

8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

Registered Office: Second Floor, Srinivas Towers, No. 5, Cenotaph Road, Teynampet, Chennai - 600 018

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST DECEMBER 2019

(Amount in INR in lakhs except EPS)

S.No.	Particulars	Quarter Ended			9 Months ended		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income						
	a) Revenue from operations	1,112.32	1,108.16	1,264.33	3,223.70	4,373.63	5,694.44
	b) Other income (including foreign exchange gain / (loss) - Refer Note 4)	141.89	0.70	(226.76)	143.27	683.70	686.98
	Total income	1,254.21	1,108.86	1,037.57	3,366.97	5,057.33	6,381.42
2	Expenses						
	a) Employee benefits expense	493.98	507.48	394.39	1,480.79	1,268.65	1,732.87
	b) Finance costs	234.78	229.13	215.66	699.57	720.41	969.66
	c) Depreciation and amortization expense	8.81	7.84	9.20	22.70	26.38	34.05
	d) Other expenses	140.18	133.35	463.36	402.70	1,901.02	2,281.79
	Total expenses	877.75	877.80	1,082.61	2,605.76	3,916.46	5,018.37
3	Profit / (Loss) before exceptional items and tax (1-2)	376.46	231.06	(45.04)	761.21	1,140.87	1,363.05
4	Exceptional items						
5	Profit / (Loss) before tax (3-4)	376.46	231.06	(45.04)	761.21	1,140.87	1,363.05
6	Tax expense						
	- Current tax (including prior period)	121.76	80.76	(16.84)	252.53	186.80	219.90
	- Deferred tax	(17.04)	(16.47)	5.68	(39.30)	134.36	169.92
7	Net profit / (loss) for the period (5-6)	271.74	166.77	(33.97)	547.96	819.71	973.22
8	Other comprehensive income / (loss)						
	Items that will not be reclassified to the statement of profit and Loss						
	(a) Actuarial gain / (loss) on defined benefit obligation	-	(7.90)	4.78	(7.90)	14.34	9.74
	(b) Income tax relating to items that will not be reclassified to the statement of profit or loss	-	-	(1.40)	-	(4.18)	(2.81)
	Total other comprehensive income / (loss) (Net of tax)	-	(7.90)	3.38	(7.90)	10.16	6.93
9	Total comprehensive income / (loss) for the period (7+8)	271.74	158.86	(30.50)	540.08	829.87	980.16
10	Paid-up equity share capital (Face value of Rs. 5/- each)	1,525.88	1,525.88	1,525.88	1,525.88	1,525.88	1,525.88
	Number of equity shares	30,517,605	30,517,605	30,517,605	30,517,605	30,517,605	30,517,605
11	Earnings per equity share (EPS) [Face value of Rs. 5/- each]						
	(a) Basic EPS	0.89	0.55	(0.11)	1.80	2.69	3.19
	(b) Diluted EPS	0.89	0.55	(0.11)	1.80	2.69	3.19

Notes:

- The above statement of standalone financial results have been reviewed by the Audit Committee, approved and taken on record by the Board of Directors in their meeting held on 26 May 2020.
- The Company operates in a single segment, i.e., "Information And Technology Services" and hence, does not have any additional disclosures to be made under Ind AS 108 - Operating Segments.
- Effective 01 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers'. The application of Ind AS 115 did not have any material impact on the financial results of the Company.
- Statement of standalone financial results includes foreign exchange gain / (loss) as given below:

(Amount in INR in lakhs)

Particulars	Quarter Ended 31 Dec 2019	Quarter Ended 30 Sept 2019	Quarter Ended 30 June 2019	Nine Months Ended 31 Dec 2019	Year Ended 31 March 2019
Foreign exchange gain / (loss) included under:					
(a) Other Income	138.11	(3.12)	(7.76)	127.23	420.08

Place: Chennai
Date : 26 May 2020



By Order of the Board
For and on behalf of the Board of Directors

Suresh Venkatachari

Suresh Venkatachari
Managing Director
DIN No. 00365522



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF UNAUDITED QUARTERLY FINANCIAL RESULTS

To
THE Board of Directors
8K Miles Software Services Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **8K MILES SOFTWARE SERVICES LIMITED** ("the Company"), for the Quarter ended **31st December, 2019** and period from 1st April 2019 to 31st December 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMDI/44/2019 dated 29th March 2019 ("the Circular")

2. Management's Responsibility

The Management of the Company is responsible for preparation of the Statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. The Board of Directors have approved the Statement.

3. Auditor's Responsibility

Our responsibility is to issue a report on the Statement based on our review. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Basis of Disclaimer

- 4.1 The Company has trade receivables Rs.4,082 Lakhs at 31st December, 2019 from its subsidiary 8K Miles Software Services Inc. It may be noted that this subsidiary has made an advance of Rs.4,628 Lakhs towards acquisition.
- 4.2 The Company has export trade receivables aggregating Rs.3,769 Lakhs outstanding for more than twelve months from the invoice date as at 31st December, 2019, which is beyond the time limit stipulated under the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, for repatriation of foreign currency receivables.
- 4.3 The amount of Rs.3,769 Lakhs referred above includes dues from overseas customers aggregating to Rs.2,609 Lakhs. It may be noted that there has been no transaction for more than ten months.

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- 4.4 We are informed that as on the date of this report, the final investigation report of the external firm of Chartered Accountants for the matters reported u/s 143(12) not received by the Company and hence the same has not been made available to us.

We are unable to conclude on the consequential impact, if any, of the same on the financial statement.

5. Conclusion

We are unable to express our opinion on the results/figures for the year ended 31st March, 2019 disclosed in the financial statements for the quarter ended 31st December 2019 and for the period from 1st April 2019 to 31st December 2019 as the disclaimers made by the previous statutory auditors in their audit report for the financial year 2018-19 continue to hold good.

6. Except for the possible effects of the matters described in paragraphs 4 and 5 under the Basis of Disclaimer above, we are unable to conclude on the financial statements for the reasons stated therein and based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statements, prepared in accordance with the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K.Gopal Rao & Co.
Chartered Accountants
FRN No.000956S



CA Bashyakar Mattapalli

Partner

(M Number: 015932)
UDIN: 20015932AAAAAF3354

Chennai
26th May 2020

8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

Registered Office: Second Floor, Srinivas Towers, No. 5, Cenotaph Road, Teynampet, Chennai - 600 018

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2019

(Amount in INR in lakhs except EPS)

S.No.	Particulars	Quarter Ended			9 Months ended		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income						
	a) Revenue from operations	11,343.43	10,867.75	26,055.90	31,385.28	78,334.70	84,219.15
	b) Other income	153.11	10.97	(130.41)	164.25	925.21	819.42
	Total income	11,496.54	10,878.72	25,925.49	31,549.53	79,259.91	85,038.57
2	Expenses						
	a) Employee benefits expense	5,103.98	5,401.17	12,117.83	17,405.00	37,414.60	29,052.51
	b) Finance costs	307.43	294.16	221.18	912.85	763.98	1,162.49
	c) Depreciation and amortization expense	265.77	256.13	1,165.52	3,097.70	3,640.65	6,959.83
	d) Other expenses	4,556.84	3,468.94	4,993.51	14,553.40	14,479.80	38,220.86
	Total expenses	10,234.03	9,420.40	18,498.04	35,968.95	56,299.03	75,395.69
3	Profit before exceptional items and tax (1-2)	1,262.51	1,458.32	7,427.45	(4,419.42)	22,960.88	9,642.88
4	Exceptional items	-	-	-	48,732.69	-	-
5	Profit before tax (3-4)	1,262.51	1,458.32	7,427.45	(53,152.12)	22,960.88	9,642.88
6	Tax expense						
	- Current tax	173.61	81.17	1,645.01	311.57	5,053.18	1,300.58
	- Deferred tax	(17.03)	20.08	5.68	178.89	(5.91)	359.81
7	Net profit after tax for the period (5-6)	1,105.93	1,357.07	5,776.76	(53,642.58)	17,913.61	7,982.49
8	Other comprehensive income / (loss)						
	(i) Items that will not be reclassified to profit or loss:						
	(a) Remeasurements of the defined benefit plans	-	(7.90)	-	(7.90)	-	9.74
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	(1.40)	-	(4.18)	(2.81)
	(ii) Items that will be reclassified to profit and loss:						
	(a) Foreign currency translation differences	10.97	(10.97)	4.78	-	14.34	3,246.43
	Total other comprehensive income	10.97	(18.87)	3.38	(7.90)	10.16	3,253.36
9	Total comprehensive income for the period (7+8)	1,116.90	1,338.20	5,780.14	(53,650.47)	17,923.77	11,235.85
10	Profit attributable to:						
	Owners of the company	1,053.03	1,175.47	4,611.77	(37,299.81)	14,446.74	6,671.77
	Non-controlling Interest	52.89	180.59	1,164.99	(16,352.77)	3,466.87	1,110.72
11	Other comprehensive income attributable to:						
	Owners of the company	10.97	(18.87)	3.38	(7.90)	10.16	3,253.36
	Non-controlling Interest	-	-	-	-	-	-
12	Total comprehensive income attributable to:						
	Owners of the company	1,064.00	1,157.60	4,615.15	(37,297.70)	14,456.90	10,125.13
	Non-controlling Interest	52.89	180.59	1,164.99	(16,352.77)	3,466.87	1,110.72
13	Paid-up equity share capital (Face value of Rs. 5/- each) Reserves (Other Equity) - excluding any revaluation reserve	1,525.88	1,525.88	1,525.88	1,525.88	1,525.88	1,525.88 57,706.55
14	Earnings per equity share (EPS) [Face value of Rs. 5/- each]						
	(a) Basic EPS (Rs.)	3.45	3.86	15.11	(122.19)	47.34	22.52
	(b) Diluted EPS (Rs.)	3.45	3.86	15.11	(122.19)	47.34	22.52

Notes

- The above statement of consolidated financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board in its meeting held on 26 May 2020. The above statements for the period ended 31st December 2019 have been subjected to limited review by the Statutory Auditors of the Company.
- The Consolidated financial results have been prepared in accordance with applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Amended Rules, 2016.
- The Company operates in a single segment, i.e., "Information And Technology Services" and hence, does not have any additional disclosures to be made under Ind AS 108 - Operating Segments.
- Effective 01 April 2018, the Company has adopted Ind AS 115 Revenue from Contracts with Customers wherever necessary.



By Order of the Board
For and on behalf of the Board of Directors

V. Suresh
(Signature)

Suresh Venkatachari
Managing Director
DIN No. 00365522

Place Chennai
Date : 26 May 2020



K. GOPAL RAO & CO

Chartered Accountants

GSTIN : 33AAGFK3782M1ZZ

**INDEPENDENT AUDITOR'S REVIEW REPORT ON
CONSOLIDATED UNAUDITED QUARTERLY RESULTS**

To

The Board of Directors

8K Miles Software Services Limited

1. We have reviewed the accompanying unaudited consolidated financial statement of **8K Miles Software Services Limited** ("the Parent"), its foreign subsidiaries (together referred to as "the Group") for the quarter ended **31st December, 2019** and for the period from 1st April 2019 to 31st December 2019 (the "Statement") attached herewith being submitted by the Parent Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 as amended ("Regulations") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29th March 2019 ("the Circular").
2. This Statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder the other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We could not perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, due to prevailing lock down on account of COVID-19.
4. The Statement includes the results of the following Four foreign subsidiaries: 8K Miles Software Services Inc., USA, 8K Miles Software Services FZE, UAE, 8K Miles Health Cloud Inc., USA and Mentor Minds Solutions & Services Inc., USA.
5. **Basis of Disclaimer**
 - 5.1 We are informed that as on the date of this report, the final investigation report of the external firm of Chartered Accountants for the matters reported u/s 143(12) has not been received by the Company and hence the same has not been made available to us.

Branches :

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- 5.2 We are unable to express our opinion on the financial results for the year ended 31st March, 2019 disclosed in the financial statements for the quarter ended December 31, 2019 and for the period from 1st April 2019 to 31st December 2019 as the disclaimers reported by the previous statutory auditors in their audit report for the year ended 31st March, 2019 continue to hold good as on date.
6. Subject to the disclaimers described in Para 5 and based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review of the auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the standalone unaudited financial statements of the subsidiaries included in the Group, whose results reflect total assets of Rs.36,998 Lakhs as at 31st December 2019, whose results reflect total revenues of Rs.29,522 Lakhs for the period from 1st April 2019 to 31st December 2019 and total net profit/(loss) after tax of Rs.(55,024) Lakhs for the period from 1st April 2019 to 31st December 2019 as considered in the respective standalone unaudited financial statements of the subsidiaries included in the Group. The financial statements of these subsidiaries, except 8K Miles Software Services FZE, and Mentor Minds Solutions & Services Inc., USA. have been certified by the management and reviewed by the respective auditors whose reports have been furnished to us. The financial statements of 8K Miles Software Services FZE, UAE and Mentor Minds Solutions & Services Inc., USA. have been certified by the management. Our conclusions in so far as they relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on the report of such auditors/Management and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.

For K.Gopal Rao & Co.
Chartered Accountants
FRN: 000956S



CA Bashyakar Mattapalli
Partner
(M Number: 015932)
UDIN: 20015932AAAAAE4761

Chennai
26th May 2020