October 21, 2014

The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.

Symbol: - KPIT

Series: - EQ

Subject: - Investor release for the second quarter results FY 2015.

Dear Sir / Madam,

Please find enclosed the investor release for the second quarter results FY 2015.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**

Nida Deshpande
Manager - Secretarial

KPIT Technologies Limited

Encl.: - As mentioned above.

KPIT Second quarter Results FY 2015

KPIT reaches the annual USD 500 Million revenue run rate
Registers 8.5% Q-o-Q growth in USD Revenue
PAT stood at ₹ 705.52 Million, Q-o-Q growth of 39%

Investor Release BSE: 532400 | NSE: KPIT

Pune, October 21, 2014: KPIT (BSE: 532400; NSE: KPIT), a vertical focused IT consulting and product engineering solutions and services provider to automotive & transportation, manufacturing and energy & utilities corporations, today reported its consolidated financial results for the second quarter and half year ended September 30, 2014.

Highlights for the quarter ended September 30, 2014

- Q2 FY15 USD Revenue stood at USD 125 Million, a Y-o-Y growth of 11.4%
- In ₹ terms revenue grew by 9.8% Q-o-Q and 7.8% Y-o-Y to ₹ 7,574.10 Million.
- EBITDA Margins expanded by 128 bps to 13.34%.
- Strong growth in Automotive followed by SAP

Management comments

Commenting on the performance of Q2 FY15, Ravi Pandit, Chairman & Group CEO, KPIT said, "We are happy with our revenue performance during Q2 FY15. Our EBIDTA levels improved by 128 bps during the period though we believe we could improve it further during the rest of the year. Spending has returned well in the automotive and manufacturing industries, and through our timely investments in key technologies and in developing right products for these industries, we continue to be the most preferred partners for our customers." He further added, "Asia continues to be the leader, with good growth in North America as well, during the quarter."

Kishor Patil, Managing Director & CEO, KPIT said, "We strengthened our pipeline further during the quarter and believe that the growth momentum will continue in H2, though Q3 will be a seasonally weak quarter. We expect to clock revenues of $ 500+ Million for the full year, though profitability in H1 has been lower than expected". Adding further he said, "We are proud of the inroads and initial success of our Intelligent Transportation Management (ITS) Solution. We have many such solutions which would give us a solid momentum in our transformation to a global technology company. The organizational changes, and addition of senior executives that we did over the last 4-5 quarters, has started delivering results"

Corporate Update

Over the last few quarters we have increased our rigor in sales, execution and operations across the organization. We are sharply focused on closure of orders, readiness for delivering new projects and achieving delivery and operational excellence. These efforts have helped in registering a strong growth during this quarter. We have made some strategic progress in terms of adding more domain people to our team, bringing One KPIT offerings to our customers and taking some integrated offerings to our focused verticals. We have recently become a part of Industry Liaison Program of MIT USA. This will enable us to understand the latest in the relevant technology trends for our customers. Overall we see good growth prospects in our relevant verticals and we are also partnering with our customers in jointly developing solutions that are futuristic and in line with customers' technology needs. We will continue to bring more expertise and focus in our verticals, building industry specific solutions and winning large cross BU deals in our strategic accounts.

INDUSTRY UPDATE

AUTOMOTIVE:

The global automotive sales are continuing their strong performance during the year - there is higher growth in North America and China, while Europe is registering moderate growth. There is an increased trend towards investments in telematics, hybrid and EV technologies, autonomous/semi-autonomous features, cloud infrastructure, data analytics, and other technology focused advancements. This higher spend in R&D to build smarter products in shorter time spans, is estimated to be at USD 577 Billion annually. In the Hi-tech verticals, R&D spend is being driven by increased demand for embedded and software content. Hi-Tech and ISV segments currently constitute 35% of top 500 spenders. The overall addressable R&D globalization and services opportunity stands at USD 170 billion, out of which USD 55 Billion is the addressed market, including in-house R&D centers and third party service providers. Thus, the addressable market for players like KPIT is huge and we believe, we are in a good shape to capture growth in this pie at a faster pace over the next 3-5 years.

MANUFACTURING:

In Industrial manufacturing customers are focusing on redefining the supply chain, machine to machine (M2M) connectivity and cyber security. M2M technology allows organizations to create a comprehensive manufacturing process that connects devices and software throughout the whole chain. The Internet of Things (IoT) and M2M communication market is expected to grow from USD 128.7 Billion in 2014 to USD 498.92 Billion in 2019, an estimated CAGR of 24.42%. With growing dependency on internet, wireless and cloud based services, there is an increased threat of cyber-attacks and this has generated the need for unified cyber security solutions. The total market for cyber security is expected to grow from USD 95.6 Billion in 2014 to USD 155.74 Billion by 2019, a CAGR of 10.3%. In Hi-Tech industry there is a growing trend of supplier integration and industry consolidation while there is higher adoption of cloud business model. In medical device manufacturing, there has been an increase in M&A activity while regulatory compliance has become very important. There is also an increased trend of proliferation of connected devices, patients and healthcare. In US approximately 20% of smartphone and tablet owners use an app to track and manage their fitness activities. There is a strong installed base for connected medical devices in US with 32% of broadband households (32 million households) with a digital weight scale, 26% (23 million households) with a blood-pressure meter, and 12% (11 million households) with a glucometer. The connected health solutions are transforming the traditional means of practicing healthcare while enabling more efficient and innovative healthcare services. KPIT has aligned its offerings with the above trends in discrete manufacturing, Hi-Tech and Medical Device Manufacturing sub-verticals, under the overall manufacturing vertical. We are excited and have confidence in the growth potential these sub-verticals offer to KPIT.

ENERGY & UTILITIES:

The Energy & Utilities vertical is undergoing a big transition with emergence of disruptive new technologies. As per Ovum, IT spending by global oil & gas industry will grow at a CAGR of 6.2% to exceed USD 108 Billion in 2019. The

recent wave of shale oil has been driving the unusual growth in US oil production. This increasing production is driving the IT spending which is expected to grow at a CAGR of 8.6% to reach USD 26 Billion in 2019 in North America. IT spending in the East Asia region is expected to grow at a CAGR of 6.7% to reach USD 10.9bn in 2019. China and India will drive the majority of growth in this region; both are investing aggressively in oil and gas development. Similarly the utilities industry is also going through technological shift and it has become very competitive along with being highly regulated. There is a shift in focus from back office operations to customer acquisitions and from traditional power generation to clean energy generation. Global utilities IT spending is expected to surpass USD 59 Billion in 2014 driven by need for innovation and major infrastructure upgrades. KPIT is building on its already strong presence in utilities through SAP and in Energy through JDE across North America. We have also identified the engineering areas in these verticals where we will like to make the in-roads and will invest in the same over the next 4-5 quarters.

Technology Update

During the quarter we have filed 5 patents in automotive domain. These also include provisional patents for which complete specifications are yet to be filed.

PATENT DETAILS

As part of our series we would look into the details of our granted patent "**A Power Assisting System**".

A Power Assisting System: With this solution we have answered the key questions like how to convert existing IC engine vehicle into plug-in hybrid with- minimal modifications, least amount of time, efficiency improvement and emission reduction. Our hybrid solution provides the flexibility of integrating a hybrid power assistance system to existing vehicles, to enhance the vehicle performance without any need of dedicated drive system, engines, etc. and without any need of major modifications to the vehicle or the transmission system. At the same time, the solution is able to reduce emissions significantly.

RESEARCH & DEVELOPMENT (R&D) PROJECTS

In Automotive engineering domain, AUTOSAR is a standard automotive open architecture jointly developed by OEMs, suppliers and tool developers. It is now a widely accepted architecture. When a number of AUTOSAR-compliant applications have to run seamlessly, it is essential to optimize execution time as well as resources used. We are exploring multiple methods of scheduling software tasks to achieve this objective.

In Business IT we have built our own platform for Big Data Management using the Open source stacks like Hadoop, Cloudera distributions. We have tuned it to operate in the M2M environment, where it is capable of handling, processing, storing and analysing large amount of engineering data for applications like Diagnostics, Predictive Analytics, Driver Behaviour, Warranty Predictions etc. We are using the cloud computing framework to avail the compute capacity to create and execute the solution models in the chosen domains

Financial Update

REVENUE UPDATE

We are glad to have reached the USD 500 Million revenue run rate during the quarter. Our USD revenue grew by 8.5% Q-o-Q and 11.37% Y-o-Y to USD 125 Million. Our ₹ revenue for the quarter stood at ₹ 7,574.10 Million, a Q-o-Q growth of 9.82% and Y-o-Y growth of 7.78%.

On a Q-o-Q basis, we saw the highest growth in APAC, 42.64% while US grew by 4.35%. There was a decline of 5.89% in Europe. Amongst the SBUs, A&E SBU grew by 24% followed by SAP 8.69% and IES 2% respectively. We saw a decline of 5.26% in BTU. The high growth in APAC geography and A&E SBU was largely contributed by ramp up in our telematics deal. We also registered a significant IP based win in APAC during the quarter in A&E SBU. As mentioned earlier we remain positive on the growth prospects for the second half of the year.

After achieving the annual revenue run rate of USD 500 Million during the quarter, we aim to reach the annual revenue of USD 500 Million in FY15.

Our largest customer Cummins grew by 1.93% Q-o-Q with revenue share at 14.9% while the Top 5 and Top 10 customers grew by 1.25% and 3.03% respectively.

**All the growth numbers mentioned under revenue update are in equivalent USD terms*.

PROFITABILITY

Net profit for the quarter grew by 38.89% Q-o-Q to ₹ 705.52 Million. The EBITDA margins improved from 12.06% in last quarter to 13.34% in this quarter. We continue to improve the margins in SAP SBU. During the quarter the SAP SBU margins stood at mid-single digit level and we target to exit the year at double digit margin. We believe we are on track to achieve this. The telematics deal had a good ramp up during the quarter.

Last quarter we had signed a customer transfer agreement with one of our Japanese partners. We were working with these customers earlier through the partner. We did the customer transfer at a fair consideration, to be able to work with these customers directly. We have started amortization of the consideration paid, during the quarter. Hence there was a spike in the depreciation number. We intend to amortize this completely over the next 2 quarters. In Q2, there is an impact of 2 quarters.

The effective tax rate was lower during the quarter. We have filed for revised tax returns and as a result, we were in a position to lower the required tax provisions. The revised tax returns were filed in the US jurisdiction after completion of extensive revised documentation. For the whole of FY15, we will have an effective tax rate of 29% minus the tax credit taken in this quarter.

The realized rate for the quarter was ₹ 60.59/ USD against ₹ 59.87/ USD in last quarter. This helped improve EBITDA margins by around 30 bps. We also were able to grow offshore business which resulted in improvement in overall EBITDA Margins.

Other income during this quarter was ₹ 42.01 Million as compared to ₹ 107.86 Million in last quarter. The forex gain for the quarter stood at ₹ 10.81 Million against ₹ 74.57 Million in last quarter.

Looking at the H1 profit number and the profit estimates for the remainder of the year, we believe we will fall short of the annual profit number as guided at the beginning of the year by approximately 10%. Looking back we believe there are 3 major reasons for the shortfall in the profit guidance number viz. Hiring of senior level industry experts has been more and faster than the anticipated number at the start of the year, the pace of growth in our non-linear revenues got slightly delayed by a quarter as reflected in the Q1 growth which had a cascading effect and the actual forex gains have been lower than earlier anticipated and in Q1 the growth in both revenue and thus resultant profitability was lower which had a cascading effect for the whole year.

CASH FLOW

Details	₹ Million
Cash Profit for Q2FY15	**950.06**
Working Capital Adjustments	(80.31)
Cash Generated from Operations	**869.75**
Fixed Assets + Dividend + ESOPs	(456.74)
Balance Cash Flow	**413.01**
Payment for 50% stake in Impact	(107.97)
Debt Availed	25.00
Debt Repayment	(90.00)
Impact Opening Cash Balance	**17.50**
Total Surplus for the Quarter	**257.54**

SBU Update

INTEGRATED ENTERPRISE SOLUTIONS (IES) SBU

During the quarter there has been good pipeline build-up in E-Business Suite (EBS) and JDE practice with respect to new deals and closures. We have also won a few deals for Value Chain Execution (VCE) offering. We are developing our capabilities in cloud space for Oracle offerings and training consultants on fusion financials and sales cloud. We are building solutions for Oracle Transportation Management (OTM) on the cloud. By leveraging our expertise, we are working with customers to enable them in finding the right cloud solution for their business; on-premise, public, private or a hybrid solution.

We announced our Business Process as a Service (BPaaS) offering powered by Oracle for Oracle's JD Edwards. This offering will enable customers to drive more value in their business and align closely with business goals. We will offer all major business processes which are part of Oracle's JD Edwards Enterprise Resource Planning (ERP) suite such as Procure to Pay, Order to Cash, Plan to Produce, Financial Management and Inventory Management to customers, through this cloud-based solution.

We have been engaged with Oracle for the development of In-Memory Yield Management, a product to predict the yield using Statistical Process Control (SPC) and predictive analytics.

We recently announced the "KPIT Private Cloud, powered by HP" as part of Infrastructure and Applications managed services. This will provide our customers significant opportunities to reduce infrastructure support costs and improve operations by leveraging our expertise in managing major enterprise applications along with HP's industry leading managed private cloud. We are working on a couple of large deals where KPIT cloud will be the foundation for infrastructure and these opportunities are across US & Europe. We see a good pipeline for our IMS offerings.

THOUGHT LEADERSHIP

- KPIT customer Dorf Ketal won InformationWeek EDGE Award for its ERP Consolidation and IT Transformation project
- KPIT participated in Oracle Open World in September 2014 with 8 presentation sessions on a wide range of topics including Supply Chain, JD Edwards, Big Data among others.
- KPIT participated and presented as a Gold Sponsor at the OTM Conference in Philadelphia, Pennsylvania from August 10-13, 2014.

- KPIT participated in Oracle's "Modernize your Business in the Cloud" event in Bangkok, Thailand on September 24, 2014 and presented its Oracle Sales Cloud capabilities.

CUSTOMER HIGHLIGHTS

- In the Middle East market, KPIT has been selected by a large freight forwarding company for an annual support engagement project and a GTM implementation project for the Engine Services Division of an Aviation company.
- A leading manufacturing company in the Nordics region has chosen KPIT for a large JDE upgrade project, while a Public sector power company in India chose KPIT for its multimillion dollar EBS project.
- During the quarter KPIT emerged as the preferred partner for Oracle EBS capabilities. For companies in its focused industries KPIT bagged ERP implementation, Oracle OTC Assessment & EBS Roadmap and ASCP implementation and EBS Rollout programs.

AUTOMOTIVE & ALLIED ENGINEERING (A&E) SBU

We are witnessing major traction in product engineering solutions such as AUTOSAR, Body & Chassis and Mechanical. During the quarter we won deals in AUTOSAR, Powertrain, Intelligent Transportation System (ITS) and these deals are spread across geographies of US, Europe and APAC.

We have been working towards creating a broad based connect in the overall software creation and delivery process across multiple domains like powertrain, chassis, Body and Advanced Driver Assistance System (ADAS). By leveraging our AUTOSAR position we would like to be the partner of choice of our customers, to gain more wallet share and IP based technology leadership in their software development process. We would also continue to invest in areas such as warranty, diagnostics and connected vehicle technologies.

THOUGHT LEADERSHIP

- KPIT conducted a "medini analyze user conference" at Berlin in September where World's leading OEMs and Tier1s presented and were well received by the audience.
- KPIT participated at the ITS World Congress, Detroit 2014 in September where it showcased ON-Bus Intelligent Transport System(ITS) & presented on way forward for ITS in emerging countries
- KPIT showcased its functional safety and AUTOSAR capabilities to the automotive ecosystem at this year's VDA Automotive SYS Conference in Germany in August.
- KPIT participated at 14th SAP Automotive Forum in Germany.
- KPIT participated at "Sustainable Mobility with Electric Vehicles", India and presented on "Frugal Hybridization of On-Road vehicle" and also demonstrated Revolo vehicle.

CUSTOMER HIGHLIGHTS

- KPIT was selected by UK based Tier 1 for an engagement in AUTOSAR, by an American OEM for a powertrain program and by a Japanese diesel engine manufacturer for expertise in the areas of AUTOSAR & Powertrain.
- On-Bus Intelligent transport systems (ITS) continues to gain traction with the addition of another Indian OEM to the list of customers.

REVOLO UPDATE

- We have submitted REVOLO fitted vehicle as per the requirement of AIS-123, notified under BIS Act, 1986 and we hope to receive the certification shortly
- The progress outside India on REVOLO is progressing satisfactory.
- We remain positive on the prospects for REVOLO

SAP SBU

The major areas of traction for this SBU continue to be SuccessFactors and HANA. With our continuous efforts, we have been able to position ourselves as an experienced HANA and SuccessFactors implementation partner. During the quarter we won multiple deals in our focused vertical manufacturing, for implementation and also AMS. One of our existing utilities clients entrusted us with their upcoming SAP upgrade project. Our niche expertise in areas of BI and

analytics, helped us in winning a few more strategic projects. Amongst geographies we won deals across US, APAC and META regions.

In terms of profitability we have seen further improvement in our EBITDA margins and we expect to achieve the SBU profitability target by year-end.

THOUGHT LEADERSHIP

- KPIT's customer Varian Medical Systems won Technology Award for its SAP Business Suite on HANA Project.
- KPIT participated as a Gold sponsor at SuccessConnect 14 in September in Las Vegas with a strong customer presence speaking on behalf of KPIT.
- KPIT showcased its Remote Diagnostics offering with SAP HANA as the platform at the 14th SAP Auto Forum in Leipzig Germany
- KPIT attended two strategic conferences – 'SAP for Utilities' and 'SAP Best Practices for Oil & Gas conference' which will further help in strengthening the presence in E&U industry.

CUSTOMER HIGHLIGHTS

- KPIT was selected for a multi-million dollar AMS engagement with market leader in precision-engineered products, and for another long term AMS program by manufacturer of innovative medical products.
- An Asian advanced plumbing system manufacturer, and a petrochemical manufacturer selected KPIT as SAP Consulting and System Integration partner for implementation and upgrade.
- KPIT's expertise for BW on HANA migration were selected by a leading manufacturer of medical devices.

BUSINESS TRANSFORMATION UNIT (BTU) SBU

We see Testing as a Service (TaaS) industry gathering momentum. There is also good traction for CRM practice with more customer enquiries mainly for Salesforce.com expertise. We have formed a dedicated CRM practice to enable us deliver innovative solutions in sales, marketing and customer care. The key offering focus for the practice will be on Microsoft and Salesforce.com CRM solutions.

We have developed a Rapid Application Development framework called "FoundationK", using Java/J2EE/Open source based web applications. This kit has the potential to develop applications, while ensuring the key non-functional (performance, scalability, maintainability and reliability) requirements are achieved. FoundationK" along with the "KodeGenerator" kit saves overall development efforts by up to 60% and the application developed using this framework is compliant with industry standard best practices. It will also enable the development of the productized solution at a much faster rate (up to 30% lesser cycle time) with high quality and lower TCO. These high productivity application development kits will clearly differentiate us from the competition in the custom Enterprise Web Application Development (ADM) space and help our clients achieve a faster time to market.

The Enterprise Mobility team under Technology & Testing Service practice has released the productized version of Field Service Automation mobile solution named "K-FieldServe". This solution assists field staff (technician, engineers, quality inspectors / auditors, etc.,) to view, execute, and confirm service orders/inspections from remote client location in online/offline mode. K-FieldServe is available on both Android and iOS platform and it is highly configurable to support any backend system. The solutions is built to support the field force requirements of Manufacturing and Energy & Utilities customers.

CUSTOMER HIGHLIGHTS

- A leading Asian Manufacturer partnered with KPIT to help automate their manufacturing operations by designing a MES Solution integrated with JDE ERP.
- KPIT has won engagements on Should Costing - and POCs on Cost Analytics using Akoya solution and working on PACCAR Enterprise Cost Management initiative.

Other Highlights

We recently entered into a partnership with a software Company FACTON with the objective to implement specific measures to support manufacturers in optimizing product costs. Within the scope of this collaboration, the partners are initially focusing on the US market, and particularly on the automotive sector and discrete manufacturing. FACTON produces an eponymous Enterprise Product Costing (EPC) solution, FACTON®EPC, which enables companies to carry out uniform product costing across the entirety of their operations, sites and departments. By offering FACTON's EPC solution, we have enhanced our range of product costing optimization services, which also includes product engineering services, supply chain analyses and benchmarking.

Thought Leadership- Others

- **KPIT has been listed amongst the Top 10 Outsourcing Service Providers by Information Services Group (ISG)**, leading technology insights, market intelligence and advisory services company. The Company was listed among Americas "**Top 10 Breakthrough Sourcing Standouts**" based on annual contract value (ACV) won over the last 12 months, according to the ISG Global Outsourcing Index.
- KPIT was awarded the **BG Deshmukh IAS award for excellence in Corporate Social Responsibility** by Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA) Pune
- KPIT and COEP have jointly conceptualized and launched a national level design and development contest called 'SPARKLE 2015'. The theme for this contest is 'Towards better mobility and energy'.
- Mr. Mandar Marulkar, CIO, KPIT, addressed over 45 Global CIOs from APAC large organizations, on the topic of "Software Defined Enterprise" – transformation through 3rd generation technologies, at the APAC CIO Summit organized by EMC Federation (EMC, VMware, Pivotal and RSA) for APAC and Japan customers in Singapore.

Income statement for quarter ended September 30th, 2014 (Revised Format)

₹ million	Q2 FY15	Q1 FY15	Q-o-Q Growth	Q2 FY14	Y-o-Y Growth
Sales	**7,574.10**	**6,897.00**	**9.82%**	**7,027.65**	**7.78%**
Cost of materials consumed	290.93	75.79	-	-	-
Employee Benefit Expenses	4,134.27	3,956.65	4.49%	3,429.94	20.53%
Depreciation & Amortization Expenses	244.54	162.48	50.50%	148.39	64.79%
Other Expenses	1,075.27	975.49	10.23%	1,233.95	(12.86%)
Professional fees Subcontractor	1,070.28	1,062.06	0.77%	1,283.09	(16.59%)
Total Expenses	**6,815.29**	**6,232.46**	**9.35%**	**6,095.38**	**11.81%**
Profit before Other Income, Finance costs & Exceptional Item	**758.81**	**664.54**	**14.19%**	**932.28**	**(18.61%)**
Other Income	42.01	107.86	(61.05%)	23.14	81.56%
Profit before Finance costs & exceptional Items	**800.82**	**772.40**	**3.68%**	**955.42**	**(16.18%)**
Finance costs	32.80	42.27	(22.39%)	66.25	(50.48%)
Profit after Finance costs & exceptional Items	**768.02**	**730.13**	**5.19%**	**889.17**	**(13.63%)**
Exceptional Items	-	-	-	-	-
Profit Before Tax	**768.02**	**730.13**	**5.19%**	**889.17**	**(13.63%)**
Tax Expenses	62.50	222.15	(71.87%)	221.82	(71.82%)
Net Profit from ordinary activities after Tax	**705.52**	**507.99**	**38.89%**	**667.35**	**5.72%**
Extraordinary Items	-	-	-	-	-
Net Profit for the Period	**705.52**	**507.99**	**38.89%**	**667.35**	**5.72%**
Share of profit from associate	-	-	-	-	-
Minority Interest	-	-	-	-	-
PAT	**705.52**	**507.99**	**38.89%**	**667.35**	**5.72%**
Paid up Capital	373.83	372.55	-	368.70	-
EPS (₹₹ 2/-Face Value each)					
- Basic	3.72	2.69	38.47%	3.62	2.90%
- Fully Diluted	3.52	2.54	38.63%	3.37	4.49%
Common Size Analysis:					
EBITDA Margin	13.34%	12.06%	1.28%	15.48%	(2.16%)
Net Profit Margin	9.31%	7.37%	1.95%	9.50%	(0.18%)

- Q-o-Q or 'sequential' growth refers to growth during the quarter compared to the immediately preceding quarter.
- Y-o-Y growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year.

Income statement for half year ended September 30th, 2014 (Revised Format)

₹ million	H1 FY15	H1 FY14	Y-o-Y Growth
Sales	**14,471.10**	**13,159.76**	**9.96%**
Cost of materials consumed	366.71	-	-
Employee Benefit Expenses	8,090.92	6,715.49	20.48%
Depreciation & Amortization Expenses	407.02	270.08	50.71%
Other Expenses	2,050.76	2,023.21	1.36%
Professional fees Subcontractor	2,132.34	2,374.41	(10.20%)
Total Expenses	**13,047.75**	**11,383.19**	**14.62%**
Profit before Other Income, Finance costs & Exceptional Item	**1,423.35**	**1,776.57**	**(19.88%)**
Other Income	149.88	81.98	82.82%
Profit before Finance costs & exceptional Items	**1,573.23**	**1,858.55**	**(15.35%)**
Finance costs	75.07	122.50	(38.72%)
Profit after Finance costs & exceptional Items	**1,498.15**	**1,736.05**	**(13.70%)**
Exceptional Items	-	-	-
Profit Before Tax	**1,498.15**	**1,736.05**	**(13.70%)**
Tax Expenses	284.64	467.31	(39.09%)
Net Profit from ordinary activities after Tax	**1,213.51**	**1,268.74**	**(4.35%)**
Extraordinary Items	-	-	-
Net Profit for the Period	**1,213.51**	**1,268.74**	**(4.35%)**
Share of profit from associate	-	-	-
Minority Interest	-	-	-
PAT	**1,213.51**	**1,268.74**	**(4.35%)**
Paid up Capital	373.83	368.70	-
EPS (₹₹ 2/-Face Value each)			
- Basic	6.42	6.72	(4.53%)
- Fully Diluted	6.06	6.41	(5.50%)
Common Size Analysis:			
EBITDA Margin	12.73%	15.66%	(2.93%)
Net Profit Margin	8.39%	9.64%	(1.26%)

Y-o-Y growth refers to the growth during the period as compared to the corresponding period of the previous year.

Income statement for quarter ended September 30th, 2014 (Old Format)

₹ million	Q2 FY15	Q1 FY15	Q-o-Q Growth	Q2 FY14	Y-o-Y Growth
Sales	**7,574.10**	**6,897.00**	**9.82%**	**7,027.65**	**7.78%**
Software Development Expenses	5,323.55	5,070.55	4.99%	4,665.04	14.12%
Gross Profit	**2,250.55**	**1,826.45**	**23.22%**	**2,362.61**	**(4.74%)**
SG&A	1240.31	994.93	24.66%	1,274.40	(2.67%)
EBITDA	**1,010.23**	**831.53**	**21.49%**	**1,088.21**	**(7.17%)**
Interest	38.83	46.77	(16.99%)	73.79	(47.38%)
Depreciation	244.54	162.48	50.50%	148.39	64.79%
Profit After Depn. & Interest	**726.00**	**622.28**	**16.67%**	**866.03**	**(16.17%)**
Other Income	42.01	107.86	(61.05%)	23.14	81.56%
Exceptional Item	-	-	-	-	**-**
Profit Before Tax	**768.02**	**730.14**	**5.19%**	**889.17**	**(13.63%)**
Provision for Taxation	62.50	222.15	(71.87%)	221.82	(71.82%)
Profit After Tax	**705.52**	**507.99**	**38.88%**	**667.35**	**5.72%**
Minority Interest	-	-	-	-	-
Share of profit from associate	-	-	-	-	-
Net Profit for the period	**705.52**	**507.99**	**38.88%**	**667.35**	**5.72%**
Paid up Capital	373.83	372.55	-	368.70	-
EPS (₹₹ 2/-Face Value each)					
- Basic	3.72	2.69	38.47%	3.62	2.90%
- Fully Diluted	3.52	2.54	38.63%	3.37	4.49%
Common Size Analysis:					
Gross Profit Margin	29.71%	26.48%	3.23%	33.62%	(3.91%)
SG&A/ Revenue	16.38%	14.43%	1.95%	18.13%	(1.75%)
EBITDA Margin	13.34%	12.06%	1.28%	15.48%	(2.16%)
Net Profit Margin	9.31%	7.37%	1.95%	9.50%	(0.18%)

- Q-o-Q or 'sequential' growth refers to growth during the quarter compared to the immediately preceding quarter.
- Y-o-Y growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year.

Performance Metrics for quarter ended September 30th, 2014

	Q2 FY15	Q1 FY15	Q-o-Q Growth	Q2 FY14	Y-o-Y Growth
Revenue Spread – Geography					
USA	66.47%	69.11%	5.62%	71.87%	(0.33%)
Europe	13.73%	15.82%	(4.75%)	13.76%	7.51%
Rest of World	19.81%	15.07%	44.37%	14.37%	48.59%
Revenue Spread – Verticals					
Automotive & Transportation	37.14%	32.68%	24.82%	36.08%	10.94%
Manufacturing	31.60%	40.93%	(15.20%)	39.65%	(14.09%)
Energy & Utilities	21.69%	17.77%	34.01%	13.60%	71.82%
Others	9.57%	8.62%	21.87%	10.66%	(3.33%)
Revenue Spread – by SBU*					
Integrated Enterprise Solutions	38.01%	40.44%	3.23%	38.38%	6.76%
Auto & Engineering	30.02%	26.27%	25.49%	24.20%	33.73%
SAP	22.59%	22.55%	10.01%	25.35%	(3.98%)
Business Transformation Unit	9.38%	10.74%	(4.11%)	12.08%	(16.30%)
Customer details					
No. of Customers Added	2	3	-	3	-
No. of Active Customers	203	201	-	192	-
Customers with run rate of >$1Mn	84	83	-	78	-
Top Client – Cummins	14.90%	15.86%	3.17%	16.50%	(2.70%)
Top 5 Clients	32.08%	34.37%	2.47%	38.00%	(9.03%)
Top 10 Clients	42.80%	45.08%	4.27%	46.31%	(0.38%)
Onsite / Offshore Split					
Onsite Revenues	51.07%	57.16%	(1.88%)	54.64%	0.73%
Offshore Revenue	43.66%	41.55%	15.38%	45.36%	3.73%
SI	5.27%	1.29%	-	-	-
Revenue by Contract Type					
Time and Material Basis	65.09%	71.62%	(0.20%)	76.36%	(8.13%)
Fixed Price / Time Basis	29.64%	27.09%	20.15%	23.64%	35.12%
SI	5.27%	1.29%	-	-	-
Debtors (days)	80	82	-	75	-

#The SBU revenues have been re-classified based on new organizational changes and previous period figures have been restated for comparison.

Human Resources – Details	Q2 FY15	Q1 FY15	Q-o-Q Growth	Q2 FY14	Y-o-Y Growth
Development Team – Onsite (Avg)	1,456	1,423	-	1,243	-
Development Team - Offshore(Avg)	7,518	7,224	-	6,708	-
Onsite FTE	1,327	1,293	2.63%	1,148	15.55%
Offshore FTE	5,383	5,068	6.22%	4,888	10.12%
Total FTE	6,720	6,360	5.49%	6,036	11.15%
Development (at Quarter end)	9,191	8,757	-	8,122	-
Gen Management / Support (at Quarter end)	572	568	-	548	-
Marketing (Subsidiaries) (at Quarter end)	170	165	-	146	-
Total (at Quarter end)	9,933	9,490*	-	8,816	-
Onsite utilization	91.12%	90.84%	-	92.37%	-
Offshore utilization	71.60%	70.15%	-	72.87%	-

SI represents the revenues for our Telematics solution

** 90 employees from I-Cubed are a part of the quarter closing headcount.*

Hedging details

The currency market has been extremely volatile in the recent period and the company has major exposure in 3 currencies- USD, Euro and GBP. As per our hedging policy, we cover 75% of the net exposure through forward contracts for the next two quarters.

Total Outstanding Hedges:

- Total amount of USD hedges as on 30th September 2014 : USD 42.95 Million

These hedges are maturing in FY15 and average rate for these hedges is ₹ 62.72

Balance sheet details

- The Cash Balance as at September 30, 2014 stood at ₹ 4,363.43 Million as compared to ₹ 4,105.88 Million as on June 30, 2014.
- Capital expenditure for the quarter stood at ₹ 252.31 Million including CWIP.
- As on September 30, 2014 our total debt was ₹ 5,331.40 Million (₹5,289.47 Million as of June 30, 2014) comprising of ₹ 2,175.56 Million of Term Loan, ₹ 3,155.84 Million of Working Capital Loan.

Balance Sheet Summary: As at (₹ Million)	Sep 30, 2014	Jun 30, 2014
Equity & Liabilities:		
Shareholders' Funds	11,841.02	13,254.03
Share Application Money pending allotment	0.19	5.70
Minority Interest	-	-
Non-Current Liabilities:	1,360.43	1,374.93
Long Term Borrowings	1,050.39	1,141.77
Deferred Tax Liabilities	-	-
Other Long Term Liabilities	-	-
Long Term Provisions	310.05	233.16
Current Liabilities:	7,981.51	7,494.22
Short term borrowings	3,699.50	3,087.74
Trade Payables	1,147.17	935.23
Other Current Liabilities	3,134.84	3,471.25
Total Equity & Liabilities	**21,183.16**	**22,128.88**
Assets:		
Non-Current Assets:	8,577.62	10,238.05
Fixed Assets	2,311.73	2,277.74
Goodwill on consolidation	4,567.01	6,628.80
Other Non-Current Assets	1,698.88	1,331.50
Current Assets:	12,605.54	11,890.83
Current Investments	749.06	746.81
Inventories	143.27	93.12
Trade Receivables	6,763.52	6,075.81
Cash & Cash equivalents	3,517.38	3,263.91
Other Current Assets	1,432.30	1,711.19
Total Assets	**21,183.16**	**22,128.88**

Conference Call Details

Conference name	:	KPIT Q2 FY2015 Conference Call
Date	:	October 22, 2014
Time	:	1600 Hours (IST)

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You can access the playback of this conference call until October 25, 2014 at:

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About KPIT Technologies

KPIT Technologies, one of the fastest growing global IT consulting and product engineering partners, is focused on co-innovating domain intensive technology solutions for corporations, specializing in automotive & transportation, manufacturing, and energy & utilities. A leader in technology solutions and services, KPIT currently partners with 200+ global corporations including Original Equipment Manufacturers (OEMs), semiconductor companies and Tier 1 companies. For more information, visit www.kpit.com.

Forward Looking Statements

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce Their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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