January 18, 2017

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 411 001

Scrip ID: KPIT
Scrip Code: 532400

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: KPIT
Series: EQ

Kind Attn: The Manager,
Listing Department

Dear Sir / Madam,

Subject: - Investor release for Q3 FY 17.

Please find enclosed the investor release for Q3 FY 17.

Kindly take the same on your records.

Thanking you,
Yours faithfully,

For **KPIT Technologies Limited**

KPIT Technologies Limited

Sneha Padve
Company Secretary & Compliance Officer

Encl.: As above

KPIT

KPIT Third Quarter Results FY 2017

Q3FY17 PAT grows 31% Q-o-Q to ₹ 736 Million
Q3FY17 Revenues at USD 122.88 million
DSO at 76 days, down by 6 days as compared to Q2FY17

Investor Release BSE: 532400 | NSE: KPIT

Pune, January 18, 2017: KPIT (BSE: 532400; NSE: KPIT), a global technology company specializing in providing IT Consulting and Product Engineering solutions and services to Automotive, Manufacturing, Energy and Utilities companies, today reported its consolidated financial results for the third quarter and nine months ended December 31, 2016.

Highlights for the quarter ended December 31, 2016

- Comparable Revenues* in CC terms marginally grew Q-o-Q by 0.65%
- In ₹ terms, revenue stood at ₹ 8,307 Million a growth of 2.1% Y-o-Y
- EBITDA margins for the quarter stood at 10.2%
- PAT for the quarter stood at ₹ 736 million (including one-time exceptional gain), a Y-o-Y growth of 2.1%

** Excluding the revenues from the divested functional safety business for both quarters*

Management comments

Commenting on the performance of Q3 FY17, Kishor Patil, Co-founder, CEO & MD, KPIT said," In the current quarter, despite lower working days, we had marginal growth on a comparable constant currency basis. We will continue to focus on growth with effective account management and new technology solutions for our focus verticals. The cash flow during the quarter was encouraging and we will continue to build further on the same."

Sachin Tikekar, President & Board Member, KPIT said," We have built solid traction in Digital Technologies, especially in IOT, Analytics, Sensors and cloud, across focus verticals. We expect Digital and Product Engineering to be good growth drivers going ahead, as depicted by a healthy increase in pipeline and deal closures. We are also seeing encouraging results with our Engineering + Business IT combined vertical led solutions."



Quick Summary

The 3rd quarter of the financial year is characteristically a quarter with comparatively lower number of billing days due to vacations in Oct-Nov at offshore and in Dec at onsite. Q3FY17 was no exception and on an average the billing days were less by ~ 1.5 days which translates into a loss of billing days of around 2.5%. We also divested our functional safety product business during the quarter and the resultant revenues which went out were around $ 0.5 million for 2 months. There was also a negative impact of cross currency during the quarter. As a result of these 3 primary reasons, the reported $ revenues for Q3FY17 were 0.44% lower than last quarter. In constant currency terms there was a marginal growth of 0.2%. On a comparable basis i.e. excluding the functional safety revenues from both the quarters there was a sequential growth of 0.65% in constant currency terms, despite the 2.5% loss of billing days.

Our business can be broadly divided into two buckets – Services and Solutions Business (S&S) which is ~ 96% of the total business and Products & Platforms (P&P) which is ~ 4% of the total business. The S&S Business can be further divided into Engineering (~ 35% of the S&S Business), Digital Transformation (~ 17% of the S&S Business) and Business IT (~ 48% of the S&S Business)

We have been witnessing faster growth in the Digital Revenues over the last couple of years and currently digital revenues account for 25% of the Business IT revenues. Digital Revenue growth has seen a CAGR of ~ 30% over the last 2 years.

STRATEGIC UPDATE:

During the quarter we divested a small business, KPIT Medini Technologies AG, based out of Berlin, Germany. This business was focusing on functional safety products (Product brand known as 'Medini'). Medini is a functional safety product which has applications beyond KPIT's focused industries and as a software product, needs a wider and different distribution network to reach out to other industries beyond KPIT's focused areas. We will continue to provide services around Medini. The profit on the sale of this business was recorded as an extraordinary gain during the quarter.

All the proceeds received from this sale were used for investing into a strategic partnership in a German Engineering services company, MicroFuzzy, focused on powertrain solutions and more so on electric powertrain. The numbers from this partnership were not consolidated during the quarter and will get added to the consolidated numbers, next quarter onwards. Powertrain is our largest practice within Automotive Engineering and E-Mobility is a big focus as well as a growth area. With this partnership, we will be able to enhance and bring in next generation offerings in the key growth area of E-Mobility. This further strengthens our leadership position in the Automotive Engineering domain and bolsters our presence in Germany

AUTOMOTIVE AND TRANSPORTATION VERTICAL

- Automotive vertical contributed 39.3% of total revenue for the quarter, registering a Q-o-Q decline of 4%. On a 9 month FY17 over 9 month FY16 basis, this vertical has shown a growth of 9%.
- Global car sales improved in October 2016 up by 5% as compared to last year with Asia leading the way. In Europe purchases have improved in Eastern Europe rising by 3% Y-o-Y in October 2016 with solid gains continuing among the new EU members. In North America new vehicle sales revved up to monthly highs for November in all three NAFTA countries. The industry has increased its North American production schedule to 3% Y-o-Y gain in the opening months of 2017 which is a significant acceleration from only a 1% advance in all of 2016.
- The key technological trends which are expected to rule the automotive industry include Electrification-drivetrains will shift towards hybrid-electric, electric and fuel-cell technologies; Autonomous Driving- gradual shift from advanced driver assistance systems to fully autonomous driving as technology matures; Diverse Mobility- with expansion in sharing economy and changing consumer preferences the business model will

evolve from outright purchase or lease to rentals and car sharing and Connectivity- with connectivity on the rise there will be emergence of infotainment innovations, novel traffic services and new business models.

- The major traction areas for us are connected vehicle, ADAS and autonomous vehicle features, powertrain technologies, Functional safety, AUTOSAR and diagnostics. With focus on revenue growth, we are enhancing our core strengths and utilizing cross SBU assets and developing multi-practice support, across these areas.

MANUFACTURING VERTICAL

- Manufacturing vertical contributed 37.2% of total revenue for the quarter, depicting a Q-o-Q growth of 5.5%. On a 9 month FY17 over 9 month FY16 basis, this vertical has shown a growth of 1%.
- Manufacturing vertical for us is mainly discrete manufacturing comprising of 3 sub verticals - Life Sciences, Hi-Tech and Industrial & Consumer goods
- In life sciences industry, there is increased focus on product and service innovation. This is driven by rising customer expectations on value added services and margin pressure created by commodization of medical devices. We are helping companies to reduce their SG&A expenditure with Smart Managed Application & Infrastructure Services. To facilitate smooth consolidation of M&A, we are offering services coupled with proven delivery approach and methodology for M&A projects along with tools and IP. We have won deals in SAP consolidation and migration projects in wake of M&A activities. There is growing traction for cloud solutions in regulatory compliance sensitive areas like serialization, track & trace, UDI, GTM, PLM.
- In Hi-Tech industry we are leading with SAP HANA expertise and our digital capabilities in the areas of Big Data and IoT. Our prime focus area is consumer equipment and OEM industry segment which forms large part of Hi-Tech industry.
- Similar to the other two sub-verticals, in Industrials also, customers are looking for ways to reduce their operating costs, so as to repurpose their efforts and money for business transformations and digital initiatives. This factor is driving customer discussions around innovative and SMART application managed services. For the next year customers are aligning spend on digitalization, involving customer experience, products and assets tracking, digital procurement and logistics excellence and mobile workforce.

ENERGY & RESOURCES VERTICAL

- Energy vertical contributed 11.6% of the total revenue for the quarter depicting a sequential growth of 3.8%. On a 9 month FY17 over 9 month FY16 basis, this vertical has shown a decline of 25%.
- The energy vertical has witnessed a lot of price and demand supply volatility in the last 6 months. There is also a lot of speculation on the environmental regulations, especially in the US. Overall the vertical is characterized by dwindling oil reserves, declining of mature assets, aging skilled manpower, rising competition and diminishing brand loyalty.
- We are helping our customers reduce the overall opex by converging IT and OT programs, leveraging out Engineering and IT skills, involving digital technologies and analytical capabilities. We are helping on automation across business processes to increase productivity and reduce costs and combining these with outcome based business models.
- In 2017, we expect energy customers to focus more on IoT, Big Data and analytics for decision making and making investments to leverage cloud technologies. We are focusing on vertical led solutions in the areas of asset management, rig management, productivity improvement, cost reduction and process automation leveraging engineering, IT and digital technologies.

UTILITIES VERTICAL

- Utilities vertical contributed 2.5% of the total revenue for the quarter depicting a sequential decline of 24.8%. On a 9 month FY17 over 9 month FY16 basis, this vertical has shown a decline of 29%.
- Large Utility companies are working with digital and online UI/UX firms to present consistent user experience. Utilities are also looking to maximize current technology investments against their new investments.

- With our leadership in HANA there are multiple upgrades and HANA migration opportunities while we are also co-testing UtilitiesEDGE with SAP for the HANA version of its utilities solution. We are also exploring the possibility to bring our product engineering capabilities to utilities domain. We are looking forward to alliances and growth in renewable energy space in US and EU markets.

GEOGRAPHY UPDATE

- US continues to be the largest geography for us. We have strengthened our front end presence in the US over the last one year with addition of account managers, new sales and industry subject matter experts for our focus verticals. As a market, in the US, there is focus on Green Manufacturing, Robotics for Automatic Factories and Repairs, 3D Printing, Social Solutions and Crowd Sourcing and Service as a Product. With increasing focus of the new administration to retain manufacturing jobs in the US, the manufacturing sector looks optimistic. 50%+ of our employees in the US are locals and the cost differential between the locals and visa holders has come down over the years. As we await the final changes in US visa regulations, we believe the proposed changes, if passed, will not have a major negative impact on our operations in the US.
- Europe geography has been under pressure due to the uncertainties involving Brexit. The revenues from the geography are further affected by the cross currency fluctuations. Having said that certain geographies like Germany are doing well, especially in the manufacturing and automotive verticals. Electrification of vehicles, adoption of stricter safety standards, push towards smart factories and smart manufacturing, enhanced focus on cyber security and faster adoption of newer digital technologies and cloud are some of the mega trends in the geography. We are investing in having front end experts in the areas of ADAS, SAP HANA, IMS+AMS and Digital Technologies. We are getting ready with our industry specific offerings for the geography and enhancing our business IT front end in Germany and Scandinavia.
- The ASEAN region has been a good growth geography for us in the recent past. Some of the major trends in this region are urbanization of major cities, emergence of fully integrated transportation ecosystem and focus on Digital technologies. Major areas of traction for us are transportation and logistics, product offerings, cloud platforms and IOT. We are strengthening our sales presence in focus countries and partnering with strategic vendors in the region for our products business. We see major investments also happening on the cloud and overall digital front.
- In Japan, Korea and China (JKC), we are focused on Automotive vertical, pursuing both OEMs and Tier1s. We are also engaged with Silicon (Micro-controller) suppliers. We have expanded our foray into IT, ERP and DT with addition of Sales bandwidth. Across the JKC region, we see lot of traction in Autonomous Driving, ADAS, AUTOSAR, Diagnostics, Infotainment and Body Electronics. There is significant investment from OEMs, T1s and other industry players in developing various, comprehensive "connected" solutions. The upcoming 2020 Olympics is also seen as a major milestone to put some of these technologies in the market. We are well positioned and are seen as a very credible partner in key technology areas. We are continuously pursuing the above areas and making strategic investments accordingly. We have set up a development center in China and will look forward to engaging with local companies servicing them from China. Overall trend in the region is looking encouraging. We have been able to add few high potential new customers to our portfolio in JKC and are looking for those becoming strategic accounts for us.

SBU Update

PRODUCT ENGINEERING SERVICES (PES)

PES SBU contributed 31.8% of the total revenue for the quarter, depicting a sequential decline of 4.5%.

- The major deal wins during this quarter were in areas such as ADAS, AUTOSAR, Powertrain, Infotainment and clusters. In Powertrain there are opportunities across battery management system and hybrid technologies. We won a few projects involving state of the art technology in algorithm development, software integration, verification and validation.

- ❖ Some of the new initiatives we are focusing on include automotive software security, technology for secured, shared and synchronized data across multiple networks spread across different geographies and advanced control techniques for complex systems like HEV/EV.

EPLM

- We are re-organizing our offerings into 3 buckets to align with the changing needs of value harvesting, Smart PLM and integrated solutions. In terms of traction we are noticing significant uptick in PLM implementations mainly in India while ALM upgrade and performance improvement is an area of interest in existing automotive customer install base. Overall there is good momentum in automotive industry in Europe and Medical devices industry in US.
- KPIT has expanded its partnership with PTC, by signing Value Solution Provider and Service Advantage Partner agreements to deliver product lifecycle management (PLM) solutions to customers in India. We have also partnered with PTC to develop role based applications for the Medical device industry.

PRODUCTS & PLATFORMS (P&P) SBU

P&P SBU contributed 3.9% to the total revenue for the quarter and it declined by $ 0.5 million QoQ.

- KPIT was recognized with "Certificate of Appreciation" for its indigenous electric bus technology – REVOLO by United Nations Department of Economic and Social Affairs Grant on Energy. It was nominated among 8 finalists from 157 international applicants for this grant on energy which was themed around "Energy for Sustainable transport".
- KPIT's ITS bagged "Order of Merit" award at BW Businessworld Smart Cities Conclave 2016 in Innovative Smart Solution – Accessibility and Mobility category.

THOUGHT LEADERSHIP

- KPIT showcased its expertise in Infotainment, ADAS & Diagnostics at the globally acclaimed auto show, Paris Motor Show. The Virtual Reality (VR) video of KPIT facility and products at the Paris Motor Show received great reviews from the show attendees.
- KPIT participated in Urban Mobility India Expo, a flagship event of Ministry of Urban Development, at Gandhinagar from 8th - 11th November.
- KPIT organized Vehicle Diagnostics: Future Trends Conference at Detroit, US on 11th October and speakers from leading Automotive OEM's, Tier 1s and Research Organizations.

SAP SBU

SAP SBU contributed 23.4% of the total revenue for the quarter depicting a sequential growth of 2.5%.

- SAP has accelerated its efforts to increase its cloud based revenues and there is also strong momentum in CEC/ Hybris and SuccessFactors. The key growth areas in SAP SBU are HANA, Cloud, Hybris/ C4C Solutions.
- Amongst solutions our Simplecommerce and CPQ Accelerator for manufacturing, Auto and IM&C customers is gaining interest and will generate more opportunities. We are exploring hybris billing as a new initiative.
- Customers are also leveraging our M&A solutions to integrate and roll out IT and business processes for their M&A activities.

INTEGRATED ENTERPRISE SOLUTIONS (IES) SBU

IES SBU contributed 29.5% of the total revenue for the quarter depicting a sequential decline of 0.6%.

ORACLE

- Oracle's clarity on co-existence is driving the pipeline for EBS Implementations, rollouts and upgrades. There are investments in ERP integrations, upgrades, rollouts and adoption of cloud driven by increased M&A activity and technology adoption.
- Our SMART AMS offering is helping customers to do more with less and thus generating traction mainly in energy and manufacturing verticals. Our pre-configured solutions aided by integrations and mobility are helping customers to adopt cloud seamlessly. Compliance matters and regulatory changes are creating demand for specific solutions.
- Our DaaS offering has garnered good interest and it is generating significant traction mainly for transformational programs. With Oracle's acquisition of Netsuite, we are building our Netsuite practice and partner ecosystem to complete the stack of offerings in SMB segment.

IMS

- We are preparing targeted solutions around security services and taking it to our global customers. We are also working towards expansion across India with local presence for Field Management Support contracts.
- The other areas of traction are hybrid cloud transformation, ITSM and Business service monitoring implementation. We made an enhancement to our TaaS solution offering to bring customers more agility, faster environment set-up and higher quality services for business critical applications.

DIGITAL TRANSFORMATION (DT) SBU

DT SBU (which addresses DT outside of SAP and Oracle SBU) contributed 11.4% of the total revenue for the quarter depicting a sequential growth of 17.4%. Our overall Digital revenues are around 25 % of the total Business IT revenues of KPIT and are growing at a faster pace.

- There is traction in our digital GTM offerings in the space of asset management, supply rationalization and customer engagement and commerce. We are observing good momentum across all focused industries.
- We are offering packaged solution for asset tracking, materials rationalization, workforce prediction, field services automation, asset diagnostics & prognostics, wearable diagnostics and connected consumer.
- We have integrated IoT and ERP with contextual Data Analytics & Science, presented through Mobile, easy UX for all roles with lean and agile teams.

**All the revenue growth numbers mentioned under IBU, Geography and SBU update are in equivalent ₹ terms.*

Technology Update

- During this quarter we have filed two provisional patents in automotive domain. As on Q3FY17 end the total number of patents filed stood at 57 including 49 patents with complete specifications.
- We were also granted one patent during this quarter taking the total granted patents count to 27. The details of the recently granted patent are mentioned below:

Patent Number	Patent Title	Country	Domain
CH 201280042201.7	System and Method for Battery Monitoring	China	Battery Management System

Recognitions and Thought Leadership

- KPIT has been conferred with the prestigious **"Special Jury Commendation"** award for its sustainable water conservation project at the recently concluded **FICCI CSR Awards 2015-16**, held in New Delhi.

- Mr. Pankaj Sathe, CMO has been honored with the **Most Influential Marketing Leaders'** award, organized by the World Marketing Congress at Mumbai. This award recognizes his exemplary leadership in contributing to the business growth.

Customer Highlights

- A large global supplier has chosen KPIT as its partner for ADAS expertise. KPIT will help the client in software development and feature enhancement.
- A leading European manufacturer selected KPIT owing to its domain experience and technical expertise for an engagement in the area of AUTOSAR and Diagnostics.
- KPIT was selected for 3 key projects by leading global OEMs/ Tier1s in the domains of Powertrain, Infotainment & Clusters and AUTOSAR, owing significantly to its domain experience and delivery readiness.
- A US based leading provider of medical technologies for the health care industry selected KPIT for a HANA integration project.
- KPIT was selected by a leading US based electrical service provider for an engagement in ERP/EAM software-driven business process improvements and benefits.
- A leading global manufacturing company selected KPIT for EBS implementation project.
- KPIT was selected by a leading US based medical device supplier for a PLM implementation project.
- A global Auto Tier1 chose KPIT for an engagement in the area of ALM support.

Financial Update

REVENUE UPDATE

Our $ revenue for the quarter stood at $ 122.88 Million, a Q-o-Q decline of 0.4% and Y-o-Y decline of 0.3%. In ₹ terms revenue grew by 2.1% Y-o-Y to ₹ 8,306.78 Million. On a Q-o-Q basis it declined by 0.04%.
As stated earlier in the update we divested our functional safety product business during the quarter. Hence in Q3, only one month revenues for this business were consolidated. As compared to Q2, we recorded $ 0.5 Million less revenue in Q3. Thus on a comparable basis (excluding functional safety revenues and cross currency impact) Q3 revenues showed marginal growth of 0.5% as compared to Q2 revenues.

Amongst SBUs, DT was the highest growing SBU with Q-o-Q growth of 16.9% while SAP grew by 2.1%. There was a Q-o-Q decline of 1% in IES SBU, 4.9% in PES SBU and 13.9% in Products & Platform SBU.
The overall digital revenues for KPIT now stand at ~18%. Digital revenues have been growing at 30%+ for KPIT. The decline in PES revenue during the quarter was a result of less billing days and some larger milestones billed last quarter. We will see growth in PES in Q4.

Amongst geographies, US grew by 3.8% on a Q-o-Q basis while Europe and APAC declined sequentially by 11.5% and 6.9% respectively. On a constant currency basis, Europe Revenues saw a decline of 10.5% and a decline of 8% in CC comparable terms (excluding impact of divestment of functional safety business). On a YoY 9 months basis Asia has grown by 12% and US is flat. Europe is also flat on a YTD comparable basis in constant currency.
In terms of industry verticals, Manufacturing grew by 5.1% on a Q-o-Q basis while Automotive & Transportation and Energy & Utilities declined by 4.4% and 3.1% respectively.
Our top customer declined by 3.8% on a Q-o-Q basis while the revenue for Top 2-10 customers grew by 2.64%.
Revenues from MicroFuzzy were not consolidated during the quarter.

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

PROFITABILITY

The realized rate for the quarter was ₹ 67.6/$ against ₹ 67.33/$ in Q2FY17.

We added 215 people during the quarter. The utilization was also affected due to less number of billing days during the quarter. We gave salary corrections to select people across the organization in Q3. As a result, there was increase in employee cost with flat revenue, resulting in 82 bps decline in the operating margin.
The Profit for the quarter grew by 31% on a sequential basis. As stated earlier, the gain on divestment of the functional safety business was recorded during the quarter.

CASH FLOW

Details	₹ Million
Cash Profit for Q3FY17	**927.27**
Working Capital Adjustments	682.48
Cash Generated from Operations	**1,609.75**
Fixed Assets (including additional Goodwill on consolidation) + ESOPs	1,053.49
Balance Cash Flow	**556.26**
Debt Repayment	(168.75)
Functional Safety Business Divestment	501.32
Strategic Partnership Investment	(487.00)
Total Increase/(Decrease) in cash balance	**401.83**

- The Cash Balance as at December 31, 2016 stood at ₹ 4,773.41 Million as compared to ₹ 4,371.58 Million as on September 30, 2016.
- The DSO at 76 days, at the quarter end, were down by 6 days as compared to last quarter
- As on December 31, 2016 our total debt stood at ₹ 3,995.88 Million (₹ 4,131.60 Million as of September 30, 2016) comprising of ₹ 2,267.27 Million of Term Loan and ₹ 1,728.61 Million of Working Capital Loan.
- Thus the Net Cash Balance as at December 31, 2016 stood at ₹ 778 Million

Income statement for quarter ended December 31st, 2016

₹ million	Q3 FY17	Q2 FY17	Q-o-Q Growth	Q3 FY16	Y-o-Y Growth
Sales	**8,306.78**	**8,309.84**	**(0.04%)**	**8,132.77**	**2.14%**
Employee Benefit Expenses	5,312.07	5,122.03	3.71%	4,934.09	7.66%
Cost of materials consumed	45.43	116.77	(61.09%)	11.88	-
Depreciation & Amortization Expenses	191.45	199.63	(4.10%)	180.46	6.09%
Other Expenses	1,150.32	1,150.40	(0.01%)	1,054.22	9.12%
Professional fees Subcontractor	953.12	1,006.71	(5.32%)	965.95	(1.33%)
Total Expenses	**7,652.39**	**7,595.54**	**0.75%**	**7,146.60**	**7.08%**
Profit before Other Income, Finance costs & Exceptional Item	**654.39**	**714.30**	**(8.39%)**	**986.17**	**(33.64%)**
Other Income	29.22	49.22	(40.63%)	38.18	(23.47%)
Profit before Finance costs & exceptional Items	**683.61**	**763.52**	**(10.47%)**	**1,024.35**	**(33.26%)**
Finance costs	65.65	13.55	-	37.05	77.20%
Profit after Finance costs & before exceptional Items	**617.96**	**749.97**	**(17.60%)**	**987.30**	**(37.41%)**
Exceptional Items	260.91	-	-	-	-
Profit Before Tax	**878.87**	**749.97**	**17.19%**	**987.30**	**(10.98%)**
Tax Expenses	143.04	188.17	(23.98%)	266.74	(46.37%)
Net Profit from ordinary activities after Tax	**735.83**	**561.80**	**30.98%**	**720.56**	**2.12%**
Extraordinary Items	-	-	-	-	-
Net Profit for the Period	**735.83**	**561.80**	**30.98%**	**720.56**	**2.12%**
Share of profit from associate	-	-	-	-	-
Minority Interest	-	-	-	-	-
PAT	**735.83**	**561.80**	**30.98%**	**720.56**	**2.12%**
Other Comprehensive Income	(25.02)	(89.37)	-	28.87	-
Total Comprehensive income for the period	710.81	472.43	50.46%	749.43	(5.15%)
Paid up Capital	376.13	375.92	-	375.25	-
EPS (₹ 2/-Face Value each)					
- Basic	3.84	2.93	30.94%	3.76	1.89%
- Fully Diluted	3.68	2.81	31.18%	3.61	1.93%
Common Size Analysis:					
Gross Profit Margin	28.97%	29.53%	(0.56%)	32.86%	(3.89%)
SG&A / Revenue	18.79%	18.53%	0.25%	18.27%	0.52%
EBITDA Margin	10.18%	11.00%	(0.82%)	14.59%	(4.41%)
Net Profit Margin	8.86%	6.76%	2.10%	8.86%	-

Income statement for nine months ended December 31st, 2016

₹ million	Dec-16	Dec-15	Y-o-Y Growth
Sales	**24,648.98**	**23,854.16**	**3.33%**
Employee Benefit Expenses	15,499.42	14,548.77	6.53%
Cost of materials consumed	184.53	104.85	76.00%
Depreciation & Amortization Expenses	578.81	511.69	13.12%
Other Expenses	3,364.74	3,351.90	0.38%
Professional fees Subcontractor	2,984.40	2,828.93	5.50%
Total Expenses	**22,611.90**	**21,346.14**	**5.93%**
Profit before Other Income, Finance costs & Exceptional Item	**2,037.08**	**2,508.02**	**(18.78%)**
Other Income	194.11	217.85	(10.90%)
Profit before Finance costs & exceptional Items	**2,231.19**	**2,725.87**	**(18.15%)**
Finance costs	135.56	139.80	(3.03%)
Profit after Finance costs & before exceptional Items	**2,095.63**	**2,586.07**	**(18.97%)**
Exceptional Items	260.91	-	-
Profit Before Tax	**2,356.54**	**2,586.07**	**(8.88%)**
Tax Expenses	508.37	704.35	(27.82%)
Net Profit from ordinary activities after Tax	**1,848.17**	**1,881.72**	**(1.78%)**
Extraordinary Items	-	-	-
Net Profit for the Period	**1,848.17**	**1,881.72**	**(1.78%)**
Share of profit from associate	-	-	-
Minority Interest	-	-	-
PAT	**1,848.17**	**1,881.72**	**(1.78%)**
Other Comprehensive Income	(54.70)	4,772.92	-
Total Comprehensive income for the period	1,793.47	2,354.64	(23.83%)
Paid up Capital	376.13	375.25	-
EPS (₹ 2/-Face Value each)			
- Basic	9.64	9.85	(2.14%)
- Fully Diluted	9.24	9.42	(1.90%)
Common Size Analysis:			
EBITDA Margin	10.61%	12.81%	(2.20%)
Net Profit Margin	7.50%	7.89%	(0.39%)

Performance Metrics for quarter ended December 31st, 2016

	Q3 FY17	Q2 FY17	Q-o-Q Growth	Q3 FY16	Y-o-Y Growth
Revenue Spread – Geography					
USA	70.09%	67.23%	4.22%	69.57%	2.91%
Europe	14.42%	16.21%	(11.11%)	17.48%	(15.76%)
Rest of World	15.49%	16.56%	(6.48%)	12.95%	22.18%
Revenue Spread – Verticals					
Automotive & Transportation	39.29%	40.91%	(4.00%)	35.81%	12.05%
Manufacturing	37.20%	35.23%	5.54%	36.40%	4.39%
Energy & Utilities	14.07%	14.46%	(2.72%)	20.24%	(29.00%)
Others	9.44%	9.40%	0.46%	7.55%	27.75%
Revenue Spread – by SBU*					
Integrated Enterprise Solutions	29.55%	29.70%%	(0.56%)	30.90%	(2.33%)
Product Engineering Services	31.80%	33.30%	(4.54%)	31.24%	3.98%
Products & Platforms	3.89%	4.50%	(13.55%)	2.87%	38.32%
SAP	23.40%	22.82%	2.50%	25.90%	(7.70%)
Digital Transformation^	11.37%	9.68%	17.36%	9.10%	27.61%
Customer details					
No. of Customers Added	2	3	-	3	-
No. of Active Customers	225	223	-	215	-
Customers with run rate of >$1Mn	89	90	-	94	-
Top Client – Cummins	12.64%	13.09%	(3.40%)	14.06%	(8.11%)
Top 5 Clients	27.24%	27.76%	(1.88%)	27.21%	2.27%
Top 10 Clients	38.89%	38.55%	0.86%	39.43%	0.76%
Onsite / Offshore Split					
Onsite Revenues	56.96%	56.17%	1.38%	58.78%	(1.02%)
Offshore Revenue	42.33%	42.71%	(0.95%)	40.93%	5.62%
SI#	0.71%	1.12%	(36.43%)	0.29%	-
Revenue by Contract Type					
Time and Material Basis	65.63%	70.88%	(7.44%)	70.58%	(5.03%)
Fixed Price / Time Basis	33.66%	28.00%	20.16%	29.13%	18.02%
SI#	0.71%	1.12%	(36.43%)	0.29%	-
Debtors (days)	76	82	-	77	-

Human Resources – Details	Q3 FY17	Q2 FY17	Q-o-Q Growth	Q3 FY16	Y-o-Y Growth
Development Team – Onsite (Avg.)	1,664	1,634	-	1,635	-
Development Team - Offshore(Avg.)	9,238	8,986	-	8,190	-
Onsite FTE	1,483	1,464	1.35%	1,474	0.63%
Offshore FTE	6,267	6,214	0.86%	5,655	10.82%
Total FTE	7,751	7,678	0.95%	7,129	8.71%
Development (at Quarter end)	11,017	10,816	-	9,768	-
Gen Management / Support (at Quarter end)	616	608	-	586	-
Marketing (Subsidiaries) (at Quarter end)	248	242	-	205	-
Total (at Quarter end)	11,881	11,666	-	10,559	-
Onsite utilization	89.15%	89.58%	-	90.16%	-
Offshore utilization	67.84%	69.15%	-	69.05%	-

*The SBU revenues have been re-classified based on new organizational changes and previous period figures have been restated for comparison.
Products & Platforms SBU revenue has been separated from Product Engineering Services SBU.
^ Digital Transformation SBU (erstwhile Enterprise Solutions SBU)
# SI represents the revenues for our Telematics solution.

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 31st December 2016 : $ 37.70 Million

These hedges are maturing in FY16-17 and average rate for these hedges is ₹ 68.95/$

Balance sheet details

Balance Sheet Summary: As at (₹ Million)	Dec 31, 2016	Sep 30, 2016
Assets:		
Non-current Assets:	10,421.36	9,403.76
Fixed Assets	2,508.90	2,244.79
Goodwill	4,301.30	3,837.42
Other Non-current assets	3,611.16	3,321.55
Current Assets:	14,271.62	14,554.28
Inventories	374.66	352.31
Trade Receivables	7,476.20	8,232.98
Cash & bank balances	4,737.26	4,339.57
Other Current Assets	1,683.50	1,629.42
Total Assets	**24,692.98**	**23,958.04**
Equity & Liabilities:		
Equity:	15,467.62	14,740.67
Share Capital	376.13	375.92
Other Equity	15,091.49	14,364.75
Non-controlling Interest	11.73	
Non-current Liabilities:	2,097.26	2,024.74
Financial liabilities	1,402.62	1,407.87
Provisions	691.00	613.22
Deferred tax liabilities	3.64	3.65
Current Liabilities:	7,116.37	7,192.63
Short term borrowings	2,293.37	2,292.46
Trade Payables	1,329.74	1,222.75
Other Current liabilities	3,493.26	3,677.42
Total Equity & Liabilities	**24,692.98**	**23,958.04**

Conference Call Details

Conference name	:	KPIT Q3 FY2017 Conference Call
Date	:	January 19, 2017
Time	:	1600 Hours (IST)

Dial-in Numbers for all the participants

Primary number : +91 22 3960 0695

Local access Number : 3940 3977
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About KPIT Technologies

KPIT (BSE:532400, NSE: KPIT) is a global technology company specializing in providing IT Consulting and Product Engineering solutions and services to Automotive, Manufacturing, Energy & Utilities and Life Sciences companies. Together with its customers and partners, it creates and delivers technologies to enable creating a cleaner, greener and more intelligent world that is sustainable and efficient. For more information, visit http://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.

Contact Details

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