



INDEPENDENT AUDITOR'S REPORT

To
The Directors of 8K Miles Software Services Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial results of **8K Miles Software Services Limited (The Company)** for the quarter ended 31st March, 2020 and for the period 01st April 2019 to 31st March 2020, attached, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 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 for the quarter and the year ended as on 31st March 2020 and its profit/loss and its cash flows for the quarter and year ended on that date.

Basis for Qualified Opinion

- (i) We have formed our opinion on the evidence obtained by following alternate procedures performed during our audit in the light of modified report (disclaimers) contained in by the previous auditor.
- Closing balances of all receivables and payables were verified through external confirmations received directly from the respective parties.
 - Confirmation of closing Bank balances received directly.
 - Write off of old and doubtful receivables.
 - Relied on the findings of special audit report against the complaint made u/s 143(12) of The Companies Act 2013 and its impact on the opening balances for the current year.
- (ii) We draw your attention to last year's audit observation on long outstanding receivables from overseas customers amounting to Rs 3,464.01 Lacs (31st March 2019) and corresponding technical services payable to overseas vendor of Rs 1,709.20 Lacs. The receivables amounting to Rs 1,709.20 Lacs has been assigned to the vendor based on the assignment agreement between the Company and the Vendor. The residual balance of Rs 1,754.81 Lacs has been written-off to the Profit & Loss account. The Company has made an intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. The company is of the opinion that there is no Goods and Service Tax applicability on the above transaction as the services have been availed and rendered outside India. **Profits for the current year have been impacted to this extent due to the above.**

Branches :

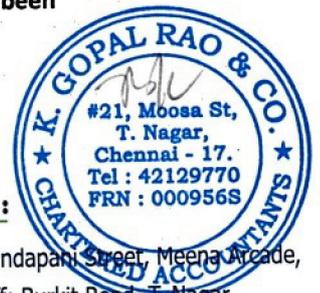
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- (iii) The Company had Trade and Other Receivables aggregating to Rs 3,309.10 Lacs as at 31st March 2019 due from 8K Software Services Inc., an Overseas Subsidiary. Subsequently, an amount of Rs 1,124.53 Lacs has been collected (Rs 782.27 Lacs till 31st March 2020 and Rs 342.26 Lacs from 1st April 2020 till 30th June 2020. The AD banker has been intimated about the delay in collecting the outstanding beyond 12 months. Further, the Subsidiary Company has confirmed the outstanding balances as of 31st March 2020. **The interest burden suffered due to continued delay in realization of receivables is estimated at Rs 288.47 lacs.**

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 ("**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.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial results are free from material misstatement, whether due to fraud or error, and to issue an 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 Audit Standards 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 based on these standalone financial results.

As part of an audit in accordance with Audit Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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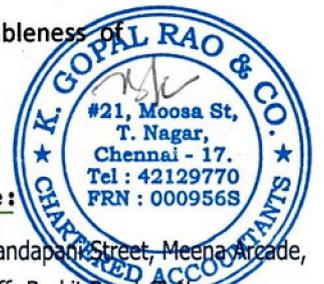
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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt 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 auditor's report to the related disclosures in the financial results 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 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 standalone financial results, including the disclosures, and whether the financial results 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.

CoVID-19 Impact

The country-wide lockdown and restrictions imposed by the Government of India and State Government have posed challenges to the Company's operations. The employees have been asked to work from home to mitigate the impact of the lock-down and to comply with the Government's guidelines. We have not noticed any adverse impact on the Company's Financials or collection of receivables as evidenced by the cash flows during the period 01st April 2020 to 30th June 2020.



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

CA Bashyakar Mattapalli
Partner
Membership # 015932

Chennai
30th July 2020

UDIN - 20015932 AAAA H1285

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8K MILES SOFTWARE SERVICES LIMITED
(CIN: L72300TN1993PLC101852)

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

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH 2020

(Amount in INR in lakhs except EPS)

S.No.	Particulars	Quarter Ended			Year to Date	
		31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019
		Audited	Un-Audited	Audited	Audited	Audited
1	Income					
	a) Revenue from operations	1,021.97	1,112.32	1,320.81	4,245.67	5,694.44
	b) Other income (including foreign exchange gain / (loss) (Refer Note 5)	159.90	141.89	3.28	303.17	686.98
	Total income	1,181.87	1,254.21	1,324.09	4,548.84	6,381.42
2	Expenses					
	a) Employee benefits expense	352.94	493.98	464.22	1,833.73	1,732.87
	b) Finance costs	220.64	234.78	249.25	920.21	969.66
	c) Depreciation and amortization expense	9.14	8.81	7.67	31.85	34.05
	d) Other expenses	1,874.37	140.18	380.77	2,277.07	2,281.79
	Total expenses	2,457.09	877.75	1,101.91	5,062.86	5,018.37
3	Profit / (Loss) before exceptional items and tax (1-2)	(1,275.22)	376.46	222.18	(514.02)	1,363.05
4	Exceptional items (Refer Note 4)	18.41	-	-	18.41	-
5	Profit / (Loss) before tax (3-4)	(1,293.63)	376.46	222.18	(532.43)	1,363.05
6	Tax expense					
	- Current tax (including prior period)	(252.53)	121.76	33.11	-	219.90
	- Deferred tax	32.12	(17.04)	35.56	(7.18)	169.92
7	Net profit / (loss) for the year (5-6)	(1,073.22)	271.74	153.51	(525.25)	973.21
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	5.12	-	(4.60)	(2.78)	9.74
	(b) Income tax relating to items that will not be reclassified to the statement of profit or loss	-	-	1.37	-	(2.81)
	Total other comprehensive income / (loss) (Net of tax)	5.12	-	(3.23)	(2.78)	6.93
9	Total comprehensive income / (loss) for the year (7+8)	(1,068.10)	271.74	150.28	(528.03)	980.14
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
	Number of equity shares	30,517,605	30,517,605	30,517,605	30,517,605	30,517,605
	Reserves (Other Equity)				6,746.55	7,274.55
11	Earnings per equity share (EPS) [Face value of Rs. 5/- each]					
	(a) Basic EPS	(3.52)	0.89	0.50	(1.72)	3.19
	(b) Diluted EPS	(3.52)	0.89	0.50	(1.72)	3.19
		[not annualised]	[not annualised]	[not annualised]	[Annualised]	[Annualised]

Notes:

- The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 30th July 2020. The Financial Results are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- 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.
- It is challenging to predict the full economic impact of COVID 19, which had affected the global business during the quarter. However, the Company, based on the information available, had made assessment of the situation, which led to form a view that COVID 19 does not materially affect the financial position at the end of financial year. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will keep monitoring the uncertainties caused by the pandemic to assess its impact on our future economic conditions.
- During the current financial year the company has impaired the investment in its subsidiary 8K Miles Software Services FZE UAE amounting to Rs 18.41 lacs
- Statement of standalone financial results includes foreign exchange gain / (loss) as given below:

Particulars	Quarter Ended 31 Mar 2020	Quarter Ended 31 Dec 2019	Quarter Ended 31 Mar 2019	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Foreign exchange gain / (loss) included under:					
(a) Other Income	159.17	138.11	(24.65)	300.35	420.06

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



V. Suresh
Suresh

Suresh Venkatachari
Managing Director
DIN No.00365522

Place: Chennai
Date: 30th July 2020



8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

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

AUDITED STANDALONE BALANCE SHEET AS ON 31ST MARCH 2020

(Amount in INR in lakhs)

Particulars	As at 31 Mar 2020 Audited	As at 31 Mar 2019 Audited
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	57.44	61.65
(b) Capital work-in-progress	-	-
(c) Financial assets		
(i) Investments	11,982.68	12,000.09
(ii) Loans	73.31	46.51
(d) Deferred tax assets (Net)	68.07	60.89
(e) Other non-current assets	-	2.60
Total non-current assets	12,181.50	12,171.74
2 Current assets		
(a) Financial assets		
(i) Trade receivables	4,996.08	6,835.01
(ii) Cash and cash equivalents	6.60	85.20
(iii) Bank balances other than (ii) above	-	-
(iv) Other financial assets	-	489.18
(b) Other current assets	66.91	30.13
Total current assets	5,069.59	7,439.52
Total Assets (1+2)	17,251.09	19,611.26
B EQUITY AND LIABILITIES		
3 Equity		
(a) Equity share capital	1,525.88	1,525.88
(b) Other equity	6,746.55	7,274.55
Total equity	8,272.43	8,800.43
4 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,405.35	5,476.27
(b) Provisions	70.90	65.46
(c) Other non-current liabilities	-	4.39
Total non-current liabilities	6,476.25	5,546.12
5 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,539.95	1,804.40
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	6.97	2.92
(b) Total outstanding dues of creditors other than micro enterprise and small enterprises	168.03	1,964.05
(iii) Other financial liabilities	444.54	1,174.28
(b) Other current liabilities	283.95	119.06
(c) Provisions	58.97	57.86
(d) Current tax liabilities (Net)	-	142.14
Total Current Liabilities	2,502.41	5,264.71
Total Equity and Liabilities (3+4+5)	17,251.09	19,611.26

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



Suresh Venkatachari

Suresh Venkatachari
Managing Director
DIN No.00365522

Place : Chennai
Date: 30th July 2020



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Standalone Cash Flow Statement for the year ended 31st March 2020

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
I. Cash Flow From Operating Activities		
Profit/(Loss) for the year	(525.24)	973.22
<i>Adjustments for:</i>		
Tax expenses	(7.18)	389.82
Finance costs	920.21	969.66
Depreciation and Amortisation Expense	31.85	34.05
Loss on Sale of Property, Plant and Equipment (Net)	-	0.36
Impairment of Investment in subsidiary	18.41	-
Income on deposits and loans	(2.82)	(243.16)
Allowance for Expected Credit Losses (written back)	-	(23.74)
Net Unrealised Exchange Gain	(263.85)	(282.77)
Operating Profit before Working Capital and Other Changes	171.38	1,817.45
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Trade receivables	2,139.30	(3,027.37)
Other non current financial assets	(23.98)	7.27
Other non current assets	2.60	39.33
Other current financial assets	489.18	-
Other current assets	(36.78)	41.92
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	(1,833.24)	1,013.73
Provisions (non-current)	5.43	2.37
Other non current liabilities	(4.39)	(6.22)
Provisions (current)	1.11	35.43
Other current financial liabilities	-	6.37
Other current liabilities	164.90	(6.01)
Cash Generated from / (used in) Operations	1,075.51	(75.73)
Net income tax paid (including interest paid there on)	(185.88)	(205.51)
Net Cash Flow used in Operating Activities (A)	889.63	(281.24)
II. Cash Flow From Investing Activities		
Capital Expenditure on Property, Plant and Equipment	(27.63)	(118.36)
Proceeds from Sale of Property, Plant and Equipment	-	0.02
Investment made during the year	(1.00)	-
Bank balances not considered as Cash and cash equivalents	-	76.00
Interest Received on Fixed Deposits	-	7.37
Net Cash Flow used in Investing Activities (B)	(28.63)	(34.97)
III. Cash Flow Used in Financing Activities		
Borrowings during the year	170.00	6,938.45
Borrowings repaid during the year	(491.67)	(5,471.00)
Finance costs paid	(617.91)	(1,080.41)
Net Cash Flow from Financing Activities (C)	(939.58)	387.04
Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(78.60)	70.83
Cash and Cash Equivalents at the Beginning of the Year	85.20	14.37
Cash and Cash Equivalents at the End of the Year	6.60	85.20

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



V Suresh Venkatachari

Suresh Venkatachari
Managing Director
DIN No.00365522

Place: Chennai
Date: 30th July 2020





INDEPENDENT AUDITOR'S REPORT

To
The Directors of 8K Miles Software Services Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated financial results of **8K Miles Software Services Limited (Holding Company / "The Company")** and its subsidiaries (holding company and its subsidiaries together referred to as "**The Group**") for the quarter ended 31st March, 2020 and the year to date results for the period from 01st April, 2019 to 31st March, 2020, attached, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31st March, 2020 and the corresponding period from 01st April, 2019 to 31st March, 2020, as reported in these financial results have been approved by the holding Company's Board of Directors, and have been subjected to audit.

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 reports of the other auditors on separate financial statements/ financial information of subsidiaries, the Statement:

Overseas Subsidiaries

8K Miles Software Services Inc, USA <ul style="list-style-type: none">• NexAge Technologies Inc, USA• Cornerstone Advisory Group• Healthcare Triangle Inc, USA	8K Health Cloud Inc, USA <ul style="list-style-type: none">• Serj Solutions Inc, USA
Mentor Minds Solutions & Services Inc, USA	8K Miles Software Services FZE, UAE (till 29 th February, 2020)

Indian Subsidiary

Healthcare Triangle Pvt Limited, India
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- Is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- Except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 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 Group for the quarter ended 31st March, 2020 and for year ended as at 31st March, 2020 and its profit/loss, and its cash flows for the quarter ended and the year ended on that date.

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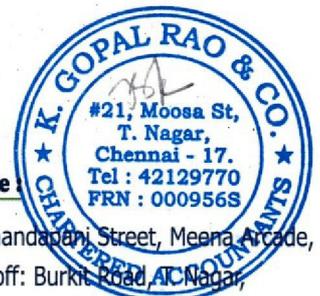
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Basis for Qualified Opinion

- (i) We have framed our opinion on the basis of evidence obtained by following alternate procedures performed during our audit in the light of modified report containing disclaimers by the previous auditor:
- Closing balance of all receivables and payables were verified through external confirmations received directly from the respective parties.
 - Confirmation of closing Bank balances received directly.
 - Write off of old and doubtful receivables
 - Relied on the findings of special audit report against the complaint made u/s 143(12) of The Companies Act 2013 and its impact on the opening balances for the current year.
 - Relied on confirmation of audit procedures performed by the auditor of the subsidiary companies.
 - Access to the books of accounts of subsidiaries facilitated our independent verification of the records on test basis.
- (ii) We had a detailed discussion with the auditor of the US subsidiaries through video conference and obtained detailed note on the audit coverage.
- (iii) We draw your attention to the last year's audit observation on long outstanding receivables from overseas customers amounting to Rs 3,464.01 Lacs (31st March 2019) and corresponding technical services payable to overseas vendor of Rs 1,709.20 Lacs. The receivables amounting to Rs 1,709.20 Lacs has been assigned to the vendor based on the assignment agreement between the Company and the Vendor. The residual balance of Rs 1,754.81 Lacs has been written-off to the Profit & Loss account. The Company has made an intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. The company is of the opinion that there is no Goods and Service Tax applicability on the above transaction as the services have been availed and rendered outside India. **Profits for the current year have been impacted to this extent due to the above.**

Management's Responsibility

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34"), 'Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



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The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 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 consolidated financial results 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 consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group 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 its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial results are free from material misstatement, whether due to fraud or error, and to issue an 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 Audit Standards 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 consolidated financial results. As part of the audit in accordance with Audit Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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Ground Floor, off: Burkit Road, T. Nagar,
Chennai - 600 017. ☎ 4212 9770 / 4212 8955
Email : kgrcas@gmail.com, raju@kgrca.in





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results 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 auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.
- We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



Branches :

- ❖ Mumbai
- ❖ Bengaluru
- ❖ Madurai
- ❖ Tiruchirappalli
- ❖ Tiruvallur

Registered Office :

21, Moosa Street, T.Nagar, Chennai - 600 017.
☎ 4552 2032 / 2434 3639 / 4212 8955 / 2434 2563
(M) 98400 53053 / 98400 63269 / 98408 73269
Website : www.kgrca.in **Email :** madan@kgrca.in

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Emphasis of matter paragraph

We draw your attention to the following items which have an impact on the financial statements during the year.

- (i) The Company's management on the recommendation of technical experts, evaluated the expected foreseeable economic benefits from the internally developed / generated Intangibles (tools, framework and platforms) and fully amortized as an exceptional item during the year. With this change in the accounting treatment, these Intangibles have been amortized earlier than the original schedule.
- (ii) The Company had made an advance of Rs 4,505.80 Lacs in the financial year 2017-18 towards a target acquisition and entered into a Share Purchase Agreement for acquiring entire shares of the target company. The Company has written-off this advance as unrecoverable due to unforeseen economic conditions caused by COVID-19.

Other Matters

The consolidated audited financial statements included in the Group whose results reflect total assets Rs 18,323.82 Lacs as at 31st March, 2020, whose results reflect total liabilities of Rs 11,348.15 Lacs and total revenue of Rs 35,669.67 Lacs for the year ended 31st March, 2020 as considered in the Standalone Financial Statements of the Subsidiaries included in the Group. The independent auditors' reports on financial statements / financial results of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated on the basis of our opinion.

CoVID-19 Impact

The lockdown and restrictions imposed have posed challenges to the Company's operations. The employees have been asked to work from home to mitigate the impact of the lock-down and to comply with the guidelines. We have not noticed any adverse impact on the Company's Financials or collection of receivables as evidenced by the cash flows during the period 01st April 2020 to 30th June 2020.



Chennai
30th July 2020

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

[Signature]
CA Bashyakar Mattapalli
Partner

Membership # 015932

UDIN: 20015932AAAAA I 1909

Branches :

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8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

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

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2020

(Amount in INR Lacs except EPS)

S.No.	Particulars	Quarter Ended			Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Un-Audited	Audited	Audited	Audited
1	Income					
	a) Revenue from operations	6,823.20	11,343.43	5,684.45	38,208.48	84,219.15
	b) Other income	270.72	153.11	(106.79)	434.97	819.42
	Total income	7,093.92	11,496.54	5,777.66	38,643.45	85,038.57
2	Expenses					
	a) Employee benefits expense	3,753.40	5,103.98	(8,362.09)	21,158.40	29,052.51
	b) Finance costs	389.80	307.43	398.51	1,302.65	1,162.49
	c) Depreciation and amortization expense	(2,140.25)	265.77	3,319.18	957.45	6,959.83
	d) Other expenses	5,349.70	4,556.84	23,741.06	19,903.10	38,220.86
	Total expenses	7,352.65	10,234.02	19,096.66	43,321.60	75,395.69
3	Profit before exceptional items and tax (1-2)	(258.73)	1,262.52	(13,319.00)	(4,678.15)	9,642.88
4	Exceptional items (Refer note 5)	13,761.26	-	-	62,493.95	-
5	Profit before tax (3-4)	(14,019.99)	1,262.52	(13,319.00)	(67,172.10)	9,642.88
6	Tax expense					
	- Current tax	(311.57)	173.61	(3,796.53)	-	1,300.58
	- Deferred tax	100.17	(17.03)	358.81	279.06	359.81
7	Net profit after tax for the period (5-6)	(13,808.59)	1,105.94	(9,941.28)	(67,451.16)	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	5.12	-	-	(2.78)	9.74
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	0.80	(2.81)
	(ii) Items that will be reclassified to profit and loss:					
	(a) Foreign currency translation differences	-	10.97	-	(2,543.10)	3,246.43
	Total other comprehensive income	5.12	10.97	-	(2,545.08)	3,253.36
9	Total comprehensive income for the period (7+8)	(13,803.47)	1,116.91	(9,941.28)	(69,996.24)	11,235.85
10	Profit attributable to:					
	Owners of the company	(12,888.41)	1,053.03	(7,585.13)	(50,178.22)	6,871.77
	Non-controlling interest	(920.17)	52.89	(2,356.15)	(17,272.94)	1,110.72
11	Other comprehensive income attributable to:					
	Owners of the company	5.12	10.97	-	(2,545.08)	3,253.36
	Non-controlling interest	-	-	-	-	-
12	Total comprehensive income attributable to:					
	Owners of the company	(12,883.29)	1,064.00	(7,585.13)	(52,723.30)	10,125.13
	Non-controlling interest	(920.17)	52.89	(2,356.15)	(17,272.94)	1,110.72
13	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
	Number of equity shares	30,517,605	30,517,605	30,517,605	30,517,605	30,517,605
	Reserves (Other Equity) - excluding any revaluation reserve				1,600.17	75,007.56
14	Earnings per equity share (EPS) (Face value of Rs. 5/- each)					
	(a) Basic EPS	(42.23)	3.45	(32.58)	(164.42)	22.52
	(b) Diluted EPS	(42.23)	3.45	(32.58)	(164.42)	22.52

Notes

- The above financial results of the company were reviewed by the audit committee and approved by the Board in its meeting held on 30th July, 2020.
- 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.
- Figures for the quarter 31st March 2020 and 31st March 2019 are balancing figures between audited figures in respect of the respective full financial years and the unaudited published year to date figures up to the third quarter ended 31st December for respective years which were subjected to limited review.
- Exceptional items include the following:
 - Based on recommendation of technical experts and after evaluation of the expected foreseeable economic benefits, written off internally generated software amounting to Rs 52,064.55 Lacs.
 - An advance amounting to Rs 4,505.80 Lacs made towards a target acquisition and other receivables amounting to Rs 5,923.60 Lacs have been written off as unrecoverable due to unforeseen economic conditions caused by COVID-19.

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



Suresh Venkatachari
Managing Director
DIN No.00365522

Place: Chennai
Date: 30th July 2020



8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

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

Audited Consolidated Balance Sheet as at 31 March 2020

(Amount Rs. in Lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
A ASSETS		
I Non-current assets		
(a) Property, plant and equipment	469.92	899.23
(b) Goodwill	13,830.09	12,827.18
(c) Other intangible assets	3,499.82	49,972.95
(d) Intangibles assets under development	356.85	-
(e) Financial assets		
(i) Loans	73.31	81.19
(f) Other non-current assets	23.01	4,508.40
Total Non-Current assets	18,253.00	68,288.93
II Current Assets		
(a) Financial assets		
(i) Trade receivables	5,056.74	23,768.30
(ii) Cash and cash equivalents	793.44	815.45
(iii) Loans	-	1.84
(iv) Other financial assets	-	1,704.89
(b) Current Tax Assets (Net)	-	3,155.17
(c) Other current assets	178.90	2,065.38
Total Current Assets	6,029.08	31,511.03
Total Assets (I+II)	24,282.08	99,799.96
B EQUITY AND LIABILITIES		
III Equity		
(a) Equity share capital	1,525.88	1,525.88
(b) Other equity	1,150.84	57,706.55
Equity attributable to owners of the company	2,676.72	59,232.43
Non Controlling Interest	449.33	17,301.01
Total Equity	3,126.05	76,533.44
IV Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	4,717.20	5,476.27
(b) Provisions	70.89	65.46
(c) Deferred Tax Liabilities	891.14	671.02
(d) Other non-current liabilities	4.39	4.39
Total Non-Current Liabilities	5,683.62	6,217.14
V Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	5,281.43	5,299.65
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	6.97	2.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,109.62	8,318.66
(iii) Other financial liabilities	3,168.80	2,253.84
(b) Other current liabilities	846.66	974.31
(c) Provisions	58.93	57.86
(d) Current tax liabilities (Net)	-	142.14
Total Current Liabilities	15,472.41	17,049.38
Total Equity and Liabilities (III+IV+V)	24,282.08	99,799.96

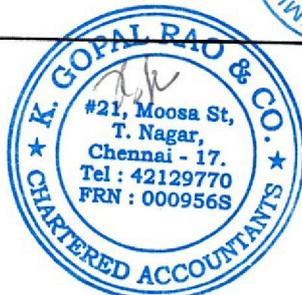
By Order of the Board
For and behalf of the Board of Directors



V. Suresh L

Suresh Venkatachari
Managing Director
DIN No.00365522

Place : Chennai
Date: 30th July 2020



8K MILES SOFTWARE SERVICES LIMITED

(CIN: L72300TN1993PLC101852)

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Audited Consolidated Cash Flow Statement for the year ended 31st March 2020

(Amount Rs. in Lakhs)

Particulars	31 Mar 2020	31 Mar 2019
I. Cash Flow From Operating Activities		
(Loss) / Profit for the year	(57,451.16)	7,982.49
<i>Adjustments for:</i>		
Income tax expense recognised in the statement of profit and loss	279.06	1,660.39
Finance cost recognised in statement of profit and loss	1,302.65	1,162.49
Exceptional Item - Impairment of Assets	53,772.89	-
Income on deposits and loans	-	(347.94)
Depreciation and amortisation Expense	957.45	6,959.83
Net loss/ (gain) on Sale of Property, Plant and Equipment (Net)	102.83	0.36
Allowance for Expected Credit Losses	-	(23.74)
Bad Receivables Written off	1,673.50	120.98
Net Unrealised Exchange Gain	(225.26)	(98.86)
Operating (Loss) / Profit before Working Capital and Other Changes	(9,588.04)	17,416.00
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Trade Receivables	12,067.75	1,490.88
Other Non Current Financial Assets	7.88	5.01
Other Non Current Assets	(20.41)	39.30
Other Current Financial Assets	1,706.73	864.44
Other Current Assets	5,041.65	211.81
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade Payables	(2,204.99)	4,179.96
Other Non Current Liabilities	-	(6.22)
Provisions (Non-current)	5.43	2.36
Provisions (Current)	1.07	25.69
Other Current Financial Liabilities	914.96	6.37
Other Current Liabilities	704.52	223.96
Cash Generated from Operations	8,636.55	24,459.56
Net Income Tax paid (including interest paid there on)	-	(6,053.83)
Net Cash Flow From Operating Activities (A)	8,636.55	18,405.73
II. Cash Flow From Investing Activities		
Capital Expenditure on Property, Plant and Equipment	(28.83)	(29,750.80)
Proceeds from Sale of Property, Plant and Equipment	-	0.02
Investment made during the year	-	(98.04)
Movement in Loans given to Related Parties (Net)	-	5,808.44
Movement in Loans given to Non Related Parties (Net)	-	708.25
Bank balances not considered as Cash and cash equivalents	-	76.00
Interest Received	-	1,074.95
Contingent Consideration Paid during the year	-	(1,062.45)
Net Cash Flow Used in Investing Activities (B)	(28.83)	(23,243.63)
III. Cash Flow From Financing Activities		
Borrowings taken during the year	(777.29)	10,444.58
Borrowings repaid during the year	-	(6,857.27)
Finance Costs	(1,302.65)	(1,274.37)
Net Cash Flow From Financing Activities (C)	(2,079.94)	2,312.94
Effect of foreign currency translation adjustment (D)	(6,549.79)	2,317.28
Net (Decrease) in Cash and Cash Equivalents (A) + (B) + (C) + (D)	(22.01)	(207.68)
Cash and Cash Equivalents at the Beginning of the Year	815.45	1,023.13
Cash and Cash Equivalents at the End of the Year	793.44	815.45

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



Suresh Venkatachari
Managing Director
DIN No. 00365522

Place: Chennai
Date: 30th July 2020

