

**Ref: 8K/CHN/2020-21/E019****29<sup>th</sup> May, 2020**

The Deputy General Manager, Department of Corporate Services, <b>BSE Limited</b> , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	The General Manager, Listing Department, <b>National Stock Exchange of India Ltd</b> , Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Scrip Code: 512161 ISIN NO-INE650K01021	EQ- 8KMILES

Dear Sir/Madam,

**Sub: Submission of disclosure of impact of COVID-19 pandemic on the Company**

The Company had earlier made intimation on 25<sup>th</sup> March 2020 regarding temporary closure of offices resulting in scaling down of operations. Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May,2020, we would like to submit the information as required under :

**1. Impact of COVID-19 pandemic on Business**

The country-wide lockdown and restrictions imposed by Government of India and State Government due to COVID-19 pandemic, have posed challenges to our Company's operations. All of our staff have been working from home throughout the lockdown period in line with Government's guidelines. While there is no immediate impact from the business perspective in terms project execution and deliverables, there has been an impact on the working capital due to the delay in collection of receivables, payments made for office space rental, employees' salary & benefits, etc. Also, we anticipate delays in getting new projects as customers/prospects are uncertain of their business at this time.

**2. Ability to maintain operations including office spaces functioning and closed down**

All our offices have been closed down during the complete lockdown period and the staff are requested to work from home keeping in line with government guidelines.

**3. Schedule if any for restarting the operations**

We plan to re-start by 1st June 2020 provided the lockdown is lifted and local transportation facility within the city and across districts is available. In the event, if public transportation is not available we will have staff who have private vehicles to start working from office and others who do not have access to transport facilities to work from home until public transport resumes.

#### 4. Steps taken to ensure smooth functioning of operations

We have already published a SOP (Standard Operating Procedure) that has been shared with all employees. At a high level, this includes disinfection, social distancing, compulsory wearing of masks, use of sanitizers regularly are some of the key aspects of the SOP.

#### 5. Estimation of the future impact of COVID-19 on its operations

Given our business is mainly in the US and most of the analysts predicting recession/depression for the US, we expect impact on our business for minimum 3 to 4 quarters.

#### 6. Details of impact of Covid-19 on listed entity

6.1	Capital and Financial resources	As the company's operations is mainly development of software there is no major impact on Capital resources. However, given the overall business sentiment around the world is not optimistic, we expect an impact on our cashflow if the business conditions really get worse.
6.2	Profitability	While the current orderbook is healthy and upcoming contract extensions are on target for sign off, there is still uncertainty around Covid making it difficult for us to state the likely impact on profitability. Also, customers are frequently asking for discounts which could affect our margins and result in lower profitability. Additionally, the company estimates there is likelihood of some of the debts contracted globally could turn bad. The Management will study the impact on the existing receivables and provide for and/or write off receivables.
6.3	Liquidity position	The company has approached its bankers for additional working capital limits to ease the cash flow.
6.4	Ability to service debt and other financing arrangements	Till date the company has been able to service debts with its bankers and meet monthly contracted liabilities with minor delays. However, this may change if the business conditions become even worse than the existing status.
6.5	Assets	There is no impact on the assets of company
6.6	Internal financial reporting and control	There is no impact as all the financial and secretarial team are able to work remotely to ensure the process are strictly followed to adhere internal financial reporting and control.
6.7	Supply chain	Our requirement is limited to availability of water, electricity, internet, transportation, food outlets, purchase of laptops, communication facilities,

		stationaries and other similar things. If these get impacted – then it may affect our customer deliveries resulting in reduced revenue and profitability.
6.8	Demand for its products/services	At the moment, we find the demand side may get impacted for reasons mentioned in item 5 above. However, with more businesses reeling under the COVID 19 situation, may decide to move lot of their operational IT systems to the public cloud - that could increase the demand for our services. At the moment, it is little early to say which way it will move

**7. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

Currently we are delivering as per the contractual agreement to all our customers and there is no significant impact on the listed entity's business.

**8. Impact of COVID-19 pandemic on the financial statements**

We foresee issues related to getting new customers or orders quickly, demands for discount from existing customers and delay in collection of account receivables. This could impact company's growth in revenue, profitability and may result in write offs, in few cases.

You are requested to please take on record and reference.

Thanking You

Yours Faithfully,  
For **8K Miles Software Services Limited**



**Diya Venkatesan**  
**Company Secretary**