
2	Correspondence/Query relating to NSDL operations	Nil	Nil	Nil	Nil
3	Non-receipt of Annual Report	Nil	Nil	Nil	Nil
4	Non-receipt of securities	Nil	1	1	Nil
5	Non-receipt of Dividend Warrants	NIL	59	58	1
6	Non-receipt of securities after transfer	Nil	Nil	Nil	Nil
	Total	**Nil**	**75**	**74**	**1**

21. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

22. Unclaimed Shares:

There are no unclaimed shares lying in the demat suspense account/ unclaimed suspense account of the Company at the beginning of the year i.e. April 1, 2020 and at the end of the year i.e. March 31, 2021 as per Schedule 5 (F) of SEBI LODR Regulations, 2015.

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the shares returned undelivered at the beginning of the year i.e. April 1, 2020	Nil	Nil
(ii)	Number of shareholders from (i) above, who approached the Company for transfer of shares during the year from April 1, 2020 to March 31, 2021.	Nil	Nil
(iii)	Number of shareholders from (ii) above, to whom shares were transferred (partially) during the year from April 1, 2020 to March 31, 2021.	Nil	Nil
(iv)	Aggregate number of shareholders and the shares from (i) above, which were transferred to IEPF during the year from April 1, 2020 to March 31, 2021.	Nil	Nil
(v)	Balance aggregate number of shareholders and the outstanding shares from (i) above, at the end of the year i.e. March 31, 2021 (Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares)	Nil	Nil
(vi)	Number of shares transferred to IEPF authority during the year from April 1, 2020 to March 31, 2021 (including shares & shareholders in (iv) above).	Nil	Nil

23. Publication of results and presentation made to institutional investors & analysts:

The Company has been regularly publishing its quarterly and yearly results in newspapers, detailed below, as per the requirement of the SEBI LODR Regulations, 2015:

Date of Publication	Particulars	Newspaper
August 4, 2020	Unaudited consolidated financial results for the quarter ended June 30, 2020.	The Financial Express & Loksatta
October 22, 2020	Unaudited consolidated financial results for the quarter and half year ended September 30, 2020.	The Financial Express & Loksatta
January 29, 2021	Unaudited consolidated financial results for the quarter and nine months ended December 31, 2020.	The Financial Express & Loksatta

Pursuant to the relaxation offered by the Securities and Exchange Board of India vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 exempting publication of advertisements in newspapers, as required under regulation 47 of the SEBI Regulations, considering the lock-down restrictions due to COVID-19 pandemic in first quarter of FY 2020-2021, the Company availed exemption with respect to publication of its audited consolidated financial results for the quarter and year ended March 31, 2020.

The results and presentations made to institutional investors & analysts have also been regularly uploaded in Investor section of our website, www.kpit.com.

24. Green Initiative in Corporate Governance

KPIT is a firm believer of and has always fostering green and inclusive growth by implementing energy conservation and taking major initiatives for green growth. As a part of CSR activities KPIT has taken various initiatives to create awareness among the society and its shareholders conveying importance of Go Green. The responsibility of protecting the earth lies in the hand of each individual and businesses. Indian government has been seriously emphasising environmental preservation and as a part of it, Ministry of Corporate Affairs vide Section 20 of the Companies Act, 2013 and Rule 35 of the Companies (Incorporation) Rules, 2014 allow Companies to serve documents through electronic mode thus to encouraging the green initiatives. In order to facilitate electronic communication with shareholders, the Company has conducted email updation drive with National Securities Depository Limited and sent SMS to registered mobile number of shareholder and also a separate letter has been attached to this report requesting all the shareholders who's email addresses are not registered with their depository participants or our Registrar and Share Transfer Agent, KFin Technologies Private Limited or with the Company to update their email addresses.

25. Board members' profiles:

The Board of Directors of the Company consists of executive and non-executive members. The present Board consists of following members:

Co-Founder & Chairman

Mr. S. B. (Ravi) Pandit is the Co-founder and Chairman of KPIT Technologies Limited. His vision as the founder of KPIT has steered the Company toward achieving leadership position as product engineering and IT consulting solutions and services provider, to three industries namely automotive & transportation, manufacturing and energy & utilities. He has been instrumental in shaping KPIT's vertical focus strategy and building a unique partnership model based on the tenets of innovation and sustainable development.

Having run a Chartered Accountancy firm for close to a decade after finishing his master's studies, Mr. Pandit decided to venture into Information Technology consulting and services, thus setting up KPIT, with his co-founder, in 1990.

Over the last 20+ years, KPIT, under leadership of Mr. Pandit, has combined its deep industry & technology expertise, presence in relevant geographies and highly scalable delivery infrastructure to enable clients expand their product development footprint, enhance operational efficiencies and optimize processes.

Widely respected for integrity, innovation and dynamism, Mr. Pandit has successfully established and grown partnerships with customers, partners and industry bodies, setting benchmarks in corporate governance, regional cooperation and co-innovation. For his commitment to conducting business in an ethical manner and for the value KPIT partnership has brought to Cummins, he was honored with the J Irwin Miller Award of Excellence by Cummins. He has been awarded the prestigious Rotary Excellence Award for exemplary leadership and outstanding performance. He has also been honored with the Maharashtra Corporate Excellence (MAXELL) Awards for Excellence in Entrepreneurship and for his contribution to the economic and industrial development of Pune City; he has also been conferred with the prestigious Samata Award.

Mr. Pandit has deep interest in social issues and is a founder trustee of Janwani, a NGO which is focused on improvements in urban India, and he is a founder trustee of the Pune International Centre, a National level think tank working on policy issues. He is a director of the Aga Khan Rural Support Program (India). He also serves on the Board of Thermax Limited.

Mr. Pandit was a member of the Core-Group on Automotive Research Program Committee (CAR), a Government of India initiative for automotive industry and was on the Technology Development Board formed by the Department of Science and Technology, Government of India. He has served as the President of the esteemed Mahratta Chamber of Commerce, Industries and Agriculture and has been on the NASSCOM Executive Council twice.

Mr. Pandit is a gold medalist and fellow member of the Institute of Chartered Accountants of India, an associate member of the Institute of Cost Accountants of India, and holds masters from Sloan School of Management, MIT, Cambridge, USA. In 2014, the prestigious Tilak Maharashtra University decorated him with an honorary D.Litt.

Always a topper in college and universities, he is a voracious reader, an avid trekker and enjoys listening to classical music.

Co-Founder, CEO & Managing Director

Mr. Kishor Patil is the Co-founder, Managing Director and CEO of KPIT – a leading IT consulting and product engineering partner to automotive & transportation, manufacturing and energy & utilities corporations. Mr. Patil co-founded KPIT in 1990. Under his leadership, the company has grown over 50 times in revenues in the last 12+ years to reach around USD 500 million (INR 3000 crores).

Mr. Patil's vision is integral in maintaining KPIT's leadership in its key focus verticals and in making it one of the world's largest and most recognized technology, services, and business solutions provider globally. He has set a high standard of excellence in the areas of running high growth international operations, effecting successful mergers & acquisitions and executing profitable integration. His exceptional people skills and sincerity have been instrumental in building an innovative enterprise.

He is passionate about applying technology to solve business challenges and address larger problems of the society. He is personally active in driving development and proliferation of innovative solutions in the areas of transportation and clean energy. Under his leadership, KPIT has filed more than 50 patents, has developed over 100 IPs in cutting-edge technology in its focus areas, and has won several national and international awards including the Wall Street Journal technology Innovation Award, and Knowledge@Wharton Technovation Award.

In 2014, Mr. Patil was honored with the CA Business Leader Award – Corporate award, by the Institute of Chartered Accountants of India (ICAI). The ICAI Awards felicitate chartered accountants who create value for their company's stakeholders on a sustainable basis. For his excellence in entrepreneurship, he has also been honored with the Maharashtra Corporate Excellence (MAXELL) Awards 2014. In 2013, Mr. Patil was named among the top 16 entrepreneurs in India by Ernst and Young in its Entrepreneur of the Year award program. He was recognized among the Top 50 CEOs of 2013 by The Entrepreneur Magazine and was also awarded the 2013 Rotary Excellence Award. He is a prolific speaker and has presented at various national & international forums including the World Economic Forum, on topics such as Entrepreneurship, Innovation, building high performance organizations, and business transformation.

Mr. Patil is a fellow member of the Institute of Chartered Accountants of India, and a member of the Institute of Cost Accountants of India.

A man of many talents, Mr. Patil has also produced a state-of-the-art internationally acclaimed animation movie, Delhi Safari, on the theme of conservation of animal habitat. He was awarded the prestigious Golden Lotus National Award by the honorable President of India.

Whole-time Director

Mr. Sachin Tikekar is the Co-Founder and President of KPIT. He has been with the company since the beginning and has lead and guided the company in different areas. In his current role, he is responsible for growing & nurturing strategic relationships with customers and partners.

Mr. Tikekar has served the company in a number of capacities. He has been the Executive Sponsor for Europe. He was the Chief People & Operations Officer with responsibility for imbibing KPIT culture in the organization, accelerating learning opportunities for employees globally and fostering innovation in attracting, nurturing and retaining talent. He was also the Chief Operating Officer for KPIT in the US. He established the company's now deeply rooted presence in the US.

Over the years, he has spearheaded the successful integration of acquired entities within KPIT. Before joining KPIT, Sachin worked with US Sprint and Strategic Positioning Group.

He attended Temple University for Masters in Strategic Management and International Finance. As an ardent food lover, he dubs himself as Anthony Bourdain 2.0! He is a member of the World Wildlife Federation and pursues his fascination with wildlife and nature through traveling.

Independent Directors

Prof. Alberto Sangiovanni Vincentelli is the Buttner Chair at the Department of Electrical Engineering & Computer Sciences, University of California, Berkeley. He is a Co-founder of Cadence and Synopsys, the two leading companies in the area of Electronic Design Automation. Prof. Alberto is a member of the Board of Directors of Cadence. He was a member of the HP Strategic Technology Advisory Board, of the ST Microelectronics Advisory Board and of the Science and Technology Advisory Board of General Motors as well as a member of the Technology Advisory Council of United Technologies Corporation. He served as the Chairperson of the Strategy Committee of the Italian Strategic Fund, and as the Chairperson of the National Committee of Research Trustees for the Italian Ministry of University, Education and Scientific Research. He is the Chairperson of four High Tech Startup in UK, Netherlands and Italy. He consulted for several companies such as Intel, IBM, ATT, General Electric, BMW, Mercedes, Magneti Marelli, GM, Fujitsu, Kawasaki Steel, Pirelli and Telecom Italia.

Mr. Anant Talaulicar holds a bachelor's degree in Mechanical Engineering from Mysore University, a master's degree from the University of Michigan in Ann Arbor and a MBA degree from Tulane University, USA. He was the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017, was a member of the Cummins Inc. global leadership team from August 2009 till October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well. He worked as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking various general management positions. Since 2004, he has also led the Cummins India Foundation which has implemented sustainable community initiatives such as model villages and higher education. He has served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association in the past. Mr. Talaulicar is now on the board of seven companies in India, teaches on the subject of leadership part time at the S P Jain Institute of Management & Research and sponsors the Usha Jaivant Foundation that funds financially disadvantaged rural students through college along with providing them with life effectiveness skills.

Mr. B V R Subbu is an automotive industry expert and a widely acknowledged thought leader. He holds a post graduate degree in Economics from Jawaharlal Nehru University and a post graduate diploma from the Indian Institute of Foreign Trade. He was formerly the President of Hyundai Motors India. In his early career he was extensively involved with Tata Motors holding various responsibilities in Tata Motors' Commercial Vehicles and Multi Utility Vehicles businesses.

Dr. Nickhil Jakatdar is currently the CEO of GenePath Diagnostics, a molecular diagnostics company. Prior to that he was the CEO and co-founder of Vuclip, a global leader in the Video-on-Demand space. Previously, he founded and ran various startups, such as Timbre Technologies (acquired by Tokyo Electron), Command CAD (acquired by Cadence Design Systems) and Praesagus (acquired by Cadence Design Systems). He is also the founding member of the Bhau Institute of Innovation, Entrepreneurship and Leadership in Pune and is an investor and advisor to Campfire Labs (acquired by Groupon), flutter.io (acquired by Google), Bash Gaming (acquired by GSN), Shoptimize, PayActiv, Viewics (acquired by Roche), Jombay, Mezi (acquired by American Express), Zeni.ai, Climate.ai, Genies, Matician, and the US second division soccer team, Oakland Roots, among others. He has been the recipient of the Lifetime Achievement Award from College of Engineering, Pune, the Institute of Electrical and Electronics Engineers' (IEEE) Best Paper Award in Transactions on Semiconductor Manufacturing and the Berkeley Distinguished Pioneer Award. He has to his credit more than 20 conference papers and more than 60 issued patents. He holds a bachelor's degree in Electrical Engineering from the College of Engineering, Pune and a master's degree and Ph.D. in Electrical Engineering and Computer Science from the University of California, Berkeley.

Ms. Shubhalakshmi Panse holds a M.Sc. degree from Pune University, D.B.M. (Diploma in Business Management), M.M.S (Master's in Management Sciences with specialization in Financial Management), Pune University and M.B.A. (Master's in Business Administration with specialization in Bank Management) Drexel University, USA and C.A.I.I.B (Certified Associate of Indian Institute of Bankers). She was appointed as Chairman & Managing Director, Allahabad Bank on 1st October 2012 and superannuated on 31st January 2014. Prior to this appointment, she was the Executive Director of Vijaya Bank for 34 months. Ms. Panse was also the Chairman of ALLBANK Finance Ltd, a subsidiary of the Bank and Director on the Board of Universal Sompo Insurance company, a joint venture company of Allahabad Bank, Indian Overseas Bank, Karnataka Bank, Sompo of Japan and Dabar Company. She was the General Manager in Bank of Maharashtra and has shouldered the responsibility in almost all key segments of Banking, in various capacities – at Branches, Zonal Office and at Corporate Office.

Financial **Statements**

REVISED INDEPENDENT AUDITORS' REPORT

To the Members of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited)

Report on the Audit of the Revised Standalone Financial Statements

This Report supersedes our Report dated 28 April 2021

Opinion

We have audited the revised standalone financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) ("the Company"), which comprise the revised standalone balance sheet as at 31 March 2021, and the revised standalone statement of profit and loss (including other comprehensive income), revised standalone statement of changes in equity and revised standalone statement of cash flows for the year then ended, and notes to the revised standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid revised standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the revised Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the revised standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the revised Standalone financial statements.

Emphasis of Matter

1. We draw attention to Note 1 and Note 44(3) of the revised standalone financial statements which describes the Basis of preparation. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2021 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') for merger of Impact Automotive Solutions Limited, wholly owned subsidiary of the Company ("Transferor Company") with the Company, from the specified retrospective appointed date (1 April 2019), as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 15 June 2021 ("Order"). A certified copy of the Order sanctioning the Scheme has been filed by the Company with Registrar of the Companies, Maharashtra, on 22 June 2021.

   Note 44 (3) in the Notes to the earlier standalone financial statements explained that a petition regarding the merger of Impact Automotive Solutions Limited with the Company w.e.f. 1 April 2019 was pending before the NCLT. We issued a separate auditor's report dated 28 April 2021 on these standalone financial statements to the shareholders of the Company. The aforesaid petition having been approved subsequently, the Company has now prepared revised standalone financial statements incorporating the impact of the merger. Consequently, our revised audit report is with reference to the revised financial statements. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Standalone Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 28 April 2021 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 28 April 2021 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

2. We draw attention to Note 44(3) of the revised standalone financial statements which describes the accounting for the Scheme of Amalgamation between the Company and Impact Automotive Solutions Limited, wholly owned subsidiary of the Company. The Scheme has been approved by the NCLT vide its order dated 15 June 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on 22 June 2021. As per the requirements of Appendix C to Ind AS 103 "Business Combination", the combination has been accounted for as if it had occurred from the beginning of the preceding period in the financial statements. Accordingly, the amounts for the financial year ended 31 March 2021 include the impact of the business combination for the entire year and the corresponding amounts for the previous year ended 31 March 2020 have been restated by the Company after recognising the effect of the amalgamation as above. The aforesaid Note 44(3) also describes in detail the impact of the business combination on the financial statements.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the revised standalone financial statements of the current period. These matters were addressed in the context of our audit of the revised standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition in respect of fixed price contracts The Company engages into fixed-price contracts with customers. In respect of fixed-price contracts, revenue is recognized using percentage of completion computed as per the input method. This is based on the Company's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Contract estimates are formed by the Company considering the following: • Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. • There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations.	Our audit procedures in this area included the following: • Obtained an understanding of the systems, processes and controls implemented by the Company and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue. • Tested the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls; • For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: ➢ Evaluating the identification of performance obligations. ➢ Agreeing the transaction price to the underlying contracts. ➢ Inspecting the approval of the estimates of cost to complete. ➢ Evaluating the impact on the total revenue and the cost to complete the contract from COVID 19 pandemic.

The key audit matter	How the matter was addressed in our audit
• COVID 19 pandemic may impact the total revenue and costs to complete the contracts. In some cases, Company's contract interests are adequately protected. In other cases, there may be possible significant risks though the Company is cautious of them. • These contracts may involve onerous obligations on the Company requiring critical estimates to be made. • Contracts are subject to modification to account for changes in contract specification and requirements. • At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter. (Refer note 1.2 and 41 to the revised standalone financial statements)	➢ Challenging the Company's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. ➢ Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. ➢ Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. ➢ Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods.

Information Other than the revised Standalone Financial Statements and revised Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the revised financial statements and our revised auditors' report thereon.

Our opinion on the revised standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the revised Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these revised standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the revised standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the revised standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the revised Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a revised auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the revised standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the revised standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our revised auditor's report to the related disclosures in the revised standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our earlier auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised standalone financial statements, including the disclosures, and whether the revised standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the revised standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our revised auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of Transferor Company (now merged with effect from 1 April 2019 per the NCLT order dated 15 June 2021 and as mentioned in Emphasis of Matter paragraph above) included in the revised standalone financial statements of the Company whose financial statements reflect total assets of Rs. 314.73 million as at 31 March 2021 and the total revenue of Rs. 4.94 million, total net loss after tax Rs. 200.67 million and net cash outflows amounting to Rs. 184.40 million for the year ended on that date, as considered in the revised standalone financial statements. This Transferor Company has been audited by the independent auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Transferor Company, is based solely on the report of such independent auditor, as adjusted for the accounting effects of the Scheme recorded by the Company (in particular, the accounting effects of Ind AS 103 'Business Combinations') and other consequential adjustments, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The revised standalone balance sheet, the revised standalone statement of profit and loss (including other comprehensive income), the revised standalone statement of changes in equity and the revised standalone statement of cash flows dealt with by this Report are in agreement with the books of account

    d) In our opinion, the aforesaid revised standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate revised Report in "Annexure B".

(B) With respect to the other matters to be included in the revised Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its revised standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the revised standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these revised financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the revised Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place : Pune
Date : 23 July 2021

Annexure A to the revised Independent Auditor's Report – 31 March 2021

(Referred to in our revised report of even date on the revised financial statements)

This Report supersedes our Report dated 28 April 2021

The Annexure referred to in revised Independent Auditor's Report to the members of the Company on the revised financial statements for the year ended 31 March 2021, we report that:

(i) In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets, by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

c. The title deeds of the immovable properties are in the name of the Company.

(ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification. The Management has re-determined obsolescence and has written off completely the Inventory value in books.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to information and explanation given to us, the Company has complied with provisions of Section 186 of the Act with respect to investments made during the year. The Company has not given any loan, guarantee or security covered under Section 185 and 186 of the Act during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and services tax and any other statutory dues have generally been deposited regularly during the year by the Company to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, custom duty, excise duty, value added tax and cess.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues with respect to income tax, sales tax, goods and services tax, value added tax, custom duty, excise duty, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and government. The Company did not have any borrowings from debenture holders and financial institutions during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the revised financial statements, as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence the provisions of clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place : Pune
Date : 23 July 2021

Annexure B to the revised Independent Auditors' report on the revised standalone financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) for the period ended 31 March 2021

Revised report on the internal financial controls with reference to the aforesaid revised standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our revised report of even date)

This Report supersedes our Report dated 28 April 2021

Opinion

We have audited the internal financial controls with reference to financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) ("the Company") as of 31 March 2021 in conjunction with our audit of the revised standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

We draw attention to Note 1 and Note 44(3) of the revised standalone financial statements which describes the Basis of preparation. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2021 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') for merger of Impact Automotive Solutions Limited, wholly owned subsidiary of the Company ("Transferor Company") with the Company, from the specified retrospective appointed date (1 April 2019), as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 15 June 2021 ("Order"). A certified copy of the Order sanctioning the Scheme has been filed by the Company with Registrar of the Companies, Maharashtra, on 22 June 2021.

Note 44 (3) in the Notes to the earlier standalone financial statements explained that a petition regarding the merger of Impact Automotive Solutions Limited with the Company w.e.f. 1 April 2019 was pending before the NCLT. We issued a separate auditor's report dated 28 April 2021 on these standalone financial statements to the shareholders of the Company. The aforesaid petition having been approved subsequently, the Company has now prepared revised standalone financial statements incorporating the impact of the merger. Consequently, our revised audit report is with reference to the revised financial statements. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Standalone Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 28 April 2021 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 28 April 2021 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the revised standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the revised standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to revised standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to revised standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place : Pune
Date : 23 July 2021

Revised Balance Sheet (Refer note 44(3))

(Amount in ₹ million)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2A	1,700.17	1,941.20
Right-of-use assets	2B	833.06	1,104.38
Capital work-in-progress		117.54	49.51
Other intangible assets	2C	259.73	448.74
Intangible assets under development		2.82	0.13
Equity accounted investees	3A	-	-
Financial assets			
Investments	3B & 3C	2,771.66	2,771.65
Loans	4A	40.14	605.20
Other financial assets	4B	17.25	12.10
Income tax assets (net)		122.45	112.04
Deferred tax assets (net)	5	453.07	378.54
Other non-current assets	6	29.02	66.30
		6,346.91	**7,489.79**
Current assets			
Inventories	7	-	115.27
Financial assets			
Investments	8	1,261.59	82.24
Trade receivables	9	1,637.06	3,055.27
Cash and cash equivalents	10	438.25	681.02
Other balances with banks	10	2,648.48	71.07
Loans	11	61.16	38.77
Unbilled revenue		235.69	306.89
Other financial assets	12	342.19	294.09
Other current assets	13	226.25	338.67
		6,850.67	**4,983.29**
TOTAL ASSETS		**13,197.58**	**12,473.08**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,690.44	2,688.80
Other equity		7,792.21	6,631.94
Total equity		**10,482.65**	**9,320.74**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	24.04	29.73
Lease liabilities	37	443.68	761.72
Other financial liabilities	16	146.65	-
Provisions	17	95.62	120.94
		709.99	**912.39**

Revised Balance Sheet (Refer note 44(3))

(Amount in ₹ million)

	Note	As at 31 March 2021	As at 31 March 2020
Current liabilities			
Financial liabilities			
Borrowings	18	-	166.10
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	32	2.47	0.07
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		482.53	489.58
Lease liabilities	37	123.35	158.21
Other financial liabilities	19	310.37	690.68
Other current liabilities	20	884.32	586.80
Provisions	21	164.65	148.30
Income tax liabilities (net)		37.25	0.21
		2,004.94	**2,239.95**
TOTAL EQUITY AND LIABILITIES		**13,197.58**	**12,473.08**

Significant accounting policies	1
Notes referred to above form an integral part of the revised standalone financial statements	2-44

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place: Pune
Date: 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place: Pune
Date: 23 July 2021

Revised Statement of Profit and Loss (Refer note 44(3))

(Amount in ₹ million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	22	8,028.48	9,676.48
Other income	23	175.90	236.43
Total income		**8,204.38**	**9,912.91**
Expenses			
Cost of materials consumed	24A	0.52	78.23
Changes in inventories of finished goods and work-in-progress	24B	-	6.65
Employee benefits expense	25	4,875.68	5,349.50
Finance costs	26	86.40	153.08
Depreciation and amortization expense	2	911.12	859.91
Other expenses	27	1,369.18	1,490.30
Total expenses		**7,242.90**	**7,937.67**
Profit before exceptional items and tax		**961.48**	**1,975.24**
Exceptional items	44(2)	32.03	100.85
Profit before tax		**993.51**	**2,076.09**
Tax expense	42		
Current tax		193.50	484.98
Deferred tax benefit		(135.25)	(306.61)
Total tax expense		**58.25**	**178.37**
Profit for the year		**935.26**	**1,897.72**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans - gain/(loss)	30	21.55	(29.10)
Income tax on items that will not be reclassified to profit or loss		(6.40)	6.56
Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	28	155.46	(114.38)
Income tax on items that will be reclassified to profit or loss		(54.33)	39.97
Total other comprehensive income/(loss)		**116.28**	**(96.95)**
Total comprehensive income for the year		**1,051.54**	**1,800.77**

Revised Statement of Profit and Loss (Refer note 44(3))

(Amount in ₹ million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings per equity share (face value per share ₹ 10 each)			
Basic	38	3.48	7.06
Diluted	38	3.46	7.04

Significant accounting policies	1
Notes referred to above form an integral part of the revised standalone financial statements	2-44

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place: Pune
Date: 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
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CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place: Pune
Date: 23 July 2021

Revised Statement of Changes in Equity (Refer note 44(3))

(Amount in ₹ million)

A Equity share capital

Balance as at 1 April 2019	**2,685.02**
Changes during the year 2019-20	3.78
Balance as at 31 March 2020	**2,688.80**
Changes during the year 2020-21	1.64
Balance as at 31 March 2021	**2,690.44**

B Other equity

	Reserves & surplus				Items of other comprehensive income		Total
	Capital reserve (Refer note 29)	General reserve (Refer note 29)	Retained earnings	Share based payment reserve (Refer note 31)	Remeasurement of the net defined benefit Plans (Refer Note 30)	Effective portion of cash flow hedges (Refer note 28)	
Balance as on 1 April 2019	**2,179.70**	**34.38**	**4,397.75**	**-**	**(80.07)**	**17.95**	**6,549.71**
Effect of transition to Ind AS 116 (net of tax) (Refer note 37)	-	-	(179.81)	-	-	-	(179.81)
On account of merger (Refer note 44(3))	41.21	-	(1,080.47)	-	(1.64)	-	(1,040.90)
Effect of tax on account of merger (Refer note 44(3))	-	-	11.62	-	-	-	11.62
Restated balance as on 1 April 2019	**2,220.91**	**34.38**	**3,149.09**	**-**	**(81.71)**	**17.95**	**5,340.62**
Profit for the year	-	-	1,897.72	-	-	-	1,897.72
Other comprehensive loss (net of tax)	-	-	-	-	(22.54)	(74.41)	(96.95)
Total comprehensive income/(loss) for the year	**-**	**-**	**1,897.72**	**-**	**(22.54)**	**(74.41)**	**1,800.77**
Others							
Dividends (Refer note 14.01)	-	-	(470.24)	-	-	-	(470.24)
Dividend distribution tax (Refer note 14.01)	-	-	(98.61)	-	-	-	(98.61)
Accumulated surplus of employee welfare trust	-	-	10.70	-	-	-	10.70
Share based payment to employees (net)	-	-	-	48.70	-	-	48.70
Balance as on 31 March 2020	**2,220.91**	**34.38**	**4,488.66**	**48.70**	**(104.25)**	**(56.46)**	**6,631.94**
Profit for the year	-	-	935.26	-	-	-	935.26
Other comprehensive income (net of tax)	-	-	-	-	15.15	101.13	116.28
Total comprehensive income for the year	**-**	**-**	**935.26**	**-**	**15.15**	**101.13**	**1,051.54**

Revised Statement of Changes in Equity (Refer note 44(3))

(Amount in ₹ million)

B Other equity

	Reserves & surplus				Items of other comprehensive income		Total
	Capital reserve (Refer note 29)	General reserve (Refer note 29)	Retained earnings	Share based payment reserve (Refer note 31)	Remeasurement of the net defined benefit Plans (Refer Note 30)	Effective portion of cash flow hedges (Refer note 28)	
Others							
Transfer to general reserve from share based payment reserve	-	9.62	-	(9.62)	-	-	-
Accumulated surplus/(deficit) of employee welfare trust	-	-	4.92	-	-	-	4.92
Share based payment to employees (net)	-	-	-	103.81	-	-	103.81
Balance as on 31 March 2021	**2,220.91**	**44.00**	**5,428.84**	**142.89**	**(89.10)**	**44.67**	**7,792.21**

Significant accounting policies	1
Notes referred to above form an integral part of the revised standalone financial statements	2-44

As per our revised report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place: Pune
Date: 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place: Pune
Date: 23 July 2021

Revised Statement of Cash Flows (Refer note 44(3))

(Amount in ₹ million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	935.26	1,897.72
	Adjustments for:		
	Tax expense	58.25	178.37
	Loss on sale of property, plant and equipment and intangible assets (net)	3.96	0.93
	Depreciation and amortization expense	911.12	859.91
	Interest expense	86.40	123.65
	Interest income	(114.18)	(31.41)
	Dividend income	(2.23)	(13.82)
	Exceptional items	(32.03)	(100.85)
	Unrealised loss/(gain) on investment carried at fair value through profit and loss (net)	(18.33)	56.92
	Realised gain on investment carried at fair value through profit and loss (net)	(1.41)	-
	Provision for doubtful debts and advances (net)	125.95	(17.71)
	Bad debts written off	37.25	0.35
	Share based compensation expenses	67.49	32.17
	Net unrealised foreign exchange loss/(gain)	135.58	(116.50)
	Others	4.80	-
	Operating profit before working capital changes	**2,197.88**	**2,869.73**
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	1,207.53	(637.00)
	Inventories	110.46	(9.11)
	Loans, other financials assets and other assets	282.72	1,479.28
	Trade Payables	(5.96)	(36.08)
	Other financial liabilities, other liabilities and provisions	552.26	(551.34)
	Cash generated from operations	**4,344.89**	**3,115.48**
	Taxes paid (net)	(166.87)	(669.61)
	Net cash generated from operating activities (A)	**4,178.02**	**2,445.87**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(462.50)	(340.57)
	Proceeds from sale of property, plant and equipment	4.97	12.23
	Investment in subsidiary	(0.01)	(361.27)
	Investment in mutual fund	(2,916.00)	(842.00)
	Proceeds from sale of investment in mutual fund	1,722.06	842.00
	Proceed from sale of investments carried at fair value through profit and loss	34.33	347.90
	Proceed from disinvestment of Telematics and Defense business	-	92.50
	Loan given to subsidiary company	-	(474.00)
	Loan repaid by subsidiary companies	498.30	-

Revised Statement of Cash Flows (Refer note 44(3))

(Amount in ₹ million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
	Loan given to equity accounted investee	-	(11.80)
	Interest received	71.05	17.03
	Dividend received	2.23	13.82
	Fixed deposits with banks (net) having maturity over three months	(2,581.79)	133.38
	Net cash used in investing activities (B)	**(3,627.36)**	**(570.78)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term loan from banks*	-	9.04
	Repayment of long term loan from banks*	(382.03)	(381.82)
	Payment of lease liabilities*	(220.55)	(195.25)
	Payment towards shares issue and listing expenses	-	(0.12)
	Proceeds from working capital loan*	2,178.60	1,267.21
	Repayment of working capital loan*	(2,344.70)	(1,705.61)
	Proceeds from shares issued / purchased by Employee Welfare Trust (net)	6.56	14.48
	Dividend paid including corporate dividend tax	-	(568.85)
	Interest and finance charges paid	(15.77)	(52.63)
	Net cash used in financing activities (C)	**(777.89)**	**(1,613.55)**
D	**Exchange differences on translation of foreign currency cash and cash equivalents**	(15.54)	18.88
	Net (decrease) / increase in cash and cash equivalents (A + B + C + D)	**(242.77)**	**280.42**
	Cash and cash equivalents at close of the year (Refer note 1 below)	438.25	681.02
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	681.02	389.93
	Cash and cash equivalents transferred pursuant to the Scheme of Merger (Refer note 44(3))	-	10.67
	Cash (deficit) / surplus for the year	**(242.77)**	**280.42**

***Reconciliation of liabilities from financing activities for the year ended 31 March 2021:**

Particulars	Long term borrowings (including current portion)	Short term borrowings	Leases (Refer note 37)
Balance at the start of the year	413.15	166.10	919.93
Add: Cash inflow (Proceeds of working capital loans from banks)	-	2,178.60	-
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	382.03	2,344.70	220.55
Add: Non-cash changes (including effects of unrealised foreign exchange)	0.21	-	(132.35)
Closing balance at the end of the year	31.33	-	567.03

Revised Statement of Cash Flows (Refer note 44(3))

***Reconciliation of liabilities from financing activities for the year ended 31 March 2020:**

Particulars	Long term borrowings (including current portion)	Short term borrowings	Leases (Refer note 37)
Balance at the start of the year	723.62	599.68	-
Add: Cash inflow (Proceeds of working capital loans from banks)	9.04	1,267.21	-
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	381.82	1,705.61	195.25
Add: Non-cash changes (including effects of unrealised foreign exchange)	62.31	4.82	1,115.18
Closing balance at the end of the year	413.15	166.10	919.93

Note 1 :

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash and cash equivalents include:		
Cash on hand	0.04	0.04
Balance with banks		
- In current accounts	243.21	304.73
- In deposit accounts (with original maturity of 3 months or less)	195.00	376.25
Total Cash and cash equivalents	**438.25**	**681.02**

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above statement of cash flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 on statement of cash flows.

Significant accounting policies	1
Notes referred to above form an integral part of the revised standalone financial statements	2-44

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place: Pune
Date: 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place: Pune
Date: 23 July 2021

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

Company Overview

KPIT Technologies Limited (erstwhile KPIT Engineering Limited) ("the Company") is a public limited company incorporated on 8 January 2018 under the Companies Act, 2013 and has been listed with effect from 22 April 2019 on Bombay Stock Exchange and National Stock Exchange. The Company's registered office is in Pune and it has subsidiaries across multiple geographies.

The Company is a global technology company specializing in providing Product Engineering solutions and services to Automobile and Mobility Sector.

1. Significant accounting policies

Basis of preparation of standalone financial statements

The standalone financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") 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 and the provisions of Companies Act, 2013. The standalone 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 and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These revised standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 23 July 2021. The earlier standalone financial statements of the Company for the year ended 31 March 2021 were first approved by the Board of Directors on 28 April 2021. The earlier standalone financial statements of the Company are being revised pursuant to an approved Scheme of Arrangement, the details of which are stated in note 44(3).

Use of estimates

The preparation of standalone financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

Critical accounting estimates

a. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the costs expended to date as a proportion of the total estimated costs to be expended. Costs expended have been used to measure progress towards completion as generally it is estimated that there is a direct relationship between input and output in respect of work completed.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the period end date.

b. Income tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions (if any).

c. Measurement of defined benefit obligation, key actuarial assumptions and share based payments

Information about assumptions and estimation uncertainties in respect of defined benefit obligation and share based payments are included in note 31.

d. Impairment of investment in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind-AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Company and affects whether it is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

g. Valuation of deferred tax assets

The Company reviews carrying amount of deferred tax asset at the end of each reporting period. The policy has been explained under note 1.13.

h. Estimation of uncertainties relating to the global health pandemic from COVID-19

In view of pandemic relating to COVID -19, the Company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, intangible assets, investment in subsidiaries and other financial assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact this standalone financial statements as on 31 March 2021. However, the actual impact of COVID-19 on the Company's standalone financial statements, in future, may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

1.1 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.2 Revenue recognition

The Company derives revenues primarily from providing engineering services which includes design engineering services, embedded software development with its related services and from the sale of licenses and products.

The following is the summary of significant accounting policies related to revenue recognition:

Revenue is recognised upon transfer of control of promised services or products to customers for an amount that reflects the consideration expected to be received in exchange for those services or products.

Arrangements with customers for such engineering and its related services are bifurcated into following key categories:

a. Revenue on time and material contracts for the reporting period is recognised as and when the related services are performed and billed to the end customers. If billing for the related services is not done during the reporting period, revenue is recognized as unbilled revenue at the end of the reporting period.

b. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. Costs expended have been used to measure progress towards completion as generally there is a direct relationship between input and output in respect of work completed.

c. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

d. Revenue from client training, support and other services arising due to the sale of software products is recognised as the services are performed.

e. Revenue from internally developed software product licenses where the customer obtains a “right to use” the license is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period.

f. Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.

g. Revenue from sale of hardware products is recognized upon actual delivery of goods along with transfer of control and significant risks and rewards to the customers.

The following are the details of key significant accounting policies related to revenue recognition for all the above mentioned categories:

a. Revenue in excess of invoicing is classified either as contract asset (unbilled revenue) or financial asset (unbilled revenue), while invoicing in excess of revenue is classified as contract liabilities (unearned revenue).

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

b. Unbilled revenue is classified as contract asset when there is a right to consideration in exchange for goods or services which is conditional on something other than the passage of time. Whereas, it is classified as financial asset when such right to consideration in exchange for goods or services is conditional only on passage of time.

c. Amount billed in advance, without services being rendered, is classified as unearned revenue (contract liabilities).

   Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs.

d. The Company accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

e. When there is an uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

f. In accordance with Ind-AS 37, provision for onerous contract/ estimated losses, if any, on uncompleted contracts are recorded in a period in which such losses become probable based on the expected contract estimates at the period end date.

g. The Company presents revenues net of indirect tax in its Statement of Profit and Loss.

h. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts is allocated to each performance obligation of the contract based on its relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customised as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. ATS revenue is recognised ratably over the period in which the services are rendered.

i. In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Significant judgments in revenue recognition:

a. The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

d. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

1.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.4 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives , then they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.6 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings	30
Plant and equipment[1]	4-5
Office Equipment[1]	10
Owned Vehicle[1]	5
Furniture and fixtures[1]	8

[1] For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The right-of-use assets is depreciated over shorter of useful life and lease term.

Perpetual software licenses are amortised over 4 years. However, time-based software licenses are amortised over the license period.

Capitalised development costs are amortised over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortised over the remaining non-cancellable period of the lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.7 Impairment

a. Financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind-AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recorded as an impairment gain or loss in the Statement of Profit and Loss.

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. While assessing the recoverability of receivables including unbilled receivables, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company expects to recover the carrying amount of these assets.

b. Non- financial assets

Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

1.8 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.9 Leases

A contract, or part of a contract, is a lease if that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

The Company has elected not to apply the requirements of Ind-AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies Ind-AS 115 Revenue to allocate the consideration in the contract.

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

1.10 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.11 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Company's functional as well as presentation currency.

b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realised exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

1.12 Employee benefits

a. Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognised in other comprehensive income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. Past service cost is recognised immediately to the extent that the benefits are already vested or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

b. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c. Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term

Notes forming part of the revised standalone financial statements
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employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

d. Other employee benefits

The undiscounted amount of short-term employee benefits and discounted amount of long term employee benefit, expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

1.13 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax (“MAT”) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.14 Provisions, Contingent liabilities and Contingent assets

The Company recognises provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognised for –

a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future

Notes forming part of the revised standalone financial statements
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events not wholly within the control of the Company; or

b. Present obligations that arise from past events but are not recognised because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in the standalone financial statements since this may result in the recognition of income that may never be realised.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognises any impairment loss on the assets associated with that contract.

Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery.

The Company accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the historical experience and current estimates.

1.15 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognised as an intangible asset in accordance with policy defined in 1.5.

1.16 Employee stock option

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognises employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

When the terms of the share-based payment arrangement are modified, the minimum expense recognised is the expense had the terms not been modified. Additional expense is recognised on modification that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. Where the grant of equity instruments is cancelled by the entity, the remaining fair value is recognised immediately in the Statement of Profit and Loss.

For the stock options granted to the employees of the subsidiaries, the share based compensation expenses are charged to the respective subsidiary.

1.17 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

1.18 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. **Subsequent measurement**

i) **Non-derivative financial instruments**

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognised in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) **Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counter-party to the Company's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provides written principles on

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognised in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit and Loss and other comprehensive income.

iii) Treasury Shares

When any entity within the Group (KPIT Technologies Limited (erstwhile KPIT Engineering Limited) and its subsidiaries) purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

c. Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets, the Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options, where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realised.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

1.19 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a

Notes forming part of the revised standalone financial statements
for the year ended on 31 March 2021

short maturity of three months or less from the date of investment.

1.20 Dividend

The Company declares and pays dividends in Indian rupees. Final dividend and interim dividend on equity shares are recorded as a liability on the date of approval by the shareholders and on the date of declaration by the Company's Board of Directors respectively.

1.21 Recent pronouncements

The Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated 24 March 2021. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Company is in the process of evaluating the effect of the amendments on its financial statement.

Notes forming part of the revised standalone financial statements

2A Property, plant and equipment

(Amount in ₹ million)

	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles Leased	Vehicles Owned	Office Equipment	Total
Gross carrying amount as at 1 April 2019	**405.40**	**1,033.75**	**167.84**	**697.01**	**145.45**	**6.70**	**33.71**	**341.74**	**2,831.60**
Additions on account of merger (Refer note 44(3))	-	-	18.36	40.85	3.24	-	8.34	5.64	76.43
Additions	-	3.23	-	167.46	13.22	-	10.77	27.93	222.61
Disposal/retirements/derecognition	-	-	-	18.20	1.71	-	10.31	1.81	32.03
Reclassification on adoption of Ind AS 116 - Leases (Refer note 37)	405.40	-	-	-	-	6.70	-	-	412.10
Gross carrying amount as at 31 March 2020	**-**	**1,036.98**	**186.20**	**887.12**	**160.20**	**-**	**42.51**	**373.50**	**2,686.51**
Accumulated depreciation as at 1 April 2019	**16.33**	**8.79**	**80.21**	**191.34**	**54.38**	**6.70**	**13.86**	**79.47**	**451.08**
Additions on account of merger (Refer note 44(3))	-	-	17.63	12.36	1.42	-	7.02	1.38	39.81
Depreciation for the year	-	35.75	21.72	176.07	19.68	-	6.60	36.50	296.32
Disposal/retirements/derecognition	-	-	-	8.45	1.25	-	8.51	0.66	18.87
Reclassification on adoption of Ind AS 116 - Leases (Refer note 37)	16.33	-	-	-	-	6.70	-	-	23.03
Accumulated depreciation as at 31 March 2020	**-**	**44.54**	**119.56**	**371.32**	**74.23**	**-**	**18.97**	**116.69**	**745.31**
Carrying amount as at 1 April 2019	**389.07**	**1,024.96**	**87.63**	**505.67**	**91.07**	**-**	**19.85**	**262.27**	**2,380.52**
Carrying amount as at 31 March 2020	**-**	**992.44**	**66.64**	**515.80**	**85.97**	**-**	**23.54**	**256.81**	**1,941.20**
Gross carrying amount as at 1 April 2020	**-**	**1,036.98**	**186.20**	**887.12**	**160.20**	**-**	**42.51**	**373.50**	**2,686.51**
Additions	-	-	-	92.13	0.16	-	1.64	8.25	102.18
Disposal/retirements/derecognition	-	0.26	49.58	3.68	14.95	-	-	28.60	97.07
Gross carrying amount as at 31 March 2021	**-**	**1,036.72**	**136.62**	**975.57**	**145.41**	**-**	**44.15**	**353.15**	**2,691.62**
Accumulated depreciation as at 1 April 2020	**-**	**44.54**	**119.56**	**371.32**	**74.23**	**-**	**18.97**	**116.69**	**745.31**
Depreciation for the year	-	35.81	4.58	190.49	16.22	-	5.25	37.14	289.49
Disposal/retirements/derecognition	-	0.02	16.24	2.75	8.47	-	-	15.87	43.35
Accumulated depreciation as at 31 March 2021	**-**	**80.33**	**107.90**	**559.06**	**81.98**	**-**	**24.22**	**137.96**	**991.45**
Carrying amount as at 31 March 2020	**-**	**992.44**	**66.64**	**515.80**	**85.97**	**-**	**23.54**	**256.81**	**1,941.20**
Carrying amount as at 31 March 2021	**-**	**956.39**	**28.72**	**416.51**	**63.43**	**-**	**19.93**	**215.19**	**1,700.17**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

2B Right-of-use assets (Refer note 37)

	Building (Leasehold)	Land (Leasehold)	Vehicles Leased	Total
Gross carrying amount as at 1 April 2019	**-**	**-**	**-**	**-**
Effect of transition to Ind AS 116	586.01	-	-	586.01
Reclassification on adoption of Ind AS 116 - Leases	-	405.40	6.70	412.10
Additions	268.32	-	-	268.32
Gross carrying amount as at 31 March 2020	**854.33**	**405.40**	**6.70**	**1,266.43**
Accumulated depreciation as at 1 April 2019	**-**	**-**	**-**	**-**
Reclassification on adoption of Ind AS 116 - Leases	-	16.33	6.70	23.03
Depreciation for the year	134.59	4.43	-	139.02
Accumulated depreciation as at 31 March 2020	**134.59**	**20.76**	**6.70**	**162.05**
Carrying amount as at 31 March 2020	**719.74**	**384.64**	**-**	**1,104.38**
Gross carrying amount as at 1 April 2020	**854.33**	**405.40**	**6.70**	**1,266.43**
Additions	57.18	18.50	-	75.68
Disposal/retirements/derecognition	185.09	-	-	185.09
Gross carrying amount as at 31 March 2021	**726.42**	**423.90**	**6.70**	**1,157.02**
Accumulated depreciation as at 1 April 2020	**134.59**	**20.76**	**6.70**	**162.05**
Depreciation for the year	157.36	4.55	-	161.91
Accumulated depreciation as at 31 March 2021	**291.95**	**25.31**	**6.70**	**323.96**
Carrying amount as at 31 March 2020	**719.74**	**384.64**	**-**	**1,104.38**
Carrying amount as at 31 March 2021	**434.47**	**398.59**	**-**	**833.06**

2C Other intangible assets

	Internally Generated		Other than Internally Generated	Total
	Product Development Cost	Technical knowhow	Software	
Gross carrying amount as at 1 April 2019	**834.85**	**-**	**808.46**	**1,643.31**
Additions on account of merger (Refer note 44(3))	-	9.51	1.03	10.54
Additions	-	-	278.56	278.56
Gross carrying amount as at 31 March 2020	**834.85**	**9.51**	**1,088.05**	**1,932.41**
Accumulated amortisation as at 1 April 2019	**467.15**	**-**	**581.44**	**1,048.59**
Additions on account of merger (Refer note 44(3))	-	9.51	1.00	10.51
Amortisation for the year	186.45	-	238.12	424.57
Accumulated amortisation as at 31 March 2020	**653.60**	**9.51**	**820.56**	**1,483.67**
Carrying amount as at 1 April 2019	**367.70**	**-**	**227.02**	**594.72**
Carrying amount as at 31 March 2020	**181.25**	**-**	**267.49**	**448.74**
Gross carrying amount as at 1 April 2020	**834.85**	**9.51**	**1,088.05**	**1,932.41**
Additions	-	-	270.71	270.71
Gross carrying amount as at 31 March 2021	**834.85**	**9.51**	**1,358.76**	**2,203.12**
Accumulated amortisation as at 1 April 2020	**653.60**	**9.51**	**820.56**	**1,483.67**
Amortisation for the year	172.86	-	286.86	459.72
Accumulated amortisation as at 31 March 2021	**826.46**	**9.51**	**1,107.42**	**1,943.39**
Carrying amount as at 31 March 2020	**181.25**	**-**	**267.49**	**448.74**
Carrying amount as at 31 March 2021	**8.39**	**-**	**251.34**	**259.73**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

3 Investments

		31 March 2021	31 March 2020
Investments (Unquoted)			
3A	**Investments in equity accounted investees**		
	Yantra Digital Services Private Limited (Refer note 44(5))	169.59	169.59
	5,400 (Previous year 5,400) equity shares of ₹ 10 each fully paid		
	Less : Share of accumulated losses	169.59	169.59
		-	-
3B	**Investments in equity instruments of subsidiaries measured at cost**		
	KPIT Technologies (UK) Limited	1,273.72	1,273.72
	A wholly owned subsidiary company incorporated in UK		
	14,990,616 (Previous year 14,990,616) equity shares of £ 1 each fully paid-up		
	KPIT (Shanghai) Software Technology Co. Limited, China	128.84	128.84
	A wholly owned subsidiary company incorporated in China		
	14,074,702 (Previous year 14,074,702) equity shares of RMB 1 each fully paid up		
	KPIT Technologies Netherlands B.V.	34.30	34.30
	A wholly owned subsidiary company incorporated in Netherlands		
	5,000 (Previous year 5,000) equity shares of Euro 100 each fully paid up		
	KPIT Technologias Ltda, Brazil	17.48	17.48
	A wholly owned subsidiary company incorporated in Brazil		
	999 (Previous year 999) equity share of BRL 1 each fully paid up		
	KPIT Technologies GK	18.08	18.08
	A wholly owned subsidiary company incorporated in Japan		
	KPIT Technologies Holding Inc	1,254.60	1,254.60
	A wholly owned subsidiary company incorporated in USA		
	17,000,000 (Previous year 17,000,000) shares Common Stock at par value of USD 1 each		
	KPIT Technologies Pte Ltd.	34.63	34.63
	A wholly owned subsidiary company incorporated in Singapore		
	672,230 (Previous year 672,230) ordinary shares of SGD 1 each		
	ThaiGerTec Company Limited	0.01	-
	1,000 (Previous year Nil) shares of THB 10 each		
3C	**Investments in equity instruments of other entities measured at fair value through profit or loss**		
	Lithium Urban Technologies Private Limited	10.00	10.00
	5,819 (Previous year 5,819) equity shares of ₹ 10 each fully paid		
		2,771.66	**2,771.65**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

4A Loans

(Unsecured, considered good with no significant increase in credit risk or credit impaired, unless otherwise stated)

	31 March 2021	31 March 2020
Loans and advances to related parties (Refer note 34 and 36)		
Loan to KPIT Technologies (UK) Limited	-	504.60
Loans and advances to other than related parties		
Security deposits	40.14	100.60
	40.14	**605.20**

Note:

(i) Information about the Company's exposure to credit risk and market risk is disclosed in note 28.

4B Other financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Fixed deposits with banks	14.52	10.15
Interest accrued on fixed deposits	2.73	1.95
	17.25	**12.10**

5 Deferred tax assets (net) (Refer note 42)

	31 March 2021	31 March 2020
Deferred tax assets		
Provision for bad and doubtful debts and advances	52.19	14.61
Provision for compensated absences	12.24	3.54
Provision for gratuity	74.78	34.75
Forward contracts designated as cash flow hedges	-	30.33
Others	27.82	26.03
MAT credit entitlement	334.04	348.04
	501.07	**457.30**
Deferred tax liabilities		
Excess of depreciation/amortisation on property, plant and equipment and other intangible assets under income-tax law over depreciation/ amortisation provided in accounts	15.11	78.44
Forward contracts designated as cash flow hedges	23.99	-
Others	8.90	0.32
	48.00	**78.76**
Net deferred tax asset	**453.07**	**378.54**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Capital advances	13.99	26.53
Advance rentals	14.12	36.65
Prepaid expenses	0.91	3.12
	29.02	**66.30**

7 Inventories

(Valued at the lower of cost and net realisable value)

	31 March 2021	31 March 2020
Raw materials	-	109.95
Work-in-progress	-	2.34
Finished goods	-	2.48
Stores and spares	-	0.50
	-	**115.27**

8 Current investments

	31 March 2021	31 March 2020
Investments in mutual funds measured at fair value through profit or loss (quoted)		
112,677.24 units (Previous year Nil units) - Axis Liquid Fund - Regular Growth	256.08	-
156,576.76 units (Previous year Nil units) - Axis Overnight Fund - Regular Growth	170.14	-
345,508.27 units (Previous year Nil units) - ICICI Prudential Money Market Fund - Growth	101.26	-
42,750.38 units (Previous year Nil units) - NIPPON India Money Market Fund - Growth plan growth option	136.63	-
59,427.56 units (Previous year Nil units) - UTI Money Market Fund - Regular Growth Plan	141.13	-
306,695.45 units (Previous year Nil units) - Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	101.00	-
99,182.56 units (Previous year Nil units) - Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan	110.05	-
70,008.98 units (Previous year Nil units) - HSBC Overnight Fund - Growth	75.13	-
31,918.21 units (Previous year Nil units) - Kotak Money Market Fund - Growth (Regular plan)	110.66	-
Investments in equity instruments of other entities measured at fair value through profit or loss (quoted)		
Shares of Birlasoft Limited (erstwhile KPIT Technologies Limited) held by KPIT Employee Welfare Trust	59.51	82.24
	1,261.59	**82.24**

Note:

(i) The details of aggregate value of quoted investments are disclosed in note 28.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

9 Trade receivables

(Unsecured)

	31 March 2021	31 March 2020
Trade receivables considered good	1,637.06	3,055.27
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	198.71	86.75
	1,835.77	**3,142.02**
Less: Allowances for bad and doubtful trade receivables	198.71	86.75
	1,637.06	**3,055.27**

Note:

(i) Trade receivables from related parties are disclosed in note 36.

(ii) Information about the Company's exposure to credit risk and market risk is disclosed in note 28.

10 Cash and bank balances

	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	0.04	0.04
Balances with banks		
In current accounts	243.21	304.73
In deposit accounts(with original maturity of 3 months or less)	195.00	376.25
	438.25	**681.02**
Other bank balances	2,648.48	71.07
	3,086.73	**752.09**

Note:

(i) Information about the Company's exposure to credit risk, liquidity risk and market risk is disclosed in note 28.

11 Loans

(Unsecured, considered good with no significant increase in credit risk or credit impaired, unless otherwise stated)

	31 March 2021	31 March 2020
Loans and advances to related parties (Refer note 36)		
Loan to director	-	5.25
Loans and advances to other than related parties		
Other loans and advances		
Loan to employees	-	1.64
Security deposits	61.16	31.88
	61.16	**38.77**

Note:

(i) Information about the Company's exposure to credit risk and market risk is disclosed in note 28.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

12 Other current financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Interest accrued on fixed deposits	43.68	3.81
Forward contracts designated as cash flow hedges (Refer note 28(3))	68.67	-
Receivable from related parties (Refer note 36)	143.88	163.27
Receivable from other than related parties	85.96	127.01
	342.19	**294.09**

Note:

(i) Information about the Company's exposure to credit risk and market risk is disclosed in note 28.

13 Other current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Advance to suppliers	32.66	61.13
Employee advances		
Considered good	15.01	23.82
Considered doubtful	8.63	10.77
	23.64	**34.59**
Less: Provision for doubtful advances	8.63	10.77
	15.01	**23.82**
Balances with statutory authorities	49.38	51.43
Advance rentals	6.61	10.47
Contract assets (Refer note 41)	12.61	50.80
Prepaid expenses	109.98	141.02
	226.25	**338.67**

14 Equity share capital

	31 March 2021	31 March 2020
Authorised:		
450,000,000 (Previous year 450,000,000) equity shares of ₹ 10 each. (Refer note 44(3))	4,500.00	4,500.00
	4,500.00	**4,500.00**
Issued subscribed and fully paid up:		
269,043,560 (Previous year 268,879,735) equity shares of ₹ 10 each fully paid up	2,690.44	2,688.80
	2,690.44	**2,688.80**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

14.01 Dividend

The Company declares and pays dividends in Indian rupees.

Cash dividends on equity shares declared and paid:

Particulars	31 March 2021	31 March 2020
Final dividend for the year ended on 31 March 2020: ₹ Nil (Previous year ₹ 0.75 per share)	-	201.38
Dividend distribution tax on final dividend	-	42.26
Interim dividend for the year ended on 31 March 2021: ₹ Nil (Previous year ₹ 0.55 and ₹ 0.45 per share)*	-	268.86
Dividend distribution tax on interim dividends	-	56.35
Total dividend paid (including dividend distribution tax)	**-**	**568.85**

**Two interim dividends, aggregating to ₹ 1.00 per equity share, paid during the previous year was considered as the final dividend for the financial year ended 31 March 2020.*

14.02 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.

14.03 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in ₹ million	Number of shares	Amount in ₹ million
Equity shares outstanding at the beginning of the year	268,879,735	2,688.80	268,502,435	2,685.02
Add: Shares issued on exercise of employee stock options	163,825	1.64	377,300	3.78
Equity shares outstanding at the end of the year	**269,043,560**	**2,690.44**	**268,879,735**	**2,688.80**

14.04 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.

14.05 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 31 March 2021	% of shares held	Number of shares as at 31 March 2020	% of shares held
Proficient Finstock LLP	88,861,500	32.41%	88,861,500	32.41%
Mr. Kishor Patil	13,345,605	4.87%	19,395,605	7.07%

14.06 Aggregate number of shares issued for consideration other than cash during the period of two years immediately preceding the reporting date - Nil (Previous year Nil).

14.07 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.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

15 Non-current borrowings

	31 March 2021	31 March 2020
Term loans		
From banks (Secured)		
External Commercial Borrowing (ECB) (Refer note (i))	-	-
Other loan (Refer note (ii) & (iii) below)	9.04	12.85
From other than banks (Refer note (iv) below)	15.00	16.88
	24.04	**29.73**

Notes:

(i) The ECB loan consisted 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 carried interest rate of 6 months LIBOR + 90 basis points. The ECB loan was repayable in eight equal semi-annual installments of USD 2.5 million each, with a moratorium of 1 year, upto March 2021. The loan has been fully repaid during the current year.

(ii) Other term loans from bank includes a loan 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.

(iii) Other term loans from bank includes a loan secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 8.70 % p.a. and is repayable in equated monthly installments of ₹ 0.22 million each upto November 2023.

(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 2029.

(v) Information about the Company's exposure to market risk and liquidity risk is disclosed in note 28.

16 Other non-current financial liabilities

	31 March 2021	31 March 2020
Other than trade payables		
Accrued employee costs	146.65	-
	146.65	**-**

Notes:

(i) Information about the Company's exposure to liquidity risk is disclosed in note 28.

17 Long term provisions

	31 March 2021	31 March 2020
Provision for employee benefits		
Compensated absences	40.32	22.89
Gratuity (Refer note 30(2))	55.30	98.05
	95.62	**120.94**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

18 Current borrowings

	31 March 2021	31 March 2020
Loans repayable on demand		
From banks		
Working capital loans from banks (secured)(Refer note (i) below)	-	166.10
	-	**166.10**

Notes:

(i) During the previous year, the above loan included a loan of EUR 2.00 million, secured by way of first charge by way of hypothecation of the Company's entire book debts, both present and future, on pari passu basis, carrying an interest rate of 3 months LIBOR plus 0.50% p.a. This loan has been repaid fully during the current year.

(ii) Information about the Company's exposure to market risk and liquidity risk is disclosed in note 28.

19 Other current financial liabilities

	31 March 2021	31 March 2020
Current maturities of long term debt		
from banks (secured)	3.81	379.80
(Refer note 15 - Term loan from banks for details of security and repayment terms)		
from others	3.48	3.62
(Refer note 15 - Term loan from other than banks for details of security and repayment terms)		
Other than trade payables		
Accrued employee costs	259.97	128.43
Unclaimed dividend	1.07	1.08
Payables in respect of fixed assets	21.75	34.64
Forward contracts designated as cash flow hedges (Refer Note 28(3))	-	86.79
Payable to related parties (Refer note 36)	1.99	11.28
Payable to other than related parties	13.26	7.38
Others	5.04	37.66
	310.37	**690.68**

Note:

(i) Information about the Company's exposure to market risk and liquidity risk is disclosed in note 28.

20 Other current liabilities

	31 March 2021	31 March 2020
Unearned revenue (Refer note 41)	650.08	481.87
Statutory remittances	79.28	104.93
Advance from related parties (Refer note 36)	154.96	-
	884.32	**586.80**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

21 Short-term provisions

	31 March 2021	31 March 2020
Provision for employee benefits		
Compensated absences	12.18	6.78
Gratuity (Refer note 30(2))	100.78	141.08
Other provisions		
Provision for onerous contracts	-	0.17
Provision for warranty (Refer note 40(1))	51.69	0.27
	164.65	**148.30**

22 Revenue from operations (Refer note 41)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Software services	8,022.10	9,567.84
Sale of products		
Finished goods	6.38	108.64
	8,028.48	**9,676.48**

23 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income (Refer note i below)	114.18	31.41
Dividend income from current investments (Refer note ii below)	2.23	13.82
Foreign exchange gain (net)	28.36	188.54
Unrealised gain on investments carried at fair value through profit or loss (net) (Refer note iii below)	18.33	-
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	12.80	2.66
	175.90	**236.43**

Notes :

(i) Interest income from related parties are disclosed in note 36.

(ii) This represents the dividend income of:

- ₹ 0.00* million (Previous year ₹ 0.75 million) from investment in mutual funds;
- ₹ 2.23 million (Previous year ₹ 13.07 million) on shares in Birlasoft Limited (erstwhile KPIT Technologies Limited), held by KPIT Employee Welfare Trust.

(iii) This represents the gain on fair valuation of:

- shares in Birlasoft Limited (erstwhile KPIT Technologies Limited), held by KPIT Employee Welfare Trust;
- investment in mutual funds.

**Since denominated in ₹ million.*

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

24A Cost of materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cost of materials consumed	0.52	78.23

24B Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
Finished goods		
Inventories at the beginning of the year	2.48	3.61
Inventory written-off during the year	2.48	-
Inventories at the end of the year	-	2.48
	-	**1.13**
Work-in-progress		
Inventories at the beginning of the year	2.34	7.86
Inventory written-off during the year	2.34	-
Inventories at the end of the year	-	2.34
	-	**5.52**
	-	**6.65**

25 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and incentives	4,611.80	5,095.91
Contribution to provident fund (Refer note 30(1))	160.79	187.85
Share based compensation to employees (Refer note 31)	67.49	32.17
Staff welfare expenses	35.60	33.57
	4,875.68	**5,349.50**

26 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Finance cost on lease liabilities (Refer note 37)	70.43	69.07
Other interest expense	15.97	54.58
Exchange differences to the extent considered as an adjustment to finance cost	-	29.43
	86.40	**153.08**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

27 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Travel and overseas expenses (net)	11.27	211.65
Transport and conveyance (net)	9.61	81.05
Cost of service delivery (net)	151.33	3.75
Cost of professional sub-contracting (net)	66.61	162.20
Recruitment and training expenses	28.35	89.75
Power and fuel	50.49	77.29
Rent (Refer note 37)	21.94	65.77
Repairs and maintenance -		
buildings	3.00	-
plant & equipment	193.42	226.24
others	32.15	41.46
Insurance	56.66	69.67
Rates & taxes	70.39	5.30
Communication expenses (net)	51.15	44.52
Legal and professional fees	81.67	121.69
Marketing expenses	5.01	19.09
Loss on sale of fixed assets(net)	3.96	0.93
Printing & stationery	2.43	9.08
Auditors remuneration (net of taxes)		
Audit fees	4.50	5.20
Limited review of quarterly results	1.80	1.80
Fees for other services	1.55	1.71
Out of pocket expenses reimbursed	-	0.20
Bad debts written off	37.25	0.35
Provision for doubtful debts and advances (net)	125.95	(17.71)
Provision for warranty (Refer note 40(1))	51.42	(2.90)
Contributions towards corporate social responsibility (Refer note 44(4))	18.63	18.41
Unrealised loss on investments carried at fair value through profit or loss (net)	-	56.92
Miscellaneous expenses (net)	288.64	196.88
	1,369.18	**1,490.30**

Note

(i) Certain expenses are net of recoveries/reimbursements from customers.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

28 Financial Instruments

28.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2021 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	2,761.66	-	1,271.59	-	-	4,033.25	4,033.25
Trade receivables	1,637.06	-	-	-	-	1,637.06	1,637.06
Cash and cash equivalents	438.25	-	-	-	-	438.25	438.25
Other balances with banks	2,648.48	-	-	-	-	2,648.48	2,648.48
Loans	101.30	-	-	-	-	101.30	101.30
Unbilled revenue	235.69	-	-	-	-	235.69	235.69
Other financial assets	273.52	-	-	-	68.67	342.19	342.19
Total financial assets	**8,095.96**	**-**	**1,271.59**	**-**	**68.67**	**9,436.22**	**9,436.22**
Financial liabilities							
Borrowings	24.04	-	-	-	-	24.04	24.04
Trade payables	485.00	-	-	-	-	485.00	485.00
Lease liabilities	567.03	-	-	-	-	567.03	567.03
Other financial liabilities	457.02	-	-	-	-	457.02	457.02
Total financial liabilities	**1,533.09**	**-**	**-**	**-**	**-**	**1,533.09**	**1,533.09**

The carrying value and fair value of financial instruments by categories as on 31 March 2020 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							
Investments	2,761.65	-	92.24	-	-	2,853.89	2,853.89
Trade receivables	3,055.27	-	-	-	-	3,055.27	3,055.27
Cash and cash equivalents	681.02	-	-	-	-	681.02	681.02
Other balances with banks	71.07	-	-	-	-	71.07	71.07
Loans	643.97	-	-	-	-	643.97	643.97
Unbilled revenue	306.89	-	-	-	-	306.89	306.89
Other financial assets	294.09	-	-	-	-	294.09	294.09
Total financial assets	**7,813.96**	**-**	**92.24**	**-**	**-**	**7,906.20**	**7,906.20**
Financial liabilities							
Borrowings	195.83	-	-	-	-	195.83	195.83
Trade payables	489.65	-	-	-	-	489.65	489.65
Lease liabilities	919.93	-	-	-	-	919.93	919.93
Other financial liabilities	603.89	-	-	-	86.79	690.68	690.68
Total financial liabilities	**2,209.30**	**-**	**-**	**-**	**86.79**	**2,296.09**	**2,296.09**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

28.2 Fair value hierarchy

Financial assets and liabilities include investments, cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables, borrowings and other financial liabilities, whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities. Fair value of lease liabilities approximate its carrying amount, as lease liabilities are valued using discounted cash flow method. Except for investments, which are Level 1, rest of the financial assets and financial liabilities are classified as Level 2.

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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2021:

Particulars	As at	Fair value measurement		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets				
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Forward contracts designated as cash flow hedge	68.67	-	68.67	-
Investment in shares of Birlasoft Limited	59.51	59.51	-	-
Investments in mutual funds	1,212.08	1,212.08	-	-

The following table presents fair value hierarchy of assets and liabilities as on 31 March 2020:

Particulars	As at	Fair value measurement		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets				
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Investment in shares of Birlasoft Limited	82.24	82.24	-	-
Financial liabilities				
Forward contracts designated as cash flow hedge	86.79	-	86.79	-

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Level 3:

Valuation techniques	Significant unobservable inputs
The valuation of equity shares in Lithium Urban Technologies Private Limited consider the present value of expected cash flows, discounted using a risk adjusted discount rate. The expected payment is determined by considering the possible scenarios of profit before tax, the amount to be paid under each scenario and the probability of each scenario.	- Risk adjusted discount rate for respective economies - Probability assigned to each scenario of profit before tax

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

28.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks arising from financial instruments:

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Company's receivables from customers amounting to ₹ 1,637.06 million and ₹ 3,055.27 million and unbilled revenue amounting to ₹ 235.69 million and ₹ 306.89 million and other current financial assets pertaining to receivable from related and other than related parties amounting to ₹ 229.84 million and ₹ 290.28 million as on 31 March 2021 and 31 March 2020 respectively. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Refer note 43 for the impact of COVID-19 (Global pandemic).

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables:

Particulars	Amount (₹ million)
Balance as on 1 April 2019	**67.44**
Additions on account of merger (Refer note 44(3))	3.73
Restated balance as on 1 April 2019	**71.17**
Reversal of impairment on account of collection	(38.27)
Impairment during the year	53.85
Balance as on 31 March 2020	**86.75**
Reversal of impairment on account of collection	(109.90)
Utilisation of allowance	(34.35)
Impairment during the year	256.21
Balance as on 31 March 2021	**198.71**

Trade receivables that were not impaired (Ageing as per the due date of invoice raised in demerged undertaking and/or in the Company):

Particulars	Carrying amount	
	31 March 2021	31 March 2020
Neither past due nor impaired	1,315.10	1,290.26
Past due 1 - 30 days	184.85	942.38
Past due 31 - 90 days	96.26	243.37
Past due 91 - 180 days	0.57	54.22
More than 180 days	40.28	525.04

Unbilled revenue is not outstanding for more than 90 days.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

iii. Cash and bank balances

The Company held cash and bank balances of ₹ 3,086.73 million and ₹ 752.09 million as on 31 March 2021 and 31 March 2020 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Other current financial assets

The Company is exposed to credit risk on receivable from related and other than related parties amounting to ₹ 229.84 million (Previous year ₹ 290.28 million). The counterparty has a high credit rating of AA- for long term by CARE Ratings Limited.

v. Guarantees

The Company's policy is to provide financial guarantees in routine course of business and on behalf of subsidiaries/joint ventures.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	438.25	681.02
Other balances with banks	2,648.48	71.07
Interest accrued on fixed deposits with banks	43.68	3.81
Total	**3,130.41**	**755.90**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021:

Particulars	Carrying value	Gross cash outflow	Upto 1 year	2-3 years	4-5 years	> 5 years
Borrowings	24.04	30.33	2.16	13.34	6.77	8.06
Trade payables	485.00	485.00	485.00	-	-	-
Other financial liabilities	457.02	485.21	310.37	174.84	-	-

*Refer note 37 for the contractual maturities of lease liabilities.

The following are the remaining contractual maturities of financial liabilities as on 31 March 2020 :

Particulars	Carrying value	Gross cash outflow	Upto 1 year	2-3 years	4-5 years	> 5 years
Borrowings	195.83	215.02	179.30	15.03	9.87	10.82
Trade payables	489.65	489.65	489.65	-	-	-
Other financial liabilities	690.68	690.68	690.68	-	-	-

*Refer note 37 for the contractual maturities of lease liabilities.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. **Foreign currency risk**

Significant portion of the Company's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Company. The foreign currencies to which the Company is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Company evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 90% on net basis. For this purpose the Company uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The below figures are INR equivalent amounts of foreign currency.

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021:

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Trade receivables	515.13	352.13	70.78	418.51	1,356.55
Other financial assets (including loans)	-	158.05	1.08	-	159.13
Unbilled Revenue	111.43	34.64	1.92	23.07	171.06
Trade payables	(41.84)	(46.97)	(1.26)	(1.98)	(92.05)
Other financial liabilities	(3.45)	(2.24)	-	(63.86)	(69.55)
Net assets/(liabilities)	**581.27**	**495.61**	**72.52**	**375.74**	**1,525.14**

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2020:

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Trade receivables	1,078.16	1,020.52	104.50	483.50	2,686.68
Other financial assets (including loans)	33.36	660.01	5.43	-	698.80
Unbilled Revenue	93.16	57.01	10.78	39.87	200.82
Borrowings	(376.57)	(166.10)	-	-	(542.67)
Trade payables	(10.57)	(41.25)	(0.23)	(31.45)	(83.50)
Other financial liabilities	(11.12)	(0.30)	-	(62.71)	(74.13)
Net assets/(liabilities)	**806.42**	**1,529.89**	**120.48**	**429.21**	**2,886.00**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

The above figures exclude amounts in local currency of foreign subsidiaries.

For the period ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.77% / (0.77)%.

For the period ended 31 March 2020, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 1.02% / (1.02)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Company's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

Refer note 43 for the impact of COVID-19 (Global pandemic).

The following are the outstanding EUR/USD/JPY/GBP: INR Currency Exchange Contracts entered into by the Company which has been designated as Cash Flow Hedges:

Particulars	31 March 2021		31 March 2020	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	11.15	960.00	6.00	498.30
USD	23.05	1,694.28	19.55	1,473.79
JPY	-	-	700.00	487.55
GBP	6.10	615.80	5.15	479.34

The forward contracts have maturity between 30 days to 11 months from 31 March 2021.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	(56.46)	17.95
Gains/(losses) on changes in fair value of foreign exchange contracts recognised in other comprehensive income	68.67	(86.79)
Deferred tax on fair value of effective portion of cash flow hedges	(54.33)	39.97
Amounts reclassified to the statement of profit and loss	86.79	(27.59)
Balance at the end of the year	**44.67**	**(56.46)**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	2,856.93	967.88
Financial liabilities	31.33	36.57
Variable rate instruments		
Financial liabilities	-	542.68

29 Other equity

(i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve. Any surplus or shortfall on account of merger/demerger within common control is also transferred to capital reserve. This reserve is not available for distribution of dividend.

(ii) General reserve

During the year ended 31 March 2019, general reserve amounting to ₹ 34.38 million was transferred to the Company on account of composite scheme of arrangement - demerger scheme. The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

(iii) Share based payment reserve

Share based payment reserve is used to record the fair value of equity-settled share-based payment transactions with employees. Refer note 31 for the details of employee stock options and share purchase schemes.

30 Details of employee benefits as required by Ind AS 19 - "Employee benefits" are as under:

1 Defined contribution plan - Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 160.79 million (Previous year ₹ 187.85 million).

2 Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

iii) Return on plan assets, excluding interest income are recognized in the Other Comprehensive Income (OCI).

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of defined benefit obligation at the beginning of the year	298.92	232.02
Current service cost	49.30	37.04
Interest cost	19.22	16.40
Liability transferred in / Acquisitions	-	4.64
Liability transferred out / Divestments	-	(2.03)
Actuarial loss / (gain) recognised in other comprehensive income		
a) changes in demographic assumptions	-	0.10
b) changes in financial assumptions	2.55	8.36
c) experience adjustments	(21.53)	21.88
Benefits paid	(26.18)	(19.49)
Present value of defined benefit obligation at the end of the year	322.28	298.92

Changes in the fair value of the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fair value of plan assets at the beginning of the year	59.79	-
Interest income	3.84	1.02
Contributions by the Company	100.00	57.53
Return on plan assets, excluding interest income	2.57	1.24
Fair value of plan assets at the end of the year	166.20	59.79

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

Amount recognised in the Balance Sheet	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of obligation as at the end of the year	322.28	298.92
Fair value of plan assets at the end of the year	166.20	59.79
Funded status ((surplus)/deficit)	156.08	239.13
Net defined benefit obligation	156.08	239.13

Expenses recognized in the Statement of Profit and Loss	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	49.30	37.04
Interest cost net of interest income on plan assets	15.38	15.38
Expenses recognized in the Statement of Profit and Loss	64.68	52.42

Expenses recognized in the Other Comprehensive Income (OCI)	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss / (gain)	(18.98)	30.34
Return on plan assets, excluding interest income	2.57	1.24
Net (income)/expense recognized in the OCI	(21.55)	29.10

Category of assets	For the year ended 31 March 2021	For the year ended 31 March 2020
Insurance fund	166.20	59.79

Actuarial Assumptions	For the year ended 31 March 2021	For the year ended 31 March 2020
Expected return on plan assets	6.26%	6.43%
Discount rate	6.26%	6.43%
Salary escalation	5.00%	5.00%
Attrition Rate	15.00%	15.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Projected benefit obligation on current assumptions	31 March 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14.43)	16.03	(12.81)	14.21
Future salary growth (1% movement)	16.07	(14.72)	14.27	(13.09)
Attrition rate (1% movement)	(0.66)	0.57	(0.48)	0.38

Maturity profile of defined benefit plan:

Projected benefits payable in future years from the date of reporting

	31 March 2021	31 March 2020
Within 1 year	60.09	55.35
1-2 year	36.61	36.68
2-3 year	36.96	44.87
3-4 year	36.46	31.50
4-5 year	34.76	30.37
5-10 years	126.95	112.17
Thereafter	130.20	116.37

Weighted average assumptions used to determine net periodic benefit cost:

Particulars	31 March 2021	31 March 2020
Number of active members	5,396	6,203
Per month salary cost for all active members (₹ million)	124.37	141.41
Weighted average duration of the projected benefit obligation (years)	6.00	6.00
Average expected future service (years)	6.00	6.00
Projected benefit obligation (PBO)	322.28	298.92
Prescribed contribution for next year (12 months)	100.00	140.83

31 Share based payments

1 Employee Stock Option Scheme - 2019

In accordance with the terms of the approved Composite Scheme, KPIT Engineering Limited (now known as KPIT Technologies limited) ("Resulting Company") had issued the stock options to the employees holding options of the KPIT Technologies Limited (now known as BirlaSoft Limited) ("Transferee Company" or "Demerged Company") as at the appointed date. The options issued consisted of:

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

i. 1,807,450 options of the Transferee Company ("Birlasoft options"), equivalent to the number of options outstanding as at the appointed date;

ii. 1,807,450 options of the Resulting Company ("KPIT options"), in the ratio of 1:1 for every outstanding stock options held by the employees in the Transferee Company.

The Board of Directors of the Company approved the Employees Stock Option Scheme at their meeting held on 15 May 2019. Pursuant to this approval, the Company instituted ESOS 2019 in May 2019. The compensation committee of the Company administers this Plan. Each type of option carries with it the right to purchase one equity share of the Demerged Company or the Resulting Company as the case may be. In terms of clause 18.5 of the Composite Scheme, the stock options had been granted at an exercise price which was the pre-demerger exercise price suitably adjusted in the manner of share exchange ratio. Further, as per the Composite Scheme, the Company had taken into account the vesting period completed, under the plan in the Demerged Company, prior to the grant of options to the employee under the ESOS 2019. The maximum exercise period is 5 years from the date of vesting.

The outstanding stock options held by employees of the Demerged Company as at 31 March 2021 are 490,300 and 551,700 of Birlasoft options and KPIT options respectively. The employee compensation cost for such employees is not eligible for recognition in the books of the Company.

The number of outstanding Birlasoft options held by employees of the Company as at 31 March 2021 are 356,000. The Company recorded an employee compensation cost of ₹ Nil in this respect in the Statement of Profit and Loss.

Below are the details pertaining to the KPIT options held by employees of the Company:

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	FY 2020-21		FY 2019-20	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	598,205	44.28	-	-
Options issued pursuant to the scheme of demerger	-	-	856,800	42.73
Forfeited / surrendered during the year	13,250	44.96	1,695	44.96
Exercised during the year	96,550	39.57	250,500	39.20
Lapsed during the year	2,200	44.96	6,400	35.90
Options outstanding at the end of the year	486,205	45.19	598,205	44.28
Options exercisable at the end of the year	486,205	45.19	578,205	43.84

The weighted average share price of the options exercised under Employees Stock Option Scheme -2019 on the date of exercise during the year was ₹ 105.04.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding
₹ 0 to ₹ 50	1.51	466,205	2.45	563,205
₹ 50 to ₹ 100	4.07	20,000	4.64	35,000

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model.

The Company recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Scheme – 2019A

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Scheme at their meetings held on 17 June 2019 and on 23 July 2019, respectively. Pursuant to this approval, the Company instituted ESOS 2019A in July 2019. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The options approved under this scheme are 3,793,923.

The options had been originally granted to employees of the Company and its subsidiaries at an exercise price equivalent to the fair market price of the Company's share as on the date of grant of options. The Nomination and Remuneration Committee of the Board of Directors of the Company, in its meeting held on 30 July 2020 approved the modification in the exercise price of the options granted. The exercise price is modified to ₹ 10 per option.

The options would vest not earlier than statutory minimum vesting period of 1 year and up to the maximum period of 4 years from the date of grant of options or such period as may be decided by the Committee at the time of each grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Committee, subject to the minimum vesting period of 1 year from the date of grant of options. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	FY 2020-21		FY 2019-20	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	3,255,000	85.05	-	-
Options granted during the year	3,757,500	10.00	3,456,500	85.05
Forfeited / surrendered during the year	3,305,500	83.90	201,500	85.05
Options outstanding at the end of the year	3,707,000	10.00	3,255,000	85.05
Options exercisable at the end of the year	-	-	-	-

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

As at 31 March 2021, all the options under Employee Stock Option Scheme – 2019A are unvested. Hence, during the year there are no exercisable options under the said scheme.

The weighted average remaining contractual life are as follows:

Range of exercise price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding
₹ 0 to ₹ 50	6.44	3,707,000	NIL	NIL
₹ 50 to ₹ 100	NIL	NIL	6.42	3,255,000

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

	Particulars	FY 2020-21	FY 2019-20
1.	Exercise price (₹)	10.00	85.05
2.	Price of the underlying share in market at the time of the option grant (₹)	65.40	85.05
3.	Weighted average fair value of options granted (₹)	57.18	36.69
4.	Expected life of the option (years)	3.76	3.76
5.	Risk free interest rate (%)	5.00	6.23
6.	Expected volatility (%)	49.79	48.02
7.	Dividend yield (%)	0.00	0.00

The incremental weighted average fair value of options on modification, using Black and Scholes option pricing model, is ₹ 34.99.

The Company recorded an employee compensation cost of ₹ 67.61 million (Previous year ₹ 30.21 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Share Purchase Scheme – 2019

The Board of Directors and the shareholders of the Company approved Employee Share Purchase Scheme at their meeting on 17 June 2019 and on 23 July 2019, respectively. Pursuant to this approval, the Company instituted ESPS 2019 in July 2019. The compensation committee of the Company administers this Plan. The shares approved under this scheme are 40,000 equity shares. The shares have been granted to employees of the Company and its subsidiaries at a price not less than the face value per share of the Company at the time of the offer.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

Number and offer prices of shares granted, exercised and cancelled/lapsed during the financial year:

Particulars	FY 2020-21		FY 2019-20	
	No. of shares	Weighted average offer price	No. of shares	Weighted average offer price
Shares outstanding at the beginning of the year	24,050	10.00	-	-
Shares granted during the year	3,505	10.00	24,050	10.00
Exercised during the year	5,125	10.00	-	-
Cancelled during the year	2,475	10.00	-	-
Shares outstanding at the end of the year	19,955	10.00	24,050	10.00
Shares exercisable at the end of the year	19,955	10.00	24,050	10.00

The weighted average share price of the shares exercised under Employee Share Purchase Scheme – 2019 on the date of exercise during the year was ₹ NIL.

The weighted average remaining contractual life are as follows:

Range of exercise price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of shares outstanding	Weighted average contractual life (years)	No. of shares outstanding
₹ 0 to ₹ 50	NA	19,955	NA	24,050

The fair value of a share granted under the Employee Share Purchase Scheme - 2019 is ₹ 81.55.

The Company recorded an employee compensation cost of ₹ (0.12) million (Previous year ₹ 1.96 million) in the Statement of Profit and Loss.

32 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2021 is ₹ 2.47 million (Previous year - ₹ 0.07 million). Estimated interest due thereon is ₹ NIL (Previous year - ₹ NIL).

b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ NIL (Previous year - ₹ NIL). Interest paid thereon is ₹ NIL (Previous year - ₹ NIL) and the estimated interest due and payable thereon is ₹ NIL (Previous year - ₹ NIL).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2021 is ₹ NIL (Previous year - ₹ NIL).

d. The amount of further estimated interest due and payable for the period from 1 April 2021 to actual date of payment or 20 April 2021 (whichever is earlier) is ₹ NIL.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

33 Expenditure and Earnings in foreign Currency

A. Expenditure in foreign Currency

Particulars	31 March 2021	31 March 2020
Cost of professional sub-contracting (net)	15.01	14.42
Employee benefits expense	8.92	17.78
Finance costs	5.03	26.04
Marketing expenses	0.70	6.28
Professional charges	7.55	11.41
Recruitment and training expenses	17.46	45.27
Travelling expenses	-	59.68
Other expenses	23.24	30.83
Bad debts written off	33.91	-
Provision for doubtful debts and advances (net)	55.74	6.28

B Earnings in foreign Currency

Particulars	31 March 2021	31 March 2020
Revenue from operations	6,979.20	8,459.24
Interest income	14.28	6.28

34 Particulars of loans and advances in nature of loans required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of party	Purpose	31 March 2021		31 March 2020	
		Balance	Maximum amount outstanding	Balance	Maximum amount outstanding
KPIT Technologies (UK) Limited (including interest)	Working Capital	-	523.73	504.60	504.60

35 Segment information

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

36 Related party disclosures

A. Relationship between the parent and its subsidiaries:

Relationship	Name of related party
Subsidiary Companies (Direct holding)	KPIT Technologies (UK) Limited
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Technologies GK, Japan
	KPIT Technologies Holding Inc., USA
	KPIT Technologias Ltda (erstwhile MicroFuzzy KPIT Tecnologia Ltda, Brazil)
	KPIT Technologies Pte. Ltd.
	KPIT Technologies Netherlands B.V.
Subsidiary Companies (Indirect holding)	KPIT Technologies GmbH, Germany (Through KPIT Technologies (UK) Limited)
	MicroFuzzy Industrie-Elektronic GmbH, Germany (Through KPIT Technologies GmbH, Germany)
	ThaiGerTec Company Limited (Through KPIT Technologies (UK) Limited) (w.e.f. 1 April 2019)
	KPIT Technologies Inc., USA (Through KPIT Technologies Holding Inc., USA)
Joint Venture	Yantra Digital Services Private Limited, India(i)

B. List of entities jointly controlled by a Group which had joint control over the reporting entities:

Entities jointly controlled by a Group which had joint control over the reporting entities (till 31 January 2020)	Birlasoft Limited (erstwhile KPIT Technologies Limited)
	Birlasoft Solutions Inc., USA (erstwhile KPIT Infosystems Incorporated, USA)
	Birlasoft Solutions France (erstwhile KPIT Technologies France)
	Sparta Consulting Inc., USA
	Birlasoft Computer Corporation, USA (erstwhile SYSTIME Computer Corporation)
	Birlasoft Solutions ME FZE, United Arab Emirates (erstwhile KPIT Infosystems ME FZE)
	Birlasoft Technologies Canada Corporation (erstwhile KPIT Technologies Corporation)
	Birlasoft Solutions Ltda (erstwhile KPIT Technologies Solucoes Em Informatica Ltda)
	Birlasoft Solutions GmbH (erstwhile KPIT Solutions GmbH)
	Birlasoft Solutions Mexico, S.A. DE C.V. (erstwhile KPIT Infosystems Mexico, S.A. DE C.V.)
	Birlasoft Solutions Limited (erstwhile KPIT Infosystems Limited (UK))

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

C. List of Key Management Personnel:

Key Management Personnel (KMP)	Mr. S.B.(Ravi) Pandit	Executive Director (w.e.f. 16 January 2019 till 28 March 2020) Non-Executive Director (w.e.f. 29 March 2020)
	Mr. Kishor Patil	Executive Director
	Mr. Sachin Tikekar	Executive Director
	Mr. Anant Talaulicar	Independent Director
	Mr. B V R Subbu	Independent Director
	Prof. Alberto Sangiovanni Vincentelli	Independent Director
	Mr. Rafi Maor	Independent Director (w.e.f. 23 October 2019)
	Dr. Klaus Blickle	Non-Executive Director (resigned w.e.f. 15 May 2019)
	Mr. Nickhil Jakatdar	Independent Director
	Ms. Shubhalakshmi Panse	Independent Director
	Mr. Rohit Saboo	Nominee Director (resigned w.e.f. 1 February 2020)
	Mr. Vinit Teredesai	Chief Financial Officer (upto 12 June 2020)
	Ms. Priyamvada Hardikar	Chief Financial Officer (w.e.f. 12 June 2020)
	Ms. Nida Deshpande	Company Secretary

D. List of other related parties with whom there are transactions:

Relative of KMP	Mr. Chinmay Pandit
	Ms. Jayada Pandit
	Ms. Anupama Kishor Patil
	Ms. Hemlata Shende
	Ms. Manasi Patil
	Ms. Nirmala Shashishekhar Pandit
Enterprise over which KMP have significant influence	KP Corporate Solutions Limited
	Proficient FinStock LLP
	Kirtane & Pandit LLP, Chartered Accountants, Pune
	K & P Management Services Private Limited
	Sentient Labs Private Limited
	KP Capital Advisors Private Limited

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

E. Transactions with related parties

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with entities jointly controlled by a Group which had joint control over the reporting entities[(ii) & (iii)]					
1	**Birlasoft Limited (erstwhile KPIT Technologies Limited)**				
	Reimbursement of expenses (net)	NA	NA	67.42	NA
	Sales	NA		58.25	
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		60.40	
	Advance given (net)	NA		0.57	
	Perquisite tax payable	NA	NA	1.80	NA
	Dividend received	NA	NA	13.82	NA
2	**Birlasoft Solutions ME FZE, United Arab Emirates (Australia Branch)**				
	Reimbursement of expenses (net)	NA	NA	3.74	NA
Transactions with subsidiary companies[(ii)]					
1	**KPIT Technologies Holding Inc., USA**				
	Investment in equity	NIL	1,254.60	NIL	1,254.60
	Reimbursement of expenses (net)	NIL	NIL	NIL	0.02
2	**MicroFuzzy Industrie-Elektronic GmbH, Germany**				
	Sales	101.88	49.65	276.56	289.46
	Reimbursement revenue	0.47		2.45	
	Reimbursement of expenses	(5.55)	0.50	(1.84)	1.84
3	**KPIT Technologies GmbH, Germany**				
	Sales/(Sale reversal)	386.42	246.15	770.88	657.45
	Reimbursement revenue	9.89		36.64	
	Allocation of administrative support charges	79.90		100.57	
	Software service charges	NIL	(0.08)	NIL	(0.08)
	Advance given (net)	1.06	134.81	44.81	117.25
	Reimbursement of expenses (net)	(11.83)		(5.46)	

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with subsidiary companies[ii]					
4	**KPIT Technologies (UK) Limited**				
	Sales	521.53	76.29	935.24	111.32
	Reimbursement revenue	38.78		51.43	
	Allocation of administrative support charges	16.17		33.10	
	Software service charges	NIL	(0.00)*	NIL	(0.00)*
	Loan given	NIL	NIL	479.30	504.60
	Receipt from repayment of loan	518.99		NIL	
	Interest income	13.47		6.08	
	Investment in equity	NIL	1,273.72	326.64	1,273.72
	Advance given (net)	NIL	0.90	17.02	5.57
	Advance received (net)	0.63		NIL	
	Reimbursement of expenses (net)	(0.79)		(0.17)	
5	**KPIT Technologies GK, Japan**				
	Sales	1,141.27	303.04	1,715.08	308.51
	Reimbursement revenue	67.57		52.31	
	Allocation of administrative support charges	10.19		22.41	
	Software service charges	NIL	NIL	NIL	(27.44)
	Investment in equity	NIL	18.08	NIL	18.08
	Advance given (net)	0.45	(1.98)	13.68	(11.28)
	Reimbursement of expenses (net)	(7.75)		(25.96)	
6	**KPIT Technologies GK (South Korea Branch)**				
	Sales	104.13	49.71	72.98	31.29
	Reimbursement revenue	4.82		8.35	
	Advance given (net)	2.76	NIL	NIL	NIL
	Reimbursement of expenses (net)	(0.07)		NIL	NIL

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with subsidiary companies[ii]					
7	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Sales	226.25		167.88	
	Reimbursement revenue	7.07	64.49	19.23	132.93
	Allocation of administrative support charges	4.81		10.90	
	Software service charges	NIL	(1.06)	NIL	(1.06)
	Investment in equity	NIL	128.84	NIL	128.84
	Reimbursement of expenses (net)	(0.46)	0.68	(0.19)	0.22
8	**KPIT Technologies (UK) Limited (Italy branch)**				
	Sales	0.57	0.05	0.42	0.10
	Reimbursement revenue	0.16		0.23	
	Reimbursement of expenses	0.01	NIL	(0.01)	0.01
9	**KPIT Technologies (UK) Limited (Sweden branch)**				
	Sales	39.20	22.36	0.27	1.26
	Reimbursement revenue	0.42		NIL	
	Advance given (net)	1.69	0.05	0.90	1.22
	Reimbursement of expenses (net)	(0.47)		(0.25)	
10	**KPIT Technolgias Ltda**				
	Sales	3.57	3.57	NIL	NIL
	Investment in equity	NIL	17.48	NIL	17.48
	Reimbursement of expenses (net)	(0.00)*	0.00*	NIL	NIL
11	**KPIT Technologies Netherlands B.V.**				
	Sales	268.74		228.99	
	Reimbursement revenue	1.69	86.42	1.70	21.61
	Allocation of administrative support charges	6.75		3.86	
	Investment in equity	NIL	34.30	NIL	34.30
	Advance given (net)	2.23	0.44	1.87	4.85
	Reimbursement of expenses (net)	(0.06)		NIL	

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with subsidiary companies[ii]					
12	**KPIT Technologies Pte. Limited, Singapore**				
	Sales	37.06	NIL	60.87	36.40
	Reimbursement revenue	1.16		6.73	
	Novation of customer	36.97	(36.17)	NIL	NIL
	Purchase of investment in ThaiGerTec Company Limited	0.01	0.01	NIL	NIL
	Investment in equity	NIL	34.63	34.63	34.63
	Advance received (net)	NIL	(0.01)	0.12	0.07
	Reimbursement of expenses	NIL		(0.19)	
13	**KPIT Technologies Inc., USA**				
	Sales	3,839.66	413.38	3,907.00	994.94
	Reimbursement revenue	140.89		178.37	
	Allocation of administrative support charges	127.20		147.67	
	Software service charges	NIL	(0.12)	NIL	(0.12)
	Advance given (net)	3.41	6.48	14.77	32.23
	Reimbursement of expenses (net)	(16.21)		(11.03)	
14	**ThaiGerTec Co., Ltd.**				
	Software service charges	43.95	(43.88)	42.68	(35.21)
Transactions with entities in Joint Venture[ii]					
1	**Yantra Digital Services Private Limited, India**				
	Purchase of Components	NIL	(9.20)	8.94	(10.55)
	Loan given	NIL	NIL	11.80	NIL
	Transfer of payroll liabilities	NIL	NIL	1.04	NIL
Transactions with Key Management Personnel[iv]					
1	**Mr. S. B. (Ravi) Pandit**				
	Short term employee benefits	NIL	NIL	40.53	NIL
	Post employment benefits	4.01	NIL	1.36	NIL
	Dividend paid	NIL	NIL	0.75	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.07	(0.00)*

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with Key Management Personnel(iv)					
2	**Mr. Kishor Patil**				
	Short term employee benefits	29.90	NIL	35.37	NIL
	Post employment benefits	1.31	NIL	1.36	NIL
	Perquisites	0.08	NIL	0.28	NIL
	Repayment of loan granted	5.25	NIL	6.55	5.25
	Interest received	0.20		0.71	
	Dividend paid	NIL	NIL	21.64	NIL
	Reimbursement of expenses (net)	0.04	NIL	0.54	(0.01)
3	**Mr. Sachin Tikekar**				
	Short term employee benefits	28.29	NIL	32.28	NIL
	Post employment benefits	0.42	NIL	0.44	NIL
	Dividend paid	NIL	NIL	1.47	NIL
	Reimbursement of expenses (net)	0.17	(0.00)*	0.43	(0.14)
4	**Mr. Anant Talaulicar**				
	Commission paid	2.95	NIL	2.38	NIL
	Sitting Fees	0.26	NIL	0.30	NIL
5	**Mr. B V R Subbu**				
	Commission paid	2.60	NIL	2.38	NIL
	Sitting Fees	0.23	NIL	0.24	NIL
6	**Ms. Shubhalakshmi Panse**				
	Commission paid	2.05	NIL	0.38	NIL
	Sitting Fees	0.22	NIL	0.21	NIL
7	**Mr. Rohit Saboo**				
	Commission paid	NIL	NIL	0.38	NIL
8	**Dr. Klaus Blickle**				
	Commission paid	NIL	NIL	0.87	NIL
9	**Prof. Alberto Sangiovanni Vincentelli**				
	Commission paid	2.33	NIL	2.34	NIL
	Reimbursement of expenses	0.91	0.00*	0.33	NIL
	Sitting fees	0.06	NIL	0.07	NIL

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with Key Management Personnel(iv)					
10	**Mr. Rafi Maor**				
	Commission paid	1.59	NIL	NIL	NIL
	Sitting fees	0.02	NIL	0.05	NIL
	Reimbursement of expenses	NIL	NIL	0.84	NIL
11	**Mr. Nickhil Jakatdar**				
	Commission paid	1.53	NIL	1.00	NIL
	Sitting fees	0.06	NIL	0.08	NIL
	Reimbursement of expenses	NIL	NIL	0.57	NIL
12	**Mr. Vinit Teredesai**				
	Short term employee benefits	1.66	NIL	11.68	NIL
	Post employment benefits	0.05	NIL	0.27	NIL
	Reimbursement of expenses (net)	0.10	NIL	0.27	NIL
	Share based compensation	NIL	NIL	0.78	NIL
13	**Ms. Priyamvada Hardikar**				
	Short term employee benefits	5.88	NIL	NIL	NIL
	Post employment benefits	0.16	NIL	NIL	NIL
	Share based compensation	1.14	NIL	NIL	NIL
14	**Ms. Nida Deshpande**				
	Short term employee benefits	1.95	NIL	2.12	NIL
	Post employment benefits	0.06	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
	Share based compensation	0.23	NIL	0.10	NIL
Transactions with relative of Key Management Personnel(iv)					
1	**Mr. Chinmay Pandit**				
	Short term employee benefits	5.71	NIL	5.81	NIL
	Post employment benefits	0.16	NIL	0.15	NIL
	Dividend paid	NIL	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	1.36	(0.21)

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

No.	Name of related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with relative of Key Management Personnel[(iv)]					
2	**Ms. Jayada Pandit**				
	Short term employee benefits	1.73	NIL	2.04	NIL
	Post employment benefits	0.06	NIL	0.06	NIL
3	**Ms. Manasi Patil**				
	Short term employee benefits	1.69	NIL	0.31	NIL
	Post employment benefits	0.06	NIL	0.01	NIL
	Dividend paid	NIL	NIL	0.00*	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.00*	(0.00)*
4	**Ms. Hemlata Shende**				
	Dividend paid	NIL	NIL	0.07	NIL
5	**Ms. Anupama Patil**				
	Dividend paid	NIL	NIL	0.21	NIL
6	**Ms. Nirmala Shashishekhar Pandit**				
	Dividend paid	NIL	NIL	0.42	NIL
Transactions with enterprise over which Key Management Personnel have significant influence					
1	**Kirtane & Pandit LLP**				
	Professional fees	1.63	NIL	0.45	0.05
2	**K & P Management Services Private Limited**				
	Dividend paid	NIL	NIL	0.53	NIL
3	**KP Capital Advisors Private Limited**				
	Professional fees	0.30	NIL	0.24	(0.21)
4	**KP Corporate Solutions Limited**				
	Professional fees	4.99	(0.10)	5.53	(0.33)
5	**Proficient FinStock LLP**				
	Advance received (net)	137.44	(137.44)	NIL	NIL
	Dividend paid	NIL	NIL	109.22	NIL
6	**Sentient Labs Private Limited**				
	Advance received (net)	17.52	(17.52)	NIL	NIL
	Reimbursement of expenses (net)	87.30		NIL	NIL

**Since denominated in ₹ millions.*

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

(i) The investee is an associate as defined under section 2(87) of the Companies Act, 2013. For the purpose of Ind-AS financial statements, the entity has been considered as a Joint Venture as defined under Ind-AS 28 : Investments in Associates and Joint Ventures.

(ii) All transactions with these related parties are priced on an arm's length basis.

(iii) For the entities jointly controlled by a Group, since the joint control has concluded effective 1 February 2020, the balances outstanding as at 31 March 2020 are not reflected under related party disclosures.

(iv) Remuneration excludes provision for gratuity and compensated absences as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

37 Lease transactions

Company as a lessee

The Company primarily has rental office premises across multiple locations and a leasehold land.

The Company had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised in the opening equity as of 1 April 2019. This had resulted in recognising a right-of-use asset of ₹ 586.01 million and a corresponding lease liability of ₹ 777.79 million by adjusting retained earnings net of taxes of ₹ 179.81 million as at 1 April 2019. The weighted average incremental borrowing rate of 9.15% was applied to lease liabilities recognised in the balance sheet at the date of initial application.

A Refer note 2(B) for changes in the carrying amount of right of use assets.

B Break up of current and non-current lease liabilities

Particulars	31 March 2021	31 March 2020
Non-current lease liabilities	443.68	761.72
Current lease liabilities	123.35	158.21
Total	**567.03**	**919.93**

C Movement in lease liabilities

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	919.93	-
Lease liabilities created on 1 April 2019 on adoption of IND AS 116	-	777.79
Additions during the year	57.18	268.32
Finance cost accrued on lease liabilities	70.43	69.07
Payment of lease liabilities	220.55	195.25
Termination of leases	259.96	-
Balance at the end of the year	**567.03**	**919.93**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

D Contractual maturities of lease liabilities on an undiscounted cash flows basis

Particulars	31 March 2021	31 March 2020
Not later than one year	170.42	235.06
Later than one year and not later than five years	399.43	613.07
Later than five years	180.07	447.35
Total undiscounted lease liabilities	**749.92**	**1,295.48**

Rent expenses recorded for short term and low value leases for the year ended 31 March 2021 was ₹ 21.94 million (Previous year ₹ 65.77 million).

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

There is no lease, that is yet to commenced, to which the Company is committed.

Refer note 43 for the impact of COVID-19 (Global pandemic).

38 Basic and diluted earnings per share

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value per equity share	₹	10.00	10.00
Profit for the year	₹ (million)	935.26	1,897.72
Weighted average number of equity shares	No. of shares	268,954,838	268,655,114
Earnings per share - Basic	₹	3.48	7.06
Effect of dilutive potential equity shares			
Weighted average number of diluted equity shares	No. of shares	270,519,277	269,601,546
Earnings per share - Diluted	₹	3.46	7.04

39 The Company has received recognition from Department of Scientific and Industrial Research, Ministry of Science and Technology DSIR for its Research and Development (R&D) facility at its premise in Hinjawadi which is effective upto 31 March 2021. However, with effect from 1 April 2020, the weighted deduction under section 35(2AB) of Income Tax Act 1961 (the Act) for inhouse R&D expenditure is not available. Accordingly, during current year, the Company has not claimed any weighted deduction for inhouse R&D expenditure. During the previous year ₹ 184.20 million was claimed as eligible R&D expenditure under section 35(2AB) of the Act. The weighted tax deduction was equal to 150% of such expenditure incurred. Total capital expenditure towards R&D facility during the year ended 31 March 2021 is ₹ 0.24 million (Previous year ₹ 5.43 million).

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

40 Details of provisions and movements in each class of provisions as required by the Indian Accounting Standard (Ind-AS) 37 - Provisions, Contingent liabilities and Contingent assets

1. Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract, from the date of sale of license of software to Tier I suppliers. The movement in the said provision is as under :

Particulars	31 March 2021	31 March 2020
Carrying amount as at the beginning of the year	0.27	3.17
Additional provision made during the year	51.42	-
Reversals during the year	-	2.90
Carrying amount at the end of the year	51.69	0.27

The warranty provision is expected to be utilized over a period of one year.

2. Contingent liabilities

Taxes and guarantees

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Outstanding bank guarantees in routine course of business	15.57	71.58

3. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):

a. Property, plant and equipment - ₹ 380.21 million (Previous year ₹ 415.59 million).

b. Intangible assets - ₹ 9.85 million (Previous year ₹ 3.19 million).

41 Revenue from operations

Disaggregate revenue information

The Company disaggregates revenue from contract with customers by geography and contract type.

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

A Revenue disaggregation by geography is as follows:

Geographical segments	31 March 2021	31 March 2020
Americas	3,970.43	4,058.00
UK & Europe	1,421.16	2,346.54
Rest of World	2,636.89	3,271.94
Total	**8,028.48**	**9,676.48**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

B Revenue disaggregation by contract type is as follows:

Contract type	31 March 2021	31 March 2020
Time & Material (T&M) and Cap T&M projects	4,260.75	4,667.34
Fixed price projects	3,405.06	4,475.31
License projects	111.26	90.89
Sale from manufacturing unit/ product sale	6.38	124.42
Others	245.03	318.52
Total	**8,028.48**	**9,676.48**

Movement in contract assets (unbilled revenue)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	50.80	77.53
Revenue recognised during the year	12.55	50.14
Invoicing during the year	(39.90)	(73.57)
Reversals during the year	(10.84)	(3.30)
Balance at the end of the year	**12.61**	**50.80**

Movement in contract liabilities (unearned revenue)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	481.87	366.45
Invoiced during the period but not recognised as revenue	605.13	456.54
Revenue recognised during the year	(436.92)	(341.12)
Balance at the end of the year	**650.08**	**481.87**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligations estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 1,521.95 million. Out of this, the Company expects to recognize revenue of around 97% within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty, since based on current assessment, the occurrence of the same is expected to be remote.

Refer note 43 for the impact of COVID-19 (Global pandemic).

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

42 Income taxes

The income tax expense consists of following:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense		
Current tax	193.50	484.98
Deferred tax (benefit) / charge	(135.25)	(306.61)
Total tax expense	**58.25**	**178.37**

The net charge relating to temporary differences during the year ended 31 March 2021 is primarily on account of property, plant & equipment, leases, gratuity and leave encashment.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	993.51	2,076.09
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	347.17	725.47
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of income tax exemption / tax holiday	(255.10)	(836.77)
Effect of permanent adjustments	(64.56)	310.77
Others (net)	30.74	(21.10)
Total tax expense	**58.25**	**178.37**

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005 (SEZ). Accordingly, units designated in SEZ are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The tax holiday period being currently available to the Group expires in various years through fiscal year 2027. From 1 April 2011, units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

With effect from 1 April 2020, the weighted deduction under section 35(2AB) of the Income tax Act 1961 for inhouse R&D expenditure is not available. Accordingly, during the year ended 31 March 2021, the Company has not claimed any weighted deduction for its inhouse R&D expenditure. During the year ended 31 March 2020, the Company had claimed weighted tax deduction on eligible research and development expenditures based on the approval received from Department of Scientific and Industrial Research (DSIR), which is valid upto March 2021. The weighted tax deduction is equal to 150% of such expenditure incurred. Also refer note 39.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

Deferred Tax

The gross movement in the deferred tax account :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net deferred tax asset at the beginning of the year	378.54	1.82
MAT credit entitlement/(utilisation) during the year	(14.00)	274.31
Credit / (Charge) relating to temporary differences (net)	149.26	55.88
Temporary differences on other comprehensive income	(60.73)	46.53
Net deferred tax asset at the end of the year	**453.07**	**378.54**

The net charge relating to temporary differences during the year ended 31 March 2021 and 31 March 2020 are primarily on account of provision for bad and doubtful debts, provision for gratuity, leave encashment, leases and property, plant & equipment.

The Company had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach. The credit / (charge) relating to temporary differences during year ended 31 March 2020 also included impact of deferred tax on leases as per Ind AS 116 relating to past periods, which was debited/ (credited) to opening reserves.

Further, the merger of Impact Automotive Solutions Limited, a wholly owned subsidiary of the Company is approved by Hon'ble National Company Law Tribunal (NCLT) with appointed date of 1 April 2019. The credit / (charge) relating to temporary differences for year ended 31 March 2020 also includes impact of deferred tax on temporary differences of its subsidiary, which is debited / (credited) to opening reserves. Also refer note 44(3)(d).

43 Impact of COVID-19 (Global pandemic)

1. Revenue from operations

The Company has evaluated the impact of COVID-19 resulting from (i) the probable constraints to render services which may require revision of estimation of costs to complete the contract; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

2. Right-of-use assets (Lease arrangements)

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and the Company does not expect any change due to global pandemic in the terms of lease arrangements including renewal options assessed in this regard while assessing the right-of-use assets.

3. Financial Instruments

i. Cashflow hedge

The Company basis their assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

ii. Trade receivables and contract assets including unbilled revenue

Trade receivables and contract assets including unbilled revenue, have been valued after making allowance for expected credit losses based on factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer, geographies, considering impact of COVID – 19 on customers and related customer verticals and geographies. In addition the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

iii. Fair valuation

Assets measured using level 1 inputs primarily include investment in securities with fair value being marked to an active market which factors the impact of COVID-19, hence, the Company does not expect material volatility in these financial assets.

Assets and liabilities measured using level 2 inputs which include derivative financial instruments and financial liability measured at amortised cost, have been assessed basis counterparty credit risk.

4. Deferred tax asset

The Company has considered the impact of COVID-19 in preparing revenue and profit projections. On the basis of these projections, the Company believes that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

5. Going concern

The Company has prepared cashflow projections for the foreseeable future after considering the impacts of COVID-19. Further, the Company carries cash and cash equivalents of ₹ 438.25 million, other bank balances of ₹ 2,648.48 million and has unutilized working capital limits of ₹ 2,650.00 million as at 31 March 2021. Accordingly, the management has assessed that the going concern assumption is appropriate for the Company.

44 Other disclosures and explanatory notes

1 As per the agreement between the parties, consequent to the National Company Law Tribunal (NCLT) approved composite scheme, the joint control between the Transferee Company i.e. Birlasoft Limited (erstwhile KPIT Technologies Limited) and the Resulting Company i.e. KPIT Technologies Limited (erstwhile KPIT Engineering Limited) has concluded effective 1 February 2020. As a result, Mr. Rohit Saboo, Nominee Director, has resigned from KPIT Technologies Limited (erstwhile KPIT Engineering Limited) effective 1 February 2020.

2A In line with its re-defined strategy to focus only on Software led services and solutions for Mobility and discontinue hardware dominated products, the Company had :

i. during the previous year, completed the conditions precedents towards the disinvestment of its business related to telematics hardware products consisting VTS - AIS 140, OBITS (On Bus Integrated Telematics Systems complying to UBS-II specifications), and telematics products for School buses to Minda Industries Ltd. The initial consideration of ₹ 170.00 million and an expense of ₹ 49.20 million towards the obligations related to the sale of business was accounted for as an Exceptional Item.

ii. during the previous year, provided for exposure in its joint venture company in the business in “KIVI-Smart Bus WIFI” towards loan of ₹ 11.80 million.

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

iii. during the previous year, entered into a definitive agreement with leading manufacturing company in India towards disinvestment of its business related to Defense and Aeronautic hard-ware products. The upfront consideration of ₹ 56.00 million was recognised on completion of the closing.

iv. during the previous year, on prudent assessment, written-off its inventories of ₹ 64.15 million including the related GST credit.

2B In line with the Company's operational efficiency measures, it has consolidated its presence , resulting into early termination of some of its existing leased office premises in Pune, India. Accordingly, as per Ind-AS 116 "Leases", remeasured the lease liability and on prudent assessment, also written-off its property, plant and equipment at the said location. During the current year, the net impact of ₹ 32.03 million was recognised in the Statement of Profit and Loss.

3 Scheme of Merger

The Board of Directors of the Company at its meeting held on 26 July 2019 had approved the Composite Scheme of Arrangement (the 'Scheme') for merger of Impact Automotive Solutions Limited ('Transferor Company'), wholly owned subsidiary of the Company with the Company.

Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 27 September 2019.

The standalone financial statements of the Company for the year ended 31 March 2021 were approved by the Board of Directors at its meeting held on 28 April 2021 without giving effect to the Scheme since the petition was pending before the NCLT.

On receipt of the certified copy of the order dated 15 June 2021 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date 1 April 2019, and upon filing the same with Registrar of Companies, Maharashtra on 22 June 2021 the Scheme has become effective.

Accordingly, the Company has given effect to the Scheme in the earlier approved standalone financial statements for the year ended 31 March 2021 from the Appointed date of 1 April 2019 by revising the standalone financial statements approved by the Board of Directors on 28 April 2021.

These Revised standalone financial statements for the year ended 31 March 2021 have been prepared pursuant to the Scheme of merger of Transferor Company with the Company from the specified retrospective appointed date of 1 April 2019. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values.

The revision to the standalone financial statements have been carried out solely for the impact of above referred merger and no additional adjustments have been carried out for any other events occurring after 28 April 2021 (being the date when the financial statements were first approved by the Board of Directors of the Company).

In line with the above, wherever the term "standalone financial statements" is mentioned, it should be referred to as "revised standalone financial statements".

Name of the Transferor Company	Impact Automotive Solutions Limited
General nature of business	Engaged in the production of Integrated Systems, hybrid automotive product and electric vehicle.
Appointed Date of the Scheme	1 April 2019
Description and number of shares issued	Nil
% of Company's equity shares exchanged	Nil

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

Pursuant to the approved Scheme of Merger by Absorption, the Transferee Company has accounted for merger in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards.

a) **Accounting Treatment**

i. The Transferee Company has recorded all the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Company as on the Appointed Date, by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and prescribed under Companies (Indian Accounting Standards) Rules, 2015 issued by the Institute of Chartered Accountants of India.

ii. The financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

iii. Any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Company and the Transferee Company, if any, ipso facto, stand discharged and come to end and the same is eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

iv. Investments in shares of the Transferor Company held by the Transferee Company have been adjusted against Share Capital of the Transferor Company and the difference, between cost of investment of the Transferor Company in the books of the Transferee Company has been adjusted against balance of reserves and surplus of the Transferee Company post-merger.

v. The identity of the reserves has been preserved and appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

b) **The book value of assets and liabilities taken over from the Transferor Company as on the Appointed Date were:**

	Amount (₹ million)
ASSETS	
Non-current assets	
Property, plant and equipment	36.62
Intangible assets	0.03
Financial assets	
Investments	10.00
Loans	15.39
Other financial assets	17.04
Income tax asset (net)	4.34
Other non-current assets	0.16
	83.58

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

	Amount (₹ million)
Current assets	
Inventories	170.77
Financial assets	
Trade receivables	136.75
Cash and cash equivalent	10.67
Other balances with banks	197.88
Loans	2.99
Other financial assets	2.27
Other current assets	64.33
	585.66
TOTAL ASSETS	**669.24**
EQUITY AND LIABILITIES	
Equity	
Equity share capital	1,367.50
Other equity	(1,082.11)
Total equity	**285.39**
Non-current liabilities	
Financial liabilities	
Borrowings	102.03
Provisions	2.00
	104.03
Current liabilities	
Financial liabilities	
Trade payables	
(i) Total outstanding dues of micro enterprises and small enterprises	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	115.49
Other financial liabilities	13.54
Other current liabilities	150.32
Provisions	0.47
	279.82
TOTAL EQUITY AND LIABILITIES	**669.24**

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

c) **Capital reserve arising on merger**

Particulars	Amount (₹ million)
Investment in the Transferor Company held by the Transferee Company	1,326.29
Share capital of the Transferor Company	1,367.50
Capital reserve	**41.21**

d) As a consequence of the aforesaid merger, the Company recognized tax benefits accrued amounting to ₹ 11.62 million directly under equity as at 1 April 2019. Tax benefits amounting to ₹ 9.92 million and ₹ 57.06 million are recognized under the revised statement of profit and loss for the financial year ending 31 March 2020 and 31 March 2021 respectively.

e) As the appointed date of the Scheme is 1 April 2019, the previous year's numbers for the year ended 31 March 2020 have been restated to include the financial information of the Transferor Company.

f) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferor Company which is ₹ 1,500.00 million divided into 150 million equity shares of ₹ 10 each.

4 The Company, as per section 135 of the Companies Act 2013, was required to spend ₹ 18.63 million (Previous year ₹ 10.23 million) towards Corporate Social Responsibility (CSR). During the current year, the Company has spent and paid ₹ 15.32 million (Previous year ₹ 18.41 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset. During the current year, the Company has also provided for an amount of ₹ 3.31 million, towards unspent CSR amount. Also, refer Annexure 7 of the Director's Report. There is no change in the amounts paid/payable towards CSR on account of the merger as mentioned in note 44(3).

5 **Disclosure of interest in joint arrangement and associate**

The Company has investment of 45% in Yantra Digital Services Private Limited, a non-listed company based in Mumbai, India. The investee is a joint venture of the Company in which it has joint control. Investee is engaged in providing the wifi based entertainment in public transport.

A. **Summarised balance sheet**

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents *	1.23	0.00
Current assets (excluding cash and cash equivalents)	9.33	44.18
Total	**10.56**	**44.18**
Trade payables	0.18	0.06
Current liabilities (excluding trade payables)	-	0.03
Total	**0.18**	**0.09**
Total equity	**10.38**	**44.09**
The Company's share in equity	4.67	19.84
Carrying amount of the investment (investment of ₹ 169.59 million less impairment loss of ₹ 169.59 million)	-	-

Notes forming part of the revised standalone financial statements

(Amount in ₹ million)

B. Summarised Statement of Profit and Loss

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Revenue	-	8.94
Other income	0.02	0.25
Total income	**0.02**	**9.19**
Employee benefits expense	-	4.66
Finance costs	-	0.12
Depreciation and amortization	-	0.88
Other expenses	33.73	0.82
Total expenses	**33.73**	**6.48**
Profit/(Loss) before exceptional items and tax	**(33.71)**	**2.71**
Exceptional items	-	82.89
Profit/(Loss) before tax	**(33.71)**	**85.60**
Current tax	-	-
Profit/(Loss) for the period	**(33.71)**	**85.60**
Other comprehensive income	-	-
Total comprehensive income	**(33.71)**	**85.60**

* Since denominated in millions

6 The Company has consolidated the KPIT Technologies Limited Employee Welfare Trust and the KPIT Technologies Limited Employees Group Gratuity Scheme.

7 The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act 1961. The Company is in the process of updating the documentation for the financial year 2020-2021.

The management is of the opinion that international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our revised report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEK1940

Place: Pune
Date: 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN : 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place: Pune
Date: 23 July 2021

Revised Independent Auditors' Report

To the Members of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited)

Report on the Audit of Revised Consolidated Financial Statements

This Report supersedes our Report dated 28 April 2021

Opinion

We have audited the revised consolidated financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the revised consolidated balance sheet as at 31 March 2021, and the revised consolidated statement of profit and loss (including other comprehensive income), revised consolidated statement of changes in equity and revised consolidated statement of cash flows for the year then ended, and notes to the revised consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the revised consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of joint venture as was audited by the other auditor, the aforesaid revised consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2021 of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the revised Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the revised consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the revised consolidated financial statements.

Emphasis of Matter

We draw attention to Note 1.1 and Note 46(7) of the revised consolidated financial statements which describes the Basis of preparation. As explained in detail therein, these revised consolidated financial statements for the year ended 31 March 2021 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') for merger of Impact Automotive Solutions Limited, wholly owned subsidiary of the Company ("Transferor Company") with the Company, from the specified retrospective appointed date (1 April 2019), as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 15 June 2021 ("Order"). A certified copy of the Order sanctioning the Scheme has been filed by the Company with Registrar of the Companies, Maharashtra, on 22 June 2021.

Note 46 (7) in the Notes to the earlier consolidated financial statements explained that a petition regarding the merger of Impact Automotive Solutions Limited with the Company w.e.f. 1 April 2019 was pending before the NCLT. We issued a separate auditor's report dated 28 April 2021 on these consolidated financial statements to the shareholders of the Company. The aforesaid petition having been approved subsequently, the Company has now prepared revised consolidated financial statements incorporating the impact of the merger. Consequently, our revised audit report is with reference to the revised financial statements. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Consolidated Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 28 April 2021 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 28 April 2021 on the earlier consolidated financial statements is superseded by this revised report on the revised consolidated financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the revised consolidated financial statements of the current period. These matters were addressed in the context of our audit of the revised consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition in respect of fixed price contracts The Group engages into fixed-price contracts with customers. In respect of fixed-price contracts, revenue is recognized using percentage of completion computed as per the input method. This is based on the Group's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Contract estimates are formed by the Group considering the following: • Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. • There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations.	**Our audit procedures in this area included the following:** • Obtained an understanding of the systems, processes and controls implemented by the Group and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue. • Tested the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls; • For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: ➢ Evaluating the identification of performance obligations. ➢ Agreeing the transaction price to the underlying contracts. ➢ Inspecting the approval of the estimates of cost to complete. ➢ Evaluating the impact on the total revenue and the cost to complete the contract from COVID 19 pandemic.

The key audit matter	How the matter was addressed in our audit
• COVID 19 pandemic may impact the total revenue and costs to complete the contracts. In some cases, Group's contract interests are adequately protected. In other cases, there may be possible significant risks though the Group is cautious of them. • These contracts may involve onerous obligations on the Group requiring critical estimates to be made. • Contracts are subject to modification to account for changes in contract specification and requirements. • At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter. (Refer note 1.1(i), 1.3, and 43 to the revised consolidated financial statements) **Impairment of goodwill** The Group is required to test goodwill for impairment every year or more frequently when there is an indication of impairment. The impairment charge is determined by comparing the carrying value of goodwill with its recoverable amount. We consider the impairment testing of goodwill by the Group to involve significant estimates and judgment. There is inherent uncertainty involved in forecasting and discounting future cashflows, including the possible effects of COVID-19 pandemic, which are the basis of the assessment of recoverability. Considering the significant judgement involved, impairment of goodwill is identified as a key audit matter. Refer note 1.1(v), 1.8.b(ii) and 2C to the revised consolidated financial statements	➢ Challenging the Group's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. ➢ Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. ➢ Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. ➢ Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods. **Our audit procedures in this area included the following:** • Assessed Group's evaluation of identification of cash generating units and allocation of goodwill to the respective CGUs; • Evaluated the Group's assessment of recoverable amount and impairment assessment for goodwill; • Tested the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group; • We challenged the Group's assumptions used in impairment analysis, such as projected EBITDA & revenue growth rate, terminal growth rates and discount rates, including consideration of impact of COVID 19 by:

The key audit matter	How the matter was addressed in our audit
	➢ comparing the same to externally derived data and industry comparators, where available; ➢ assessing the sensitivity of assumptions on the impairment assessment; ➢ comparing the forecasts against the historical performance. This was based on our knowledge of the Group and the markets in which the CGU operates. We took assistance of our valuations team for above testing; • Performed sensitivity analysis of the key assumptions, such as future revenue growth rates and the discount rate used in determining the recoverable value; • Evaluated the adequacy of the disclosures of key assumptions and judgements.

Information Other than the revised Consolidated Financial Statements and revised Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the revised financial statements and our revised auditors' report thereon.

Our opinion on the revised consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the revised Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these revised consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the revised consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the revised consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the revised consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the revised Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a revised auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of revised consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our revised auditor's report to the related disclosures in the revised consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our earlier auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the revised consolidated financial statements, including the disclosures, and whether the revised consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the revised consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the revised consolidated financial statements of which we are the independent auditors. For the other entities included in the revised consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this revised audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the revised consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the revised consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the revised consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our revised auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our revised report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of Transferor Company (now merged with effect from 1 April 2019 per the NCLT order dated 15 June 2021 and as mentioned in Emphasis of Matter paragraph) included in the revised consolidated financial statements of the Holding Company whose financial statements reflect total assets of Rs. 314.73 million as at 31 March 2021 and the total revenue of Rs. 4.94 million, total net loss after tax Rs. 200.67 million and net cash outflows amounting to Rs. 184.40 million for the year ended on that date, as considered in the revised consolidated financial statements. This Transferor Company has been audited by the independent auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Transferor Company, is based solely on the report of such independent auditor, as adjusted for the accounting effects of the Scheme recorded by the Company (in particular, the accounting effects of Ind AS 103 'Business Combinations') and other consequential adjustments, which have been audited by us.

2. The revised consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. Nil for the year ended 31 March 2021, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the revised consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our revised report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the audit report of the other auditor.

Our opinion on the revised consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such joint venture as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid revised consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid revised consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   c) The revised consolidated balance sheet, the revised consolidated statement of profit and loss (including other comprehensive income), the revised consolidated statement of changes in equity and the revised consolidated statement of cash flows dealt with by this revised Report are in agreement with the relevant books of account maintained for the purpose of preparation of the revised consolidated financial statements.

   d) In our opinion, the aforesaid revised consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate revised Report in "Annexure A".

B. With respect to the other matters to be included in the revised Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the joint venture, as noted in the 'Other Matters' paragraph:

   i. There were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group and its joint venture.

   ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its joint venture incorporated in India during the year ended 31 March 2021.

   iv. The disclosures in the revised consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021

C. With respect to the matter to be included in the revised Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such joint venture incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company, and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, and joint venture, as applicable, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

Annexure A to the revised Independent Auditors' report on the revised consolidated financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) for the period ended 31 March 2021

Revised report on the internal financial controls with reference to the aforesaid revised consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our revised report of even date)

This Report supersedes our Report dated 28 April 2021

Opinion

In conjunction with our audit of the revised consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which is its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which is its joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

We draw attention to Note 1.1 and Note 46(7) of the revised consolidated financial statements which describes the Basis of preparation. As explained in detail therein, these revised consolidated financial statements for the year ended 31 March 2021 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') for merger of Impact Automotive Solutions Limited, wholly owned subsidiary of the Company ("Transferor Company") with the Company, from the specified retrospective appointed date (1 April 2019), as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 15 June 2021 ("Order"). A certified copy of the Order sanctioning the Scheme has been filed by the Company with Registrar of the Companies, Maharashtra, on 22 June 2021.

Note 46 (7) in the Notes to the earlier consolidated financial statements explained that a petition regarding the merger of Impact Automotive Solutions Limited with the Company w.e.f. 1 April 2019 was pending before the NCLT. We issued a separate auditor's report dated 28 April 2021 on these consolidated financial statements to the shareholders of the Company. The aforesaid petition having been approved subsequently, the Company has now prepared revised consolidated financial statements incorporating the impact of the merger. Consequently, our revised audit report is with reference to the revised financial statements. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Consolidated Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 28 April 2021 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 28 April 2021 on the earlier consolidated financial statements is superseded by this revised report on the revised consolidated financial statements.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant joint venture company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our revised audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the revised consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one joint venture company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

Revised Consolidated Balance Sheet

(Refer note 46(7))

(Amount in ₹ million)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2A	1,968.11	2,128.87
Right-of-use assets	2B	2,505.07	1,627.62
Capital work-in-progress		117.90	51.70
Goodwill	2C	1,013.76	987.80
Other intangible assets	2D	282.17	519.92
Intangible assets under development		2.82	0.13
Equity accounted investees	3A	-	-
Financial assets			
Investments	3B	10.43	10.42
Loans	4	64.32	163.70
Other financial assets	5	17.25	12.10
Income tax assets (net)		150.09	233.58
Deferred tax assets (net)	6	553.67	425.81
Other non-current assets	7	32.79	78.47
		6,718.38	**6,240.12**
Current assets			
Inventories	8	-	115.27
Financial assets			
Investments	9	1,261.59	82.24
Trade receivables	10	3,083.47	4,486.77
Cash and cash equivalents	11	2,857.70	2,758.85
Other balances with banks	11	4,150.27	1,051.53
Loans	12	122.80	78.90
Unbilled revenue		693.60	617.11
Other financial assets	13	418.53	438.07
Other current assets	14	369.05	503.30
		12,957.01	**10,132.04**
TOTAL ASSETS		**19,675.39**	**16,372.16**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,690.44	2,688.80
Other equity		9,377.97	7,802.31
Equity attributable to owners of the Company		**12,068.41**	**10,491.11**
Non-controlling interest	46(1)	28.74	35.71
Total equity		**12,097.15**	**10,526.82**

Revised Consolidated Balance Sheet

(Refer note 46(7))

(Amount in ₹ million)

	Note	As at 31 March 2021	As at 31 March 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	24.04	29.73
Lease liabilities	39	1,900.56	1,143.95
Other financial liabilities	17	280.49	-
Provisions	18	96.40	120.94
Deferred tax liabilities (net)	19	0.07	-
		2,301.56	**1,294.62**
Current liabilities			
Financial liabilities			
Borrowings	20	-	166.10
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	37	2.47	0.07
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,349.95	846.67
Lease liabilities	39	367.86	313.51
Other financial liabilities	21	868.70	1,216.92
Other current liabilities	22	2,104.42	1,537.94
Provisions	23	336.17	307.58
Income tax liabilities (net)		247.11	161.93
		5,276.68	**4,550.72**
TOTAL EQUITY AND LIABILITIES		**19,675.39**	**16,372.16**

Significant accounting policies	1
Notes referred to above form an integral part of the revised consolidated financial statements	2-46

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN: 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place : Pune
Date : 23 July 2021

Revised Consolidated Statement of Profit and Loss

(Refer note 46(7))

(Amount in ₹ million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	24	20,357.41	21,561.69
Other income	25	157.62	283.17
Total income		**20,515.03**	**21,844.86**
Expenses			
Cost of materials consumed	26	0.52	78.23
Changes in inventories of finished goods and work-in-progress	27	-	6.65
Employee benefits expense	28	13,414.66	14,287.28
Finance costs	29	172.53	198.20
Depreciation and amortization expense	2	1,331.74	1,080.48
Other expenses	30	3,870.84	4,292.84
Total expenses		**18,790.29**	**19,943.68**
Profit before exceptional items, share of equity accounted investee and tax		**1,724.74**	**1,901.18**
Exceptional items	46(6)	51.49	(95.09)
Profit before share of equity accounted investees and tax		**1,776.23**	**1,806.09**
Share of gain/(loss) of equity accounted investees (net of tax)		-	-
Profit before tax		**1,776.23**	**1,806.09**
Tax expense	44		
Current tax		496.11	634.63
Deferred tax (benefit)/charge		(190.91)	(306.21)
Total tax expense		**305.20**	**328.42**
Profit for the year		**1,471.03**	**1,477.67**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans - gain/(loss)	35	21.55	(29.10)
Income tax on items that will not be reclassified to profit or loss		(6.40)	6.56
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		60.61	218.11
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	31	155.46	(114.38)
Bargain purchase gain on business acquisition	46(4)	-	41.58
Income tax on items that will be reclassified to profit or loss		(54.33)	39.97
Total other comprehensive income		**176.89**	**162.74**
Total comprehensive income for the year		**1,647.92**	**1,640.41**

Revised Consolidated Statement of Profit and Loss

(Refer note 46(7))

(Amount in ₹ million)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to			
Owners of the Company		1,461.37	1,475.82
Non-controlling interests		9.66	1.85
Profit for the year		**1,471.03**	**1,477.67**
Other comprehensive income/(loss) attributable to			
Owners of the Company		175.97	160.45
Non-controlling interests		0.92	2.29
Other comprehensive income for the year		**176.89**	**162.74**
Total comprehensive income attributable to			
Owners of the Company		1,637.34	1,636.27
Non-controlling interests		10.58	4.14
Total comprehensive income for the year		**1,647.92**	**1,640.41**
Earnings per equity share (face value per share ₹ 10 each)			
Basic	40	5.43	5.49
Diluted	40	5.40	5.47

Significant accounting policies	1
Notes referred to above form an integral part of the revised consolidated financial statements	2-46

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN: 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place : Pune
Date : 23 July 2021

Revised Consolidated Statement of Changes in Equity (Refer note 46(7))

(Amount in ₹ million)

A	Equity share capital	Amount
	Balance as at 1 April 2019	2,685.02
	Changes during the year 2019-20	3.78
	Balance as at 31 March 2020	**2,688.80**
	Changes during the year 2020-21	1.64
	Balance as at 31 March 2021	**2,690.44**

B Other equity

	Reserves & surplus				Items of other comprehensive income			Equity attributable to owners of the Company	Non-controlling interest (Refer note 46(1))	Total
	Capital reserve (Refer note 34)	General reserve (Refer note 34)	Retained earnings	Share based payment reserve (Refer note 36)	Remeasurement of the net defined benefit Plans (Refer note 35(2))	Foreign currency translation reserve (Refer note 34)	Effective portion of cash flow hedges (Refer note 31)			
Balance as on 1 April 2019	**1,877.71**	**(113.92)**	**5,157.62**	**-**	**(81.71)**	**52.90**	**17.95**	**6,910.55**	**39.09**	**6,949.64**
Effect of transition to Ind AS 116 (net of tax) (Refer note 39)	-	-	(197.86)	-	-	-	-	(197.86)	(0.57)	**(198.43)**
Effect of tax on account of merger	-	-	11.62	-	-	-	-	11.62	-	**11.62**
Restated balance as on 1 April 2019	**1,877.71**	**(113.92)**	**4,971.38**	**-**	**(81.71)**	**52.90**	**17.95**	**6,724.31**	**38.52**	**6,762.83**
Profit for the year	-	-	1,475.82	-	-	-	-	1,475.82	1.85	**1,477.67**
Other comprehensive income/(loss) (net of tax)	41.58	-	-	-	(22.54)	215.82	(74.41)	160.45	2.29	**162.74**
Total comprehensive income/(loss) for the year	**41.58**	**-**	**1,475.82**	**-**	**(22.54)**	**215.82**	**(74.41)**	**1,636.27**	**4.14**	**1,640.41**
Others										
Dividends (Refer note 15.01)	-	-	(470.24)	-	-	-	-	(470.24)	-	**(470.24)**
Dividend distribution tax (Refer note 15.01)	-	-	(98.61)	-	-	-	-	(98.61)	-	**(98.61)**
Accumulated deficit of employee welfare trust	-	-	10.70	-	-	-	-	10.70	-	**10.70**
Effect on account of purchase of stake in minority shareholder	(48.82)	-	-	-	-	-	-	(48.82)	(7.88)	**(56.70)**
Effect on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	0.93	**0.93**
Share based payment to employees (net)	-	-	-	48.70	-	-	-	48.70	-	**48.70**
Balance as on 31 March 2020	**1,870.47**	**(113.92)**	**5,889.05**	**48.70**	**(104.25)**	**268.72**	**(56.46)**	**7,802.31**	**35.71**	**7,838.02**

Revised Consolidated Statement of Changes in Equity

(Refer note 46(7))

B Other equity

	Reserves & surplus				Items of other comprehensive income			Equity attributable to owners of the Company	Non-controlling interest (Refer note 46(1))	Total
	Capital reserve (Refer note 34)	General reserve (Refer note 34)	Retained earnings	Share based payment reserve (Refer note 36)	Remeasurement of the net defined benefit Plans (Refer note 35(2))	Foreign currency translation reserve (Refer note 34)	Effective portion of cash flow hedges (Refer note 31)			
Balance as on 1 April 2020	**1,870.47**	**(113.92)**	**5,889.05**	**48.70**	**(104.25)**	**268.72**	**(56.46)**	**7,802.31**	**35.71**	**7,838.02**
Profit for the year	-	-	1,461.37	-	-	-	-	1,461.37	9.66	1,471.03
Other comprehensive income/(loss) (net of tax)	-	-	-	-	15.15	59.69	101.13	175.97	0.92	176.89
Total comprehensive income/(loss) for the year	**-**	**-**	**1,461.37**	**-**	**15.15**	**59.69**	**101.13**	**1,637.34**	**10.58**	**1,647.92**
Others										
Accumulated surplus/(deficit) of employee welfare trust	-	-	4.92	-	-	-	-	4.92	-	4.92
Effect on account of purchase of stake in minority shareholder	(170.41)	-	-	-	-	-	-	(170.41)	(17.55)	(187.96)
Transfer to General Reserve from Share based payment reserve	-	9.62	-	(9.62)	-	-	-	-	-	-
Share based payment to employees (net)	-	-	-	103.81	-	-	-	103.81	-	103.81
Balance as on 31 March 2021	**1,700.06**	**(104.30)**	**7,355.34**	**142.89**	**(89.10)**	**328.41**	**44.67**	**9,377.97**	**28.74**	**9,406.71**

Significant accounting policies	1
Notes referred to above form an integral part of the revised consolidated financial statements	2-46

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN: 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place : Pune
Date : 23 July 2021

Revised Consolidated Statement of Cash Flows

(Refer note 46(7))

(Amount in ₹ million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	1,471.03	1,477.67
	Adjustments for		
	Tax expense	305.20	328.42
	Loss on sale of fixed assets (net)	6.75	1.11
	Depreciation and amortization expense	1,331.74	1,080.48
	Interest expense	172.53	168.77
	Interest income	(104.19)	(31.00)
	Dividend income	(2.23)	(13.82)
	Exceptional items	(51.49)	95.09
	Provision for doubtful debts and advances (net)	192.22	(23.58)
	Bad debts written off	49.83	11.45
	Share based compensation expenses	103.60	48.38
	Unrealised loss/(gain) on investment carried at fair value through profit and loss (net)	(18.33)	56.92
	Realised gain on investment carried at fair value through profit and loss (net)	(1.41)	-
	Net unrealised foreign exchange loss/(gain)	68.30	213.43
	Others	3.56	(0.38)
	Operating profit before working capital changes	**3,527.11**	**3,412.94**
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	1,062.92	1,435.80
	Inventories	110.46	(9.11)
	Loans, other financials assets and other assets	209.84	108.59
	Trade Payables	505.50	(234.72)
	Other financial liabilities, other liabilities and provisions	1,187.67	(0.72)
	Cash generated from operations	**6,603.50**	**4,712.78**
	Taxes paid (net)	(327.46)	(825.35)
	Net cash generated from operating activities (A)	**6,276.04**	**3,887.43**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(599.75)	(686.22)
	Proceeds from sale of property, plant and equipment	4.97	12.27
	Acquisition of subsidiary (net of cash acquired)	-	(15.19)
	Acquisition of non-controlling interest	(225.58)	(309.94)
	Proceeds from disinvestment of Telematics and Defense business	-	92.50
	Investment in mutual fund	(2,916.00)	(842.00)
	Proceeds from sale of investment in mutual fund	1,722.06	842.00
	Deferred consideration received on sale of investment in subsidiary in the past (Refer note 46(6D))	19.45	-
	Sale of investments carried at fair value through profit and loss	-	-
	Loan given to equity accounted investee	-	(11.80)
	Investment in equity accounted investee	-	0.00

Revised Consolidated Statement of Cash Flows

(Refer note 46(7))

(Amount in ₹ million)

		For the year ended 31 March 2021	For the year ended 31 March 2020
	Proceed from sale of investments carried at fair value through profit and loss	34.33	347.90
	Interest received	52.97	21.06
	Dividend received	2.23	13.82
	Fixed deposit with banks (net) having original maturity over three months	(3,103.12)	(847.08)
	Net cash used in investing activities (B)	**(5,008.44)**	**(1,382.68)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term loan from banks*	-	9.04
	Repayment of long term loan from banks*	(382.03)	(381.82)
	Payment of lease liabilities*	(561.14)	(323.87)
	Payment towards shares issue and listing expenses	-	(0.12)
	Proceeds from working capital loan*	2,178.60	1,267.21
	Repayment of working capital loan*	(2,344.70)	(1,716.42)
	Proceeds from shares issued / purchased by Employee Welfare Trust (net)	6.56	14.48
	Dividend paid including corporate dividend tax	-	(568.85)
	Interest and finance charges paid	(45.03)	(73.15)
	Net cash used in financing activities (C)	**(1,147.74)**	**(1,773.50)**
D	**Exchange differences on translation of foreign currency cash and cash equivalents**	(21.01)	18.88
	Net increase in cash and cash equivalents (A + B + C + D)	**98.85**	**750.13**
	Cash and cash equivalents at close of the year (Refer note 1 below)	2,857.70	2,758.85
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	2,758.85	2,008.72
	Cash surplus for the year	**98.85**	**750.13**

***Reconciliation of liabilities from financing activities for the year ended 31 March 2021:**

Particulars	Long term borrowings (including current portion)	Short term borrowings	Leases (Refer note 39)
Balance at the start of the year	413.15	166.10	1,457.46
Add: Cash inflow (Proceeds of working capital loans from banks)	-	2,178.60	-
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	382.03	2,344.70	561.14
Add: Non-cash changes (including effects of unrealised foreign exchange)	0.21	-	1,372.10
Closing balance at the end of the year	31.33	-	2,268.42

***Reconciliation of liabilities from financing activities for the year ended 31 March 2020:**

Revised Consolidated Statement of Cash Flows

(Refer note 46(7))

Particulars	Long term borrowings (including current portion)	Short term borrowings	Leases (Refer note 39)
Balance at the start of the year	723.62	599.68	-
Add: Cash inflow (Proceeds of working capital loans from banks)	9.04	1,267.21	-
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	381.82	1,716.42	323.87
Add: Non-cash changes (including effects of unrealised foreign exchange)	62.31	15.63	1,781.33
Closing balance at the end of the year	413.15	166.10	1,457.46

Note 1 :

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash and cash equivalents include:		
Cash on hand	0.20	0.29
Balance with banks		
- In current accounts	2,543.86	2,382.31
- In deposit accounts (with original maturity of 3 months or less)	313.64	376.25
Total Cash and cash equivalents	**2,857.70**	**2,758.85**

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above statement of cash flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.

Significant accounting policies	1
Notes referred to above form an integral part of the revised consolidated financial statements	2-46

As per our revised report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

UDIN: 21113896AAAAEL9832

Place : Pune

Date : 23 July 2021

For and on behalf of the Board of Directors of

KPIT TECHNOLOGIES LIMITED

(erstwhile KPIT ENGINEERING LIMITED)

CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit

Chairman & Group CEO

DIN: 00075861

Sachin Tikekar

Whole-time Director

DIN: 02918460

Priyamvada Hardikar

Chief Financial Officer

Nida Deshpande

Company Secretary

Place : Pune

Date : 23 July 2021

Notes forming part of the revised consolidated financial statements
for the year ended on 31 March 2021

Company Overview

KPIT Technologies Limited (erstwhile KPIT Engineering Limited) ("the Company") is a public limited company incorporated on 8 January 2018 under the Companies Act, 2013 and has been listed with effect from 22 April 2019 on Bombay Stock Exchange and National Stock Exchange. The Company's registered office is in Pune and it has subsidiaries across multiple geographies.

The Company is a global technology company specializing in providing Product Engineering solutions and services to Automobile and Mobility Sector.

1. Significant accounting policies

1.1 Basis of consolidation

The Consolidated Financial Statements relate to KPIT Technologies Limited (erstwhile KPIT Engineering Limited) ("the Company"), its subsidiary companies and its joint venture which constitutes "the Group" (Refer note 38).

a. Basis of preparation of consolidated financial statements

i. 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.

ii. The Consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") 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 and the provisions of Companies Act, 2013. 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.

These revised consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 23 July 2021. The earlier consolidated financial statements of the Company for the year ended 31 March 2021 were first approved by the Board of Directors on 28 April 2021. The earlier consolidated financial statements of the Company are being revised pursuant to an approved Scheme of Arrangement, the details of which are stated in note 46(7).

Use of estimates

The preparation of consolidated financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

Critical accounting estimates

i. Revenue Recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the costs expended to date as a proportion of the total estimated costs to be expended. Costs expended have been used to measure progress towards completion as generally it is estimated that there is a direct relationship

Notes forming part of the revised consolidated financial statements
for the year ended on 31 March 2021

between input and output in respect of work completed.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the period end date.

ii. Income tax

The Group's two major tax jurisdictions are India and the U.S., though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (if any).

iii. Valuation of deferred tax assets

The Group reviews carrying amount of deferred tax asset at end of each reporting period. The policy has been explained under note 1.14.

iv. Business combinations

Business combinations are accounted for using Ind-AS 103, Business Combinations. Ind-AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of acquired identifiable assets, liabilities and contingent liabilities. Significant estimates are required to be made in determining these fair values.

v. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

vi. Measurement of defined benefit obligation, key actuarial assumptions and share based payments

Information about assumptions and estimation uncertainties in respect of defined benefit obligations and share based payments are included in note 35(2) and note 36.

vii. Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities.

viii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Group and affects whether it is reasonably certain to exercise an option not previously included in its determination of the lease term, or not

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to exercise an option previously included in its determination of the lease term.

ix. **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

In view of pandemic relating to COVID -19, the Group has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets and other financial assets. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact this consolidated financial statements as on 31 March 2021. However, the actual impact of COVID-19 on the consolidated financial statements, in future, may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

b. **Principles of consolidation:**

The consolidated financial statements have been prepared on the following basis:

i. The Company consolidates all the entities over which it has control. The Company establishes control when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Company.

iii. The excess of cost of acquisition to the Group over the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, at the acquisition dates, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. Alternatively, where the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, on the acquisition date, is in excess of cost of acquisition, it is immediately recognised as gain in other comprehensive income and the same is accumulated as capital reserve in equity.

iv. Non-controlling interest is initially measured either at fair value or at the proportionate share of the subsidiary companies' identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequently, the carrying amount of non-controlling interest is adjusted for the changes in the equity of the subsidiary companies.

v. The investments in joint venture and associate are accounted for using equity method. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognised in the Statement of Profit and Loss.

c. **Business Combinations**

i. Business combinations have been accounted for using the acquisition method under the provisions of Ind-AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

ii. Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

iii. Business combinations involving entities under common control is accounted for at carrying value using the pooling of interest method.

iv. When there is change in the Group's interest in subsidiary companies, that does not result in loss of control, it is accounted for as equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

v. When the Group loses control on a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest, if any, are derecognised from the consolidated financial statements. The investment retained, if any, is recognised at fair value on that date. The gain or loss associated with the loss of control, attributable to the former controlling interest, is recognised in the Statement of Profit and Loss.

vi. Impact of any changes in the purchase consideration, after the measurement period, is recorded in the Statement of Profit and Loss.

d. Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised immediately in other comprehensive income and the same is accumulated as capital reserve in equity. Goodwill is measured at cost less accumulated impairment losses.

1.2 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Group is less than twelve months.

1.3 Revenue recognition

The Group derives revenues primarily from providing engineering services which includes design engineering services, embedded software development with its related services and from the sale of licenses and products.

The following is the summary of significant accounting policies related to revenue recognition:

Revenue is recognised upon transfer of control of promised services or products to customers for an amount that reflects the consideration expected to be received in exchange of those services or products.

Arrangements with customers for such engineering & its related services are bifurcated into following key categories:

a. Revenue on time and material contracts for the reporting period is recognised as and when the related services are performed and billed to the end customers. If billing for the related services is not done during the reporting period, revenue is recognised as unbilled revenue at the end of the reporting period.

b. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. Costs expended have been used to measure progress towards completion as generally there is a direct relationship between input and output in respect of work completed.

c. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

d. Revenue from client training, support and other services arising due to the sale of software products is recognised as the services are performed.

e. Revenue from internally developed software product licenses where the customer obtains a “right to use” the license is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period.

f. Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.

g. Revenue from sale of hardware products is recognised upon actual delivery of goods along with transfer of control and significant risks and rewards to the customers.

The following are the details of key significant accounting policies related to revenue recognition for all the above mentioned categories:

a. Revenue in excess of invoicing is classified either as contract asset (unbilled revenue) or financial asset (unbilled revenue), while invoicing in excess of revenue is classified as contract liabilities (unearned revenue).

b. Unbilled revenue is classified as contract asset when there is a right to consideration in exchange for goods or services which is conditional on something other than the passage of time. Whereas, it is classified as financial asset when such right to consideration in exchange for goods or services is conditional only on passage of time.

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c. Amount billed in advance, without services being rendered, is classified as unearned revenue (contract liabilities).

   Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs.

d. The Group accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer's future purchases. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

e. When there is an uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

f. In accordance with Ind-AS 37, provision for onerous contract/ estimated losses, if any, on uncompleted contracts are recorded in a period in which such losses become probable on the expected contract estimates at the period end date.

g. The Group presents revenues net of indirect tax in its Statement of Profit and Loss.

h. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Group has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts is allocated to each performance obligation of the contract based on its relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customised as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. ATS revenue is recognised ratably over the period in which the services are rendered.

i. In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Significant judgments in revenue recognition:

a. The Group’s contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

d. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. The Group uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

1.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives , then they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortisation

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings	30
Plant and equipment(1)	3-5
Office Equipment(1)	5-10
Owned Vehicle(1)	5
Furniture and fixtures(1)	7-10

(1) For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The right-of-use assets is depreciated over shorter of useful life and lease term.

Perpetual software licenses are amortised over 4 years. However, time-based software licenses are amortised over the license period.

Capitalised development costs are amortised over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.8 Impairment

a. Financial assets

The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind-AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recorded as an impairment gain or loss in Statement of Profit or Loss.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. While assessing the recoverability of receivables including unbilled receivables, the Group has considered internal and external information up to the date of approval of these consolidated financial statements including credit reports and economic forecasts. The Group expects to recover the carrying amount of these assets.

b. **Non- financial assets**

i. Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.9 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.10 Leases

A contract, or part of a contract, is a lease if that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset

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for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

The Group has elected not to apply the requirements of Ind-AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Group applies Ind-AS 115 Revenue to allocate the consideration in the contract.

1.11 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Group's functional as well as presentation currency.

b. Transactions in foreign currencies are translated to the respective functional currencies of the Group companies at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realised exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches and subsidiaries, their functional currencies are determined.

The results and the financial position of the foreign branches and subsidiaries are translated into presentation currency so that the foreign operation could be included in the consolidated financial statements.

The assets and liabilities of the foreign operation with functional currencies other than the presentation currency are translated to the presentation currency using the closing exchange rate on the Balance Sheet date and the Statement of Profit and Loss using the average exchange rates for the month in which the transactions occur. The resulting exchange differences are accumulated in 'foreign currency translation reserve' in the Statement of Changes in Equity through other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the foreign currency translation reserve which relates to that operation is reclassified from equity to the Statement of Profit and Loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

1.13 Employee benefits

a. Defined benefit plan

The Group’s gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognised in other comprehensive income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss. Past service cost is recognised immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

b. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme in India and other foreign contribution plans which are defined contribution plans. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c. Compensated absences

The employees of certain locations can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

d. Other employee benefits

The undiscounted amount of short-term employee benefits and discounted amount of long term employee benefit, expected to be paid in exchange for the services rendered by employees, is recognised during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

1.14 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and

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tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.15 Provisions, Contingent liabilities and Contingent assets

The Group recognises provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognised for –

a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b. Present obligations that arise from past events but are not recognised because-

   1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   2) A reliable estimate of the amount of obligation cannot be made.

   Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

   Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised.

   Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognises any impairment loss on the assets associated with that contract.

Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery.

Notes forming part of the revised consolidated financial statements
for the year ended on 31 March 2021

The Group accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the historical experience and current estimates.

1.16 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognised as an intangible asset in accordance with policy defined in 1.6.

1.17 Employee stock option

In respect of stock options granted pursuant to the Group's Employee Stock Option Scheme, the Group recognises employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

When the terms of the share-based payment arrangement are modified, the minimum expense recognised is the expense had the terms not been modified. Additional expense is recognised on modification that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. Where the grant of equity instruments is cancelled by the entity, the remaining fair value is recognised immediately in the Statement of Profit and Loss.

For the stock options granted to the employees of the subsidiaries, the share based compensation expenses are charged to the respective subsidiary.

1.18 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognised in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. the Group does not use derivative financial instruments for speculative purposes. The counter-party to the Group's foreign currency forward contracts is generally a bank.

A contract to pay or receive a fixed amount on the occurrence or non-occurrence of a future event is considered to a derivative, provided that this future event depends on a financial variable or a non-financial variable not specific to a party to the contract. The Group considers EBITDA, profit, sales volume (e.g. revenue) or the cash flows of one counterparty to be non-financial variable that are specific to a party to the contract.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Group's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit or Loss and other comprehensive income.

Notes forming part of the revised consolidated financial statements
for the year ended on 31 March 2021

iii) Treasury Shares

When any entity within the Group purchases the Group's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

c. Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognised from the group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets, the Group uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP) , where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realised.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

1.19 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a short maturity of three months or less from the date of investment.

1.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.21 Dividend

The Company declares and pays dividends in Indian rupees. Final dividend and interim dividend on equity shares are recorded as a liability on the date of approval by the shareholders and on the date of declaration by the Company's Board of Directors respectively.

1.22 Recent pronouncements

The Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated 24 March 2021. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Group is in the process of evaluating the effect of the amendments on its financial statement.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

2A Property, plant and equipment

(Amount in ₹ million)

	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles		Office Equipment	Total
						Leased	Owned		
Gross carrying amount as at 1 April 2019	**405.40**	**1,033.75**	**209.26**	**845.85**	**187.28**	**6.70**	**50.14**	**449.88**	**3,188.26**
Additions	-	3.23	2.06	206.61	16.18	-	11.12	33.63	272.83
Additions on account of acquisition of subsidiary (Refer note 46(4))	-	-	24.46	11.99	10.79	-	-	12.50	59.74
Disposal/retirements/derecognition	-	-	-	1.59	1.71	-	10.80	19.15	33.25
Reclassification on adoption of Ind AS 116 - Leases (Refer note 39)	405.40	-	-	-	-	6.70	-	-	412.10
Foreign exchange translation	-	-	1.53	8.84	2.73	-	0.54	4.37	18.01
Gross carrying amount as at 31 March 2020	**-**	**1,036.98**	**237.31**	**1,071.70**	**215.27**	**-**	**51.00**	**481.23**	**3,093.49**
Accumulated depreciation as at 1 April 2019	**16.33**	**8.79**	**102.30**	**247.77**	**66.53**	**6.70**	**27.03**	**144.48**	**619.93**
Reclassification on adoption of Ind AS 116 - Leases (Refer note 39)	16.33	-	-	-	-	6.70	-	-	23.03
Depreciation for the year	-	35.75	25.91	208.87	25.95	-	7.07	50.68	354.23
Additions on account of acquisition of subsidiary (Refer note 46(4))	-	-	1.23	6.73	6.33	-	-	8.28	22.57
Disposal/retirements/derecognition	-	-	-	1.01	1.25	-	8.99	8.62	19.87
Foreign exchange translation	-	-	0.48	4.96	0.99	-	0.43	3.93	10.79
Accumulated depreciation as at 31 March 2020	**-**	**44.54**	**129.92**	**467.32**	**98.55**	**-**	**25.54**	**198.75**	**964.62**
Carrying amount as at 31 March 2019	**389.07**	**1,024.96**	**106.96**	**598.08**	**120.75**	**-**	**23.11**	**305.40**	**2,568.33**
Carrying amount as at 31 March 2020	**-**	**992.44**	**107.39**	**604.38**	**116.72**	**-**	**25.46**	**282.48**	**2,128.87**
Gross carrying amount as at 1 April 2020	**-**	**1,036.98**	**237.31**	**1,071.70**	**215.27**	**-**	**51.00**	**481.23**	**3,093.49**
Additions	-	-	43.78	120.57	42.23	-	1.64	37.63	245.85
Disposal/retirements/derecognition	-	0.26	49.58	2.57	20.51	-	-	30.47	103.39
Foreign exchange translation	-	-	1.17	6.32	1.36	-	0.32	2.58	11.75
Gross carrying amount as at 31 March 2021	**-**	**1,036.72**	**232.68**	**1,196.02**	**238.35**	**-**	**52.96**	**490.97**	**3,247.70**
Accumulated depreciation as at 1 April 2020	**-**	**44.54**	**129.92**	**467.32**	**98.55**	**-**	**25.54**	**198.75**	**964.62**
Depreciation for the year	-	35.81	9.62	234.06	26.45	-	5.83	44.11	355.88
Disposal/retirements/derecognition	-	0.02	16.23	1.84	11.73	-	-	17.06	46.88
Foreign exchange translation	-	-	0.07	2.90	0.53	-	0.24	2.23	5.97
Accumulated depreciation as at 31 March 2021	**-**	**80.33**	**123.38**	**702.44**	**113.80**	**-**	**31.61**	**228.03**	**1,279.59**
Carrying amount as at 31 March 2020	**-**	**992.44**	**107.39**	**604.38**	**116.72**	**-**	**25.46**	**282.48**	**2,128.87**
Carrying amount as at 31 March 2021	**-**	**956.39**	**109.30**	**493.58**	**124.55**	**-**	**21.35**	**262.94**	**1,968.11**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

2B Right-of-use assets

	Building (Leasehold)	Land (Leasehold)	Vehicles Leased	Total
Gross carrying amount as at 1 April 2019	**-**	**-**	**-**	**-**
Effect of transition to Ind AS 116	897.57	-	-	897.57
Reclassification on adoption of Ind AS 116 - Leases	-	405.40	6.70	412.10
Additions	595.75	-	-	595.75
Disposal/retirements/derecognition	19.20	-	-	19.20
Foreign exchange translation	20.96	-	-	20.96
Gross carrying amount as at 31 March 2020	**1,495.08**	**405.40**	**6.70**	**1,907.18**
Accumulated depreciation as at 1 April 2019	**-**	**-**	**-**	**-**
Reclassification on adoption of Ind AS 116 - Leases	-	16.33	6.70	23.03
Depreciation for the year	248.67	4.43	-	253.10
Disposal/retirements/derecognition	1.81	-	-	1.81
Foreign exchange translation	5.24	-	-	5.24
Accumulated depreciation as at 31 March 2020	**252.10**	**20.76**	**6.70**	**279.56**
Carrying amount as at 31 March 2020	**1,242.98**	**384.64**	**-**	**1,627.62**
Gross carrying amount as at 1 April 2020	**1,495.08**	**405.40**	**6.70**	**1,907.18**
Additions	1,560.14	18.50	-	1,578.64
Disposal/retirements/derecognition	254.62	-	-	254.62
Foreign exchange translation	16.15	-	-	16.15
Gross carrying amount as at 31 March 2021	**2,816.75**	**423.90**	**6.70**	**3,247.35**
Accumulated depreciation as at 1 April 2020	**252.10**	**20.76**	**6.70**	**279.56**
Depreciation for the year	458.13	4.55	-	462.68
Foreign exchange translation	0.04	-	-	0.04
Accumulated depreciation as at 31 March 2021	**710.27**	**25.31**	**6.70**	**742.28**
Carrying amount as at 31 March 2020	**1,242.98**	**384.64**	**-**	**1,627.62**
Carrying amount as at 31 March 2021	**2,106.48**	**398.59**	**-**	**2,505.07**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

2C Goodwill

	31 March 2021	31 March 2020
Carrying amount at the beginning of the year	**987.80**	**942.29**
Foreign exchange translation	25.96	45.51
Carrying amount at the end of the year	**1,013.76**	**987.80**

The Group tests goodwill annually for impairment. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The estimated recoverable amount of these cash-generating units does not trigger any impairment.

2D Other intangible assets

	Internally Generated		Other than Internally Generated Software	Total
	Product Development Cost	Technical know how		
Gross carrying amount as at 1 April 2019	**902.89**	**9.51**	**887.99**	**1,800.39**
Additions	22.44	-	278.97	301.41
Additions on account of acquisition of subsidiary (Refer note 46(4))	-	-	2.47	2.47
Foreign exchange translation	4.37	-	5.34	9.71
Gross carrying amount as at 31 March 2020	**929.70**	**9.51**	**1,174.77**	**2,113.98**
Accumulated amortisation as at 1 April 2019	**494.39**	**9.51**	**609.34**	**1,113.24**
Additions on account of acquisition of subsidiary (Refer note 46(4))	-	-	1.51	1.51
Amortisation for the year	215.25	-	257.90	473.15
Foreign exchange translation	3.36	-	2.80	6.16
Accumulated amortisation as at 31 March 2020	**713.00**	**9.51**	**871.55**	**1,594.06**
Carrying amount as at 31 March 2019	**408.50**	**-**	**278.65**	**687.15**
Carrying amount as at 31 March 2020	**216.70**	**-**	**303.22**	**519.92**
Gross carrying amount as at 1 April 2020	**929.70**	**9.51**	**1,174.77**	**2,113.98**
Additions	-	-	273.50	273.50
Foreign exchange translation	2.35	-	3.13	5.48
Gross carrying amount as at 31 March 2021	**932.05**	**9.51**	**1,451.40**	**2,392.96**
Accumulated amortisation as at 1 April 2020	**713.00**	**9.51**	**871.55**	**1,594.06**
Amortisation for the year	208.75	-	304.43	513.18
Foreign exchange translation	1.85	-	1.70	3.55
Accumulated amortisation as at 31 March 2021	**923.60**	**9.51**	**1,177.68**	**2,110.79**
Carrying amount as at 31 March 2020	**216.70**	**-**	**303.22**	**519.92**
Carrying amount as at 31 March 2021	**8.45**	**-**	**273.72**	**282.17**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

3 Non current investments

Investments (Unquoted)

		31 March 2021	31 March 2020
3A	**Investments in equity accounted investees**		
	Yantra Digital Services Private Limited (Refer note 46(2))	169.59	169.59
	5,400 (Previous year 5,400) equity shares of ₹ 10 each fully paid		
	Less : Share of accumulated losses	169.59	169.59
		-	-
3B	**Investments in equity instruments of other entities measured at fair value through profit or loss**		
	Lithium Urban Technologies Private Limited	10.00	10.00
	5,819 (Previous year 5,819) equity shares of ₹ 10 each fully paid		
	Munchner bank	0.43	0.42
	100 (Previous year 100) equity shares of € 50 each fully paid up		
		10.43	10.42
		10.43	**10.42**

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 31.

4 Loans

(Unsecured, considered good with no significant increase in credit risk or credit impaired, unless otherwise stated)

	31 March 2021	31 March 2020
Loans and advances to other than related parties		
Security deposits	64.32	162.33
Loan to employees	-	1.37
	64.32	**163.70**

Note:

(i) Information about the Group's exposure to credit risk and market risk is disclosed in note 31.

5 Other financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Fixed deposits with banks	14.52	10.15
Interest accrued on fixed deposits	2.73	1.95
	17.25	**12.10**

Note:

(i) Information about the Group's exposure to credit risk and foreign currency risk is disclosed in note 31.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

6 Deferred tax assets (net)

	31 March 2021	31 March 2020
Deferred tax assets		
- Provision for bad and doubtful debts and advances	78.89	19.77
- Provision for compensated absences	25.94	19.28
- Provision for gratuity	74.78	34.75
- Forward contracts designated as cash flow hedges	-	30.33
- Others	89.82	59.06
- MAT credit entitlement	334.04	348.04
	603.47	**511.23**
Deferred tax liabilities		
- Excess of depreciation/amortisation on property, plant and equipment and other intangible assets under income-tax law over depreciation/amortisation provided in accounts	16.86	84.66
- Forward contracts designated as cash flow hedges	23.99	-
- Others	8.95	0.76
	49.80	**85.42**
Net deferred tax asset	**553.67**	**425.81**

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Capital advances	14.48	32.80
Advance rentals	17.40	39.23
Prepaid expenses	0.91	6.44
	32.79	**78.47**

8 Inventories

(Valued at the lower of cost and net realisable value)

	31 March 2021	31 March 2020
Raw materials	-	109.95
Work-in-progress	-	2.34
Finished goods	-	2.48
Stores and spares	-	0.50
	-	**115.27**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

9 Current investments

	31 March 2021	31 March 2020
Investments in mutual fund measured at fair value through profit or loss (quoted)		
112,677.24 units (Previous year Nil units) - Axis Liquid Fund - Regular Growth	256.08	-
156,576.76 units (Previous year Nil units) - Axis Overnight Fund - Regular Growth	170.14	-
345,508.27 units (Previous year Nil units) - ICICI Prudential Money Market Fund - Growth	101.26	-
42,750.38 units (Previous year Nil units) - NIPPON India Money Market Fund - Growth plan growth option	136.63	-
59,427.56 units (Previous year Nil units) - UTI Money Market Fund - Regular Growth Plan	141.13	-
306,695.45 units (Previous year Nil units) - Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	101.00	-
99,182.56 units (Previous year Nil units) - Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan	110.05	-
70,008.98 units (Previous year Nil units) - HSBC Overnight Fund - Growth	75.13	-
31,918.21 units (Previous year Nil units) - Kotak Money Market Fund - Growth (Regular plan)	110.66	-
Investments in equity instruments of other entities measured at fair value through profit or loss (quoted)		
Shares of Birlasoft Limited (erstwhile KPIT Technologies Limited) held by KPIT Employee Welfare Trust	59.51	82.24
	1,261.59	**82.24**

Note:

(i) The details of aggregate value of quoted investments are disclosed in note 31.

10 Trade receivables

(Unsecured)

	31 March 2021	31 March 2020
Trade receivables considered good	3,083.47	4,486.77
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	302.18	123.89
	3,385.65	**4,610.66**
Less: Allowances for bad and doubtful trade receivables	302.18	123.89
	3,083.47	**4,486.77**

Note:

(i) Information about the Group's exposure to credit risk and market risk is disclosed in note 31.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

11 Cash and bank balances

	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	0.20	0.29
Balances with banks		
- In current accounts	2,543.86	2,382.31
- In deposit accounts(with original maturity of 3 months or less)	313.64	376.25
	2,857.70	**2,758.85**
Other bank balances	4,150.27	1,051.53
	7,007.97	**3,810.38**

Note:

(i) Information about the Group's exposure to credit risk, liquidity risk and market risk is disclosed in note 31.

12 Loans

(Unsecured, considered good with no significant increase in credit risk or credit impaired, unless otherwise stated)

	31 March 2021	31 March 2020
Loans and advances to related parties (Refer note 38)		
Loan to Director	-	5.25
Loans and advances to other than related parties		
Other loans and advances		
Loan to employees	4.34	4.19
Security deposits	118.46	69.46
	122.80	**78.90**

Note:

(i) Information about the Group's exposure to credit risk and market risk is disclosed in note 31.

13 Other current financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Interest accrued on fixed deposits	43.68	3.81
Forward contracts designated as cash flow hedges (Refer Note 31(3))	68.67	-
Receivable from other than related parties	282.86	430.71
Other receivables	23.32	3.55
	418.53	**438.07**

Note:

(i) Information about the Group's exposure to credit risk and market risk is disclosed in note 31.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

14 Other current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2021	31 March 2020
Advance to suppliers	77.33	88.92
Employee advances		
Considered good	53.28	74.69
Considered doubtful	8.63	10.77
	61.91	**85.46**
Less: Provision for doubtful advances	8.63	10.77
	53.28	**74.69**
Balances with statutory authorities	69.43	98.05
Advance rentals	8.08	11.49
Contract assets (Refer note 43)	40.01	78.54
Prepaid expenses	120.92	151.61
	369.05	**503.30**

15 Equity share capital

	31 March 2021	31 March 2020
Authorised:		
450,000,000 (Previous year 450,000,000) equity shares of ₹ 10 each.	4,500.00	4,500.00
	4,500.00	**4,500.00**
Issued subscribed and fully paid up:		
269,043,560 (Previous year 268,879,735) equity shares of ₹ 10 each fully paid up	2,690.44	2,688.80
	2,690.44	**2,688.80**

15.01 Dividend

The Company declares and pays dividends in Indian rupees.

Cash dividends on equity shares declared and paid:

Particulars	31 March 2021	31 March 2020
Final dividend for the year ended on 31 March 2020: ₹ Nil per share (Previous year ₹ 0.75 per share)	-	201.38
Dividend distribution tax on final dividend	-	42.26
Interim dividend for the year ended on 31 March 2021: ₹ Nil per share (Previous year ₹ 0.55 and ₹ 0.45 per share)*	-	268.86
Dividend distribution tax on interim dividends	-	56.35
Total dividend paid (including dividend distribution tax)	**-**	**568.85**

**Two interim dividends, aggregating to ₹ 1.00 per equity share, paid during the previous year had been considered as the final dividend for the financial year ended 31 March 2020.*

15.02 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.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

15.03 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in ₹ million	Number of shares	Amount in ₹ million
Equity shares outstanding at the beginning of the year	268,879,735	2,688.80	268,502,435	2,685.02
Add : Shares issued on exercise of employee stock options	163,825	1.64	377,300	3.78
Equity shares outstanding at the end of the year	**269,043,560**	**2,690.44**	**268,879,735**	**2,688.80**

15.04 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.

15.05 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 31 March 2021	% of shares held	Number of shares as at 31 March 2020	% of shares held
Proficient Finstock LLP	88,861,500	32.41%	88,861,500	32.41%
Mr. Kishor Patil	13,345,605	4.87%	19,395,605	7.07%

15.06 Aggregate number of shares issued for consideration other than cash during the period of two years immediately preceding the reporting date-Nil (Previous year Nil).

15.07 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.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

16 Non-current borrowings

	31 March 2021	31 March 2020
Term loans		
From banks (Secured)		
External Commercial Borrowing (ECB) (Refer note (i))	-	-
Other loan (Refer note (ii) and (iii) below)	9.04	12.85
From other than banks (Refer note (iv) below)	15.00	16.88
	24.04	**29.73**

Notes:

(i) The ECB loan consisted 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 carried interest rate of 6 months LIBOR + 90 basis points. The ECB loan was repayable in eight equal semi-annual installments of USD 2.5 million each, with a moratorium of 1 year, upto March 2021. The loan has been fully repaid during the current year.

(ii) Other term loans from bank includes a loan 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.

(iii) Other term loans from bank includes a loan secured against fixed assets obtained under the loan arrangement. The loan carries interest upto 8.70 % p.a. and is repayable in equated monthly installments of ₹ 0.22 million each upto November 2023.

(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 2029.

(v) Information about the Group's exposure to market risk and liquidity risk is disclosed in note 31.

17 Other non-current financial liabilities

	31 March 2021	31 March 2020
Other than trade payables		
Accrued employee costs	280.49	-
	280.49	**-**

Note:

(i) Information about the Group's exposure to liquidity risk is disclosed in note 31.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

18 Long term provisions

	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated absences (Refer note (i) below)	40.32	22.89
- Gratuity (Refer note 35(2))	56.08	98.05
	96.40	**120.94**

Note:

(i) During the previous year, the policy of compensated absences is amended for one of the subsidiaries, resulting in the compensated absences falling due within twelve months.

19 Deferred tax liabilities (net)

	31 March 2021	31 March 2020
Deferred tax liabilities		
- Excess of depreciation/amortisation on property, plant and equipment and other intangible assets under income-tax law over depreciation/amortisation provided in accounts	0.07	-
	0.07	**-**
Deferred tax liabilities	**0.07**	**-**

20 Current borrowings

	31 March 2021	31 March 2020
Loans repayable on demand		
From banks		
Working capital loans from banks (secured) (Refer note (i) below)	-	166.10
	-	**166.10**

Notes:

(i) During the previous year, the above loan included a loan of EUR 2.00 million, secured by way of first charge by way of hypothecation of the Company's entire book debts, both present and future, on pari passu basis, carrying an interest rate of 3 months LIBOR plus 0.50% p.a. This loan has been repaid fully during the current year.

(ii) Information about the Group's exposure to market risk and liquidity risk is disclosed in note 31.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

21 Other current financial liabilities

	31 March 2021	31 March 2020
Current maturities of long term debt		
- from banks (secured)	3.81	379.80
(Refer note 16 Term loan from other than banks for details of security and repayment terms)		
- from others	3.48	3.62
(Refer note 16 Term loan from other than banks for details of security and repayment terms)		
Other than trade payables :		
Purchase consideration payable		
- MicroFuzzy Industrie-Elektronic GmbH	-	41.21
Accrued employee costs	541.06	351.40
Unclaimed dividend	1.07	1.08
Payables in respect of fixed assets	23.31	34.64
Forward contracts designated as cash flow hedges (Refer note 31(3))	-	86.79
Payable to other than related parties	285.31	275.87
Others	10.66	42.51
	868.70	**1,216.92**

Note:

(i) Information about the Group's exposure to market risk and liquidity risk is disclosed in note 31.

22 Other current liabilities

	31 March 2021	31 March 2020
Unearned revenue (Refer note 43)	1,379.97	919.32
Statutory remittances	569.43	618.62
Advance from related parties (Refer note 38)	154.96	-
Others	0.06	-
	2,104.42	**1,537.94**

23 Short-term provisions

	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated absences	183.73	151.66
- Gratuity (Refer note 35(2))	100.00	141.08
Other provisions		
- Provision for onerous contracts	0.75	0.17
- Provision for warranty (Refer note 42(1))	51.69	14.67
	336.17	**307.58**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

24 Revenue from operations (Refer note 43)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Software services	20,351.03	21,437.63
Sale of products		
Finished goods	6.38	124.06
	20,357.41	**21,561.69**

25 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	104.19	31.00
Dividend income from current investments (Refer note (i) below)	2.23	13.82
Foreign exchange gain (net)	-	223.93
Unrealised gain on investments carried at fair value through profit or loss (net) (Refer note (ii) below)	18.33	-
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	32.87	14.42
	157.62	**283.17**

Notes:

(i) This represents the dividend income of:

- ₹ 0.00* million (Previous year ₹ 0.75 million) from investment in mutual funds;
- ₹ 2.23 million (Previous year ₹ 13.07 million) on shares in Birlasoft Limited (erstwhile KPIT Technologies Limited), held by KPIT Employee Welfare Trust.

(ii) This represents the gain on fair valuation of:

- shares in Birlasoft Limited (erstwhile KPIT Technologies Limited), held by KPIT Employee Welfare Trust;
- investment in mutual funds.

* Since denominated in ₹ millions

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

26 Cost of materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cost of materials consumed	**0.52**	**78.23**

27 Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
Finished goods		
Inventories at the beginning of the year	2.48	3.61
Inventory written-off during the year	2.48	-
Inventories at the end of the year	-	2.48
	-	**1.13**
Work-in-progress		
Inventories at the beginning of the year	2.34	7.86
Inventory written-off during the year	2.34	-
Inventories at the end of the year	-	2.34
	-	5.52
	-	**6.65**

28 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and incentives	13,106.40	13,968.13
Contribution to provident fund (Refer note 35(1))	160.79	187.85
Share based compensation to employees (Refer note 36)	103.60	48.38
Staff welfare expenses	43.87	82.92
	13,414.66	**14,287.28**

29 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Finance cost on lease liabilities (Refer note 39)	126.98	90.74
Other interest expense	45.55	78.03
Exchange differences to the extent considered as an adjustment to finance cost	-	29.43
	172.53	**198.20**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

30 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Travel and overseas expenses (net)	169.99	542.95
Transport and conveyance (net)	20.75	139.37
Cost of service delivery (net)	275.88	128.06
Cost of professional sub-contracting (net)	1,480.68	1,652.66
Recruitment and training expenses	57.94	169.99
Power and fuel	71.54	87.36
Rent (Refer note 39)	49.75	129.19
Repairs and maintenance -		
- buildings	16.01	5.05
- plant & equipment	238.09	254.86
- others	74.51	51.20
Insurance	92.74	89.15
Rates & taxes	92.69	15.64
Communication expenses (net)	112.89	138.67
Legal and professional fees	274.44	291.20
Marketing expenses	21.81	81.19
Loss on sale of fixed assets(net)	6.75	1.11
Printing & stationery	3.34	11.39
Foreign exchange loss (net)	29.35	-
Auditors remuneration (net of taxes)		
- Audit fees	4.50	5.20
- Limited review of quarterly results	1.80	1.80
- Fees for other services	1.55	1.71
- Out of pocket expenses reimbursed	-	0.20
Bad debts written off	49.83	11.45
Provision for warranty (Refer note 42(1))	99.65	1.15
Provision for doubtful debts and advances (net)	192.22	(23.58)
Contributions towards corporate social responsibility (Refer note 46(5))	18.63	18.41
Unrealised loss on investments carried at fair value through profit or loss (net)	-	56.92
Miscellaneous expenses (net)	413.51	430.55
	3,870.84	**4,292.85**

Note

(i) Certain expenses are net of recoveries/reimbursements from customers.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

31 Financial Instruments

31.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2021 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	-	-	1,272.02	-	-	1,272.02	1,272.02
Trade receivables	3,083.47	-	-	-	-	3,083.47	3,083.47
Cash and cash equivalents	2,857.70	-	-	-	-	2,857.70	2,857.70
Other balances with banks	4,150.27	-	-	-	-	4,150.27	4,150.27
Loans	187.12	-	-	-	-	187.12	187.12
Unbilled revenue	693.60	-	-	-	-	693.60	693.60
Other financial assets	367.11	-	-	-	68.67	435.78	435.78
Total financial assets	**11,339.27**	**-**	**1,272.02**	**-**	**68.67**	**12,679.96**	**12,679.96**
Financial liabilities							
Borrowings	24.04	-	-	-	-	24.04	24.04
Trade payables	1,352.42	-	-	-	-	1,352.42	1,352.42
Lease liabilities	2,268.42	-	-	-	-	2,268.42	2,268.42
Other financial liabilities	1,149.19	-	-	-	-	1,149.19	1,149.19
Total financial liabilities	**4,794.07**	**-**	**-**	**-**	**-**	**4,794.07**	**4,794.07**

The carrying value and fair value of financial instruments by categories as on 31 March 2020 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							
Investments	-	-	92.66	-	-	92.66	92.66
Trade receivables	4,486.77	-	-	-	-	4,486.77	4,486.77
Cash and cash equivalents	2,758.85	-	-	-	-	2,758.85	2,758.85
Other balances with banks	1,051.53	-	-	-	-	1,051.53	1,051.53
Loans	242.60	-	-	-	-	242.60	242.60
Unbilled revenue	617.11	-	-	-	-	617.11	617.11
Other financial assets	450.17	-	-	-	-	450.17	450.17
Total financial assets	**9,607.03**	**-**	**92.66**	**-**	**-**	**9,699.69**	**9,699.69**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

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 liabilities							
Borrowings	195.83	-	-	-	-	195.83	195.83
Trade payables	846.74	-	-	-	-	846.74	846.74
Lease liabilities	1,457.46	-	-	-	-	1,457.46	1,457.46
Other financial liabilities	1,088.92	-	41.21	-	86.79	1,216.92	1,216.92
Total financial liabilities	**3,588.95**	**-**	**41.21**	**-**	**86.79**	**3,716.95**	**3,716.95**

31.2 Fair value hierarchy

Financial assets and liabilities include investments, 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. Fair value of lease liabilities approximate its carrying amount, as lease liabilities are valued using discounted cash flow method. Except for the quoted investment, which is Level 1, rest of the financial assets and financial liabilities are classified as Level 2 or Level 3.

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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2021:

Particulars	As at 31 March 2021	Fair value measurement		
		Level 1	Level 2	Level 3
Financial assets				
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Investment in equity instruments of other entities	0.43	-	-	0.43
Investment in Birlasoft Limited	59.51	59.51	-	-
Investment in mutual funds	1,202.08	1,202.08	-	-
Forward contracts designated as cash flow hedge	68.67	-	68.67	-

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

The following table presents fair value hierarchy of assets and liabilities as on 31 March 2020:

Particulars	As at 31 March 2020	Fair value measurement		
		Level 1	Level 2	Level 3
Financial assets				
Investment in Lithium Urban Technologies Private Limited	10.00	-	-	10.00
Investment in equity instruments of other entities	0.42	-	-	0.42
Investment in Birlasoft Limited	82.24	82.24	-	-
Financial liabilities				
Deferred consideration payable	41.21	-	-	41.21
Forward contracts designated as cash flow hedge	86.79	-	86.79	-

Reconciliation of fair value measurement for Level 3:

Particulars		31 March 2021	31 March 2020
i)	**Unquoted investment in equity instruments classified as FVTPL (Level 3)**		
	Balance at the beginning of the year	10.42	10.39
	Exchange gain/(loss)	0.01	0.03
	Balance at the end of the year	**10.43**	**10.42**
ii)	**Deferred consideration payable classified as FVTPL (Level 3)**		
	Balance at the beginning of the year	41.21	268.51
	Additions	-	56.70
	Finance costs recognised in the Statement of Profit and Loss	0.32	3.21
	Paid during the year	(43.05)	(309.94)
	Exchange gain/(loss)	1.52	22.73
	Balance at the end of the year	**-**	**41.21**

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Level 3:

Valuation techniques	Significant unobservable inputs
The valuation of equity shares in Lithium Urban Technologies Private Limited consider the present value of expected cash flows, discounted using a risk adjusted discount rate. The expected payment is determined by considering the possible scenarios of profit before tax, the amount to be paid under each scenario and the probability of each scenario.	- Risk adjusted discount rate for respective economies - Probability assigned to each scenario of profit before tax

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

31.3 Financial risk management

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Group's receivables from customers amounting to ₹ 3,083.47 million and ₹ 4,486.77 million , unbilled revenue amounting to ₹ 693.60 million and ₹ 617.11 million and other current financial assets pertaining to receivable from other than related parties amounting to ₹ 282.86 million and ₹ 430.71 million as on 31 March 2021 and 31 March 2020 respectively. To manage this, the Group periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Group has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Refer note 45 for the impact of COVID-19 (Global pandemic).

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables

Particulars	Amount (₹ million)
Balance as on 1 April 2019	**110.56**
Reversal of impairment on account of collection	(79.56)
Utilisation of allowance	(7.57)
Impairment during the year	96.85
Foreign exchange translation	3.61
Balance as on 31 March 2020	**123.89**
Reversal of impairment on account of collection	(293.34)
Utilisation of allowance	(45.67)
Impairment during the year	517.23
Foreign exchange translation	0.07
Balance as on 31 March 2021	**302.18**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Trade receivables that were not impaired (Ageing as per the due date of invoice raised in demerged undertaking and/or in the Company)

Particulars	Carrying amount	
	31 March 2021	31 March 2020
Neither past due nor impaired	2,302.54	3,172.79
Past due 1 - 30 days	498.44	625.78
Past due 31 - 90 days	134.13	291.11
Past due 91 - 180 days	58.57	174.42
More than 180 days	89.79	222.67

Unbilled revenue is not outstanding for more than 90 days.

iii. Cash and bank balances

The Group held cash and bank balances of ₹ 7,007.97 million and ₹ 3,810.38 million as on 31 March 2021 and 31 March 2020 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Other current financial assets

The Group is exposed to credit risk on receivable from other than related parties amounting to ₹ 282.86 million (Previous year ₹ 430.71 million). The counterparty has a high credit rating of AA- for long term by CARE Ratings Limited.

v. Guarantees

The Group's policy is to provide financial guarantees in routine course of business and on behalf of subsidiaries/joint ventures.

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Group invests its excess funds in short term liquid assets like liquid mutual funds. The Group monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	2,857.70	2,758.85
Other balances with banks	4,150.27	1,051.53
Fixed deposits with banks (non-current portion) including interest accrued	60.93	15.91
Total	**7,068.90**	**3,826.29**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021:

Particulars	Carrying value	Gross cash outflow	Upto 1 year	2-3 years	4-5 years	> 5 years
Borrowings	24.04	30.33	2.16	13.34	6.77	8.06
Trade payables	1,352.42	1,352.42	1,352.42	-	-	-
Other financial liabilities	1,149.19	1,176.75	868.70	308.05	-	-

Refer note 39 for the contractual maturities of lease liabilities.

The following are the remaining contractual maturities of financial liabilities as on 31 March 2020:

Particulars	Carrying value	Gross cash outflow	Upto 1 year	2-3 years	4-5 years	> 5 years
Borrowings	195.83	215.02	179.30	15.03	9.87	10.82
Trade payables	846.74	846.74	846.74	-	-	-
Other financial liabilities	1,216.92	1,216.92	1,216.92	-	-	-

Refer note 39 for the contractual maturities of lease liabilities.

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. **Foreign currency risk**

Significant portion of the Group's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Group. The foreign currencies to which the Group is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Group evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 90% on net basis. For this purpose the Group uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Group has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to currency risk

The below figures are INR equivalent amounts of foreign currency.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2021:

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Trade receivables	51.66	-	-	1.70	53.36
Other financial assets	-	44.65	-	-	44.65
Unbilled revenue	111.43	34.64	1.92	23.07	171.06
Trade payables	(5.20)	(3.84)	(1.25)	(0.86)	(11.15)
Other financial liabilities	(7.60)	(2.23)	-	(47.70)	(57.53)
Net assets/(liabilities)	**150.29**	**73.22**	**0.67**	**(23.79)**	**200.39**

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2020:

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Other financial assets	10.07	43.11	-	-	53.18
Unbilled revenue	-	-	-	0.27	0.27
Borrowings	(376.58)	(166.10)	-	-	(542.68)
Trade payables	(9.76)	(6.29)	(0.22)	(0.14)	(16.41)
Other financial liabilities	(11.21)	(0.31)	-	(42.42)	(53.94)
Net assets/(liabilities)	**(387.48)**	**(129.59)**	**(0.22)**	**(42.29)**	**(559.58)**

The above figures exclude amounts in local currency of foreign subsidiaries.

For the period ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately (0.06)% / 0.06%.

For the period ended 31 March 2020, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately (0.19)% / 0.19%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Group has hedged its cash flows. The Group enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Group's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

Refer note 45 for the impact of COVID-19 (Global pandemic).

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

The following are the outstanding EUR/USD/JPY/GBP: INR Currency Exchange Contracts entered into by the Group which has been designated as Cash Flow Hedges:

Particulars	31 March 2021		31 March 2020	
	Foreign Currency (million)	₹ (million)	Foreign Currency (million)	₹ (million)
EUR	11.15	960.00	6.00	498.30
USD	23.05	1,694.28	19.55	1,473.79
JPY	-	-	700.00	487.55
GBP	6.10	615.80	5.15	479.34

The forward contracts have maturity between 30 days to 11 months from 31 March 2021.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	(56.46)	17.95
Gains/(losses) on changes in fair value of foreign exchange contracts recognised in other comprehensive income	68.67	(86.79)
Deferred tax on fair value of effective portion of cash flow hedges	(54.33)	39.97
Amounts reclassified to the statement of profit and loss	86.79	(27.59)
Balance at the end of the year	**44.67**	**(56.46)**

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	4,481.70	467.20
Financial liabilities	31.33	36.57
Variable rate instruments		
Financial liabilities	-	542.68

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

32 Segment Information

KPIT Technologies Limited (erstwhile KPIT Engineering Limited) provides embedded software for the Automobile and Mobility Industry. The customers in these verticals are located at US / Europe / APAC region. To enable the company to serve their specific needs the company has set up legal entities in the respective geographies. The business is structured in such a way that the predominantly customer front ending and bidding process is carried out by these legal entities.

The Group thus drives business mainly through its subsidiaries. While management reviews performance for above verticals, they also review the risks and rewards in each geography. The risk and rewards of the company is directly affected by geographical location of its customers (i.e. place where its services are rendered). Decisions such as pricing, allocation of resources, allocation of assets etc. are taken based on opportunities in the respective geography. Since costs are incurred and accounted as per subsidiary set up and manpower skill sets are interchangeable bottom line performance is reviewed with Geography as primary indicator being dominant source of risk and return.

A) Geographical segments

Segment information is based on geographical location of customers.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses incurred in India on behalf of other segments which are not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

		31 March 2021				31 March 2020			
		Americas ₹ million	UK & Europe ₹ million	Rest of World ₹ million	Total ₹ million	Americas ₹ million	UK & Europe ₹ million	Rest of World ₹ million	Total ₹ million
a)	**Segment revenue**								
	Revenue from external customers	8,514.31	8,758.86	8,567.08	25,840.25	8,917.46	8,856.28	10,539.83	28,313.57
	Less: inter segment revenue	11.94	419.39	5,051.51	5,482.84	18.83	468.35	6,264.70	6,751.88
	Total segment revenue	**8,502.37**	**8,339.47**	**3,515.57**	**20,357.41**	**8,898.63**	**8,387.93**	**4,275.13**	**21,561.69**
b)	**Segment results**	2,724.88	772.43	1,078.89	4,576.20	2,521.54	329.99	1,354.71	4,206.24
	Unallocated corporate expenses (net)				(2,803.68)				(2,094.76)
	Interest income				104.19				31.00
	Finance cost				(172.53)				(198.20)
	Dividend income				2.23				13.82
	Gain/(loss) on investments carried at fair value through profit or loss				18.33				(56.92)
	Exceptional items				51.49				(95.09)
	Profit before share of equity accounted investees and tax				**1,776.23**				**1,806.09**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

		31 March 2021				31 March 2020			
		Americas ₹ million	UK & Europe ₹ million	Rest of World ₹ million	Total ₹ million	Americas ₹ million	UK & Europe ₹ million	Rest of World ₹ million	Total ₹ million
	Share of profit/(loss) of equity accounted investees (net of tax)				-				-
	Profit before tax				**1,776.23**				**1,806.09**
	Current tax				(496.11)				(634.63)
	Deferred tax benefit/(charge)				190.91				306.21
	Profit after tax				**1,471.03**				**1,477.67**
c)	**Allocated segment assets**	1,136.65	1,672.44	1,007.99	3,817.08	1,523.32	2,278.51	1,382.06	5,183.89
	Unallocated segment assets *				2,371.00				2,700.62
	Unallocated corporate assets				13,487.31				8,487.65
	Total assets				**19,675.39**				**16,372.16**
d)	**Allocated segment liabilities**	340.60	466.77	572.60	1,379.97	287.93	280.62	350.77	919.32
	Unallocated segment liabilities *				6,174.23				4,730.19
	Unallocated corporate liabilities				24.04				195.83
	Total liabilities				**7,578.24**				**5,845.34**
e)	**Cost incurred during the period to acquire segment non-current assets #**	-	-	-	-	-	-	-	-
f)	**Depreciation / Amortisation #**				1,331.74				1,080.48
g)	**Non cash expenses other than depreciation / amortisation #**				-				-

* Segment assets other than trade receivables, unbilled revenue and contract assets and segment liabilities other than unearned revenue and advance to customers used in the Company's business are not identified to any reportable segments, as these are used interchangeably between segments.

\# The cost incurred during the year to acquire segment fixed assets, depreciation / amortisation and non-cash expenses are not attributable to any reportable segment.

B) Major customer

Revenue from one customer, ₹ 3,214.04 million (Previous year ₹ 3,388.62 million), individually accounts for more than 10% of the Group's revenue.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

33 Disclosure relating to entities considered in the consolidated financial statements for the year ended on 31 March 2021:

Sr. No.	Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount (₹ million)	As % of consolidated profit or (loss)	Amount (₹ million)	As % of consolidated OCI	Amount (₹ million)	As % of consolidated TCI	Amount (₹ million)
A	**Parent Company:**								
	KPIT Technologies Limited	86.65%	10,482.65	63.58%	935.26	65.74%	116.28	63.81%	1,051.54
	(A)		**10,482.65**		**935.26**		**116.28**		**1,051.54**
B	**Subsidiaries:**								
	Foreign:								
1	KPIT Technologies (UK) Limited	19.11%	2,312.28	0.16%	2.37	0.57%	1.01	0.21%	3.38
2	KPIT Technologies Inc.	11.69%	1,414.51	20.39%	299.95	-4.60%	(8.13)	17.71%	291.82
3	KPIT Technologies Holding Inc.	10.32%	1,248.38	-0.07%	(1.07)	0.01%	0.02	-0.06%	(1.05)
4	KPIT (Shanghai) Software Technology Co. Limited, China	1.34%	162.63	2.08%	30.62	-0.65%	(1.15)	1.79%	29.47
5	KPIT Technologies Netherlands B.V	1.78%	215.87	3.50%	51.48	-1.16%	(2.05)	3.00%	49.43
6	KPIT Technologies GK, Japan	2.11%	255.33	3.79%	55.69	-3.64%	(6.43)	2.99%	49.26
7	KPIT Technologies GmbH, Germany	7.30%	883.14	-7.37%	(108.48)	20.52%	36.30	-4.38%	(72.18)
8	KPIT Technologies Pte Ltd.	0.32%	39.08	1.30%	19.09	0.16%	0.29	1.18%	19.38
9	KPIT Technologias Ltda, Brazil	0.13%	15.67	0.45%	6.61	-0.31%	(0.55)	0.37%	6.06
10	MicroFuzzy Industrie-Elektronic GmbH	4.59%	555.07	13.58%	199.74	-1.32%	(2.33)	11.98%	197.41
11	ThaiGerTec Co. Ltd.	0.50%	60.80	-1.37%	(20.18)	0.14%	0.25	-1.21%	(19.93)
	(B)		**7,162.76**		**535.82**		**17.23**		**553.05**
C	**Joint Venture:**								
	Yantra Digital Services Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	(C)		**-**		**-**		**-**		**-**
D	**Non-Controlling Interest**	0.24%	28.74	0.66%	9.66	0.52%	0.92	0.64%	10.58
E	**Consolidation adjustments including intercompany eliminations**	-46.10%	(5,577.00)	-0.66%	(9.71)	24.00%	42.46	1.99%	32.75
F	**Total (A+B+C+D+E)**		**12,097.15**		**1,471.03**		**176.89**		**1,647.92**

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

34 Other equity

i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve. It also includes any surplus or shortfall on account of:

- merger / demerger within common control
- purchase of stake in minority share holder (Refer note 46(1))
- gain from a bargain purchase (Refer note 46(4))

This reserve is not available for distribution of dividend.

ii) General reserve

During the year ended 31 March 2019, general reserve amounting to ₹ (113.92) million was transferred to the Company on account of composite scheme of arrangement - demerger scheme. The reserve pertains to general reserve amounting to ₹ (148.30) million of the subsidiary company and ₹ 34.38 million of the parent company. The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

iii) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

iv) Share based payment reserve

Share based payment reserve is used to record the fair value of equity-settled share-based payment transactions with employees. Refer note 36 for the details of employee stock options and share purchase schemes.

35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" :

1. Defined contribution plan – Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 160.79 million (Previous year ₹ 187.85 million)

2. Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

iii) Return on plan assets, excluding interest income are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days of last drawn salary for each completed year of service with a vesting period of 5 years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of defined benefit obligation at the beginning of the year	298.92	232.02
Current service cost	49.30	37.04
Interest cost	19.22	16.40
Liability transferred in / Acquisitions	-	4.64
Liability transferred out / Divestments	-	(2.03)
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in demographic assumptions	-	0.10
b) changes in financial assumptions	2.55	8.36
c) experience adjustments	(21.53)	21.88
Benefits paid	(26.18)	(19.49)
Present value of defined benefit obligation at the end of the year	322.28	298.92

Changes in the fair value of the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fair value of plan assets at the beginning of the year	59.79	-
Interest Income	3.84	1.02
Contributions by the group	100.00	57.53
Return on plan assets, excluding interest income	2.57	1.24
Fair value of plan assets at the end of the year	166.20	59.79

Amount recognised in the Balance Sheet	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of obligation as at the end of the year	322.28	298.92
Fair value of plan assets at the end of the year	166.20	59.79
Funded status ((surplus)/deficit)	156.08	239.13
Net (asset) / liability recognized in the Balance Sheet	156.08	239.13

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Expenses recognised in the Statement of Profit and Loss	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	49.30	37.04
Interest cost net of interest income on plan assets	15.38	15.38
Expenses recognised in the Statement of Profit and Loss	64.68	52.42

Expenses recognised in the Other Comprehensive Income (OCI)	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss / (gain)	(18.98)	30.34
Return on plan assets, excluding interest income	2.57	1.24
Net (income) / expense recognised in the OCI	(21.55)	29.10

Category of assets	For the year ended 31 March 2021	For the year ended 31 March 2020
Insurance fund	166.20	59.79

Actuarial Assumptions	For the year ended 31 March 2021	For the year ended 31 March 2020
Expected return on plan assets	6.26%	6.43%
Discount rate	6.26%	6.43%
Salary escalation	5.00%	5.00%
Attrition Rate	15.00%	15.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Projected benefit obligation on current assumptions	31 March 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(14.43)	16.03	(12.81)	14.21
Future salary growth (1 % movement)	16.07	(14.72)	14.27	(13.09)
Attrition rate (1 % movement)	(0.66)	0.57	(0.48)	0.38

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
Within 1 year	60.09	55.35
1-2 year	36.61	36.68
2-3 year	36.96	44.87
3-4 year	36.46	31.50
4-5 year	34.76	30.37
5-10 years	126.95	112.17
Thereafter	130.20	116.37

Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2021	31 March 2020
For Impact Automotive Solutions Limited		
Number of active members	5,396	6,203
Per month salary cost for all active members (₹ million)	124.37	141.41
Weighted average duration of the projected benefit obligation (years)	6.00	6.00
Average expected future service (years)	6.00	6.00
Projected benefit obligation (PBO)	322.28	298.92
Prescribed contribution for next year (12 months)	100.00	140.83

36 Share based payments

1 Employee Stock Option Scheme - 2019

In accordance with the terms of the approved Composite Scheme, KPIT Engineering Limited (now known as KPIT Technologies Limited) (“Resulting Company”) had issued the stock options to the employees holding options of the KPIT Technologies Limited (now known as Birlasoft Limited) (“Transferee Company” or “Demerged Company”) as at the appointed date. The options issued consisted of:

i. 1,807,450 options of the Transferee Company (“Birlasoft options”), equivalent to the number of options outstanding as at the appointed date;

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

ii. 1,807,450 options of the Resulting Company ("KPIT options"), in the ratio of 1:1 for every outstanding stock options held by the employees in the Transferee Company.

The Board of Directors of the Company approved the Employees Stock Option Scheme at their meeting on 15 May 2019. Pursuant to this approval, the Company instituted ESOS 2019 in May 2019. The compensation committee of the Company administers this Plan. Each type of option carries with it the right to purchase one equity share of the Demerged Company or the Resulting Company as the case may be. In terms of clause 18.5 of the Composite Scheme, the stock options had been granted at an exercise price which was the pre-demerger exercise price suitably adjusted in the manner of share exchange ratio. Further, as per the Composite Scheme, the Company had taken into account the vesting period completed, under the plan in the Demerged Company, prior to the grant of options to the employee under the ESOS 2019. The maximum exercise period is 5 years from the date of vesting.

The outstanding stock options held by employees of the Demerged Company as at 31 March 2021 are 490,300 and 551,700 of Birlasoft options and KPIT options respectively. The employee compensation cost for such employees is not eligible for recognition in the books of the Company.

The number of outstanding Birlasoft options held by employees of the Company as at 31 March 2021 are 356,000. The Group recorded an employee compensation cost of ₹ 0.02 million (Previous year ₹ 1.04 million) in this respect in the Statement of Profit and Loss.

Below are the details pertaining to the KPIT options held by employees of the Company:

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	FY 2020-21		FY 2019-20	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	598,205	44.28	-	-
Options issued pursuant to the scheme of demerger	-	-	856,800	42.73
Options granted during the year	-	-	-	-
Forfeited / surrendered during the year	13,250	44.96	1,695	44.96
Exercised during the year	96,550	39.57	250,500	39.20
Lapsed during the year	2,200	44.96	6,400	35.90
Options outstanding at the end of the year	486,205	45.19	598,205	44.28
Options exercisable at the end of the year	486,205	45.19	578,205	43.84

The weighted average share price of the options exercised under Employees Stock Option Scheme - 2019 on the date of exercise during the year was ₹ 105.04.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding
₹ 0 to ₹ 50	1.51	466,205	2.45	563,205
₹ 50 to ₹ 100	4.07	20,000	4.64	35,000

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model.

The Group recorded an employee compensation cost of ₹ 0.03 million (Previous year ₹ 0.56 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Scheme – 2019A

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Scheme at their meeting on 17 June 2019 and on 23 July 2019, respectively. Pursuant to this approval, the Company instituted ESOS 2019A in July 2019. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The options approved under this scheme are 3,793,923.

The options had been originally granted to employees of the Company and its subsidiaries at an exercise price equivalent to the fair market price of the Company's share as on the date of grant of options. The Nomination and Remuneration Committee of the Board of Directors of the Company, in its meeting held on 30 July 2020 approved the modification in the exercise price of the options granted. The exercise price is modified to ₹ 10 per option.

The options would vest not earlier than statutory minimum vesting period of 1 year and up to the maximum period of 4 years from the date of grant of options or such period as may be decided by the Committee at the time of each grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Committee, subject to the minimum vesting period of 1 year from the date of grant of options. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

Particulars	FY 2020-21		FY 2019-20	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	3,255,000	85.05	-	-
Options granted during the year	3,757,500	10.00	3,456,500	85.05
Forfeited / surrendered during the year	3,305,500	83.90	201,500	85.05
Options outstanding at the end of the year	3,707,000	10.00	3,255,000	85.05
Options exercisable at the end of the year	-	-	-	-

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

As at 31 March 2021, all the options under Employee Stock Option Scheme – 2019A are unvested. Hence, during the year there are no exercisable options under the said scheme.

The weighted average remaining contractual life are as follows:

Range of Exercise Price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding
₹ 0 to ₹ 50	6.44	3,707,000	NIL	NIL
₹ 50 to ₹ 100	NIL	NIL	6.42	3,255,000

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

	Particulars	FY 2020-21	FY 2019-20
1.	Exercise price (₹)	10.00	85.05
2.	Price of the underlying share in market at the time of the option grant (₹)	65.40	85.05
3.	Weighted average fair value of options granted (₹)	57.18	36.69
4.	Expected life of the option (years)	3.76	3.76
5.	Risk free interest rate (%)	5.00	6.23
6.	Expected volatility (%)	49.79	48.02
7.	Dividend yield (%)	0.00	0.00

The incremental weighted average fair value of options on modification, using Black and Scholes option pricing model, is ₹ 34.99.

The Group recorded an employee compensation cost of ₹ 103.25 million (Previous year ₹ 44.82 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Share Purchase Scheme – 2019

The Board of Directors and the shareholders of the Company approved Employee Share Purchase Scheme at their meeting on 17 June 2019 and on 23 July 2019, respectively. Pursuant to this approval, the Company instituted ESPS 2019 in July 2019. The compensation committee of the Company administers this Plan. The shares approved under this scheme are 40,000 equity shares. The shares have been granted to employees of the Company and its subsidiaries at a price not less than the face value per share of the Company at the time of the offer.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Number and offer prices of shares granted, exercised and cancelled/lapsed during the financial year:

Particulars	FY 2020-21		FY 2019-20	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Shares outstanding at the beginning of the year	24,050	10.00	-	-
Shares granted during the year	3,505	10.00	24,050	10.00
Exercised during the year	5,125	10.00	-	-
Cancelled during the year	2,475	10.00	-	-
Shares outstanding at the end of the year	19,955	10.00	24,050	10.00
Shares exercisable at the end of the year	19,955	10.00	24,050	10.00

The weighted average share price of the shares exercised under Employee Share Purchase Scheme – 2019 on the date of exercise during the year was ₹ NIL.

The weighted average remaining contractual life are as follows:

Range of exercise price	FY 2020-21		FY 2019-20	
	Weighted average contractual life (years)	No. of shares outstanding	Weighted average contractual life (years)	No. of shares outstanding
₹ 0 to ₹ 50	NA	19,955	NA	24,050

The fair value of a share granted under the Employee Share Purchase Scheme - 2019 is ₹ 81.55.

The Group recorded an employee compensation cost of ₹ 0.30 million (Previous year ₹ 1.96 million) in the Statement of Profit and Loss.

37 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Group from available information) as at 31 March 2021 is ₹ 2.47 million (Previous year - ₹ 0.07 million). Estimated interest due thereon is ₹ 0.24 million (Previous year - ₹ NIL).

b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ NIL (Previous year - ₹ NIL). Interest paid thereon is ₹ NIL (Previous year - ₹ NIL) and the estimated interest due and payable thereon is ₹ NIL (Previous year - ₹ NIL).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2021 is ₹ NIL (Previous year - ₹ NIL).

d. The amount of further estimated interest due and payable for the period from 1 April 2021 to actual date of payment or 20 April 2021 (whichever is earlier) is ₹ NIL.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

38 Related party disclosures

A. Relationship between the parent and its subsidiaries

% voting power held

Sr. No	Name of the subsidiary	Country of Incorporation	As at 31 March 2021
Direct subsidiaries			
1	KPIT Technologies (UK) Limited	United Kingdom	100
2	KPIT (Shanghai) Software Technology Co. Limited	China	100
3	KPIT Technologies Netherlands B.V	Netherlands	100
4	KPIT Technologies Pte Ltd.	Singapore	100
5	KPIT Technologies Holding Inc.	United States of America	100
6	KPIT Technologias Ltda (erstwhile MicroFuzzy KPIT Tecnologia Ltda)	Brazil	99.9
7	KPIT Technologies GK	Japan	100
Indirect subsidiaries			
8	KPIT Technologies GmbH, Germany (Subsidiary of KPIT Technologies (UK) Limited)	Germany	100
9	KPIT Technologies Inc. (Subsidiary of KPIT Technologies Holding Inc.)	United States of America	100
10	MicroFuzzy Industrie-Elektronic GmbH (Subsidiary of KPIT Technologies GmbH, Germany)	Germany	95
11	ThaiGerTec Co. Ltd. (Subsidiary of KPIT Technologies (UK) Limited w.e.f. 1 April 2019)	Thailand	98.37
Joint venture			
12	Yantra Digital Services Private Limited [(i)]	India	45

B. List of entities jointly controlled by a Group which had joint control over the reporting entities (till 31 January 2020) (Refer note 46(3))

1	Birlasoft Limited (erstwhile KPIT Technologies Limited)	India
2	Birlasoft Solutions Inc. (erstwhile KPIT Infosystems Incorporated)	United States of America
3	Birlasoft Solutions France (erstwhile KPIT Technologies France)	France
4	Birlasoft Consulting Inc.	United States of America
5	Birlasoft Computer Corporation (erstwhile SYSTIME Computer Corporation)	United States of America
6	Birlasoft Solutions ME FZE (erstwhile KPIT Infosystems ME FZE)	United Arab Emirates
7	Birlasoft Technologies Canada Corporation (erstwhile KPIT Technologies Corporation)	Canada
8	Birlasoft Solutions Ltda (erstwhile KPIT Technologies Solucoes Em Informatica Ltda)	Brazil
9	Birlasoft Solutions GmbH (erstwhile KPIT Solutions GmbH)	Germany
10	Birlasoft Solutions Mexico, S.A. DE C.V. (erstwhile KPIT Infosystems Mexico, S.A. DE C.V.)	Mexico
11	Birlasoft Solutions Limited (erstwhile KPIT Infosystems Limited (UK))	United Kingdom

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

C. List of Key Management Personnel

Key Management Personnel (KMP)	Mr. S.B.(Ravi) Pandit	Executive Director (w.e.f. 16 January 2019 till 28 March 2020) Non-Executive Director (w.e.f. 29 March 2020)
	Mr. Kishor Patil	Executive Director
	Mr. Sachin Tikekar	Executive Director
	Mr. Anant Talaulicar	Independent Director
	Mr. B V R Subbu	Independent Director
	Prof. Alberto Sangiovanni Vincentelli	Independent Director
	Dr. Klaus Blickle	Non-Executive Director (resigned w.e.f. 15 May 2019)
	Mr. Nickhil Jakatdar	Independent Director
	Ms. Shubhalakshmi Panse	Independent Director
	Mr. Rohit Saboo	Nominee Director (resigned w.e.f. 1 February 2020)
	Mr. Rafi Maor	Independent Director (w.e.f. 23 October 2019)
	Mr. Vinit Teredesai	Chief Financial Officer (upto 12 June 2020)
	Ms. Priyamvada Hardikar	Chief Financial Officer (w.e.f. 12 June 2020)
	Ms. Nida Deshpande	Company Secretary

D. List of other related parties with whom there are transactions:

Relative of KMP	Mr. Chinmay Pandit
	Ms. Jayada Pandit
	Ms. Anupama Kishor Patil
	Ms. Hemlata Shende
	Ms. Manasi Patil
	Ms. Nirmala Shashishekhar Pandit
Enterprise over which KMP have significant influence	KP Corporate Solutions Limited
	Proficient FinStock LLP
	Sentient Labs Private Limited
	Kirtane & Pandit LLP, Chartered Accountants, Pune
	K & P Management Services Private Limited
	KP Capital Advisors Private Limited

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

E. Transactions with related parties

No.	Name of Related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
	Transactions with entities jointly controlled by a Group which had joint control over the reporting entities (ii) & (iii)				
1	**Birlasoft Limited (erstwhile KPIT Technologies Limited)**				
	Sales	NA	NA	59.33	NA
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		61.06	
	Advance given (net)	NA		0.57	
	Reimbursement of expenses (net)	NA		(14.31)	
	Perquisite tax payable	NA	NA	1.80	NA
	Dividend received	NA	NA	13.82	NA
2	**Birlasoft Solutions Inc., USA**				
	Sales	NA	NA	75.65	NA
	Reimbursement of expenses (net)	NA		271.93	
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		507.57	
3	**Birlasoft Consulting Inc., USA**				
	Reimbursement of expenses (net)	NA	NA	201.68	NA
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		(7.03)	
4	**Birlasoft Computer Corporation, USA**				
	Sales	NA	NA	0.56	NA
	Reimbursement of expenses (net)	NA		21.27	
5	**Birlasoft Technologies Canada Corporation**				
	Reimbursement of expenses (net)	NA	NA	12.56	NA
6	**Birlasoft Solutions Limited**				
	Reimbursement of expenses (net)	NA	NA	113.76	NA
	Advance received (net)	NA		0.18	
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		(64.83)	

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

No.	Name of Related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
	Transactions with entities jointly controlled by a Group which had joint control over the reporting entities (ii) & (iii)				
7	**Birlasoft Solutions GmbH**				
	Reimbursement of expenses (net)	NA	NA	236.22	NA
	Advance given (net)	NA		0.89	
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		(12.32)	
8	**Birlasoft Solutions ME FZE. (Korea branch)**				
	Reimbursement of expenses (net)	NA	NA	1.11	NA
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		(0.15)	
9	**Birlasoft Solutions ME FZE (Australia branch)**				
	Reimbursement of expenses (net)	NA	NA	3.74	NA
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		(5.91)	
10	**Birlasoft Solutions France**				
	Interest paid	NA	NA	0.05	NA
	Other transactions pertaining to customer/ vendor novation which are pending or completed post demerger scheme.	NA		0.95	
	Transactions with Key Management Personnel (iv)				
1	**Mr. S. B. (Ravi) Pandit**				
	Short term employee benefits	NIL	NIL	40.53	NIL
	Post employment benefits	4.01	NIL	1.36	NIL
	Dividend paid	NIL	NIL	0.75	NIL
	Reimbursement of Expenses	NIL	NIL	0.07	(0.00)*

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

No.	Name of Related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with Key Management Personnel (iv)					
2	**Mr. Kishor Patil**				
	Short term employee benefits	29.90	NIL	35.37	NIL
	Post employment benefits	1.31	NIL	1.36	NIL
	Perquisites	0.08	NIL	0.28	NIL
	Repayment of loan granted	5.25	NIL	6.55	5.25
	Interest received	0.20	NIL	0.71	
	Dividend paid	NIL	NIL	21.64	NIL
	Reimbursement of expenses (net)	0.04	NIL	0.54	(0.01)
3	**Mr. Sachin Tikekar**				
	Short term employee benefits	28.63	NIL	32.62	NIL
	Post employment benefits	0.42	NIL	0.44	NIL
	Dividend paid	NIL	NIL	1.47	NIL
	Reimbursement of expenses (net)	0.17	(0.00)*	0.43	(0.14)
4	**Mr. Anant Talaulicar**				
	Commission paid	2.95	NIL	2.38	NIL
	Sitting Fees	0.26	NIL	0.30	NIL
5	**Mr. B V R Subbu**				
	Commission paid	2.60	NIL	2.38	NIL
	Sitting Fees	0.23	NIL	0.24	NIL
6	**Ms. Shubhalakshmi Panse**				
	Commission paid	2.05	NIL	0.38	NIL
	Sitting Fees	0.22	NIL	0.21	NIL
7	**Mr. Rohit Saboo**				
	Commission paid	NIL	NIL	0.38	NIL
8	**Dr. Klaus Blickle**				
	Commission paid	NIL	NIL	0.87	NIL
9	**Mr. Nickhil Jakatdar**				
	Commission paid	1.53	NIL	1.00	NIL
	Sitting Fees	0.06	NIL	0.08	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.57	NIL
10	**Prof. Alberto Sangiovanni Vincentelli**				
	Commission paid	2.33	NIL	2.34	NIL
	Reimbursement of expenses (net)	0.91	0.00*	0.33	NIL
	Sitting Fees	0.06	NIL	0.07	NIL

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

No.	Name of Related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with Key Management Personnel (iv)					
11	**Mr. Rafi Maor**				
	Commission paid	1.59	NIL	NIL	NIL
	Sitting Fees	0.02	NIL	0.05	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.84	NIL
12	**Mr. Vinit Teredesai**				
	Short term employee benefits	1.66	NIL	11.68	NIL
	Post employment benefits	0.05	NIL	0.27	NIL
	Reimbursement of expenses (net)	0.10	NIL	0.27	NIL
	Share based compensation	NIL	NIL	0.78	NIL
13	**Ms. Priyamvada Hardikar**				
	Short term employee benefits	5.88	NIL	NIL	NIL
	Post employment benefits	0.16	NIL	NIL	NIL
	Share based compensation	1.14	NIL	NIL	NIL
14	**Ms. Nida Deshpande**				
	Short term employee benefits	1.95	NIL	2.12	NIL
	Post employment benefits	0.06	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.01	NIL
	Share based compensation	0.23	NIL	0.10	NIL
Transactions with relative of Key Management Personnel (iv)					
1	**Mr. Chinmay Pandit**				
	Short term employee benefits	5.71	NIL	5.81	NIL
	Post employment benefits	0.16	NIL	0.15	NIL
	Dividend paid	NIL	NIL	0.07	NIL
	Reimbursement of expenses (net)	NIL	NIL	1.36	(0.21)
2	**Ms. Jayada Pandit**				
	Short term employee benefits	1.73	NIL	2.04	NIL
	Post employment benefits	0.06	NIL	0.06	NIL
3	**Ms. Anupama Kishor Patil**				
	Dividend paid	NIL	NIL	0.21	NIL
4	**Ms. Hemlata Shende**				
	Dividend paid	NIL	NIL	0.07	NIL

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

No.	Name of Related party	31 March 2021		31 March 2020	
		Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2020 Debit/(Credit)
Transactions with relative of Key Management Personnel [iv]					
5	**Ms. Manasi Patil**				
	Short term employee benefits	1.69	NIL	0.31	NIL
	Post employment benefits	0.06	NIL	0.01	NIL
	Dividend paid	NIL	NIL	0.00*	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.00*	(0.00)*
6	**Ms. Nirmala Shashishekhar Pandit**				
	Dividend paid	NIL	NIL	0.42	NIL
Transactions with enterprise over which Key Management Personnel have significant influence					
1	**Kirtane & Pandit LLP**				
	Professional fees	1.63	NIL	0.45	(0.05)
2	**K & P Management Services Private Limited**				
	Dividend paid	NIL	NIL	0.53	NIL
3	**KP Capital Advisors Private Limited**				
	Professional fees	0.30	NIL	0.24	(0.21)
4	**KP Corporate Solutions Limited**				
	Professional fees	4.99	(0.10)	5.53	(0.33)
5	**Proficient FinStock LLP**				
	Advance received (net)	137.44	(137.44)	NIL	NIL
	Dividend paid	NIL	NIL	109.22	NIL
6	**Sentient Labs Private Limited**				
	Advance received (net)	17.52	(17.52)	NIL	NIL
	Reimbursement of expenses (net)	87.30		NIL	NIL
Transactions with joint venture [ii]					
1	**Yantra Digital Services Private Limited**				
	Purchase of component	NIL	(9.20)	8.94	(10.55)
	Transfer of payroll liabilities	NIL	NIL	1.04	NIL
	Loan given	NIL	NIL	11.80	NIL

* Since denominated in ₹ millions

i. The investee is an associate as defined under section 2(87) of the Companies Act, 2013. For the purpose of the consolidated Ind-AS financial statements, the entity has been considered as a Joint Venture as defined under Ind-AS 28 : Investments in Associates and Joint Ventures.

ii. All transactions with these related parties are priced on an arm's length basis.

iii. For the entities jointly controlled by a Group, since the joint control has concluded effective 1 February 2020, the balances outstanding as at 31 March 2020 are not reflected under related party disclosures.

iv. Remuneration excludes provision for gratuity and compensated absences as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

39 Leases

Group as a lessee

The Group primarily has rental office premises across multiple locations and a leasehold land.

The Group had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised in the opening equity as of 1 April 2019. This had resulted in recognising a right-of-use asset of ₹ 897.57 million and a corresponding lease liability of ₹ 1,109.97 million by adjusting other equity net of taxes of ₹ 198.43 million as at 1 April 2019. The weighted average incremental borrowing rate of 7.87% was applied to lease liabilities recognised in the balance sheet at the date of initial application.

A Refer note 2(B) for changes in the carrying amount of right of use assets.

B Break up of current and non-current lease liabilities

Particulars	31 March 2021	31 March 2020
Non-current lease liabilities	1,900.56	1,143.95
Current lease liabilities	367.86	313.51
Total	**2,268.42**	**1,457.46**

C Movement in lease liabilities

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	1,457.46	-
Lease liabilities created on 1 April 2019 on adoption of IND AS 116	-	1,109.97
Additions during the year	1,551.77	580.80
Finance cost accrued on lease liabilities	126.98	90.74
Payment of lease liabilities	561.14	323.87
Termination of leases	322.36	17.78
Translation difference	15.71	17.60
Balance at the end of the year	**2,268.42**	**1,457.46**

D Contractual maturities of lease liabilities on an undiscounted cash flows basis

Particulars	31 March 2021	31 March 2020
Not later than one year	470.45	421.85
Later than one year and not later than five years	1,332.60	952.75
Later than five years	885.46	532.16
Total undiscounted lease liabilities	**2,688.51**	**1,906.76**

Rent expenses recorded for short term and low value leases for the year ended 31 March 2021 was ₹ 49.75 million (Previous year ₹ 129.19 million).

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

There is no lease, that is not yet commenced, to which the Group is committed.

Refer note 45 for the impact of COVID-19 (Global pandemic).

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

40 Basic and diluted earnings per share

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value per equity share	₹	10.00	10.00
Profit for the year	₹ (million)	1,461.37	1,475.82
Weighted average number of equity shares	No. of shares	268,954,838	268,655,114
Earnings per share – basic	₹	5.43	5.49
Effect of dilutive potential equity shares			
Weighted average number of diluted equity shares	No. of shares	270,519,277	269,601,546
Earnings per share – diluted	₹	5.40	5.47

41 The Company has received recognition from Department of Scientific and Industrial Research, Ministry of Science and Technology DSIR for its Research and Development (R&D) facility at its premise in Hinjawadi which is effective upto 31 March 2021. However, with effect from 1 April 2020, the weighted deduction under section 35(2AB) of Income Tax Act 1961 (the Act) for inhouse R&D expenditure is not available. Accordingly, during current year, the Company has not claimed any weighted deduction for inhouse R&D expenditure. During the previous year ₹ 184.20 million was claimed as eligible R&D expenditure under section 35(2AB) of the Act. The weighted tax deduction was equal to 150% of such expenditure incurred. Total capital expenditure towards R&D facility during the year ended 31 March 2021 is ₹ 0.24 million (Previous year ₹ 5.43 million).

42 Details of provisions and movements in each class of provisions as required by the Ind-AS 37 on Provisions, Contingent Liabilities and Contingent Assets

1. Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract, from the date of sale of license of software to Tier I suppliers. The movement in the said provision is as under:

Particulars	31 March 2021	31 March 2020
Carrying amount as at the beginning of the year	14.67	13.52
Additional provision made during the year	114.70	4.05
Reversals during the year	(15.05)	(2.90)
Provision utilised during the year	(63.27)	-
Exchange difference	0.64	-
Carrying amount at the end of the year	51.69	14.67

The warranty provision is expected to be utilized over a period of 1 year.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

2. Contingent liabilities

A. Taxes and guarantees

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Outstanding bank guarantees in routine course of business	160.21	71.58

B. Other matters

Birlasoft Limited (erstwhile KPIT Technologies Limited) had made a disclosure on 14 September 2018, towards an update on lawsuit filed by Copart Inc. ("Copart") against Sparta Consulting, Inc. ("Sparta"), Birlasoft Solutions Inc. (erstwhile KPIT Infosystems, Inc.) and Birlasoft Limited (erstwhile KPIT Technologies Limited).

During the year ended 31 March 2019, Sparta, inter alia, entered into a settlement agreement with Copart. The parties reached an amicable settlement, and entered into a settlement agreement for USD 2.8 million (₹ 195.94 million) payable by Sparta to Copart with no party admitting any liability or wrong doing, resulting in the Court dismissing the case. The Company, through its subsidiary in USA, had paid Sparta the full amount and the same had been accounted for during the previous year for USD 2.8 million (₹ 195.94 million).

As a part of merger and demerger scheme, where engineering business of Birlasoft Limited (erstwhile KPIT Technologies Limited) had demerged into KPIT Engineering Limited (now KPIT Technologies Limited) as a resulting entity, entire legal liability / recourse / proceedings, costs and expenses related to the legal proceedings and monetary benefits and reliefs, if any, relating to Copart matter was with KPIT Technologies Limited (erstwhile KPIT Engineering Limited) and/or its subsidiary KPIT Technologies Inc., USA. Sparta / Birlasoft Limited was fully indemnified via contractual agreement by KPIT Engineering Limited (now KPIT Technologies Limited).

Consequently, KPIT Technologies Inc., USA paid the settlement amount to Sparta, which was further paid by Sparta to Copart. With the above outcome, the matter related to Copart was closed and there is no further exposure for the Company.

3. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):

a. Property, plant and equipment - ₹ 383.05 million (Previous Year ₹ 422.48 million)

b. Intangibles - ₹ 9.85 million (Previous Year ₹ 3.19 million)

43 Revenue from operations

Disaggregate revenue information

The Group disaggregates revenue from contracts with customers by geography and contract type.

The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

A Revenue disaggregation by geography has been included in segment information (Refer note 32).

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

B Revenue disaggregation by contract type is as follows:

Contract Type	31 March 2021	31 March 2020
Time & Material (T&M) and Cap T&M projects	9,728.83	10,400.82
Fixed price projects	10,348.97	10,768.83
License projects	273.23	267.62
Sale from manufacturing unit/ product sale	6.38	124.42
Total	**20,357.41**	**21,561.69**

Movement in contract assets (unbilled revenue)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	78.54	121.29
Revenue recognised during the year	39.86	76.88
Invoicing during the year	(57.68)	(112.05)
Reversals during the year	(20.71)	(7.58)
Balance at the end of the year	**40.01**	**78.54**

Movement in contract liabilities (unearned revenue)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	919.32	580.34
Invoiced during the period but not recognised as revenue	1,333.32	863.20
Revenue recognised during the year	(872.67)	(524.22)
Balance at the end of the year	**1,379.97**	**919.32**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind-AS 115 Revenue from contract with customers, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligations estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 5,286.24 million. Out of this, the Group expects to recognize revenue of around 97% within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty, since based on current assessment, the occurrence of the same is expected to be remote.

Refer note 45 for the impact of COVID-19 (Global pandemic).

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

44 Income taxes

The income tax expense consists of following:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense		
Current tax	496.11	634.63
Deferred tax (benefit)/charge	(190.91)	(306.21)
Total tax expense	**305.20**	**328.42**

The net charge relating to temporary differences during the year ended 31 March 2021 is primarily on account of property, plant & equipment, leases, gratuity and leave encashment.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	1,776.23	1,806.09
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	620.69	631.12
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of income tax exemption / tax holiday	(261.93)	(836.78)
Effect of permanent adjustments	(63.13)	309.49
Effect of differential overseas tax rates	(58.13)	(13.21)
Effect of unrecognised deferred tax assets	(49.55)	253.87
Others (net)	117.25	(16.07)
Total income tax expense	**305.20**	**328.42**

The Group benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005 (SEZ). Accordingly, units designated in SEZ are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The tax holiday period being currently available to the Group expires in various years through fiscal year 2027. From 1 April 2011, units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

With effect from 1 April 2020, the weighted deduction under section 35(2AB) of the Income tax Act 1961 for inhouse R&D expenditure is not available. Accordingly, during the year ended 31 March 2021, the Group has not claimed any weighted deduction for its inhouse R&D expenditure. During the year ended 31 March 2020, the

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Group had claimed weighted tax deduction on eligible research and development expenditures based on the approval received from Department of Scientific and Industrial Research (DSIR), which is valid upto March 2021. The weighted tax deduction is equal to 150% of such expenditure incurred. Also refer note 41.

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and it is not probable that taxable profits will be available in the future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of unrecognised deferred tax assets is ₹ 49.55 million (Previous year - ₹ 253.87 million).

Deferred tax

The gross movement in the deferred tax account:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net deferred tax asset at the beginning of the year	425.81	43.46
Credits / (charge) relating to temporary differences (net)	204.91	57.54
Temporary differences on other comprehensive income	(60.73)	46.53
MAT credit entitlement/(utilisation) during the year	(14.00)	274.31
Foreign exchange translation	(2.39)	3.97
Net deferred tax asset at the end of the year	**553.60**	**425.81**

The net charge relating to temporary differences during the year ended 31 March 2021 and 31 March 2020 are primarily on account of provision for bad and doubtful debts, provision for gratuity, leave encashment, leases and property, plant & equipment.

The Company had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach. The credit / (charge) relating to temporary differences during year ended 31 March 2020 also includes impact of deferred tax on leases as per Ind AS 116 relating to past periods, which was debited/ (credited) to opening reserves.

Further, the merger of Impact Automotive Solutions Limited, a wholly owned subsidiary of the Company is approved by Hon'ble National Company Law Tribunal (NCLT) with appointed date of 1 April 2019. The credit / (charge) relating to temporary differences for year ended 31 March 2020 also includes impact of deferred tax on temporary differences of its subsidiary, which is debited / (credited) to opening reserves. Also refer note 46(7).

45 Impact of COVID-19 (Global pandemic)

1. Revenue from operations

The Group has evaluated the impact of COVID - 19 resulting from (i) the probable constraints to render services which may require revision of estimations of costs to complete the contract; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

2. **Right-of-use assets (Lease arrangements)**

   The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and the Group does not expect any change due to global pandemic in the terms of lease arrangements including renewal options assessed in this regard while assessing the right-of-use assets.

3. **Financial Instruments**

   i. **Cashflow hedge**

      The Group basis their assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

   ii. **Trade receivables and contract assets including unbilled revenue**

      Trade receivables and contract assets including unbilled revenue, have been valued after making allowance for expected credit losses based on factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer, geographies, considering impact of COVID – 19 on customers and related customer verticals and geographies. In addition the Group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

   iii. **Fair valuation**

      Assets measured using level 1 inputs primarily include investment in securities with fair value being marked to an active market which factors the impact of COVID-19, hence, the Group does not expect material volatility in these financial assets.

      Assets and liabilities measured using level 2 and level 3 inputs which include derivative financial instruments and financial liability measured at amortised cost, have been assessed basis counterparty credit risk.

4. **Deferred tax asset**

   The Group has considered the impact of COVID-19 in preparing revenue and profit projections. On the basis of these projections, the Group believes that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

5. **Going concern**

   The Group has prepared cashflow projections for the foreseeable future after considering the impacts of COVID-19. Further, the Group carries cash and cash equivalents of ₹ 2,857.70 million, other bank balances of ₹ 4,150.27 million and has unutilized working capital limits of ₹ 3,595.78 million as at 31 March 2021. Accordingly, the management has assessed that the going concern assumption is appropriate for the Group.

6. **Goodwill**

   The Group tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The Group has performed its annual goodwill impairment testing considering the likely impact

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

of COVID-19 on future cash flows, discount rates, and growth rates including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies. Based on the impairment assessment performed, the Group has concluded that the recoverable amount of goodwill is more than carrying amount of goodwill and hence no impairment required.

46 Other disclosures and explanatory notes

1 Disclosure of financial information of subsidiaries with material non-controlling interest

The interest that non-controlling interest have in the Group's activities and cash flows:

A. Proportion of equity interest held by non-controlling interest

Name of the subsidiary	Country of incorporation and operation	31 March 2021	31 March 2020
MicroFuzzy Industrie-Elektronic GmbH ("MicroFuzzy")	Germany	5.00%	10.00%
ThaiGerTec Co. Ltd. ("ThaiGerTec") (Refer note 46(4))	Thailand	1.63%	1.63%

B. Details of non-controlling interest

Particulars	MicroFuzzy		ThaiGerTec	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Accumulated balance of non-controlling interest	27.75	34.42	0.99	1.29

C. Summarised balance sheet (before inter-company eliminations)

Particulars	MicroFuzzy		ThaiGerTec	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Non-current assets	322.09	363.78	86.55	47.15
Cash and cash equivalents	1,081.76	477.74	35.85	14.25
Current assets (excluding cash and cash equivalents)	563.80	886.58	60.63	42.26
Total	**1,967.65**	**1,728.10**	**183.03**	**103.66**
Non-current liabilities	158.40	196.13	31.74	0.06
Trade payables	645.70	706.30	68.19	3.29
Current liabilities (excluding trade payables)	627.25	481.45	22.29	21.17
Total	**1,431.35**	**1,383.88**	**122.22**	**24.52**
Total equity	**536.30**	**344.22**	**60.81**	**79.14**
Transfer of profits to parent company	18.76	-	-	-
Total equity before transfer of profits	**555.06**	**344.22**	**60.81**	**79.14**
Attributable to:				
Owners of the Group	527.31	309.80	59.82	77.85
Non-controlling interest	27.75	34.42	0.99	1.29

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

D. Summarised Statement of Profit and Loss (before inter-company eliminations)

Particulars	MicroFuzzy		ThaiGerTec	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue	3,532.56	2,821.47	160.38	175.13
Other income	0.51	3.34	2.62	1.44
Total income	**3,533.07**	**2,824.81**	**163.00**	**176.57**
Employee benefits expense	1,542.31	1,348.68	82.30	100.96
Finance costs	15.75	9.97	0.73	1.62
Depreciation and amortization	100.23	75.41	21.74	22.46
Other expenses	1,657.84	1,371.28	78.41	30.54
Total expenses	**3,316.13**	**2,805.34**	**183.18**	**155.58**
Profit/(loss) before tax	**216.94**	**19.47**	**(20.18)**	**20.99**
Current tax	17.20	0.06	-	-
Deferred tax	-	4.27	-	-
Total tax expense	**17.20**	**4.33**	**-**	**-**
Profit/(loss) for the year	**199.74**	**15.14**	**(20.18)**	**20.99**

E. Summarised cash flow information (before inter-company eliminations)

Particulars	MicroFuzzy		ThaiGerTec	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from:				
Operating activities	938.58	545.78	41.76	40.03
Investing activities	(28.09)	(11.57)	(3.12)	2.40
Financing activities	(306.47)	(92.26)	(17.04)	(28.85)
Net increase in cash and cash equivalents	**604.02**	**441.95**	**21.60**	**13.58**

2 Disclosure of interest in joint arrangement and associate

The Group has the investment of 45% in Yantra Digital Services Private Limited, a non-listed company based in Mumbai, India. The investee is a joint venture of the Company in which it has joint control. Investee is engaged in providing the wifi based entertainment in public transport.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

A. Summarised balance sheet

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents *	1.23	0.00
Current assets (excluding cash and cash equivalents)	9.33	44.18
Total	**10.56**	**44.18**
Trade payables	0.18	0.06
Current liabilities (excluding trade payables)	-	0.03
Total	**0.18**	**0.09**
Total equity	**10.38**	**44.09**
The Group's share in equity	4.67	19.84
Carrying amount of the investment (investment of ₹ 169.59 million less impairment loss of ₹ 169.59 million)	-	-

B. Summarised Statement of Profit and Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue	-	8.94
Other income	0.02	0.25
Total income	**0.02**	**9.19**
Employee benefits expense	-	4.66
Finance costs	-	0.12
Depreciation and amortization	-	0.88
Other expenses	33.73	0.82
Total expenses	**33.73**	**6.48**
Profit/(Loss) before exceptional items and tax	**(33.71)**	**2.71**
Exceptional items	-	82.89
Profit/(Loss) before tax	**(33.71)**	**85.60**
Current tax	-	-
Profit/(Loss) for the period	**(33.71)**	**85.60**
Other comprehensive income	-	-
Total comprehensive income	**(33.71)**	**85.60**

* Since denominated in millions

3 As per the agreement between the parties, consequent to the National Company Law Tribunal (NCLT) approved composite scheme, the joint control between the Transferee Company i.e. Birlasoft Limited (erstwhile KPIT Technologies Limited) and the Resulting Company i.e. KPIT Technologies Limited (erstwhile KPIT Engineering Limited) has concluded effective 1 February 2020. As a result, Mr. Rohit Saboo, Nominee

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

Director, has resigned from KPIT Technologies Limited (erstwhile KPIT Engineering Limited) effective 1 February 2020.

4 Acquisition of ThaiGerTec Co. Ltd.

On 1 April 2019, the Group, through its wholly owned subsidiaries KPIT Technologies (UK) Limited and KPIT Technologies Pte Ltd., Singapore, had acquired 98.37% stake in ThaiGerTec Co. Ltd. ("ThaiGerTec"), a software led Engineering services company, focused in design & development of microelectronics, powerelectronics and embedded systems for the automotive industry.

With this partnership, the Group will be able to enhance engineering and outsourcing solutions for all the areas of the embedded industry.

a. Consideration transferred (at the acquisition date fair values)

Particulars	Amount (₹ million)
Cash	15.86
Total	**15.86**

b. The fair value of assets acquired and liabilities assumed as at the date of acquisition were:

Particulars	Amount (₹ million)
Assets	
Property, plant and equipment	37.17
Intangible assets	0.96
Cash and bank balances	0.67
Other non current assets	9.74
Other current assets	30.08
Total	**78.62**
Liabilities	
Trade payables	2.45
Other current liabilities	1.45
Loans	16.35
Total	**20.25**
Total identifiable net assets at fair value	**58.37**

c. Non-controlling interest

The Group had elected to measure the non-controlling interest in the acquiree at the proportionate share in the recognised amounts of the identifiable net assets.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

d. Gain on bargain purchase on acquisition

Particulars	Amount (₹ million)
Purchase consideration	15.86
Add : Non-controlling interest	0.93
Less : Fair value of identifiable net assets acquired	58.37
Gain on bargain purchase on acquisition	**(41.58)**

None of the bargain purchase gain recognised is expected to be deductible for income tax purposes.

e. Net cash outflow on acquisition of subsidiary

Particulars	Amount (₹ million)
Consideration paid in cash	15.86
Less : Cash and cash equivalents balances acquired	0.67
Net cash outflow	**15.19**

f. During the previous year, from the date of acquisition, the Acquiree has contributed ₹ 175.13 million to revenue and ₹ 20.99 million to the profit before tax from continuing operations of the Group.

5 The Company, as per Section 135 of the Companies Act 2013, was required to spend ₹ 18.63 million (Previous year ₹ 10.23 million) towards Corporate Social Responsibility (CSR). During the year, the Company has spent and paid ₹ 15.32 million (Previous year ₹ 18.41 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset. During the current year, the Company has also provided for an amount of ₹ 3.31 million, towards unspent CSR amount. Also, refer Annexure 5 of the Director's Report. There is no change in the amounts paid/payable towards CSR on account of the merger as mentioned in note 46(7).

6A In line with its re-defined strategy to focus only on Software led services and solutions for Mobility and discontinue hardware dominated products, the Company had :

i. during the previous year, completed the conditions precedents towards the disinvestment of its business related to telematics hardware products consisting VTS - AIS 140, OBITS (On Bus Integrated Telematics Systems complying to UBS-II specifications), and telematics products for School buses to Minda Industries Ltd. The initial consideration of ₹ 170.00 million and an expense of ₹ 49.20 million towards the obligations related to the sale of business was accounted for as an Exceptional Item.

ii. during the previous year, provided for exposure in its joint venture company in the business in "KIVI-Smart Bus WIFI" towards loan of ₹ 11.8 million.

iii. during the previous year, entered into a definitive agreement with leading manufacturing company in India towards disinvestment of its business related to Defense and Aeronautic hard-ware products. The upfront consideration of ₹ 56 million was recognised on completion of the closing.

iv. during the previous year, on prudent assessment, written-off its inventories of ₹ 64.15 million including the related GST credit.

6B During the previous year, accounted for USD 2.8 million (₹ 195.94 million) paid to Sparta towards

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

settlement agreement of Copart [Refer note 42(2)(B)].

6C In line with the Company's operational efficiency measures, it has consolidated its presence during the current year, resulting into early termination of some of its existing leased office premises, predominantly in India. Accordingly, as per Ind-AS 116 "Leases", remeasured the lease liability and on prudent assessment, also written-off its property, plant and equipment at the said location. The net impact of ₹ 32.04 million is recognised in the Statement of Profit and Loss.

6D In the financial year 2016-17, KPIT Technologies GmbH, Germany, had sold its 100% stake in subsidiary KPIT medini Technologies AG. During the current year, a net amount of EUR 0.23 million (₹ 19.45 million) has been received as a scheduled final tranche payment of the agreed consideration towards sale of shares of this subsidiary.

7 The Board of Directors of the Company at its meeting held on 26 July 2019 had approved the Composite Scheme of Arrangement (the 'Scheme') for merger of Impact Automotive Solutions Limited ('Transferor Company'), wholly owned subsidiary of the Company with the Company.

Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 27 September 2019.

The consolidated financial statements of the Company for the year ended 31 March 2021 were approved by the Board of Directors at its meeting held on 28 April 2021 without giving effect to the Scheme since the petition was pending before the NCLT.

On receipt of the certified copy of the order dated 15 June 2021 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date 1 April 2019, and upon filing the same with Registrar of Companies, Maharashtra on 22 June 2021 the Scheme has become effective.

Accordingly, the Company has given effect to the Scheme in the earlier approved consolidated financial statements for the year ended 31 March 2021 from the Appointed date of 1 April 2019 by revising the consolidated financial statements approved by the Board of Directors on 28 April 2021.

These revised consolidated financial statements for the year ended 31 March 2021 have been prepared pursuant to the Scheme of merger of Transferor Company with the Company from the specified retrospective appointed date of 1 April 2019.

The revision to the consolidated financial statements have been carried out solely for the impact of above referred merger and no additional adjustments have been carried out for any other events occurring after 28 April 2021 (being the date when the financial statements were first approved by the Board of Directors of the Company).

In line with the above, wherever the term "consolidated financial statements" is mentioned, it should be referred to as "revised consolidated financial statements".

As a consequence of the aforesaid merger, the Company recognized tax benefits accrued amounting to ₹ 11.62 million directly under equity as at 1 April 2019. Tax benefits amounting to ₹ 9.92 million and ₹ 57.06 million are recognized under the revised statement of profit and loss for the financial year ending 31 March 2020 and 31 March 2021 respectively.

Notes forming part of the revised consolidated financial statements

(Amount in ₹ million)

8 The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act 1961. The Company is in the process of updating the documentation for the Financial Year 2020-2021.

The management is of the opinion that international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our revised report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAAEL9832

Place : Pune
Date : 23 July 2021

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES LIMITED
(erstwhile KPIT ENGINEERING LIMITED)
CIN: L74999PN2018PLC174192

S. B. (Ravi) Pandit
Chairman & Group CEO
DIN: 00075861

Sachin Tikekar
Whole-time Director
DIN: 02918460

Priyamvada Hardikar
Chief Financial Officer

Nida Deshpande
Company Secretary

Place : Pune
Date : 23 July 2021

KPIT's global presence

India offices

Registered & Corporate Office

Plot No. 17, Rajiv Gandhi Infotech Park,
MIDC-SEZ, Phase - III, Maan, Taluka-Mulshi,
Hinjawadi, Pune 411057. Maharashtra, India.
Phone: +91-20-6770 6000/6500

Software Development Centres

SEZ Premises

SEZ Unit - III, IT-9, Ground Floor,
Plot 2, Blueridge Township,
MIDC, Phase - I, Hinjawadi,
Pune - 411057, Maharashtra, India.
Phone: +91-20-4203 7000

No. 20 & 21,
RMZ Ecoworld Infrastructure Private Limited, SEZ,
Sarjapur Outer Ring Road,
Deverabeesanahalli,
Bengaluru – 560103,
Karnataka, India.
Phone: +91 80 6606 6000/6141 9000
Fax: +91 80 6606 6001

Unit – II, Plot B, Campus 5B, 9th Floor,
RMZ Ecoworld Infrastructure Private Limited, SEZ,
Devarabeesanahalli Village, Sarjapur Outer Ring Road,
Bengaluru - 560103, Karnataka, India.
Phone: +91-80-6606 6262

Block B1, 1st Floor,
Brigade Properties Pvt Ltd, SEZ (Brigade Tech Gardens)
Kundalahalli Marathahalli Post, Bengaluru 560037.
Phone: +91 80 6606 6000

Other Premises

Plot No. 2, Survey No. 288,
Hissa No. 1 to 4, Village Maan,
Taluka Mulshi, Pune- 411057, Maharashtra, India.
Phone: +91-20-6770 6000

Research and Development Unit

Plot No. 17, Rajiv Gandhi Infotech Park,
MIDC-SEZ, Phase - III, Maan, Taluka-Mulshi,
Hinjawadi, Pune 411057. Maharashtra, India.
Phone: +91-20-6770 6000/6500

Overseas offices

United States of America

28001 Cabot DR, Suite 110
Novi, MI 48377,
United States of America.
Phone: +248-215-0304

Brazil

Rua James Watt, 84 – 8º andar – sala 2 - Jardim Edith
CEP 04576-050 – São Paulo / SP – Brasil.
Phone: +55-11-3664-9918

United Kingdom

Coventry University Technology Park
Puma Way
Coventry CV1 2TT.
Phone: +44-24-7615-8631

Sweden

C/o BTR Accounting Services AB
Grev Turegatan 21
114 38 Stockholm.
Phone: +44-24-7615-8631

Germany

Frankfurter Ring 105b
80807 Munich
Tel.: +49-89-322-9966-0
Fax: +49-89-322-9966-999

Taunusstr. 38
80807 Munich, Germany
Phone: +49-89-1890-874-70

Netherlands

Westerdoksdijk 423,
1013 BX, Amsterdam,
The Netherlands.
Phone: +31-0204190779

China

1603-1604, Tower B,
Central Towers, 567 Langao Road,
Shanghai 200333, PRC.
Phone: +86-21-5631-5785
Fax: +86-21-5631-3925

Japan

Senikaikan 5F,
3-1-11 Nihonbashi-Honcho Chuo-ku,
Tokyo, Japan 103-0023
Phone: +03-6913-8501
Fax: +03-5205-2434

Singapore

9 Raffles Place
#27-00 Republic Plaza
Singapore 048619.

South Korea

A-404, 240, Pangyoyeok-ro,
Budang-gu, Seongnam-si,
Gyeonggi-do 13493, Korea.
Phone: +82-31-606-9996

Italy

Galleria Pattari,
2 (Piazza Duomo) 20122,
Milan, Italy.
Phone: +44-24-7615-8631

Thailand

Rungrojthanakul Building, 14th Floor
44/1 Ratchadapisek Road, Huay Kwang District
Bangkok 10310, Thailand
Phone: +66-02-6636096
Fax: +66-02-6636099

Notice

NOTICE is hereby given that the Fourth Annual General Meeting of KPIT Technologies Limited will be held on Wednesday, August 25, 2021, at 10.30 a.m., through Video Conference (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2021, together with the reports of the Auditors and the report of the Board of Directors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2021, together with the reports of the Auditors thereon.

3. To declare final dividend for the financial year ended March 31, 2021.

   [The Board has recommended final dividend at ₹ 1.50 per equity share of ₹ 10/- each (at 15%)].

4. To appoint a Director in place of Mr. Sachin Tikekar (DIN: 02918460), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

   "RESOLVED THAT pursuant to the first proviso to sub section (1) of section 197 and other applicable provisions of the Companies Act, 2013, read with schedule V and the rules made thereunder and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s), for the time being in force and the Articles of Association of the Company and as recommended by the Nomination and Remuneration (HR) Committee and the Board of Directors and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the Members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to its directors, including managing director, whole-time director and manager, if any, in respect of any financial year from 11% to 17% of the net profits of the Company, computed in the manner as laid down in section 198 of the Companies Act, 2013.

   RESOLVED FURTHER THAT pursuant to clause (i) of the second proviso to sub section (1) of section 197 and other applicable provisions of the Companies Act, 2013, read with schedule V and the rules made thereunder and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s), for the time being in force and the Articles of Association of the Company and as recommended by the Nomination and Remuneration (HR) Committee and the Board of Directors; and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the Members of the Company, be and is hereby accorded to increase the limit of 5% or 10% (as applicable), as stipulated in clause (i) of the first proviso to sub section (1) of section 197 of the Companies Act, 2013, payable to any one or more managing directors or whole-time directors of the Company in any financial year to 8% or 15% of the net profits of the Company, computed in the manner laid down in section 198 of the Companies Act, 2013 and in excess of limit under regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration payable to Mr. Kishor Patil, CEO & Managing Director and Mr. Sachin Tikekar, Whole-time Director which was approved by the members of the Company by resolution passed at the Annual General Meeting held on August 28, 2019 subject to the limit being increased by this resolution under section 197 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   RESOLVED FURTHER THAT pursuant clause (ii) of the second proviso to sub section (1) of section 197 and other applicable provisions of the Companies Act, 2013, read with schedule V and the rules made thereunder and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s), for the time being in force and the Articles of Association of the Company and as recommended by the Nomination and Remuneration (HR) Committee and the Board of Directors and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the Members of the Company, be and is hereby accorded to increase the limit of 1%, as stipulated in clause (ii)(A) of the first proviso to sub section (1) of section 197 of the Companies Act, 2013, payable to Non-executive Directors of the Company in any financial year to 2% of the net profits of the Company, computed in the manner laid down in section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors and the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to furnish a certified copy of this resolution and to do all such acts, deeds, matters and things as may be necessary and expedient to implement this decision."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 149 & 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and as per provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions including any statutory modification(s) or re-enactment thereof for the time being in force and on the basis of the recommendation of the Nomination and Remuneration (HR) Committee and the Board of Directors, Prof. Alberto Luigi Sangiovanni Vincentelli (DIN: 05260121), who was appointed as an Independent Director of the Company for a period of 5 years with effect from January 16, 2019, not liable to retire by rotation, the approval of the Members of the Company be and is hereby accorded to Prof. Alberto Luigi Sangiovanni Vincentelli (DIN: 05260121) to continue to hold office as an Independent Director of the Company on attaining the age of 75 years (Date of Birth: June 23, 1947) during his current tenure of directorship valid till January 15, 2024.

RESOLVED FURTHER THAT any one of the Directors and the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to furnish a certified copy of this resolution and to do all such acts, deeds, matters and things as may be necessary and expedient to implement this decision."

By Order of the Board of Directors
For **KPIT Technologies Limited**

Pune
July 23, 2021

Nida Deshpande
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") is annexed hereto.

2. The relevant details, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021, (collectively referred to as "MCA Circulars") & Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2021/11 issued by the Securities and Exchange Board of India (SEBI) dated May 12, 2020, & January 15, 2021 respectively permitted the holding of the Annual General

Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

4. Pursuant to the provisions of the Act and MCA Circulars, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form is not annexed to this Notice.

5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.

6. Pursuant to the provisions of Section 108 of the Act, the Rules made thereunder and Regulation 44 of the SEBI Regulations, the Company is providing a facility to the shareholders to exercise their right to vote by electronic means (e-voting). Instructions for e-voting are attached to this notice.

7. The facility for voting during the AGM ("Insta Poll") will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through Insta Poll during the AGM.

8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to jbbhave@gmail.com with a copy marked to evoting@kfintech.com. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC.

9. The Company has fixed **Wednesday, August 18, 2021** as the Cut-off Date for determining entitlement of members to vote on the resolutions set forth in above notice for the financial year ended March 31, 2021.

10. The e-voting period commences on **Friday, August 20, 2021 (1:00 p.m. IST)** and ends on **Tuesday, August 24, 2021 (5:00 p.m. IST)** both days inclusive. During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on **Wednesday, August 18, 2021** may cast their votes electronically. The e-voting module will be disabled by KFin Technologies Private Limited ("KFintech") for voting thereafter.

11. A member will not be allowed to vote again on any resolution on which vote has already been cast and shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to the number of shares held by the members as on the cut-off date, i.e. **Wednesday, August 18, 2021**.

12. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at einward.ris@kfintech.com. However, if he / she is already registered with KFintech for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

13. In light of the MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those Members whose email addresses are registered with the depositories. For Members who have not registered their email addresses, we urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Private Limited at einward.ris@kfintech.com to receive copies of the Annual Report 2020-21 in electronic mode.

14. In light of the MCA Circulars, shareholders who have not registered their email addresses and in consequence the Notice & Annual Report could not be serviced, may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx and follow the registration process as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Annual General Meeting.

15. Members may also note that the Notice and Annual Report 2020-21 will also be available on the Company's website https://www.kpit.com/investors/#corporate-governance and websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively.

16. Members desirous of obtaining any information concerning the accounts, operations, and business of the Company are requested to address their queries to the Chief Investor Relation Officer at Sunil.Phansalkar@kpit.com or to the secretarial department at grievances@kpit.com so as to reach them at least seven days before the date of the meeting i.e. Wednesday, August 18, 2021, to enable the Company to make available the required information at the meeting, to the extent possible.

17. The Securities and Exchange Board of India ("SEBI") has made it mandatory to distribute dividends through electronic channel such as RTGS/NEFT/NACH. Members holding shares in demat form are requested to notify change in their bank account details, if any, to their DPs immediately and not to send the requests directly to the Company or to its Registrar & Share Transfer Agent.

    Members holding shares in physical form are requested to intimate change in their Bank account details, if any, to the Registrar & Share Transfer Agent of the Company.

18. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs. Members holding shares in physical form are required to submit their PAN details to the Registrar & Share Transfer Agent.

19. Members are requested to:

    - quote their Registered Folio number in case of shares in physical form and DP ID and Client ID in case of shares in demat form, in their correspondence(s) to the Company.

    - direct all correspondence related to shares including consolidation of folios, if shareholdings are under multiple folios, to the RTA of the Company.

    - take note that SEBI has included the securities of the Company in the list of companies for compulsory settlement of trades in dematerialized form for all the investors effective June 26, 2000. Accordingly, shares of the Company can be traded only in dematerialized form with effect from June 26, 2000. Members holding shares in physical form are, therefore, requested to get their shares dematerialized at the earliest.

20. All the shareholder are requested to note that, in terms of the provisions of the Income-tax Act, 1961, as amended by the Finance Act, 2020, Dividend paid or distributed by Company on or after April 1, 2020 shall be taxable in the hands of the shareholders. Every Company is required to deduct tax at source ("TDS") on Dividend to be paid to shareholders at the prescribed rate. Therefore, if dividend is declared, same will be paid after deducting TDS. Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. The Shareholders can submit their declarations directly to RTA at https://ris.kfintech.com/form15. Forms are available on website of RTA at https://mfs.kfintech.com/mfs/.

21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained

under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Wednesday August 25, 2021. Members seeking to inspect such documents may send an email to grievances@kpit.com

22. Since Annual General Meeting of the Company is held through VC /OAVM, the Attendance sheet, Venue Route map is not attached with this notice.

EXPLANATORY STATEMENT AND ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.

[As required by Section 102 of the Companies Act, 2013 ("the Act") and pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5 & 6 of accompanying Notice.]

Item No. 4

Mr. Sachin Tikekar, aged 53 years, is the Co-Founder and President of KPIT. Mr. Tikekar has been with the Company since the beginning and has led and guided the Company in different areas. In his current role, Mr. Tikekar is responsible for growing & nurturing strategic relationships with customers and partners.

Mr. Tikekar has served the Company in a number of capacities. He has been the Executive Sponsor for Europe. He was the Chief People & Operations Officer with responsibility for imbibing KPIT culture in the organization, accelerating learning opportunities for employees globally and fostering innovation in attracting, nurturing and retaining talent. He was also the Chief Operating Officer for KPIT in the US. He established the company's now deeply rooted presence in the US.

Over the years, Mr. Tikekar has spearheaded the successful integration of acquired entities within KPIT. Before joining KPIT, he has worked with US Sprint and Strategic Positioning Group.

Mr. Tikekar holds Master's in Strategic Management and International Finance from Temple University.

The details of his directorships and membership of committees in other companies are as follows on March 31, 2021:

Names of the Companies	Designation
Sanis Estate Private Limited	Director
Nostrum High Performance Inc.	Director
Hypower Mobility Private Limited	Director
KPIT Technologies Netherlands B. V.	Director
KPIT (Shanghai) Software Technology Co. Limited	Director
KPIT Technologies GK	Director
KPIT Technologies Inc.	Director
KPIT Technologies Holding Inc.	Director
KPIT Technologies Pte. Limited	Director
KPIT Technologias Ltda.	Director
ThaiGerTec Co., Limited	Director

He does not hold membership in any committee in other companies.

Mr. Tikekar has been a Director on our Board since incorporation and appointed as Whole-time Director from January 16, 2019 for a period of five years subject to retirement by rotation.

As on March 31, 2021, Mr. Tikekar holds 840,800 equity shares in the Company.

Mr. Tikekar is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

Except Mr. Sachin Tikekar or his relatives, none of the Directors or key managerial personnel or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends the Ordinary Resolution set forth as Item No. 4 of the Notice for approval of the shareholders.

Item No. 5:

As per the provisions of Section 197 of the Companies Act, 2013 ("the Act"), read with Schedule V and the Rules made thereunder, the total managerial remuneration payable by the Company to its directors, including managing director, whole-time director and manager, if any, in respect of any financial year may exceed 11% of the net profits of the Company, provided the same is approved by the members of the Company with requisite majority. This is an enabling provision introduced by the Parliament recently in section 197 of the Companies Act, 2013.

Current limits are applicable to profits of the Standalone entity. Our experience is that the Consolidated profits are 160% of the profits of the Standalone entity. The Board of Directors supervises entire operations of the Company in its consolidated form. The Executive Directors manage the operations of the consolidated entities structure of the Company and not just the Standalone entity. The Dividend pay-out ratio for distribution to shareholders is also worked out on the basis of the Consolidated Profits of the Company.

The current applicable legal provisions restrict the calculations with reference only to Standalone entity Profits and the same are not in alignment with actual operations handled by the Company. We therefore, are seeking to incorporate this difference by appropriately expanding the limits as they are applied to the Standalone entity. The upward revision in the limits will also help us to appropriately remunerate directors, both Executive and Non-executive Directors who can be based abroad and for whom different level of remuneration is expected to be paid.

Pursuant to the recommendation of the Nomination and Remuneration (HR) Committee, the Board of Directors of the Company in its meeting held on June 21, 2021, recommended to increase the overall maximum limit of managerial remuneration payable by the Company in respect of any financial year from 11% to 17% of the net profits of the Company, computed in the manner as laid down in section 198 of the Act.

Further, as regards the remuneration of managing director, whole-time director and manager, as per the provisions of Section 197 of the Act, read with schedule V and the rules made thereunder, the total managerial remuneration payable by a Company to its directors, including managing director, whole-time director and manager, if any, in respect of any financial year may exceed 5% or 10% of the net profits of the Company, provided the same is approved by the members of the Company with requisite majority. This is an enabling provision introduced by the Parliament recently in section 197 of the Companies Act, 2013. At the same time, companies are now permitted to pay their managing directors and whole-time directors remuneration in excess of the limit of 5% or 10% of net profits in any financial year, subject to the approval of members of the Company by special resolution.

Pursuant to the recommendation of the Nomination and Remuneration (HR) Committee, the Board of Directors of the Company in its meeting held on June 21, 2021, the special resolution set out above seeks approval of the members for increasing the limit of 5% or 10% to 8% or 15% respectively for the remuneration payable to one or more managing directors and/or whole-time directors or manager of the Company in any financial year.

Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires a company to seek approval of members by special resolution if the limit provided for payment of remuneration to executive directors exceeds the limit under Regulation 17(6)(e). The special resolution set out above also seeks approval of the members for payment of remuneration to executive directors for the increased limit till the expiry of their term under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, as regards the remuneration of the Non-executive Directors, as per the provisions of section 197 of the Act read with schedule V and the rules made thereunder, companies are now permitted to pay their non-executive directors remuneration in excess of the limit of 1% of net profits in any financial year, subject to the approval of members of the Company by special resolution.

Pursuant to the recommendation of the Nomination and Remuneration (HR) Committee, the Board of Directors of the Company in its meeting held on June 21, 2021, set out above as special resolution seeking approval of the members for increasing the limit of 1% to 2% for the remuneration payable to non- executive directors of the Company in any financial year.

Except Mr. S. B. (Ravi) Pandit, Mr. Kishor Patil, Mr. Sachin Tikekar, Mr. Anant Talaulicar, Mr. B V R Subbu, Prof. Alberto Luigi Sangiovanni Vincentelli, Dr. Nickhil Jakatdar and their relatives, none of the key managerial personnel or any of their relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

Ms. Shubhalakshmi Panse resigned from the position of Independent Director with effect from June 17, 2021.

None of the Directors are related to each other or key managerial personnel of the Company or their relatives.

The Board of Directors recommends the Special Resolution set forth as Item No. 5 of the Notice for approval of the shareholders.

Item No. 6

Prof. Alberto Luigi Sangiovanni Vincentelli, aged 74 years, was appointed as an Independent Director for a period of 5 years, not liable to retire by rotation, from January 16, 2019 and to hold office till January 15, 2024 pursuant to the provisions of Section 149 of the Companies Act, 2013.

Pursuant to Regulation 17(1A) of the Listing Regulations, 2015, with effect from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless special resolution is passed to that effect.

Prof. Alberto is the Buttner Chair at the Department of Electrical Engineering & Computer Sciences, University of California, Berkeley. He is a Co-founder of Cadence and Synopsys, the two leading companies in the area of Electronic Design Automation. Prof. Alberto is a member of the Board of Directors of Cadence. He was a member of the HP Strategic Technology Advisory Board, of the ST Microelectronics Advisory Board and of the Science and Technology Advisory Board of General Motors as well as a member of the Technology Advisory Council of United Technologies Corporation. He served as the Chairperson of the Strategy Committee of the Italian Strategic Fund, and as the Chairperson of the National Committee of Research Trustees for the Italian Ministry of University, Education and Scientific Research. He is the Chairperson of four High Tech Startup in UK, Netherlands and Italy. He consulted for several companies such as Intel, IBM, ATT, General Electric, BMW, Mercedes, Magneti Marelli, GM, Fujitsu, Kawasaki Steel, Pirelli and Telecom Italia. He possesses a vast experience of more than 50 years.

Prof. Alberto is well conversant with the Company's business industry & related business areas of the Company. He brings independent judgement and gives thoughtful directions in Board room discussions or otherwise. He has been a keen observer of IT industry since decades and his vision domain, has helped the Company to achieve significant growth in strategy & planning at global level. He has vast knowledge in AI & Digital solutions in area of Autonomous Driving, Connected Vehicles, Vehicle Networks, Diagnostics and has a proactive and prophetic knowledge of technology and allied risks.

Accordingly, considering the significant benefits that are reaped by the Company from the experience, expertise, mature wisdom and performance evaluation of Prof. Alberto, the approval of the Members is being sought by way of special resolution mentioned in the Item No. 6 of this Notice for his continuation as an Independent Director of the Company on attaining age of 75 years (Date of Birth: June 23, 1947) during his current tenure of directorship valid till January 15, 2024.

The details of his directorships and membership of committees in other companies are as follows on March 31, 2021:

Directorships:

Names of the Companies	Designation
Expert System USA	Director
Cadence Design Systems	Director
Expert Systems	Director
Cogisen	Director
EXEIN	Director
Quantum Motion	Director
Cy4Gate	Director
Phoelex	Director

Membership/Chairmanship:

Name of the Company	Name of the Committee	Member / Chairman
Cy4Gate	Strategy Committee	Chairman
Cadence Design Systems	Strategy Committee	Member
Quantum Motion	Remuneration Committee	Member

As on March 31, 2021, Prof. Alberto does not hold any shares in the Company.

Details of Prof. Alberto's last drawn remuneration are given in the Corporate Governance report of this annual report.

Except Prof. Alberto or his relatives, none of the Directors or key managerial personnel or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends the Special Resolution set forth as Item No. 6 of the Notice for approval of the shareholders.

PROCEDURE FOR REMOTE E-VOTING, PARTICIPATION AND VOTING AT E-AGM ("INSTAPOLL")

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin Technologies Private Limited ("KFintech/ KFin"), on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

2. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

3. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

4. The remote e-Voting period commences on **Friday, August 20, 2021 (1.00 P.M.)** and ends on **Wednesday, August 24, 2021 (5.00 P.M.)**.

5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Wednesday, August 18, 2021**.

6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

7. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

8. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

   Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

   Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

   Step 3 : Access to join virtual meetings (e-AGM) of the Company on KFin system to participate in e-AGM and vote at the AGM ("Instapoll").

Details on Step 1 are mentioned below:

i. Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** i. To register click on link : https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in points 1. **3. Alternatively by directly accessing the e-Voting website of NSDL** i. Open URL: https://www.evoting.nsdl.com/ ii. Click on the icon "Login" which is available under 'Shareholder/Member' section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** i. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi iii. Login with your registered user id and password. iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. v. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	i. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. ii. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. iii. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990 and 1800 22-44-30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

ii. Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" of the Company and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id jbbhave@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVEN No."

B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number regsitered with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

iii. Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting ("Instapoll").

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.

Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

i. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from Friday, August 20, 2021 (1.00 P.M.) to Monday, August 23, 2021 (1.00 P.M). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

ii. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from Friday, August 20, 2021 (1.00 P.M.) to Monday, August 23, 2021 (1.00 P.M). Please note that, shareholders' questions will be answered only if the shareholder continue to hold the shares as on cut-off date i.e. Wednesday, August 18, 2021.

iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or email at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, August 18, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

v. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

    i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

        1. Example for NSDL:

           MYEPWD <SPACE> IN12345612345678

        2. Example for CDSL:

           MYEPWD <SPACE> 1402345612345678

        3. Example for Physical:

           MYEPWD <SPACE> XXXX1234567890

    ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

    iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

KPIT Technologies Limited

CIN: L74999PN2018PLC174192
Registered & Corporate Office: Plot No. 17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Taluka - Mulshi, Hinjawadi, Pune – 411057, India.
Phone: +91 20 6770 6000 | E-mail: grievances@kpit.com | Website: www.kpit.com

Subject: Green Initiative in Corporate Governance - Shareholders' Consent to receive communication in Electronic Form & Mandatory updation of PAN and Bank details against your holding.

Dear Shareholder,

The MCA vide Section 20 of the Companies Act, 2013 and Rule 35 of the Companies (Incorporation) Rules, 2014 allow companies to serve documents through electronic mode thus encouraging the green initiative. We propose to send you all shareholder communications and documents like Annual Reports, Notices etc. through electronic mode, in future. In order to facilitate electronic communication with you, we request you to register your e-mail address with your depository participant (the agency with whom your demat account is maintained) or with our Registrar and Share Transfer Agent, **KFin Technologies Private Limited** (Formerly Karvy Fintech Private Limited) at: einward.ris@kfintech.com. Alternatively, you may register your e-mail address with the Company by writing an email to grievances@kpit.com with the subject line - 'Green Initiative'. **If you have already registered your e-mail address, you are not required to re-register the same unless there is a change in your e-mail address.**

We believe that by subscribing to this green initiative, you would be contributing towards the protection of environment. We request your concurrence so as to enable us to e-mail the Annual Reports, Notices, etc. to you.

The Securities and Exchange Board of India has vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and BSE Limited vide its Circular No. LIST/ COMP/ 15/ 2018-19 dated July 5, 2018 mandated that companies through their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and bank account details of their security holders holding securities in physical form and advise them to dematerialize their physical securities as it is mandatorily to carry out the transfer of securities in dematerialized form only.

Further, please be informed that, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, Dividend paid or distributed by every Company on or after April 1, 2020 shall be taxable in the hands of the shareholders. Every Company is required to deduct tax at source ("TDS") on Dividend to be paid to shareholders at the prescribed rate. Therefore, if dividend is declared, same will be paid after deducting TDS. Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. The Shareholders can submit their declarations directly to RTA. Forms are available on website of RTA at https://mfs.kfintech.com/mfs/.

In event of tax on dividend is deducted at a higher rate in the absence of receipt of the details / documents, shareholders would still have the option of claiming refund of the excess tax paid at the time of filing income tax return. No claim shall lie against the Company for such taxes deducted.

Those shareholders whose folio(s) do not have complete details relating to their PAN and Bank Account or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to the RTA/ Company for registration / updation, please do the needful at the earliest by following the below mentioned procedure.

Kindly fill in the details as mentioned in the attached form and forward the same along with all the supporting documents based on requirements considering the below mentioned points to RTA.

ACTION REQUIRED FROM SHAREHOLDER

You are requested to submit the following to update the records immediately

A. For updating PAN of the registered shareholder and/or joint shareholder(s):

- Self- attested legible copy of PAN card (exempted for Shareholders from Sikkim)

B. For updating Bank Account details of the registered shareholder:

1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed
    - For address proof : Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
    - Original cancelled cheque leaf containing the Bank A/c No., Bank Name, Type of Account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf OR
2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it
    - For address proof : Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
    - Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, Type of Account, IFSC Code, MICR Code.

    Legible copy of the Bank passbook / Bank statement specifying the details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

In case you have any queries or need any assistance, please contact **KFin Technologies Private Limited** (Formerly Karvy Fintech Private Limited) at: einward.ris@kfintech.com (in case of physical holding) or to the depositories (in case of dematerialized holding).

Thanking you,

For **KPIT Technologies Limited**

Nida Deshpande
Company Secretary

KPIT

Format for furnishing the PAN and Bank Details:

To,
KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot no. 31 & 32,
Financial District Nanakramguda,
Serilingampally Mandal, Hyderabad – 500032.
Phone: +91 40 6716 2222

Dear Sir,

I/We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf of first holder, Bank Pass book and address proof viz., Aadhar card as required for updation of details:

Folio No.	
Address of the 1st named Shareholder	
Mobile No.	
E-Mail ID	

Bank Account Details: (for electronic credit of unpaid dividends and all future dividends)

Name of the Bank			
Name of the Branch			
Account Number (as appearing in the cheque book)			
Account Type (Savings/ Current/ Cash Credit)	Savings	Current	Cash Credit
9 Digit MICR Number (as appearing on the MICR cheque issued by the Bank)			
11 Digit IFSC Code			

	PAN	Name
First Holder:		
Joint Holder 1:		
Joint Holder 2:		

Signature : _______________

Date: _____________

Place: ____________

Note: The above details will not be updated if the supporting documents are not attached and not duly self-attested.

Corporate Leadership Team

S. B. (Ravi) Pandit	-	Chairman & Group CEO
Kishor Patil	-	CEO & Managing Director
Sachin Tikekar	-	President & Whole-time Director
Anup Sable	-	Chief Technology Officer
Vinit Teredesai	-	Chief Financial Officer (upto June 12, 2020)
Priyamvada Hardikar	-	Sr. Vice President and Head Finance (w.e.f. June 12, 2020)
Pankaj Sathe	-	President – Europe
Rajesh Janwadkar	-	Executive Vice President, Passenger Cars and Global Practices
Rajeeb Nath	-	Executive Vice President, US
Chinmay Pandit	-	Executive Vice President, Commercial Vehicles
Pushpahas Joshi	-	Executive Vice President, New Mobility

4th Annual General Meeting

Wednesday, August 25, 2021

10.30 AM IST

video conferencing and e-voting

https://emeetings.kfintech.com

Members are requested to follow the instructions provided in the Notice of 4th Annual General Meeting in order to attend the AGM via video conferencing and to e-vote.

Cut-off date: Wednesday, August 18, 2021

Remote e-Voting Period:

1. Friday, August 20, 2021 at 1.00 p.m. to Tuesday, August 24, 2021 at 5.00 p.m.
2. During the AGM ("Instapoll")

Read this Annual Report online

www.kpit.com

KPIT Technologies Limited

(Formerly KPIT Engineering Ltd.)

Registered & Corporate Office:
Plot No. 17, Rajiv Gandhi Infotech Park, MIDC-SEZ,
Phase-III, Maan, Taluka-Mulshi, Hinjawadi,
Pune-411057, India.
CIN: L74999PN2018PLC174192

O +91 20 6770 6000
E info@kpit.com
W kpit.com