8K Miles

Annual Report 2018-19

The Door to the Cloud Future

Sustained Innovations | Stable Partnerships | Secure Cloud Solutions

To learn more about
8K Miles Software
Services Limited
Visit us at
www.8kmiles.com

FY 19 Key Highlights

Earnings Per Share (EPS)

22.52

Gross revenue
rupees in Lakhs

84,219

Net Profit
rupees in Lakhs

7,989

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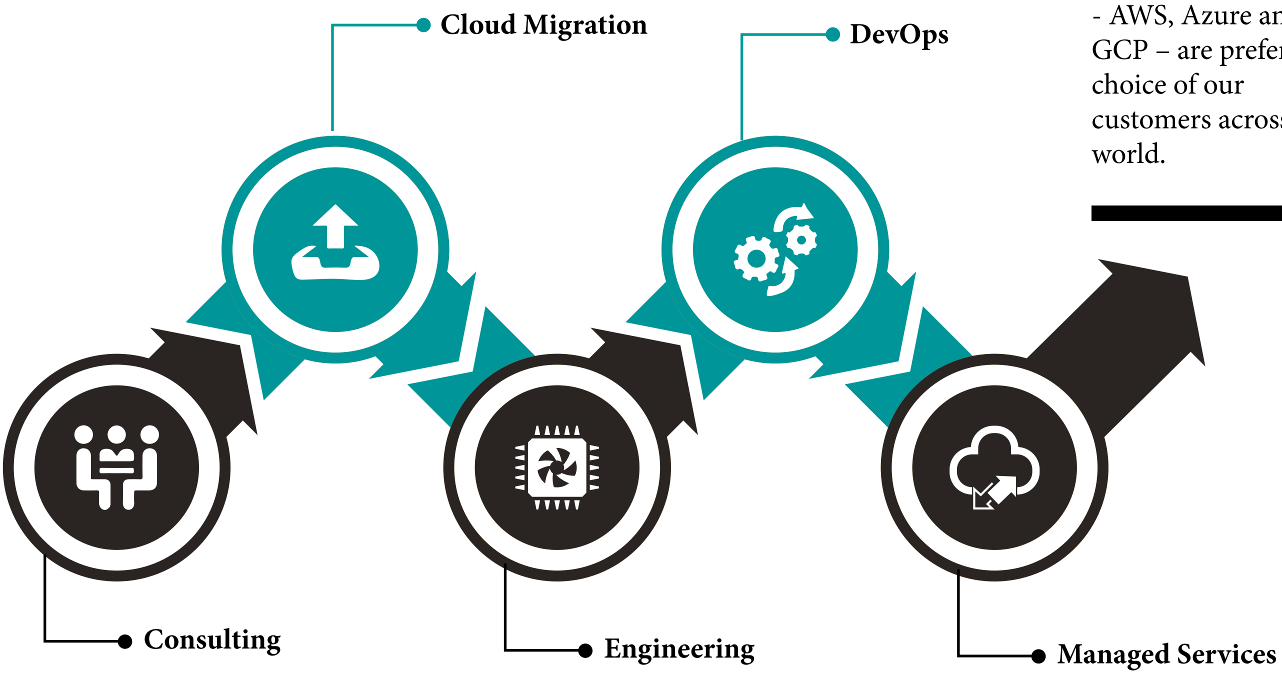
8K Miles is a Born-in-Cloud, ISO-27001 Certified platform-centric and domain focused cloud transformation services company primarily specializes in providing services to highly regulated industries such as Healthcare, Life Sciences and Pharmaceuticals.

Our platform-centric and domain focused service delivery model differentiates us when compared to other traditional IT vendors who are people-centric and just supply staff and services regardless of the industry.

Our next gen automation enabled cloud transformation services based on our platforms strengthened through innovative deployment of AI/ML, Big Data and Analytics capabilities ensure continuous security/ governance facilitating adherence to strict statutory and regulatory compliance, while driving the customer cost down during their cloud transformation journey.

Our strategic partnerships with top public Cloud providers such as AWS, Microsoft Azure, Oracle and Google Cloud – built over the last 11 years - make us a unique partner to our customers to provide end-to-end cloud services and help them transform their enterprise IT and operate their Cloud solutions more efficiently in a cost-effective manner.

Ever since its inception, 8K Miles has been delivering big success by leveraging on our unique set of key enablers ensuring our Cloud Transformation Services on multiple public cloud platforms - AWS, Azure and GCP – are preferred choice of our customers across the world.



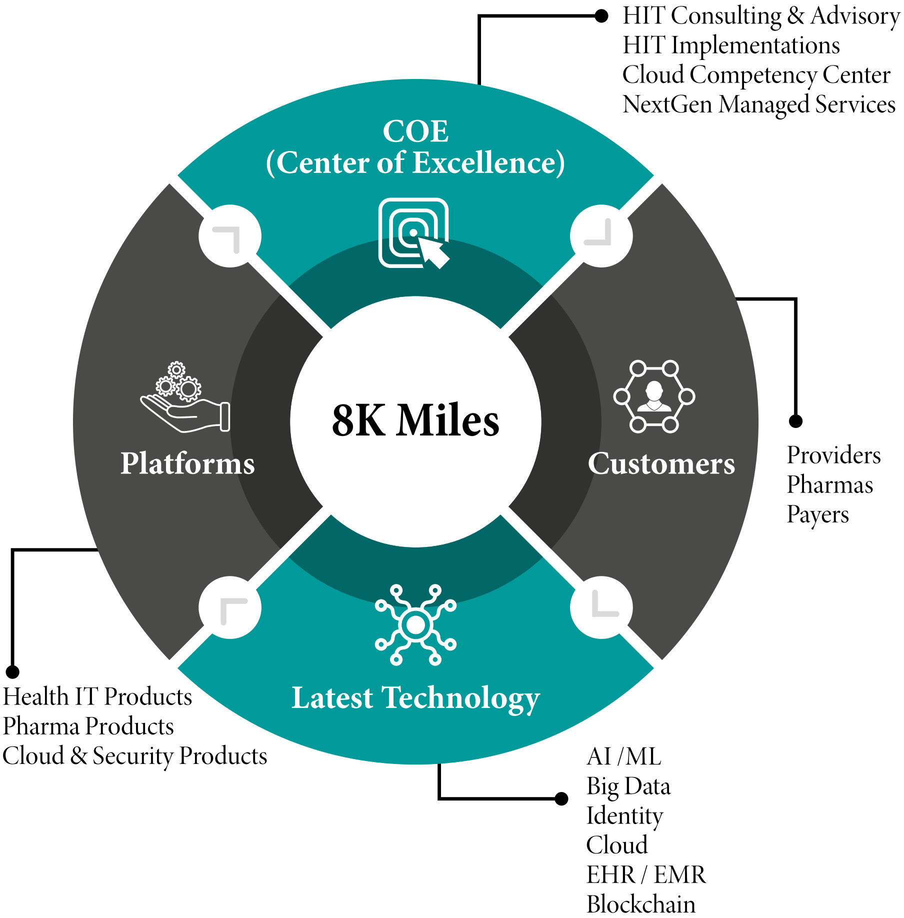
At a high level, following are our service offerings. More details can be found in subsequent sections

Given this unique approach to Cloud Transformation and continuous operation/ governance/compliance, 8K Miles has grown its customer base with several Fortune 100 clients. This positions us uniquely to:

- Acquire large enterprise customers with our platform-centric and domain focused transformation solutions and increase our recurring revenue
- Customers choosing us as preferred partners as they seek low-cost innovation
- Enable revenue ‘stickiness’

This approach has resulted in our platform being fully integrated into the IT landscape of our customers not just for managing public cloud transformation/ deployment but also their own private cloud.

Currently, over 20 global large and mid-size Pharma and Life Sciences companies as well as more than 100 US hospitals trust 8K Miles in their cloud transformation journey because of our platform capabilities that offer automated security and compliance such as HIPAA, GxP, SOX, GDPR etc. seamlessly during cloud transformation as well continuous operations.



8K Miles is proud to be

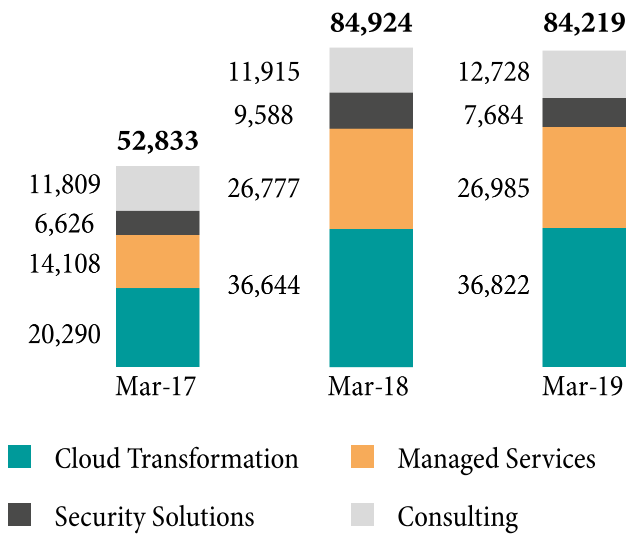
- ISO certified in Surveillance audit for the second consecutive year
- Certified AWS Premier Partner, AWS Next-Gen MSP (Managed Services Provider) as well as Amazon WorkLink Launch Partner
  - Competencies achieved - Big Data, Security, Life Sciences, Healthcare, DevOps
- Certified Microsoft Cloud Gold Partner for the 2nd consecutive year
- Recognized Cloud Partner of Google

In all, 8K Miles is well on its way to continue to maintain our growth over coming years as evidenced by the achievements of the following key targets this year:

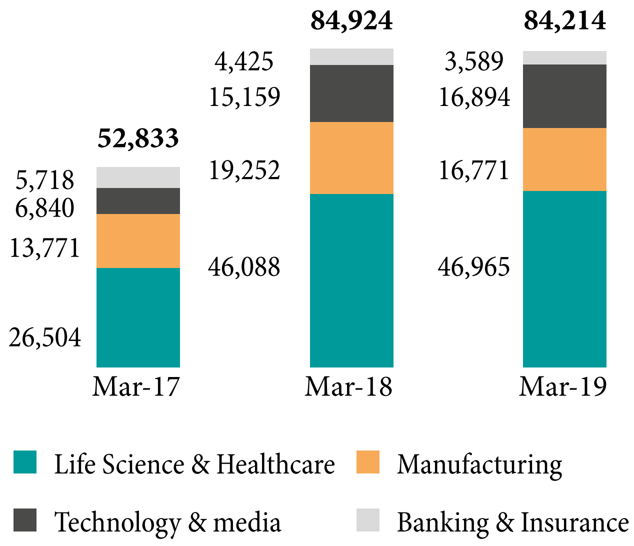
- Increased the recurring revenue component through continuous operations enabled by automation with built-in regulatory compliance and security while deepening our relationship with existing customers
- Acquired more customers through our platform-centric approach to Cloud Transformation that enabled our customers to reduce the transformation lifecycle and cost significantly
- Strategic acquisitions made in previous years enabled us to bring in the domain expertise into our platforms and solutions thereby ensuring huge entry level barriers for our competitors to compete with us while adding significant value to our customers
- Leverage existing customers of acquired companies for cross/up-sell our offerings through our relationship and superior quality delivery
- Continue to enhance our offerings to provide superior value to our customers including:
  - SaaS offering of EMR solution – allowing us to leverage our existing mid-tier customers to start using this solution
  - DataEz, Data Analytics and Data Lake Platform-as-a-Service which enable customers to future proof the growing Data Lake and the advanced Machine Learning & Analysis workloads
  - EzMFA - Cloud-based Multi-Factor Authentication (MFA) Solution, an advanced authentication and access control solution
- Embarked on enhancing our offering with HealthEdge – a blockchain initiative

2018-19 Financial Results at a Glance

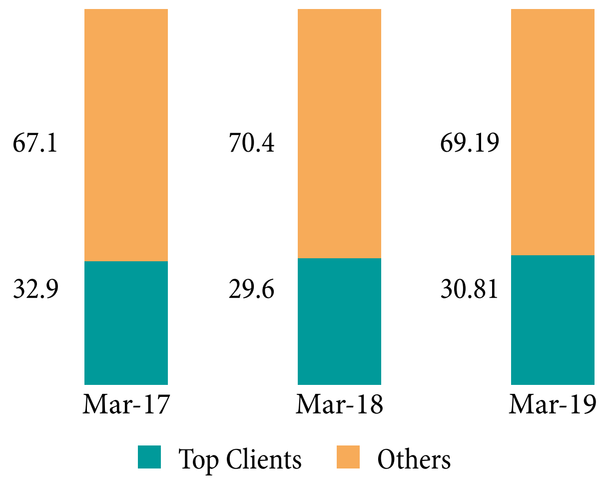
Growth in revenue (by service)



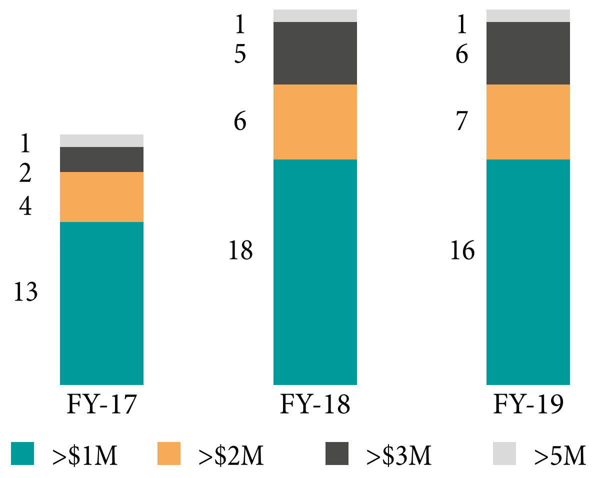
Growth in revenue (by domain)



Client Metric



Number of Clients (by account size)



Message from the Chairman & CEO

Dear Stakeholder,

I'm pleased to state that fiscal year 2018-2019 was a great year for us for many reasons and I take this opportunity to thank all of you for the confidence you have placed on us. Your company has been relentlessly focused on Healthcare and Life Sciences (HCLS) applying Cloud transformation, DevOps, Automation, Next-Gen managed services and advanced technologies for modernizing healthcare IT.

The HCLS (Healthcare and Life Sciences) industry is one of the largest vertical industries comprising 10% of global GDP. The global addressable market for cloud infrastructure and solutions in the HCLS industry can be estimated using relative IT spend to an estimated TAM of $10.1B annually. With respect to Pharma industry, the estimated market size is $1.15T by 2021 where new innovation has been fueled by modern technologies, primarily public cloud infrastructure and tooling.

We continue to differentiate ourselves as an IP centric and domain specific platform-driven model for Cloud Transformation and Managed Services for non-linear revenue generation as opposed to larger enterprises who are still entrenched in people-centric linear revenue model.

- We acquired several new enterprise customers in the year 2018 and early 2019. This has positioned us well for achieving our vision of doubling our growth by 2021 and realize our aspiration of becoming the go-to partner for the world's top 25 healthcare and life science enterprises
- Launched numerous Bots over our flagship CloudEz platform, started Devops-as-a-service to differentiate ourselves in the managed services marketplace; enhanced Multi-Domain Identity Services Platform (MiSP)to help Cloud providers expand Software-as-a-Service offerings with Single Sign-on with hundreds of additional SaaS platforms. Your company launched a new EzMFA (Multi Factor Authentication) offering on the cloud. All these initiatives are clearly positioning us as a partner of choice for our customers and provide significant competitive advantage
- Introduced 8K Miles Health for a patient-centric EHR solution based on Blockchain – this will be a big disruptive initiative and we are working with an US east-coast based hospital
- Your company is seeing positive traction selling advanced cloud transformation services including DR and Backup solutions on public clouds such as Amazon Web Services and Google Cloud to the existing healthcare customers who were brought by Cornerstone Advisors

We are thrilled to announce that 8K Miles Software Services is now an AWS Premier Consulting Partner (one of the top 40 partners in North America among many thousand partners in the AWS partner ecosystem). To further enhance our market position, we achieved top tier partner status for AWS Healthcare and Life Sciences (one of the top 6 partners to be showcased by Amazon Web Services at HIMSS 2019 conference in Orlando in February 2019).

- This puts us in the top 0.25% category of partners within APN (Amazon Partner Network) partner ecosystem. This Premier Partner status is awarded to global organizations that have invested significantly in their AWS capabilities, have extensive customer experience in deploying on AWS, have developed innovative, unique automated vertical specific solutions on AWS, have a strong base of trained and certified AWS technical consultants, have many AWS Competencies, have expertise in project management, and have a healthy revenue-generating business on AWS exceeding expectations on driving public cloud consumption.

The auditors of the Company have made a few qualifications, observations and disclaimer with respect to accounting, internal control, and compliance in the Company. However, the company has provided its clarifications and observation to the auditors and has already provided necessary responses and documentation to the auditors in this regard. Your Company has resolved to take various measures to strengthen the Compliance and Governance to avoid such qualifications in the future.

We shall be zero tolerant on any lapse in compliance and governance related matter. We have put a system in place for effective implementation of applicable statutory regulations. A robust internal control process driven by professionals internally and validated by independent external consultants will be in place at the earliest. The management is committed to improving its compliance, governance and processes to enhance shareholder value.

As a whole, the year has been very exciting for us and we would like to continue our journey with similar zeal and energy in the coming years. I extend my sincere thanks to all. As one of the very few Next-Gen Cloud MSPs for highly regulated industries, I am excited by the growth in our Life Sciences and Healthcare divisions.

Once again, I take this opportunity to thank you all for having reposed your faith in 8K Miles Software Services, Ltd. and assure you that your confidence in us provides us, the energy to scale new heights.

Thank you.
Yours Sincerely,
Suresh Venkatachari
Chairman & CEO

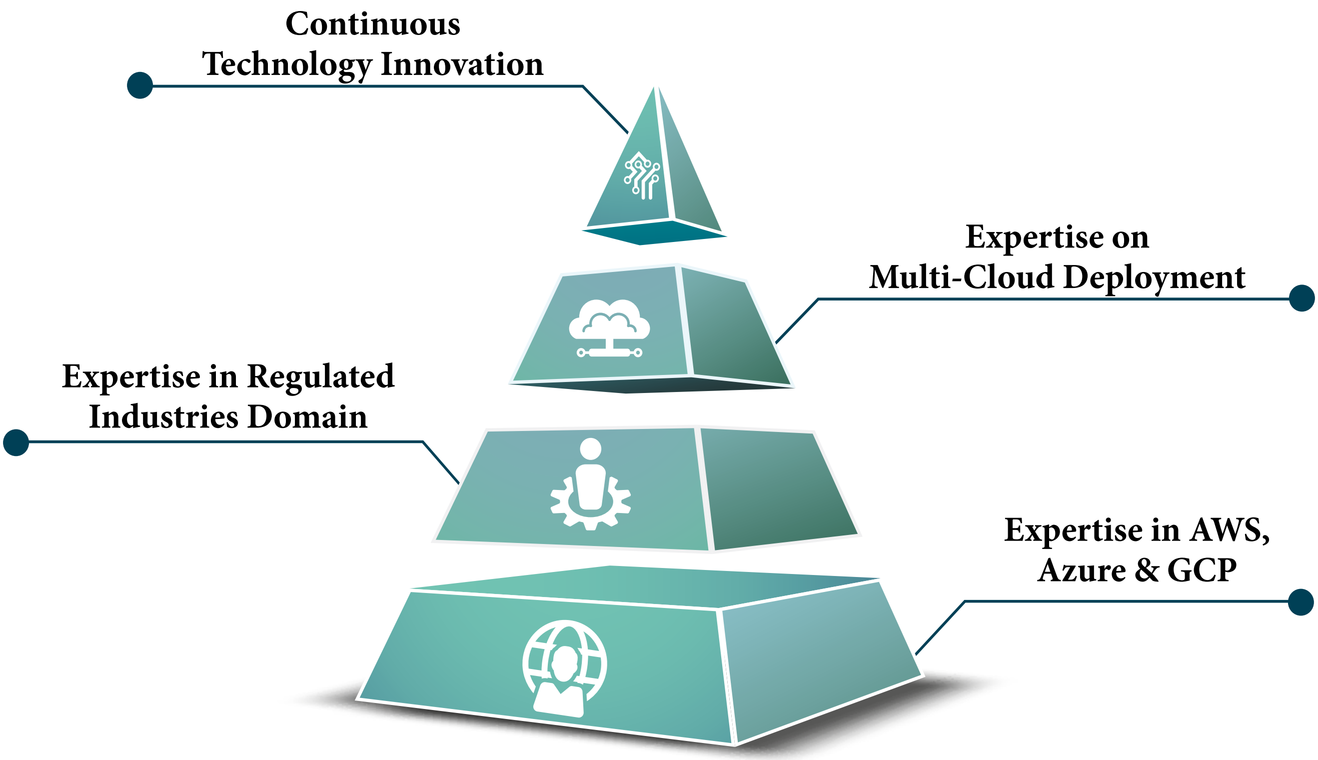
'Born in Cloud', 8K Miles is a pioneer in providing global Cloud Transformation solutions and services to highly regulated industries. We are one of the few elite 3rd. party accredited AWS' Next-Gen Cloud Managed Services Provider. As a thought leader in Cloud Transformation and NexGen Managed Services, we helped to define a new paradigm in the Cloud Transformation journey by innovative adoption of automation in our framework with built-in security and continuous regulatory compliance. We are the go-to partners for both the providers and customers in their cloud journey. Our diverse competencies, agile innovations and highly skilled teams enable us to foster strong partnerships and create sustainable business value.

Our ultimate objective is to help enterprises comply with regulatory requirements while protecting very sensitive data. To this end, we offer cloud innovation and automation across diverse regulated industries such as Healthcare and Life Sciences.

Why we are an exciting place for being part of tomorrow's technology?

Being an early partner of AWS, we have been assisting AWS' enterprise customers since the beginning of their cloud journey. Our continuous effort to acquire deep knowledge in AWS and other public cloud providers enables us to deliver best-in-class Transformation and NexGen Managed services.

Our strategic approach, focused on building our technology and domain expertise, enabled us to achieve the status of a 'partner of choice' of all our customers. This makes us the best place for being part of tomorrow's technology!



Expertise in AWS

Our deep expertise in AWS is due to our early involvement with them when we helped them as a development partner and subsequently their customers in their cloud journey. With a strong blend of technology, innovation, domain knowledge and understanding of complex regulatory requirements, we have now achieved Premier Consulting Partner status.

Our key enablers for accomplishing success with AWS service deployments include our thought leadership, continuous commitment and proven abilities, together with certified capabilities in multiple competencies as well as achieving the status of a certified 'Next Generation' Managed Service Partner. As an AWS expert, we help our customers in embracing and leveraging the cloud services for best results.

Expertise in regulated industries domain

We offer specialized cloud transformation services for regulated industries such as Pharmaceutical/Life Science and Healthcare that help them in their research and trials, and healthcare Electronic Medical Record (EMR) implementation and management. We help our clients adhere to the requirements of the US' Health Insurance Portability and Accountability Act (HIPAA), 'good practice' quality guidelines and regulations (GxP), Payment Card Industry (PCI) and Sarbanes-Oxley Act (SOX) and Gramm-Leach-Bliley Act (GLB). Our frameworks and services not only lower the risk of non-compliance, but also save costs and time-to-market for our clients.

Expertise on multi–cloud deployment

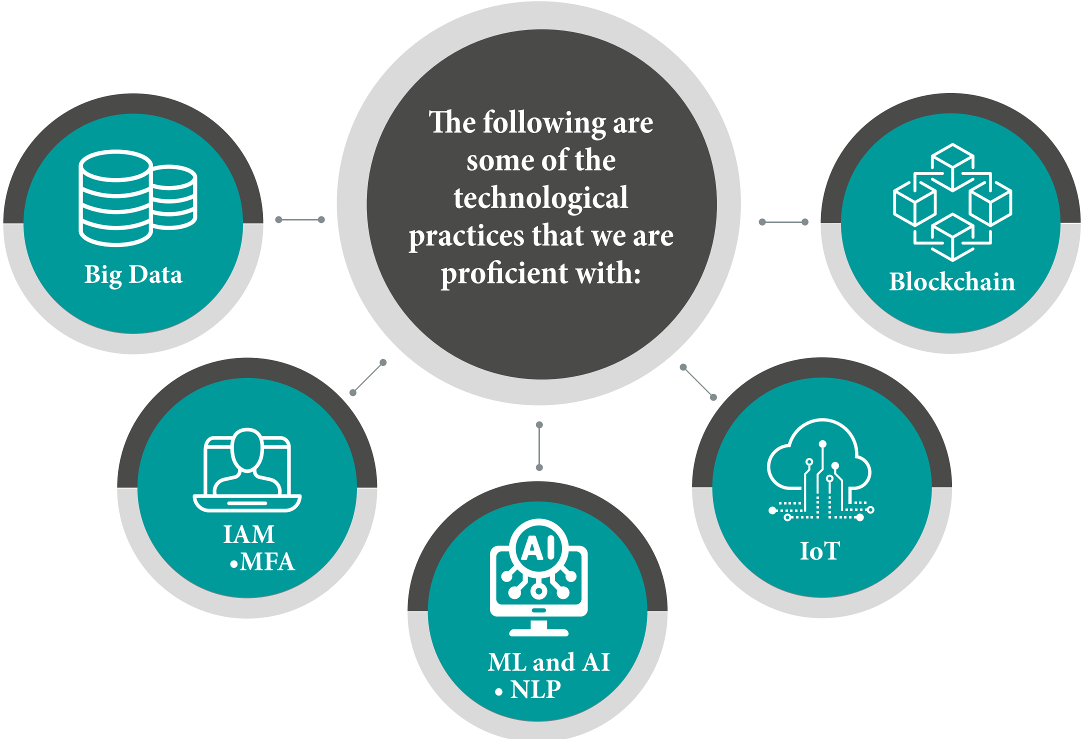
We are a specialized multi–cloud service provider with a strong focus towards the deployment of tomorrow's technology today. We have a high level of proficiency in delivering comprehensive cloud transformation solutions on public/private or a hybrid/multi cloud. Since we are a strategic partner of industry leading cloud service providers like AWS, Azure and Google, we help enterprises in adopting and deploying multi-cloud strategies in a single heterogenous architecture seamlessly.

Our platform-centric approach makes us to provide efficient multi-cloud vendor agnostic solutions to multifaceted infrastructure.

Continuous technology innovation

As an organization with the deep-rooted cloud expertise, we are already shaping tomorrow's technology. We constantly stay ahead by continuous innovation exceeding the level of expectations of our fortune 100 clients. Our teams empower clients to remain future-ready in the realms of Big Data, Identity Access Management (IAM), Machine Learning (ML), Artificial Intelligence (AI), Internet of Things (IoT) and Blockchain.

Our knowledge management strategies and continuous innovation help us to stay ahead of our competition.



- **Big Data**
  Our big data analytics services help clients in unlocking the real value of data sets that are more complex or difficult to handle. We help our customers to overcome their big data challenges including the capturing of information, analysis, storage and sharing. We have been engaged in more than 30 big data analytics programs successfully in a variety of public cloud environments.

- **IAM (Identity Access Management)**
  Our IAM practice helps our customers identify various security threats in an enterprise by managing the resource identities. The primary services we offer include Identity assessments, IDM, Identity governance, MFA and IAM managed services

  MFA: Our Multi–factor Authentication Solution provides an extended layer of security to an organization's user identities. We used to set up multiple (more than two) form factors for ensuring authentication for every single sign-in happening inside the system.

- **ML and AI**
  Our AI and ML experts harness the innovative cloud technologies and new age algorithms to derive insights from complex big data. With the help of our ML and AI solutions, organizations can reap the benefits of managing resources and predicting cloud consumption effectively. Thus, our ML and AI services have a high impact in the DevOps space constituting the IT infrastructure and management categories.

  NLP: Our NLP services include data acquisition, processing and analytics, to draw meaningful insights from any form of data. Some of the examples where we have helped our customers are topic modelling, question answering, chat bots and so on.

- **IoT**
  Our IoT practice help businesses enhance their operations, thereby making them to refine the way they connect people, processes, devices and other M2M assets.

- **Blockchain**
  We have launched a proprietary blockchain technology '8K Health Edge' with an intention of unleashing the power of blockchain. Our disruptive blockchain solutions permit healthcare ecosystem to solve some of the most complex problems associated with the global healthcare.

Given that 8K Miles is an exciting place for technology, created a solid foundation for us to build automation-driven Cloud platforms over the last 11 years. As such, 8K Miles IP Strategy is centered around four solution areas as depicted below.

- MiSP - Multi-domain Identity Services Platform
- Continuous IAM and Security Governance
- SSO (Single Sign-on) Solutions for Small/Medium Businesses and SaaS Providers
- EzMFA - turn - key Multi - factor Authentication solution

- CloudEz - an Automation centric Enterprise Multi-Cloud Mgmt. platform
- DevOps - CI/CD
- Automated Cloud provisioning
- Continuous Regulatory Compliance Automation - HIPAA, GxP, PCI and etc.

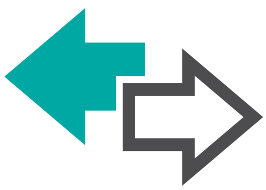
- Automated Cloud Big Data and Analytics Infrastructure
- Applied AI - Healthcare
- AI/ML Solutions
- Autonomous Bots

- Data lakes for all data types - including IoT and RWE (Real World Evidence)
- Healthcare Interperability (API driven)
- Blockchain Solutions and Services for Trust, Transparency & Traceability

8K Miles was founded on the basic principle that our customers are served better with platform-based approach to meet their IT Cloud challenges instead of having to build custom solutions at every turn at every customer's IT environment. Thus, the domain centric, automation-driven platforms offering is fundamental for 8K Miles to acquire new customers at a rapid pace – more so when we have the acceptance of 8K Miles platforms such as CloudEz by our customers.

In every engagement, our Customers become our Partners as our Platforms become the fabric of their Enterprise IT enabling 8K Miles to become their Trusted Partner and not just an IT vendor.

Customers get low-cost innovation and faster TTM



8K Miles gets long-term Business

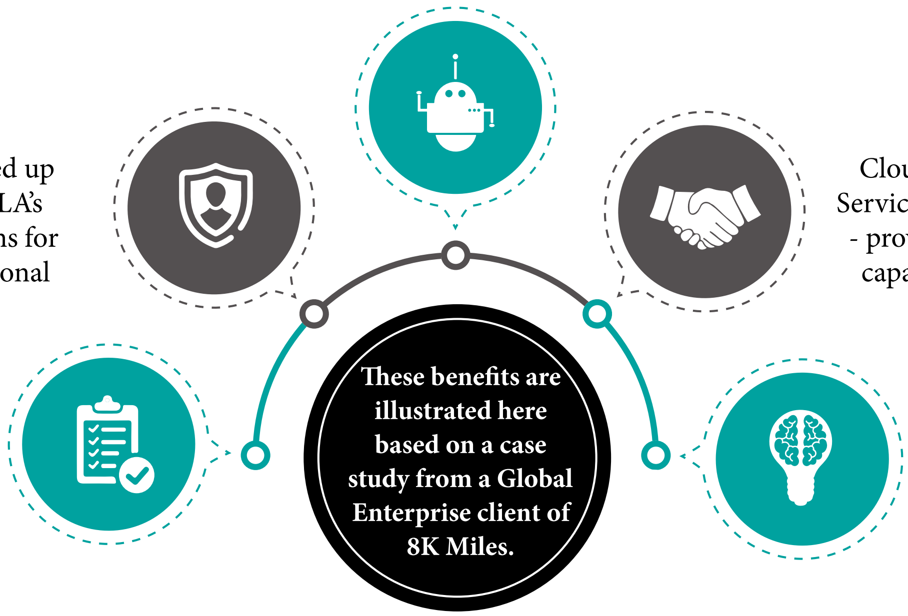
Above all, Healthcare and Pharma customers can't risk exposing highly sensitive data nor risk issues with Statutory Compliance audits. In other words, our customers demand Cost-Effective High-Quality compliance and security assured solutions ensuring smooth and fast transformation to cloud and seamless operations thereafter.

Since 8K Miles deliver the solutions leveraging the platforms, our customers get predictable results – whether it is time it takes to provision a new cloud service or managing the cost of cloud operations or any other metric.

Automated
Operational cost of deploying applications in Cloud reduced by more than 20% through self-service capabilities with inbuilt governance

Secure
Automation enabled up to 4 times faster SLA's for Cloud operations for day-to-day operational requests

Reliable
Cloud orchestration/ Service Catalog platform - provides self-services capabilities to 1000+ users



Compliant
Time taken for production got cut down to hours versus days

Intelligent
Consumption of native cloud services to fulfill business use cases

Finally, our Platform-centric solutions are critical to enable automation. Without automation, it's impossible for us and our customers to do more with less. For example, between AWS, Azure, Google Cloud and Oracle Cloud, there are numerous new cloud services and enhancements announced every day; AWS alone launched more than 1000 new services for last year – that is 3 to 4 in a day – and it is impossible to manage these many changes manually and the only solution is to leverage automation.

Thus, 8K Miles enable Smart automation leveraging
- Latest Technologies (like AI/ML and NLP)
- Development Methodologies (like DevSecOps, CI/CD)
- Innovative Approach (like BOTs)

Geared towards the above foundational values and principles, 8K Miles has built an extensive portfolio over the last 11 years enabling us to earn our customer trust to bring secure & compliant innovation while reducing costs. Of those rich portfolio of platforms and solutions, we feature the following as part of this report.

CloudEz
powered by 8K Miles

CloudEz for Continuous Security, Compliance and Governance

Cloud transformation and management platform facilitates enterprises to transform and manage the Public Clouds – AWS, Azure, Google and Oracle - as well as Private Clouds towards enabling enterprises to have an effective Hybrid Cloud strategy.

This platform ensures continuous security and compliance while ensuring continuous governance across public clouds such as AWS, Azure, Oracle and Google Clouds as well as client's private cloud.

Over last year, 8K Miles delivered many key enhancements on CloudEz, including

- Artificial Intelligence / Machine Learning with capability to build and deploy BOTs
- Big Data management
- Multi-Cloud as well as Hybrid Cloud Integrations
- DevOps Enablement along with CI/CD integrations for AWS, Microsoft Azure and Google cloud services
  - Took Infrastructure-as-a-Service (IaaS) to a whole new level

For Healthcare and Life Sciences Enterprises, 8K Miles is the only company to Qualify Cloud Infrastructure Services and automate their compliance validation.

Automaton
powered by 8K Miles

Automaton for AI/ML Security & Compliance Policy Enforcement

AI/Machine Learning based BOTs that will ensure security while the data is at rest as well as in transit. Automaton also monitors cloud infrastructure against organizational security policies and guidelines and notifying associated IT operations' contacts. Through leveraging AI/ML technology, the platform will provide predictive problem identification based on anomaly trends.

Additionally, Automaton can also automatically enforce the violations by fixing them according to the organizational policy specifications.

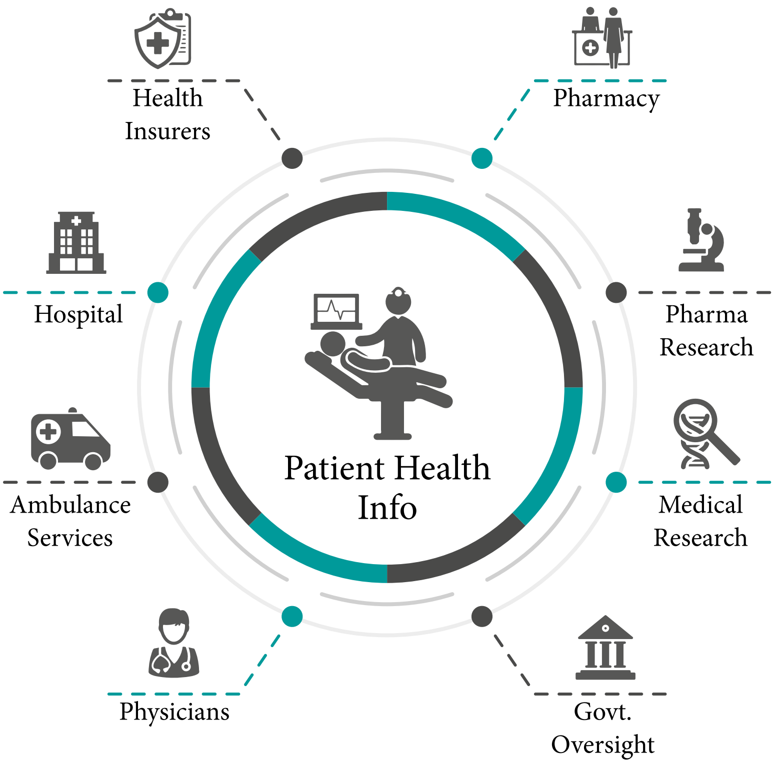
This greatly reduces the need for manual interventions as well as associated costs and risks to the organization.

Healthedge
powered by 8K Miles

Blockchain based Patient Centric Healthcare Data Exchange

This is a patient-centric health data exchange offering, built on BREMA platform, targeting to have patient as the central and primary focus on the Blockchain technology. This will enable the platform to represent patient's medical history effectively, which is the foundation for healthcare and health information exchange.

Such exchange can be integrated with any EHR/EMR solutions such as EPIC, Cerner and Meditech thus not impacting the way hospitals run today, while enabling patients to have direct access to his/her own medical records on their mobile phones and tablets. This not only ensures transparency but also enable the patients share the necessary medical records information with other providers for effective continuation or validation of care.



Integrating with payers (Insurance companies) would extend digital experience of the patients so the exchange becomes a primary point of interaction as it would be able to address insurance related capabilities such as viewing EOBs (Explanation of Benefits), managing claims, paying copays/deductibles and so on.

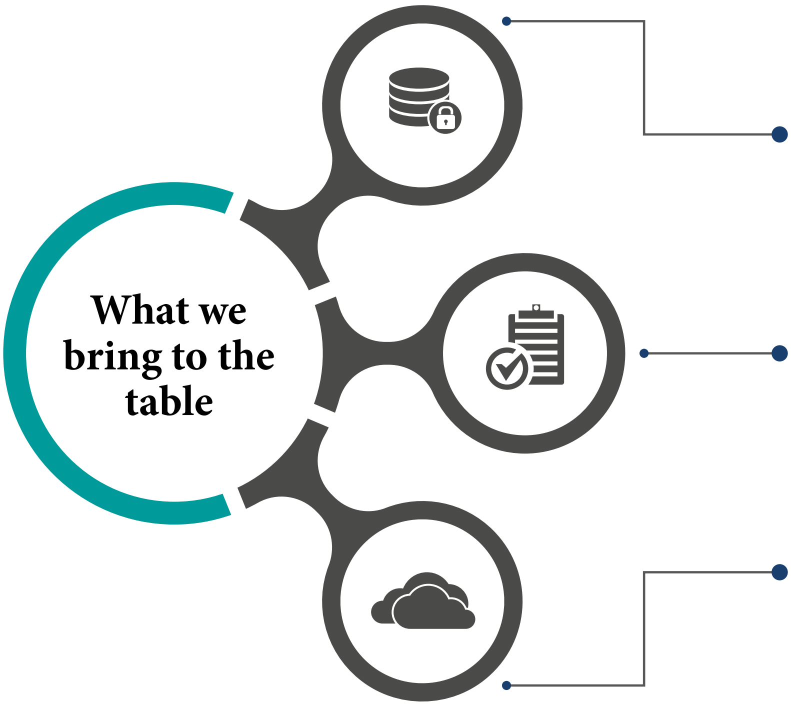
Having those capabilities on top of public cloud means not only an effective PaaS (Platform-as-a-Service) solution but also makes it possible to provide Big Data analytics and Artificial Intelligence, which will be very valuable for pharma and medical research.

DataEz
powered by 8K Miles

Future proof your Data Lake and Data Analytics Pipeline

Managing Data lake is cumbersome as there are too many moving components, and the current best practices are prone to byzantine faults. Either the implemented architecture is not scalable, or it does not allow flexibility in the terms of the possible workloads. Reengineering such massive ecosystems is neither cost effective nor practical, if the focus is to maintain your market position, highlighting the industry-specific challenges with respect to augmenting and managing workloads.

We believe that cloud computing is a continuation of a long-term shift in how computing resources are managed. This means most organizations will turn into data organizations and will aggressively leverage data as a core asset to drive innovation in their businesses.



Secure Data Accelerators

- Automatically deploy core infrastructure and configure managed services (easy DevOps) for data platform and analytics pipelines
- Multiple layers of security across storage, metadata and compute

Compliant and Futureproof

- Technical and Monitoring controls to meet most compliance requirements.
- Relies more on managed services so you focus more on use cases and applications

Cloud Agnostic

- Accelerators for all major cloud providers

A data driven strategy is an advantage to any industry or service provider. As the public cloud adoption grows, 8K Miles predicts that every organization will become a data company. This pushes them to have access to cutting edge security, self-cataloging data lake, automated data quality check, and be able to get insights from data on their own preferred tools.

The following are core advantages & functionalities of 8K Miles DataEz Platform:

- Smart Ingestion
- Smart Data Lake
- Smart Transform
- Smart Catalog
- Data Quality and Lineage
- Visualizations
- Data Security
- Data Science, AI & ML

EzMFA
powered by 8K Miles

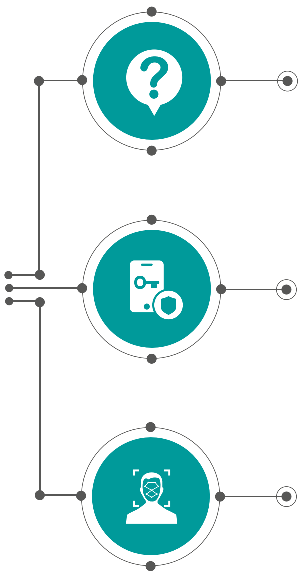
Turn-key Multi-Factor Authentication

Hackers are making a series of headlines daily for their action towards data theft. Their targets are the low hanging fruits when it comes to tapping into the wealth of unprotected data. CMMI and Fortune companies are aware of the hackers' activity and yet don't realize how the hackers can jeopardize the business. Despite companies spending millions of dollars on security platforms & services, data & security theft are occurring across the globe on daily basis. The real reason proves these companies spend money on updating or upgrading security protocols on an outdated technology.

Here comes the EzMFA solution, which is offered as a service by 8K Miles. With industry standard technology and with utmost security in place, the service can provide a higher level of assurance to customers who can use it to protect critical assets like digital documents, web accounts, web services, repositories, critical data, images, transactions and high-valued artefacts.

What is EzMFA?

EzMFA, Multi Factor Authentication as-a-Service (MFA-as-a-Service), is an advanced authentication service for protecting Enterprise applications. It uses industry standard and serves as a resilient barrier. The availability of all the authentication factors and the flexibility to opt for tailormade combination of authentication factors stands as the primary USP of EzMFA.



Something a user knows? (e.g. passwords, answers to security questions, Google Authenticator)

Something a user has? (e.g. OTP/SMS sent to mobile/email, YubiKey)

Something a user is? (e.g. Facial authentication, finger print authentication)

Core capabilities:

8K Miles' EzMFA offers a powerful set of mature multi-factor authentication for enterprise applications, hosted in one of the most robust, scalable, and secure infrastructures. Leveraging managed services expertise, our cyber security solution can be extended to support MFA-as-a-Service for Amazon Web Services (AWS).

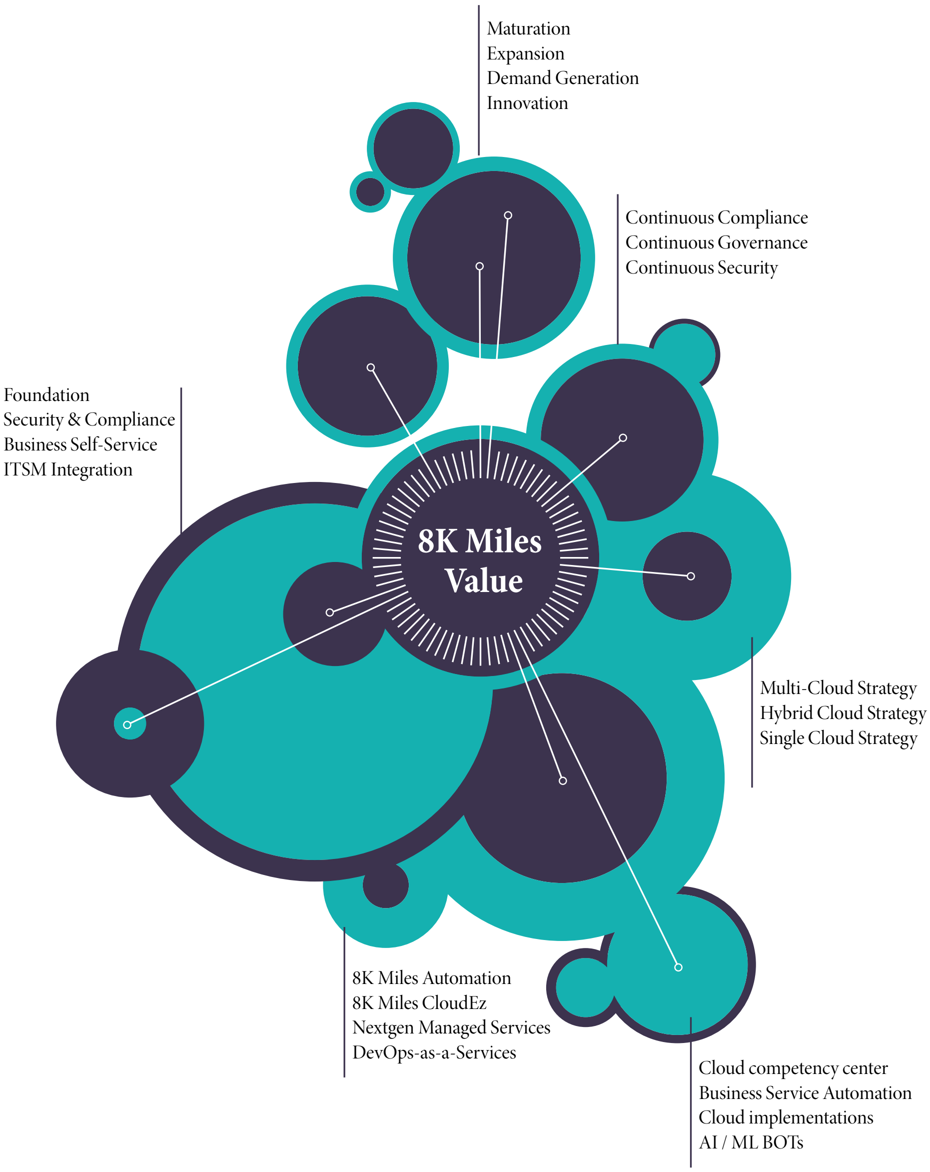
Key benefits

- Since EzMFA is a service, companies can implement the service easily without incurring any infrastructure, personnel, or equipment costs to facilitate MFA to their employees. Opting for MFA-as-a-service will be of immense help to organizations especially when the employee count is fluctuating constantly
- By signing up once, the EzMFA service can be extended to protect multiple applications, critical assets and services even if the usage/user context for each differs
- EzMFA ensures minimized administrative overhead and is PII compliant
- EzMFA can also be extended to secure any of the AWS Services

8K Miles, an innovation leader and an early adaptor of technology, has a strong technology DNA that enables customers to realize the benefits of technology to its fullest extent.

Upon engaging with our customers, 8K Miles starts the partnership with the customers leveraging our platform-centric approach combined with the current technology as well as the relevant domain expertise enveloped across our state-of-the art Next-gen managed services as described below.

- Cloud Competency Services
  - Analysis, architecture and multi-year roadmap planning & execution
- Cloud Strategy – starting from Single Cloud to Multi-Cloud to Hybrid-Cloud
  - Public clouds - across AWS, Microsoft Azure, Google and Oracle
  - Integrated private cloud
- Implement latest SW development methodologies
  - DevOps, CI/CD (Continuous Integration/Continuous Development)
- Advanced and Smart Automation
  - Big Data, Artificial Intelligence, Machine Learning etc.
- End-to-End application infrastructure development services
  - From Concept to Go-Live!
- DevOps-as-a-Service
  - Develop and operate cloud infrastructure solutions on behalf of the client using 8K Miles and other platforms and tools ensuring recurring revenue for us
  - Ensure continuous cloud security, regulatory compliance and cloud governance



At the beginning of the year, 8K Miles made several promises for the year. Looking back, those promises were delivered and some more!

Trusted Go-To Partner for Top-15 Pharma Clients

- Leveraging 8K Miles' CloudEz platform, continuing to win number of multi-cloud projects and enhancing business with our top tier pharma customers
- Successfully launched DevOps platform for our Tier-1 Pharma customer to Go live on public cloud infrastructure
- Won multiple customers in Europe on cloud transformation projects
- Since Q2, successfully executed AWS infrastructure services qualification and application validation project for about 40+ AWS services for a large pharma customer in the US
- For an existing large life sciences customer, successfully delivered multi-cloud platform and cloud operations capabilities. 8K Miles has been selected to deliver on their Bigdata and Data Lake platform on public cloud. Multiple BUs within the organization are reaching out to do more business with this cloud platform
- Helping a highly regulated customer with their cloud platform integration with its parent company, a large pharma company, after its acquisition
- Signed 2019 annual contract with potential to well exceed $5M with a global pharma account
- In addition to strengthening our existing relationship with a large global pharma customer, 8K Miles is providing 24/7 enterprise cloud network support
- Acquired a California based Life Sciences customer to deliver their enterprise cloud transformation as well as cloud service qualification and compliance

Rapidly Growing Healthcare Business

- Accelerating cloud: Won 4 new hospital clients in Q1, which also includes multi-year hosting agreements
- In July, 8K Miles Cornerstone launched a new educational webinar series called "MEDITECH Expanse Field Notes." which has been very successful and well received across provider community across USA
- Since Q2, working with a healthcare company to provide DevOps and application development as well as DataLake and Data Analytics Platform on AWS
- During the fiscal year, 8K Miles Cornerstone was selected by 7 major US Hospital networks to drive EPIC connect implementations and program support
- Driving strong growth, 8K Miles Cornerstone MEDITECH practice was selected for MEDITECH expanse implementation by 11 US hospitals, won go-live and post go-live support across 4 hospitals and legacy support and services with 5 different hospitals and won Meditech post-live optimization from 2 different major hospitals
- In Q4, signed SOW with a major hospital to upgrade their servers

Opening New Frontiers

- In Q1, added 2 new customers from financial services and insurance industries towards cloud journey 2.0
- Strategic partnership with AWS in engaging new customers and to help overcome challenges by leveraging proven 8K Miles technology platform and expertise
- Hosted several CIO Sessions in partnership with major cloud providers in North America & Europe
- In Q2, won a public cloud management platform opportunity with a multi-national large corporation. Developing Data lake, Identity Access Management and application migration efforts are part of the upcoming phases of work
- Engaged with a new pharma client to build an IoT application platform on public cloud
- In Q3, added a new logo to implement their WebApp and mobile clouds along with annual support
- Signed 4 SoWs with new life sciences client on restructuring and building their entire infrastructure on AWS to design and build Data Lake, DevOps, migrate IAM to Google FSSO and migrate DB to AWS RDS and implement Elastic Cache

Core Technology / IP Driven Growth

- From the beginning of the fiscal year, we have strong momentum on managed services with DevOps-as-a-Service, leveraging CloudEz platform
- Built and launched many AI/ML BOTs that deliver operational automation as well as compliance automation
- In Q3, launched DataEz which is 8K Miles Data Lake Platform-as-a-Service as well as AnalyticsEz which is our Data Analytics Platform-as-a-Service. As a Result, 8K Miles secured 2 major wins in pharma & life Sciences vertical
  - Won a major project to build and maintain a personalized healthcare Data Lake platform on AWS as well as maintain the platform. In addition, 8K Miles was also awarded a data competency center build
  - Also, another Top Pharma client engaged 8K Miles to build Genomics Data Lake for their Next-gen Genome analysis

Industry Certifications, Recognitions and Awards

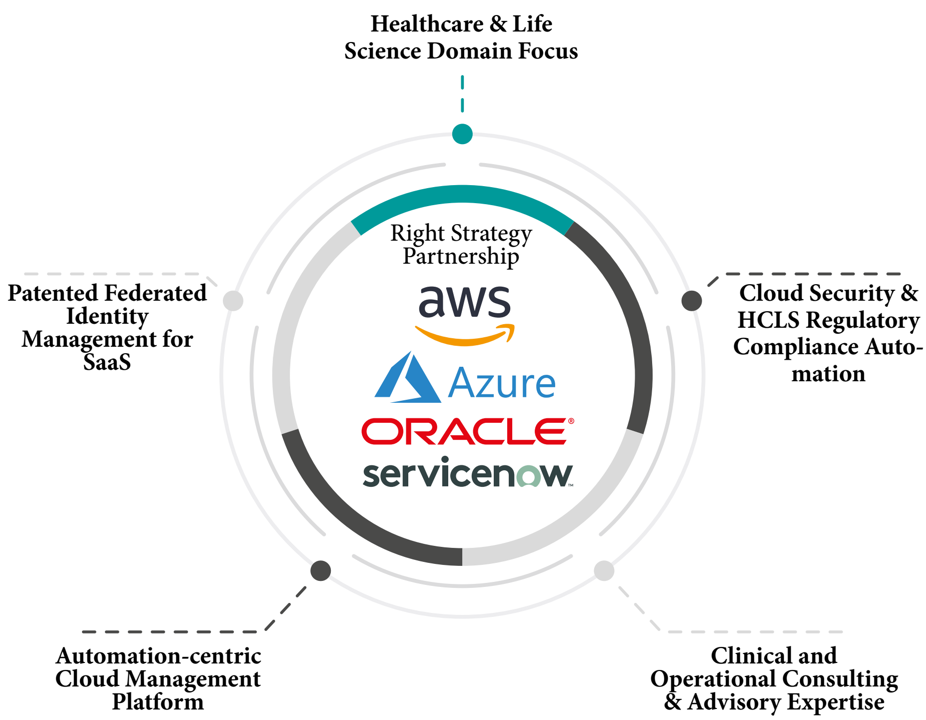
- ***ISO 27001 certified in Surveillance audit for the second consecutive year***
- ***8K Miles is a Certified AWS Premier Partner – one of top 40 out of about 60,000 AWS partners,***
  - ***Competencies achieved - Big Data, Security, Life Sciences, Healthcare, DevOps***
- ***8K Miles is already a Microsoft Gold Cloud Platform partner***
- ***Renewed our AWS MSP Certification in Q4 with a complete score of 1000/1000***

Key Differentiators of Our Continued Success

- 8K Miles FY2018-19 accomplishments, in continuation of delivering big over the last 11 years, is based on several critical factors that has been enabling success as illustrated below.
- These key differentiators are our critical success factors in our ability to drive revenue, where we are able to build smart automation that require less people to deliver more!

These key differentiators are our ability to drive non-linear revenue by building Smart Automation that require less people to deliver more!

One of the Top AWS Audited MSPs and 6th Leading AWS Partner in HCLS



Client Testimony

The following are the testimonials from our top clients attesting their journey of long-term partnership with 8K Miles:

As we enter Phase 2, I want to thank you and the 8K Miles team for a very successful delivery of Phase 1. The work 8K Miles has completed on the dashboard, mobile and Chat apps building on the work by AWS has made it possible to successfully launch our business on time. I have been impressed by the project management and technical skills of the team, and I have very much enjoyed working with them and their flexibility when I have asked them to pivot and deliver additional requirements in short timeframes.
I look forward to continuing our successful relationship, delivering Phase 2 and the transition to ongoing operations support
- ***Alan F Young - Chief Operating Officer, Stay Smart Care LLC***

We could tell from the beginning that 8K Miles would be a great partner. 8K Miles has a proven history and experience with AWS, Cloud Security and DevOps. As a result, 8K Miles is enabling our Cloud journey by helping us deliver applications with 24x7 availability, security and customer satisfaction.
- ***Clay Parker & Srinivasa Balaji - Director Cloud, Trimble***

We were looking for a managed services provider for our AWS account since quite long as our current provider lacked the skill set to manage our account with a lot of servers. We heard a lot of good things about 8K Miles and decided to try them out. We were pleasantly surprised seeing their quick response times, and their willingness to sometimes handle some of our QA servers which were not included in the billing process.
- ***Vivek Thakur, Axero Solutions***

Great for Amazon Web Services and Cloud Managed Services / Maintenance
- ***Adithya Buddhavarapu, Syscom***

When we embarked on our cloud transformation journey, we were looking for a partner with capabilities in the technology side of the transformation combined with a deep understanding of the HIPAA compliance requirements to offer NexGen Sequencing & Data Analysis and Clinical Research services in a secured and compliant manner. Not only did 8K Miles qualify with their capabilities but had a framework to automate the whole process making our choice much easier.
- ***Vinoth Sankaran – COO, Genome Life Sciences Pvt Ltd***

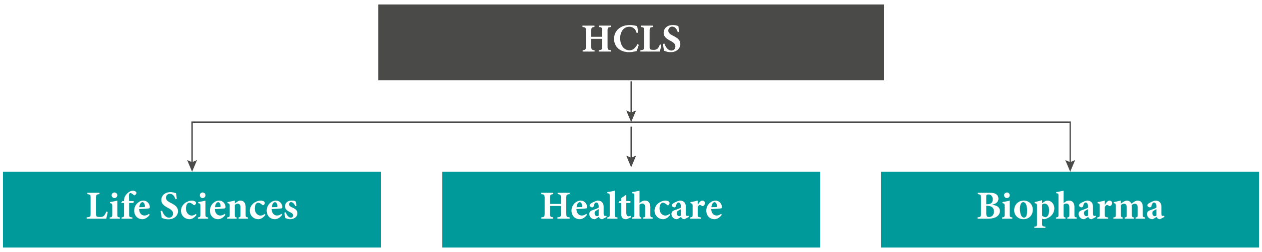
8K Miles has gone out of their way to provide us with excellent support. They are very detailed in their plans and recommended solutions. They are timely and very responsive to our contact. They drive the project forward. Excellent value for the money.
- ***Kit Nevin, ADGA***

8K Miles has successfully enabled us to adopt an all-in native Cloud approach that supports our key initiatives around security, data lake and DevOps. Their deep knowledge of cloud operations, engineering, and new AWS platform-centric approaches make them a valuable partner we can trust and rely on."
- ***Richard D. Chennault - Head of Cloud and Data Services, Life360***

The Healthcare and Life Sciences (HCLS) industry is one of the largest industries contributing approximately 10% of global GDP. Aging, growing population, newer diseases and increasing cost of research and development of newer drugs continue to increase healthcare cost.

The global addressable market for cloud infrastructure and solutions in the HCLS industry can be estimated using relative IT spend, the percentage assigned to infrastructure and solutions and then decremented by an assumed cost savings of 25%.

The HCLS industry is generally comprised of several key segments that operate in an independent yet intertwined manner.



The Life Sciences space includes Biopharma, Medical device manufacturers and Genomics. These segments are highly regulated around quality and compliance by the FDA - GxP controls and quality management - as well as other global bodies (GDPR, for example) due to the impact to patients and their safety while using therapeutics and diagnostics.

In the healthcare arena, traditional segmentation includes healthcare providers and payers. This segment is very sensitive with the security and privacy of patient and organizational data because of regulations such as HIPAA and HITRUST in the USA. We believe that the best opportunities exist in the biopharma and provider segments in the near term and will opportunistically pursue customers in adjacent segments only if there is a clear path to grow sizeable and sustainable revenue.

We believe the biopharma industry is attractive due to its size (estimated to be $1.5T by 2021 according to a new report from the QuintilesIMS Institute for Healthcare Informatics) and the need to develop innovation in research, clinical trial recruitment and execution, manufacturing, modernization and commercial operations. New innovation is being fueled by modern technologies, primarily public cloud infrastructure and tooling, and is reliant upon data being readily available and mineable with advanced technologies like AI/ML (artificial intelligence/machine learning).

The provider segment commands the majority of healthcare expenditures and by most accounts, is the segment that is most in need of innovation and transformation. We believe it is an attractive segment due to its size (roughly 68% of all healthcare spending, according to World Health Organization's health expenditure database) as well as our established relationships with hundreds of hospitals and delivery networks via the implementation and optimization work that we have done. Furthermore, we believe that our specialization with security and privacy frameworks (IAM/MFA) applied to clinical and administrative system modernization provide an opportunity to work with key ISVs that providers have used traditionally to run their on-premise data centers. Finally, providers are being pressured by health system cost pressures and reimbursement reform that are forcing them to be highly efficient and to navigate risk through value-based payments and shared savings programs.

Market Observations impacting the Company

The following market observations along with other considerations determine our strategy:

- Healthcare organizations are battling healthcare system cost pressures due to spending increases that are projected to increase to 5.4% annually in 2022, according to Global Health Care Outlook report from Deloitte, representing 10.6% of global GDP. The sustainability of the healthcare delivery system is challenged, and organizations need new technologies and approaches to improve efficiencies and "shift the disease curve left" through better prevention and interventional techniques. This signals an opportunity for the Company to drive cost effective and compliant IT infrastructure and innovation in care delivery solutions

- Biopharma organizations and providers are pursuing mergers, acquisitions and new partnerships to optimize financial and operational performance. These dynamic enterprises must create more nimble technology infrastructures and invest in data platforms and interoperability services creating opportunities for the Company to serve our primary segments

- Payment reform; value-based payments are preferred by the payers and the government requiring providers to equip their systems and approaches to manage risk (signals a data and analytics opportunity along with pre-built visualizations of important operational, clinical and quality measures). New and existing ISVs will need support with cloud technologies and go to market activities. To secure optimal reimbursement, bio-pharma organizations are building real world evidence platforms and integrated therapeutic services that require modern IT architectures and advanced analytics. Provider organizations are outsourcing IT services, closing data centers and encouraging major ISV providers to move to the cloud to lower their IT overhead while at the same time, providers themselves are ill prepared to manage risk without actuarial data that is trapped in transactional systems. This market dynamic is driving tremendous opportunity for the company across cloud transformation support, managed services and solution development

- Business model and supply chain reinvention is happening globally. Ride hailing apps are partnering with healthcare organizations, both physical and virtual. Amazon purchased PillPack and has launched the service in the USA while Alibaba has created the Alibaba Health Information Technology group and is investing in Chinese based pharmaceutical companies. Born in the cloud ISVs like ZocDoc are reinventing the physician scheduling experience creating a patient supply channel for physicians with open appointment slots in a patient friendly manner similar to how you would create a dinner reservation through Open Table. New models with new technologies signal opportunities to assist with the transformation of IT to the cloud, as well as related services and up selling into established accounts

- The USA market continues to represent roughly 50% of global HCLS IT spending and will continue to be Company's primary market. The Company will also continue to opportunistically pursue large life sciences accounts in EMEA

Board of Directors

Suresh Venkatachari
Chairman and CEO

Mr. Venkatachari Suresh (DIN 00365522) is the Founder of 8K Miles Software Services Limited and Chairman & Managing Director of the Company. Born in 1967, is a Technocrat, a serial entrepreneur with enormous experience in the sphere of IT outsourcing and solutions development. He has established successful corporate entities worldwide. Suresh Venkatachari has over 25 years of experience in Consulting and Outsourcing industry and has successfully founded several IT outsourcing and solutions companies like SolutionNET, SRP Consulting and SRM Technologies in Australia, Dubai, India and USA. He was awarded as a TOP entrepreneur in Singapore in the year 2000 and served as an advisor in many IT, Telecommunication and economic bodies in Singapore.

Prior to entrepreneurship career, Suresh Venkatachari served as Head and Electronic Banking development with Deutsche Bank where he was the key architect in creating a state-of-the-art product called DB-Direct and involved in developing the IT software subsidiary for Deutsche Bank in Bangalore, India.

He was previously involved in software development, IT Consulting with Unisys and Singapore Airlines. He has completed his Bachelor's Degree in Engineering and possesses honorary Doctorate in Business Administration.

Lena Kannappan
Director and COO

Mr. Lakshmanan Kannappan (DIN 07141427) (also known as Lena) is the Founder of FuGen Solutions and the Chief Operating Officer for 8K Miles, a visionary leader who leads and directs the business operations for 8K Miles. He is a serial entrepreneur with 28+ years of software industry experience and also supports investments and M&A activities for 8K Miles.

As the COO of the Company, Lakshmanan Kannappan set up the US operations for 8K Miles enterprise business in early 2013 after acquisition of FuGen. He manages the day-to-day operations for 8K Miles including corporate strategy, partnerships, business development and marketing aspects. As part of his current role, he brings top performing tool vendors on public/private/hybrid clouds into 8K Miles ecosystem of partners. He is also one of the original founders of SAML 2.0 protocol and Federated Identity Management model for the industry while at Orange-France Telecom, which changed the way Identity Information is shared between Service Providers and enabled the huge success of SaaS, Cloud and Social Networking. Lena chaired many industry standards committees since 2001 addressing Web Services, Identity Management and Mobile Services.

He is a regular invited speaker in industry-related events including CIO Roundtables, RSA Security, CA World, IBM Interconnect and Mobile Financial Summit conferences.

He has received his Master's in Electrical Engineering from College of Engineering Guindy, Anna University, Chennai in 1990 and Bachelors in Electronics and Instrumentation from Annamalai University, India in 1988.

Padmini Ravichandran
Director

Ms. Padmini Ravichandran (DIN 02831078), has completed her Bachelor of Arts (Corporate) and Master's in Business Administration from Australia. She is currently running her own media company that publishes a popular current affairs magazine, which is circulated throughout TN and select overseas countries. In the past, she has been instrumental in strategizing marketing and media planning for large educational institutes in Tamil Nadu.

She has spent considerable amount of time in Australia and Singapore and brings that knowledge to bear on the Indian market. She has varied interests and has been involved in various activities, which caters to the development of society in general.

Babita Singaram
Independent Director

Ms. Babita Singaram (DIN 07482106), has completed Post Graduation in Business Administration from SRM University, Chennai after her Bachelor's Degree in Commerce. She had super-specialized in Advanced Marketing and Human Resources Management.

She is an ardent marketing professional with over 8 years of experience in Service Industry. She is also well-versed in Strategic management, business promotion, Key accounts management, Market plan execution, Cross and inter department management, Competitor and Market analysis, Brand management and communication.

Dinesh Raja Punniamurthy
Independent Director

Mr. Dinesh Raja Punniamurthy (DIN 03622140), has completed his Master's Degree after his Bachelors in Visual Communication in 2015. He has expertise in building sustainable businesses and teams, ideating, strategizing, planning and executing innovative ideas, creating optimal workspaces, identifying and honing talents, keeping team morale high.

With over 14 years of experience in the service industry predominantly in India and few years in Australia, Dinesh brings a mix of management experience to the table

Vivek Prakash
Independent Director

Vivek, with his multi-cultural and multi-lingual background, is also currently part of Board of Directors of various corporate entities in UK, Netherlands, UAE and India, while he is EVP of Finance of Engineering & Construction Business Unit (BU CFO) at Petrofac. His Corporate Governance background includes extensive knowledge and accomplishments in Compliance, Communication, Risk Management and Finance.

Prior to this, he was Executive Director of Finance at Dodsal Pte Limited and also ran his own Accounting Firm for over 11 years. Mr. Vivek is Chartered Accounting graduate of ICAI holding BA (Honors) in Economics from University of Delhi.

Mr. Raghunathan Aravamuthan

Mr. Raghunathan Aravamuthan (DIN: 01254052) is a physics graduate and a Chartered Accountant having 33 years of experience in Audit, Direct and Indirect Taxation, Exim Policy and Valuations. He consults for some of the largest groups in Chennai on Goods and Services Tax, Customs etc. He is an ICAI accredited faculty for GST and also addresses various forums on GST across India.

He represents various Industries before the Ministry of Finance, Ministry of Commerce & Industry Government of India with regard to Indirect taxes and Foreign Trade Policy. He is also an active Rotarian.

8K Miles Strategic Advisory Board, based in USA with the following exceptional industry leaders and entrepreneurs who has great insights into the technology as well as many industries, including the Government.

- Entrepreneurs, Innovators, Founders, Chairman & CEOs as well as CxOs
- Across many Industries, Technologies as well as Government entities
- Years of global experience

These great minds help accelerate 8K Miles growth by offering many of the following and more:

- Market Insights & Needs
- Industry Expertise
- Executive Introductions and Business Development
- Validating Business Directions
- Strategic Product and Technology Investment Decisions
- Serve as a Reference for our potential Enterprise Customers
- Provide Sales Support

Shiv Krishnan

Shiv is a Technology Leader and a Serial Entrepreneur, who is currently the CEO of KOOLROX, an Investment and Consulting firm. Prior to this, he founded INDUS Corporation in 1993, after several years of public sector and Fortune 500 IT consulting experience. Under Shiv's leadership INDUS grew into a highly successful mid-tier Technology Consulting firm and was acquired by Tetra Tech, a NASDAQ listed (TTEK) global consulting and engineering services firm supporting Government agencies. Mr. Shiv graduated from Clarkson University in Potsdam, NY with a Master's in Chemical Engineering, and has completed executive business management programs at the Tuck School of Business at Dartmouth. He was recognized as "one of the 20 people we admire in Washington Business" by SmartCEO Magazine was selected as a "Smart 100 CEO" for 5 years in a row since 2009. He was the 2002 SBA Small Business Person of the Year, VRSDC Entrepreneur of the Year, a three-time finalist for Ernst & Young's Entrepreneur of the Year, and among the "Fifty Most Influential Minorities in Business" according to MBPN.

Vivek Prakash

Vivek, with his multi-cultural and multi-lingual background, is also currently part of Board of Directors of various corporate entities in UK, Netherlands, UAE and India, while he is EVP of Finance of Engineering & Construction Business Unit (BU CFO) at Petrofac. His Corporate Governance background includes extensive knowledge and accomplishments in Compliance, Communication, Risk Management and Finance.
Prior to this, he was Executive Director of Finance at Dodsal Pte Limited and also ran his own Accounting Firm for over 11 years. Mr. Vivek is Chartered Accounting graduate of ICAI holding BA (Honors) in Economics from University of Delhi.

Jay Vijayan

Jay, as a former CIO of Tesla, ran all of the Information Systems for Tesla, directly reporting to the Chairman and CEO, Elon Musk. Jay and his organization are responsible for all of Tesla's Information Systems including applications, infrastructure, network, operations and security. Jay and his team laid the foundation for Tesla's infrastructure ground-up during the company's very critical growth. Jay built several best-in-class systems including Tesla's E-Commerce, ERP, Service and Logistics systems that are simple, agile, flexible and custom fit to Tesla's needs.

Before joining Tesla, Jay was the Sr. Director, IT Business Applications for VMware during a period of the company growth, as it grew from US$700 million to close to US$4 billion in annual revenue.

Reza Nazeman

Reza is a former Head of Global IT Transformation at Microsoft. Prior to that he was CIO of Microsoft Europe and Middle East/Skype and a Partner KPMG Consulting Europe.

As a global IT executive, he has 20+ years of proven leadership in professional services as well as operational end-to-end accountability with EUnet, France Telecom, McKinsey & Company, KPMG, BearingPoint, Bank of Scotland, and Microsoft. Reza has been a driving force behind major business process transformations that have delivered cost reductions, efficiency gains, agility and competitive advantage to leading global corporations.

John Cuny

John is currently working on the full spectrum of health care implementation and strategy. He serves as an advisor and/or manager to health-care organizations in the U.S., Britain, Argentina, Saudi Arabia, UAE, Oman, Germany, Indonesia, South Korea, Brazil and Poland. Previously, John served as acting President and CEO of Allied Medical based in Saudi Arabia and London. That project focused on managing, building and investing in hospital-based management projects. He led the building of an international health insurance product for the coverage of catastrophic diseases. Owners-partners included worldwide investors and five prestigious U.S. medical centers. John Cuny was also the former CEO of Anthem Blue Cross Insurance for Florida.

Jeff Nigriny

Jeff Nigriny is the Founder and President of CertiPath, a trust framework provider that certifies authentication and access control devices with a focus on high assurance for aerospace and defense industries and government agencies. Certipath's customers include The Boeing Company, Lockheed Martin, Northrop Grumman, Raytheon, EADS/Airbus and BAE Systems. Jeff wrote the Government's 1st Identity Law for Common Wealth of Virginia, US.

Suresh Venkatachari
Chairman and CEO

Suresh has more than 27+ years of experience in the IT solutions & consulting industry.
He leads our global leadership team that harnesses the knowledge of three market leaders to any organization.
Suresh is a thought leader and entrepreneur and has developed and executed demand driven strategies to grow the business.
He has founded four IT companies over the past 14 years, of which two are public limited.
Prior to this, Suresh was the Head of Electronic Banking at Deutsche Bank, Singapore.

Swasti Bhowmick
CFO

Swasti Bhowmick is the CFO of 8K Miles, he will oversee all global finance functions and have direct responsibility for leading all corporate accounting, tax, investor relations and treasury activities. He has over 25 years of experience across variety of industries including being CFO of NASDAQ listed company. He has experience in Sales Accounting, Cost Management, MIS, Budgeting, Credit Control, Operations Finance in IT/Telecom including managing Start-ups and established FMCG brands. He has previously worked with TataTele Services, Redifussion, Accenture, Coca-Cola , Unilever to name a few.
Swasti is a Chartered Accountant and a Cost Accountant. He also holds an Executive MBA from Indian Institute of Management, Calcutta.

Lena Kannappan
COO

Lena is the Chief Operating Officer and Head of Cloud IAM business for 8K Miles, he is a visionary leader, a serial entrepreneur who leads and directs the business operations for 8K Miles.
He founded FuGen Solutions acquired by 8K Miles, is a serial entrepreneur with 24 years of software industry experience and also supports investments and M&A activities for 8K Miles.
Lena is also one of the original founders of SAML 2.0 protocol and Federated Identity Management model for the industry while at Orange-France Telecom, which changed the way Identity Information is shared between Service Providers and enabled the huge success of SaaS, Cloud and Social Networking.
Lena is a regular invited speaker in industry-related events.

Ravi Chandran
Head of Indian Operations and Non-US Territory Sales

Ravi is the Head of Indian Operations and Non-US Territory Sales for 8K Miles. He has more than 31 years of experience in IT Platforms, Solutions and Services Industry and solid management expertise in Marketing, Sales, Delivery and Operations.
Prior to joining 8K Miles, Ravi was heading UK and Europe Operations for Ramco Systems and instrumental to drive new customer acquisition. Earlier, he has worked as Head of Global Sales and Marketing for RS Software, a

company specializing in payment industry and Head of UK and Europe operations for Keane where he was responsible for topline and P&L.
He managed a team of 800 people (including delivery) between India and Europe and focusing on Telco, BFSI and Retail. Prior to that, he was with Keane APAC, Tecsol and IBM Singapore and Australia.

Anand Kumar
VP – Head of Cloud Sales

Anand Kumar (AK) has over 17+ years of international business leadership experience with expertise in creating highly effective sales teams and leading strategic sales efforts with large global enterprises. As a Strategist AK uses his skills and experience to help drive innovation that insures our clients maximize the values that Cloud brings organizations in a Secure, Compliant and Optimized way.
His background in IT Security, Compliance and GRC combined with his deep domain expertise in the Cloud uniquely positions him to be a trusted advisor helping guide our clients through their entire Enterprise Cloud Business Transformation.
Prior to 8KMiles, AK was the Managing Director of Sales at MyCroft, a security and IAM solutions provider. He also led sales and business development efforts for ILantus a global security solution provider where he was instrumental in growing the organization more than ten-fold during his tenure.

Sudish Mogli
VP – Head of Cloud Platforms

Sudish Mogli is responsible for Engineering of Cloud, Big Data, Data Lake, IoT and HPC solutions at 8K Miles for large Enterprises in regulated industries such Life Sciences, Pharma, Healthcare, Financial Services and Media.
Prior to 8K Miles, he held several leadership positions at Cisco Systems, heading Product strategy and development groups in the areas of cloud-based unified collaboration, network design and management, and enterprise video. He is recognized for transforming a vision into deployable solutions at scale, for the cloud for large fortune 500 companies.

Shibu Kizhakevilayil
President – Global Healthcare

Shibu, a serial entrepreneur, had successfully built and sold 3 IT companies specializing in Enterprise Content Management, Data Warehousing and Business Intelligence Solutions. He has over 20 years of experience in IT industry with expertise in Healthcare domain.
His healthcare experience include building onsite offshore model BPO practice and technology consulting firm. During his career, he has worked with multi-cultural teams globally and been part of various M&A activities.
In his role, as Global Healthcare President, he was instrumental in establishing 8K in US Healthcare Providers market and is continuing to grow 8K Miles healthcare in US, establish practices around the globe and is also identifying, acquiring and integrating healthcare IT companies.
Shibu holds a Bachelor degree in Mechanical Engineering and MBA.

Venkat Krishnan
VP, Business Development and Strategic Accounts, Healthcare

Venkat brings to 8K Miles over 25 years of experience in the medical industry in various fields including: engineering, sales and marketing leadership, strategic planning, and organizational development. His unique approach to driving customer value and his focus on mutual value creation with accounts, continue as key factors in the growing businesses well ahead of the industry pace. He was previously employed by GE healthcare, where he was a top commercial leader in the interventional cardiology market for over 17 years. Venkat has a bachelor's degree in Electronics and Communications engineering from NIT Trichy, and a master's degree in Biomedical Engineering from Johns Hopkins University, with research in computational neuroscience.

- **Cloud Transformation** is a process to align, upgrade and modernize existing IT infrastructure to meet the business objectives of an Enterprise.
  8K Miles always ensure mandatory & basic principles of Cloud Transformation, such as Security, Regulatory Compliances, Flexibility, Cost as well as People are properly analyzed and followed.

- **Multi-Cloud Strategy** refers to the policy of an Enterprise choosing to use more than one Public Cloud. An organization may not meet its goals with a single Public Cloud provider and each of the Public Cloud Providers (AWS, Microsoft, Google, Oracle, IBM, etc.) have their own advantages and unique offerings
  8K Miles properly analyzes the organization needs against merits of each of Public Cloud Providers, recommend and implement a proper strategy to meet the organizational goals.

- **Hybrid-Cloud Strategy** refers to the policy of an Enterprise choosing to integrate its own Private Cloud to one or more Public Clouds. i.e., Hybrid-Cloud is typically an integration of Multi-Cloud with the organization's Private Cloud.
  8K Miles properly analyzes the organization needs as well as the intricacies involved in ensuring proper integration between the Clouds while making sure Security & Compliance needs are met.

- **DevOps** is the IT methodology of having SW Developers and IT Operations Experts working together over entire software lifecycle thorough use of known tools and practices. When employed properly, organizations realize rapid innovation with high quality ultimately enabling it to better serve the business.
  8K Miles is a DevOps expert and offers DevOps-as-a-Service as a Managed Service to its customers.

- **CI/CD (Continuous Integration/Continuous Delivery)**, with the rise of DevOps, is the software development practice where developed code is made available, often multiple times a day, for automated integration across all the developers and then delivered automatically into the target environment – testing, staging or production.
  8K Miles is an expert of CI/CD leveraging multiple popular Platforms and tools and proven methods & practices to ensure smooth functioning of the software lifecycle.

- **Single Sign-On (SSO)**) is the technology of integrating multiple related software applications and platforms, often across the internet, so that every organizational user's login credentials are centralized and verified centrally. This is mission-critical for especially large enterprises with 100s/1000s of users and a need to protect their sensitive data. For users this is vital for their productivity as they don't have to have different user id/passwords across 10s of applications and login to each one of the separately nor multiple times.
  8K Miles, as Security experts, is leaders of this technology implementation, given that it has chaired the SAML 2.0 protocol standards specification. 8K Miles MiSP platform is enabling some of the public cloud providers to deliver SSO across 100s of SaaS applications.

- **Multi-factor Authentication (MFA)** is a technology typically implemented in highly sensitive applications/organizations to verify the identity of a user to more than one mechanism (i.e., factor) as they login. The factors could be any combination of user id/password, hardware/software tokens, phone call, text message and/or biometric technology such as finger-print scan, retina scan, facial id, speech recognition and etc.
  8K Miles, as Security experts, is leaders in MFA technology implementation and is launching MFA-as-a-Service to Medium/Small enterprises who need to protect their sensitive data at a low-cost pre-integrated list of different services/factors.

Financial Highlights – 5 years at a glance

(In lakhs)

Sl No.	Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
1	**PROFIT & LOSS ACCOUNT**					
	Revenue from operations	84,219.15	84,923.87	52,833.50	27,193.10	12,485.30
	Other Income	819.42	845.23	89.80	21.29	28.58
	Total Income	**85,038.57**	**85,769.10**	**52,923.30**	**27,214.39**	**12,513.88**
	Earnings before Interest, Depreciation and Tax (EBITDA)	17,765.20	30,087.02	18,541.64	8,872.78	3,855.77
	Depreciation and amortization	6,959.83	2,518.68	1,351.63	2,022.88	911.95
	Profit before Interest and Tax (EBIT)	10,805.37	27,568.34	17,190.01	6,849.90	2,943.82
	Finance cost	1,162.49	971.49	135.30	20.95	44.76
	PBT	9,642.88	26,596.85	17,054.71	6,828.95	2,899.06
	Tax Expense	1,660.39	6,055.54	4,136.18	1,505.34	590.01
	Profit after Tax (PAT)	**7,982.49**	**20,541.31**	**12,918.53**	**5,323.61**	**2,309.05**
	Other comprehensive income / (loss)	6.93	10.83	-1.50	0.00	0.00
	Total comprehensive income for the period	**7,989.42**	**20,552.14**	**12,917.03**	**5,323.61**	**2,309.05**
2	**BALANCE SHEET**					
	Share Capital	1,525.88	1,525.88	1,525.88	1,089.41	1,034.41
	Reserves & Surplus	57,706.55	47,583.61	30,469.45	20,103.16	8,944.37
	Networth	**59,232.43**	**49,109.49**	**31,995.33**	**21,192.57**	**9,978.78**
	Loan Funds	10,775.92	7,599.42	3,578.26	1,001.77	0.00
	Capital Employed	**70,008.35**	**56,708.91**	**35,573.59**	**22,194.34**	**9,978.78**
	Deferred Tax Liability/(Asset)	671.02	308.40	159.35	23.63	57.79
	Total	**70,679.37**	**57,017.31**	**35,732.94**	**22,217.97**	**10,036.57**
	Net Fixed Assets	**63,699.34**	**38,639.82**	**20,812.13**	**18,044.85**	**9,901.87**
	Current Assets	31,511.03	38,692.76	27,566.39	14,460.44	4,587.40
	Current Liability & Provision	17,049.38	12,663.89	5,875.25	4,231.79	1,474.59
	Net Current Assets	**14,461.65**	**26,028.87**	**21,691.14**	**10,228.65**	**3,112.81**
	EPS - Weighted Average number of shares	22.52	56.24	34.43	36.67	18.35
	EPS - Shares at the end of the year	22.52	56.24	34.43	36.34	18.35
	Face value per Equity Share	5	5	5	10	10

STATUTORY REPORTS

DIRECTORS' REPORT

The Board of Directors of 8K Miles Software Services Limited have pleasure in presenting the Thirty Fourth Annual Report on the business & operations for the year ended March 31, 2019 along with the Audited Financial Statements for the year.

Financial Performance

The Financial performance of the Company for the year ended 31st March 2019 & 31st March 2018 is summarized below.

(Amount Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	FY 19	FY 18	FY 19	FY 18
Revenue	84,219.15	84,923.87	5,694.44	5,056.52
Earnings Before Interest & Depreciation	17,765.20	30,087.02	2,366.76	1,560.76
Interest	1,162.49	971.49	969.66	755.42
Depreciation and Amortization	6,959.83	2,518.68	34.05	83.87
Profit Before Tax (PBT)	9,642.88	26,596.85	1,363.05	721.47
Profit After Tax (PAT) before Minority Interest	7,982.49	20,541.31	980.16	498.67
Profit After Tax (PAT) after Minority Interest	6,871.77	17,161.62	980.16	498.67

Financial Perspective (Consolidated)

On consolidated basis, revenue for the year is Rs 84219.15 lakhs signifying a decrease by 0.83% in Rupee terms. EBITDA margin for the current year is 20.89 % as compared to 35.08 % in previous year. Profit After Tax (PAT) after Minority Interest has decreased by 59.96 % to Rs.6871.77 Lakhs as compared to Rs.17161.62 Lakhs in the previous year. Total employee benefit expenses have increased by 23.33%. However, Employee benefits expenses as a percentage to revenue, has decreased by only 6.76% on Revenue.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report attached as **Annexure D** to this Report.

Share Capital

We have only one class of shares - equity shares of par value Rs.5 each. The authorized share capital as at March 31, 2019 was Rs.3,000 Lakhs divided into 600 Lakhs Equity shares of Rs.5 each. The paid-up share capital as at March 31, 2019 was Rs.1,525.88 lakhs divided into 3,05,17,605 equity shares of Rs.5 each.

Dividend

Your company is exploring new business opportunities therefore it is necessary to conserve the funds to meet these investment opportunities. Thus, your Board has not recommended any dividend for the financial year 2018-19.

Transfer to Reserves

Your Company does not propose to transfer amounts to the general reserve out of the amounts available for appropriation and an amount of Rs.6871.77 Lakhs is proposed to be retained in the profit and loss account.

Public Deposits

Your Company has not accepted any deposits within the meaning of provisions of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2019.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There was no amount required to be transferred to Investor Education and Protection Fund during the year.

Material changes and commitment if any affecting the financial position of the company

There are no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.

Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report.

Board and Committee Meetings

The Board met seven times during the Financial Year 2018-19. The details regarding the board meetings and committee meetings are given separately in the Corporate Governance Report as **Annexure B** to this report. The gap intervening between two meetings of the board is within the stipulated time frame prescribed in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Independent Directors

All Independent Directors hold office for a period of five years and are not liable to retire by rotation. The company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015. The terms of appointment of Independent Directors are available in the website of the company.

https://8kmiles.com/Investor/Policies/FamilirizationprogramforIndependentDirectors.pdf

During the year, Mrs. Padmini Ravichandran, an Independent Director considering the rich experience in the field of promotion and strategy planning, the Board of Directors requested to take part in active role and advise in the area of Marketing and promotional activities and to strategize business planning for the growth of the Company as and when required. Considering this, Board requested her for change in category from Independent Director to Non-Executive, Non-Independent Director w.e.f 13th February 2019.

There has been a change in category of Directorship of Mr. Gurumurthi Jayaraman from Independent Director to Non-executive, Non- Independent Director of the Company and w.e.f 6th September 2019.

Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on 13th February, 2019. The Independent Directors actively participated and provided guidance to the Company in all its spheres.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Company reviews the composition of board to ensure that there is appropriate mix of talent, qualification, experience and diversity to serve the interests of the shareholders of the Company.

Pursuant to Section 178 of the Companies Act, 2013, the Remuneration policy has been formulated to govern the terms of appointment and remuneration of Directors of the Company. The policy ensures that the remuneration paid is sufficient to retain and motivate the Directors of the company. The Remuneration policy is available in the website of the Company.

https://8kmiles.com/Investor/Policies/Remunerationpolicy.pdf

Subsidiary Companies

1) 8K Miles Software Services Inc. USA
   (i) Nexage Technologies USA Inc
   (ii) Cornerstone Advisors Inc. USA
2) 8K Miles Software Services FZE. UAE
3) 8K Miles Health Cloud Inc. USA
   (i) Serj Solutions Inc. USA
4) Mentor Minds Solutions and Services Inc. USA

A statement under Section 129 (3) of the Companies Act, 2013 in Form AOC-1 is attached as Annexure F to the Directors Report.

Consolidated Accounts

The Consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (LODR) Regulations, 2015.

The audited consolidated financial statements together with Auditors report forms part of the Annual report.

Conservation of Energy

a) Company ensures that the operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.

b) No specific investment has been made in reduction in energy consumption.

c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

Technology Absorption:

The Company continues to innovate, develop, adopt and use the latest technologies to improve the productivity and quality of its services. The Company's core business demands innovation & adoption of emerging technologies to stay ahead of competition. The Company has made significant investments in area of Platforms/Tools/Framework to reduce the Cloud transformation time for our customers while staying ahead of Competition.

The Company has taken following initiatives during the year to improve the productivity and quality of its services:

- Developed Patient-centric Health Exchange platform targeting to have Patient as the central and primary focus on the Blockchain technology. This will enable the platform to represent Patient's medical history effectively, which is the foundation for Healthcare and Health Information Exchange. Such Exchange can be integrated with any EHR/EMR solutions such as EPIC, Cerner and Meditech thus not impacting the way hospitals run today, while enabled Patients to have direct access to his/her own medical records on their mobile phones and tables. This not only ensures transparency but also enable the patients share the necessary medical records information with other Providers for effective continuation or validation of care.

- Integrating with Payers (Insurance companies) would extend Digital Experience of the Patients so the Exchange becomes a primary point of interaction as it would be able to address Insurance related capabilities such as Viewing EOBs (Explanation of Benefits), Managing Claims, Paying Copays/Deductibles and so on. Having those capabilities on top of Public Cloud means not only an effective PaaS (Platform as a Service) solution but also makes it possible to provide Big Data Analytics and Artificial Intelligence, which will be very valuable for Pharma and Medical research.

- Launched numerous Bots over our flagship CloudEz platform, started Devops-as-a-service to differentiate ourselves in the managed services marketplace; enhanced Multi-Domain Identity Services Platform (MISP) to help Cloud providers expand Software-as-a-Service offerings with Single Sign-on with hundreds of additional SaaS platforms. A new EzMFA (Multi Factor Authentication) offering on the cloud was also launched. DataEz, an 8K Miles Data Lake Platform-as-a-Service was launched along with AnalyticsEz which is our Data Analytics Platform-as-a-Service.

Foreign Exchange Earnings and Outgo (Rs.in Lakhs)

Particulars	2018-19
Earnings in Foreign Exchange	4556.38
Foreign Exchange Outflow	773.75

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size and nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financials Controls are adequate with reference to the financial statements.

Other Laws:

Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment (POSH) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done in assimilation programs and at regular intervals.

Pursuant to Rule 8(5) (x) of Companies Act (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee. During the year under review there were no complaints received by the Committee.

Appointment of Directors

Mrs. Padmini Ravichandran, Director retires by rotation at the forthcoming AGM and being eligible, offers herself for reappointment. The resolution seeking approval of the members for the re-appointment of Mrs. Padmini Ravichandran, has been incorporated in the Notice of the AGM of the company.

Mr. Raghunathan Aravamuthan was appointed as an Additional Director (Independent Category) with effect from 6th September 2019 for a period of 5 years subject to approval of members at the forthcoming AGM.

There has been a change in category of Directorship of Mr. Gurumurthi Jayaraman from Independent Director to Non-executive, Non- Independent Director of the Company and w.e.f 2nd November 2019, Mr. R.S. Ramani and Mr. Gurumurthi Jayaraman resigned from office of directorship of the Company.

Particulars of Employees

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act and the Rules framed thereunder is enclosed as **Annexure A** to the Boards Report.

Corporate Governance Report

Pursuant to Regulation 34 (3) and Schedule V of SEBI (LODR) Regulations, 2015 the Corporate Governance Report forms an integral part of this Report.

A detailed report on Corporate Governance is available as a separate section in this Annual Report as **Annexure B** to this report.

A Certificate from the Practising Company Secretary regarding compliance with the requirements of Corporate Governance attached as **Annexure C** to this report as stipulated in SEBI (LODR) Regulations, 2015.

The Chief Executive Officer & Managing Director/Chief Financial Officer (CEO/CFO) certification as required under the SEBI Listing Regulations is attached as **Annexure E** to this report.

Secretarial Audit

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P Sriram & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2019.

The Secretarial Audit report forms part of the Annual Report attached as **Annexure H** to this report.

Explanation to Observations in the Secretarial Auditor's Report:

S.NO	Particulars	Response
1.	The company has entered into certain Related Party Transactions without taking prior approval of the Audit Committee and Board as required under SEBI (Listing Obligations and Disclosure) Requirements (LODR).	Going forward the company will take suitable steps to obtain prior approval.
2.	The Company had granted loans & has made investments to its subsidiary after taking approval of the board of directors as required u/s.179 of the Companies Act, 2013 but the filing of the resolution pursuant to sec.117 of the Companies Act, 2013 has not been complied with. The company is in the process of making an application for the condonation of delay and for filing the aforesaid form with Roc.	The Company is in the process of making an application for the condonation of delay and for filing the aforesaid form with ROC and such delay was due to inadvertence.
3.	The consolidated accounts for the year 2017-18 have been approved by the Board of Directors belatedly in the meeting held on 17th July 2018.	Being the first year of IND AS adoption, the company declared Consolidated results belatedly and the delay was intimated to stock exchanges well in advance.
4.	The company has not spent the CSR amount as required to be spent during the year under review as the committee was formed only on 13th February 2019.	The CSR Committee was formed during the year and the company is looking for suitable and viable projects to spend the amount.
5.	The company is yet to file IEPF-2 form relating unclaimed dividend declared in the Annual General Meeting held on 30th September 2017	The delay was due to inadvertence. The Company has taken sufficient precautions not to repeat such instances in the future.
6.	Mr. Gurumurthy Jayraman and Ms. Padmini Ravichandran, who were the Independent Directors, re-designated as Non-Executive Non Independent Directors of the Company during the year under review, consequent to the observations made by the statutory auditors on appointment of their relatives in the company/overseas subsidiary post their appointment as employee/consultant.	Since their appointment as an independent director presupposed the employment of such relatives, they shall not be disqualified to be an Independent Director U/s.149 of the Act.
7.	The Boards' report was signed by Managing Director of the Company as against the requirement of signing by the Managing Director and other director as contemplated U/s.134 of the Act.	The Company missed out inadvertently.
8.	There were certain lapses in compliance with Secretarial Standards.	Inadvertently the Company missed to follow certain minor secretarial standards, and the Board assures that the same will be taken care in the forthcoming years.
9.	During the year under review, it was observed that there were certain non-compliance in terms of disclosures to be made to the Committees & Board as contemplated under SEBI (LODR] Regulations, 2015.	Inadvertently the Company missed to follow certain minor secretarial standards, and the Board assures that the same will be taken care in the forthcoming years.
10.	The company had re-appointed the Managing Director who is a Non-resident Indian on 30th September 2017, which required the approval of the Central Government and during the year under review.	The Company had filed the requisite form seeking the approval of the Central Government which was though not resubmitted with clarification within time frame, this has now been submitted afresh on 2nd November 2019.
11.	The Company had made intimations to Stock Exchanges under SEBI (SAST) Regulation, 2011 and SEBI (PIT) Regulation,2015 on Pledge and sale of shares of the Promoter belatedly.	The Company will comply & adhere to all regulations within the timelines in the forthcoming years.
12.	The company has not filed form ODI with Reserve Bank of India thorough its Authorized dealers with respect to guarantees given on behalf of its subsidiary 8K Miles Software Services Inc., to Columbia Bank.	The shareholders' resolution passed during the AGM (under section 186 of Companies Act 2013) in the year 2015. The minutes of the Board of Directors meeting approving such corporate guarantee has been provided and the necessary intimation in the prescribed format to AD bank is in progress.

Secretarial Standards
The Company has complied with the applicable Secretarial Standards SS-1 on meetings of Directors and SS -2 on General Meetings issued by the Institute of Company Secretaries of India as per Section 118(10) of the Companies Act, 2013.

Extract of Annual Return
Pursuant to Section 92(3) of Companies Act, 2013 an extract of Annual Return in form MGT 9 as on 31st March 2019 is attached as **Annexure I** to this report.

Related Party Transactions
During the Financial Year ended 31st March 2019, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arms' length basis and were in compliance with the applicable provisions of the Companies Act 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

The details of the transactions with related parties are provided in the financial statements. Policy on Related Party transactions are available in the website.

https://8kmiles.com/Investor/Policies/PolicyonRelatedpartytransactions.pdf

The details of the related party transactions as required under the Companies Act, 2013 and rules made thereunder are attached in Form AOC-2 as **Annexure G.**

Corporate Social Responsibility Initiatives
Corporate Social Responsibility (CSR) activities have been embedded in the value system of the Company. The Company continues to be actively engaged in CSR initiatives for development of the society through partnerships and continued to focus on to helping lesser privileged communities in areas like education, health & hygiene, culture & heritage and actively participated in other welfare projects.

The provisions of Section 135 of the Companies Act, 2013 became applicable to the Company with effect from 1st April 2018. Accordingly, the Board of Directors of the Company, at their meeting held on 13th February 2019 constituted the CSR Committee, the details of which are provided in the Corporate Governance report.

Based on the recommendation by the CSR Committee, the Board has approved the projects/programs to be undertaken as CSR activities for a sum of Rs. 8,38,189 during the financial year 2018-19. The Company is in the process of identifying the suitable and viable projects and ensure the objective of making a positive contribution to society through effective impact and sustainable development program.

Code of Business Conduct and Ethics
The Board of Directors has approved a Code of Conduct and Ethics in terms of Schedule IV of Companies Act, 2013 and Listing Agreement. All the Board Members and the Senior Management personnel have confirmed compliance with the Code for the year ended March 31, 2019. The annual report contains a declaration to this effect signed by the Managing Director.

Vigil Mechanism / Whistle Blower Policy
Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, The Company's vigil mechanism allows Directors and employees to report their concerns anonymously about unethical behavior, actual/suspected fraud, violation of Code of Conduct/ business ethics. The vigil mechanism provides adequate safeguards against victimization of Directors and Employees, who avail this mechanism. The Company has established a Whistle Blower Policy and the same was hosted on the website of the Company.

Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

https://8kmiles.com/Investor/Policies/WhistleBlowerPolicy.pdf

Details of Significant and Material orders passed by the Regulators or Courts or tribunals.
There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company.

Evaluation of Board's Performance
The board has carried out an evaluation of its own performance, and that of its directors individually. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report. Detailed Note on the composition of the Board and its committees are provided in the Corporate Governance Report.

Reporting of Fraud
For the year under review, the statutory auditors have reported instances of suspected fraud committed against the Company by its officers or employees and reported the same to the Central Government as specified under Section 143(12) of Companies Act, 2013. The Board has taken cognizance of the suspected fraud and strengthening the internal control systems and appropriate response has been annexed to Auditors report

Directors' Responsibility Statement
In terms of Section 134 (5) of the Companies Act, 2013, the Board of directors, to the best of their knowledge and ability, confirm:

i) That in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards had been followed.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2019 and of the profit or loss of the Company for the year under review.

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The directors have prepared the annual accounts on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Acknowledgment and Appreciation

The Directors wish to place on record their appreciation for the committed service of all employees at all levels.

The Directors take this opportunity to thank the Shareholders, Financial Institutions, Banks, Customers, Suppliers and Regulatory & Governmental Authorities for their continued support to the Company.

Cautionary Statement

The Directors' Report & Management Discussion and Analysis contains forward-looking statements, which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market positions, expenditures and financial results are forward looking statements.

Your Company's actual results, performance & achievements could thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

For and on behalf of the Board of Directors

Sd/-
Suresh Venkatachari
Managing Director
DIN: 00365522

Sd/-
Dinesh Raja Punniamurthy
Director
DIN: 03622140

Place : Chennai
Date : 2 November 2019

ANNEXURE A

Disclosure relating to remuneration under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the remuneration of each Director to the median remuneration of the employees of the company

Name of Director / KMP	Designation	Remuneration of KMP for the FY 19 Rs. in lakhs	% of increase/ Decrease in remuneration in the FY 19	Ratio of remuneration of each Director to median remuneration of employees
Mr.Swasti Bhowmick	CFO	24.01	NA	4.80
*Mr. R.S. Ramani	CFO	26.67	NA	5.33
**Mr. Ashwin Jayagopal	Company Secretary	7.07	NA	1.41

*In service till 30th November 2018

** In service till 13th February 2019.

- The median remuneration of employees of the Company during the financial year was Rs.5,00,004/-

- There were 196 employees on the rolls of Company as on 31st March 2019.

- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

- As per the provisions of Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30th June, 2016, the following are the top ten employees in terms of remuneration drawn.

S.NO	Name of the Employee	DESIGNATION	Remuneration (In Lakhs)
1	Ravi Chandran S	Evp & Head - HR and Ops.	43.70
2	Rajgopalan S	Vice President – IAM	40.82
3	Dwarakanath R	Principal Consultant	40.73
4	Vijayan Nagamani	Vice President – CMS	36.94
5	Senthilkumar Nagabooshanam	Principal Consultant	31.80
6	Jayakumar Karuppuswamy	Delivery Manager	30.56
7	Gowrisankar Radhakrishnan	Principal Consultant	27.14
8	Pattabhiraman N	Delivery Manager	24.70
9	Aneesh Jose	Principal Consultant	24.00
10	Vijaya Narasimhan	Delivery Head	23.00

ANNEXURE B

Report On Corporate Governance

Company's Philosophy on Code of Governance
8K Miles Software Services Limited's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

8K Miles Software Services Limited is committed to achieving the highest standards of corporate governance. It believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time. The measures implemented by the Company, including the Vigil Mechanism, internal control systems, integrity management are regularly assessed for its effectiveness. The Board of Directors conducts business in due compliance of the applicable laws and periodically undertakes review of business plans, performance and compliance to regulatory requirements.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under SEBI Listing Regulations.

MANDATORY REQUIREMENTS

1. **Board of Directors**
   Strong Corporate Governance is the key to business sustainability. The Board of Directors, in respect of strategies, fairness to the stakeholders, strong accounting principles and ethical corporate practices, oversees this.

The Directors of the Company possess highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the Stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgement on behalf of the Company.

All the Directors have disclosed their other directorship and committee positions in other public companies. It is observed that Directorships/ Committee memberships and chairmanships are as per prescribed limits provided under applicable provisions of Companies Act, 2013 and Listing Agreements.

Total strength of the board on the date of this report is (7) Seven. Of the Seven Directors 4 are Independent Directors and One Non-Executive Director. The Composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with section 149 of the Companies Act, 2013.

During the financial year, the Directors on Board met at regular Intervals for discussing and finalizing on key issues. Also, the Board has duly complied with the norms laid down by the guidelines in connection with the meeting of Board of Directors.

The last Annual General Meeting (AGM) of the Company was held on 29th September, 2018 and all Directors including the Chairman of the Audit Committee attended the AGM.

The Names and categories of the Directors on the Board, their attendance at Board Meetings held during 2018-19 as on the date of this report and the number of directorships and committee chairmanships/Memberships held by them in other companies are provided hereunder:

Name of the Director	Category	Number of Board Meetings during the year 2018-19		Whether last AGM Attended September 2018	Number of other Directorships and Committee Membership/ Chairmanships		
		Held	Attended		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Suresh Venkatachari Managing Director & CEO DIN: 00365522	Executive/ Non-Independent	7	7	Yes	Nil	Nil	Nil
Mr.R.S. Ramani Director DIN: 03206751	Non-Executive/ Non-Independent	7	7	Yes	Nil	Nil	Nil
Mr.Lakshmanan Kannappan Director DIN: 07141427	Non-Executive/ Non-Independent	7	5	Yes	Nil	Nil	Nil

Name of the Director	Category	Number of Board Meetings during the year 2018-19		Whether last AGM Attended September 2018	Number of other Directorships and Committee Membership/ Chairmanships		
		Held	Attended		Other Directorships	Committee Memberships	Committee Chairmanships
Mrs.Padmini Ravichandran Director DIN: 02831078	Non-Executive/ Non-Independent	7	6	Yes	Nil	Nil	Nil
Mr.Gurumurthi Jayaraman Director DIN: 00416850	Non-Executive/ Non-Independent	7	7	Yes	Nil	Nil	Nil
Mr.Dinesh Raja Punniamoorthy Director DIN:03622140	Non-Executive/ Independent	7	7	Yes	Nil	Nil	Nil
Ms.Babita Singaram Director DIN: 07482106	Non-Executive/ Independent	7	6	Yes	Nil	Nil	Nil
Mr.Vivek Prakash Director DIN: 07711308	Non-Executive/ Independent	7	3	Yes	Nil	Nil	Nil

***None of the Directors hold directorship in other listed entities.**

Criteria for Board Membership

Directors

The Company has appointed the Directors with rich experience and expertise in various Sectors of Finance, Information Technology, governance and other disciplines to ensure Board diversity with Directors having expertise in the fields related to the Company's business.

The Board has identified the following skills/expertise/ competencies fundamentals for the effective functioning of the Company which are currently available with the Board:

1. Understanding of global business dynamics, industry verticals and regulatory jurisdictions.

2. Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving ethics and values.

3. Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

During the year under review, 7 board meetings were held. The dates on which the said meetings were held are as follows:

1. May 30, 2018
2. July 17, 2018
3. August 08, 2018
4. September 07, 2018
5. September 28, 2018
6. November 13, 2018
7. February 13, 2019

None of the Non – Executive Directors have any material pecuniary relationship or transactions with the Company. None of the Directors are related to each other.

The Company ensures that all statutory, significant material information are placed before the Board/

Committees of Directors for their noting/approval to enable them to discharge their responsibilities as trustees of the large family of shareholders. During the year, information on matters mentioned in terms of Regulation 17 (7) of the SEBI (LODR) Regulations, 2015 has been placed before the Board for its consideration. The Board periodically reviews compliance of laws applicable to the Company.

Scheduling and selection of Agenda items for Board Meetings

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee Meetings.

Post meeting follow-up mechanism

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for noting.

Code of Conduct for Board of Directors and Senior Management

The Company had adopted the code for prohibition of Insider Trading under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Board members and senior management personnel of the Company. The code has been communicated to all the Directors and members of the senior management. All Board members and senior management personnel have been affirming compliance with the Code on annual basis. The Annual Report contains a declaration to this effect signed by the Managing Director.

2. Committee Meetings:

A. Audit Committee

The Audit Committee comprised of the following directors as on March 31, 2019:

Mr. Gurumurthi Jayaraman, Chairman
Ms.Babita Singaram, Member
Mr.Dinesh Raja Punniamurthy, Member

The Audit Committee met 6 times during the year on May 30, 2018; July 17, 2018; August 8, 2018; September 07, 2018; November 13, 2018; February 13, 2019. The Attendance details of the meeting are as follows.

Sl. No	Name of the Member	Status	Number of Meetings	
			Held	Attended
1	Mr.Gurumurthi Jayaraman, Chairman	Non- Executive Director- Independent	6	6
2	Ms.Babita Singaram, Member	Non- Executive Director- Independent	6	5
3	Mr. Dinesh Raja Punniamurthy, Member	Non- Executive Director- Independent	6	6

The Audit Committee met and reported key issues to the Board of Directors and also duly complied with the necessary guidelines.

(i) Brief description of terms of reference

- Overseeing the Company's financial reporting process and Disclosure of its financial information to ensure that the financial statements are correct, sufficient and creditable;
- Recommendation for the appointment / removal of Statutory Auditor(s) & Internal Auditor(s), Fix the Audit fee also approve the payment for any other services;
- Reviewing with the Management, the quarterly financial statement before submission to the board;
- Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit;
- Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Reviewing the Company's Vigil Mechanism and financial & risk management policies;
- Reviewing & Authorising all related party transactions
- Reviewing of financial statements of unlisted material subsidiary

All the members including the chairman have adequate financial and accounting Knowledge.
The chairman of the Audit Committee was present at the last Annual General Meeting held on September 28, 2018. The Committee's constitution and terms of reference are in compliance of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. There has been no change in the constitution or terms of the committee during the year. However the committee was reconstituted with the following members w.e.f 2nd November, 2019.

Mr. Dinesh Raja Punniamurthy	Chairman
Mrs. Babita Singaram	Member
Mr. Raghunathan Aravamuthan	Member

B. Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprised of following directors as on March 31, 2019:

Mrs. Padmini Ravichandran, Chairman,
Mr. Venkatachari Suresh, Member
Mr. Lakshmanan Kannappan, Member

Stakeholder Relationship Committee met once during the year on February 13, 2019 to discuss on various matters pertaining to the Shareholders. No investor grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company.

The Attendance details of the meeting are as follows:

Sl. No	Name of the Member	Status	Number of Meetings	
			Held	Attended
1	Mrs. Padmini Ravichandran, Chairman	Non- Executive Director- Non Independent	1	1
2	Mr. Venkatachari Suresh, Member	Executive Director-Non-Independent	1	1
3	Mr. R S Ramani, Member	Executive Director-Non-Independent	1	1
4	Mr. Lakshmanan Kannappan, Member	Non-Executive Director-Non-Independent	1	-

Regular reporting procedures have been carried out to keep the Board of Directors updated.

i) Brief description of terms of reference

- Allot to the applicants, shares and other securities issued by the Company from time to time.
- Approve registration of transfer of shares and other securities issued and that may be issued from time to time; and approve or reject application for transfer of shares certified to the shareholders;
- Decide the stock exchange(s) / depositor(y)ies in India or abroad, on which shares or other securities issued by the Company are to be listed or delisted including offering/issuing such shares / securities through depositories;
- Redressal of shareholders and investors complaints such as transfer of shares, non-receipt of Annual Reports, non-receipt of dividend declared etc.;
- Report to the Board about important developments in the area of servicing of shareholders and take initiatives for better servicing of the shareholders

ii) Details of the complaints/requests received, resolved and pending during the year 2018 -2019. Total Shareholders complaints/ Requests

Received	Redressed	Pending
3	3	0

Mr. R. S. Ramani expresed his unwillingness to be a member of the committee. However the committee was reconstituted with the following members w.e.f 2nd November, 2019.

Mrs. Padmini Ravichandran	Chairperson
Mr. Suresh Venkatachari	Member
Mr. Lakshmanan Kannappan	Member
Mr. Raghunathan Aravamuthan	Member

C. Nomination And Remuneration Committee

The Nomination and Remuneration Committee (NRC) Comprised of following directors as on March 31, 2019:

Mr.Dinesh Raja Punniamurthy, Chairman
Mr. Padmini Ravichandran, Member
Ms.Babita Singaram, Member

The Nomination and Remuneration Committee met thrice during the year on May 30, 2018; July 17, 2018; February 13, 2019. The Attendance details of the meeting are as follows:

Sl. No	Name of the Member	Status	Number of Meetings	
			Held	Attended
1	Mr.Dinesh Raja Punniamurthy, Chairman	Non-Executive Director-Independent	3	3
2	Mr. Padmini Ravichandran, Member	Non-Executive Director- Non Independent	3	3
3	Ms.Babita Singaram, Member	Non-Executive Director-Independent	3	3

Responsibilities of NRC:

The Nomination and Remuneration Committee shall-

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Formulation of NRC policy:

The Nomination and Remuneration Committee shall ensure that—

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

The Nomination and Remuneration Committee shall also prepare the evaluations of the independence in connection with the proposal for the appointment of Board members and the annual evaluations to be made in the organisation meeting.

In addition to the tasks listed above, the Nomination and Remuneration Committee may have other tasks that are appropriate for it to be able to fulfil its function.

The Nomination and Remuneration Committee has the right to investigate and examine matters pertaining to its function and use outside experts and consultants at its discretion.

The Remuneration Policy of the company is available in the website of the company.

There has been no change in the constitution or terms of the committee during the year. However the committee was reconstituted with the following members w.e.f 2nd November, 2019.

Mr. Dinesh Raja Punniamurthy	Chairperson
Mrs. Babita Singaram	Member
Mrs. Padmini Ravichandran	Member

Corporate Social Responsibility Committee

Name of the Director	Designation
Mrs. Babita Singaram	Chairperson
Mr. Dinesh Raja Punniamurthy	Member
Mr. Gurumurthi Jayaraman	Member

No. of meetings held during the year : One

Date of meeting : 13th February 2019

There has been no change in the constitution or terms of the committee during the year. However the committee was reconstituted with the following members w.e.f 2nd November, 2019.

Name of the Director	Designation
Mrs. Babita Singaram	Chairperson
Mr. Dinesh Raja Punniamurthy	Member
Mrs. Padmini Ravichandran	Member

Remuneration to Directors

a) Non-Executive Directors

During the year the company paid Sitting fees as given below to the Non-Executive Directors for attending meetings of the Board and its Committees.

Name of the Director	Designation
Mr. Gurumurthi Jayaraman	1,02,500
Ms. Padmini Ravichandran	45,000
Ms.Babita Singaram	70,000
Mr.Dinesh Raja Punniamurthy	80,000
Mr.Vivek Prakash	15,000
Mr. R.S. Ramani	7,500

During the year remuneration of $1,44,000 was paid to Mr.Lakshmanan Kannappan, Director of the Company from 8K Miles Software Services INC,USA (subsidiary of the company) for the period from April 2018 to March 2019.

b) Executive Directors

During the year remuneration of Rs.3,33,333 Per month was paid to Mr. R.S.Ramani, Whole-time Director and CFO of the company for the period from April 2018 to November 2018.

During the year remuneration of $2,40,000 was paid to Mr.Suresh Venkatachari, Managing Director of the Company from 8K Miles Software Services INC,USA (subsidiary of the company) for the period from April 2018 to March 2019.

Board Evaluation

Pursuant to the provisions of Companies Act, 2013, the Board has carried out an evaluation of its own performance of the directors individually as well as the evaluation of the working of all its committees. Evaluation has been carried out on the basis of functioning, adequacy of composition of the board and its committees, board processes and of its committees, board culture, execution and performance of the obligations and governance of the board as well as the committees.

Policy on Board Diversity

The Nomination and Remuneration Committee devises the policy on Board diversity to have balance of skills, experience and diversity on the Board.

Succession Planning

The Nomination & Remuneration Committee works with the board on the leadership succession plan, and prepares contingency plan for succession in case of any exigencies.

D. Other Committee

CSR Committee

Your Company spearheads all engagements with the Community and its contributions to the Society. We strongly believe in giving back and making a difference.

Meetings of Independent Directors

The Independent Directors met on February 13, 2019 and evaluated the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company considering the views of other Directors.

The Independent Directors also discussed the Board processes including the evaluation of quality content and timeliness of flow of information between the management and the Board that is necessary for it to effectively and reasonably to perform its duties.

Shares held by Directors

Details of shares of the Company held by the Directors as on March 31, 2019 are given below:

Name of the Director	Number of Equity Shares held
Mr. Suresh Venkatachari	1,11,81,703
Mr. R.S.Ramani	4,65,000
Mr. Gurumurthi Jayaraman	NIL
Mrs. Padmini Ravichandran	NIL
Mr. Lakshmanan Kannappan	NIL
Ms. Babita Singaram	NIL
Mr. Dinesh Raja Punniamurthy	NIL
Mr. Vivek Prakash	NIL

There were no pecuniary relationships or transactions with the Non–executive Directors.

Senior Management Personnel

The remuneration of Senior Management and key Managerial personnel is decided considering the current employment scenario and remuneration package of the industry. The relationship between the remuneration and benchmark is also made clear while determining their remuneration package.

Criteria for Board Membership

Directors

The Company has appointed the Directors with rich experience and expertise in various Sectors of Finance, Information Technology, governance and other disciplines to ensure Board diversity with Directors having expertise in the fields related to the Company's business.

Independent Directors

The Independent Directors are appointed by the shareholders with no direct or indirect material relationship with the company or any of its officers and they meet all criteria in section 149(7) of the Companies Act, 2013 and the Listing Regulations.

The Nomination and Remuneration Committee ensures that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The board hereby confirms that the independent directors fulfill the conditions specified in these regulations SEBI (Listing Obligations and Disclosure Requirements) Regulations, and are independent of the management.

All the Independent Directors have given their declaration at the first meeting (10th April 2019) on declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16.

3. General Meetings

a. Annual General Meetings:

Date, location and time for last 3 Annual General Meetings –

Date	Venue	Time
28th September 2018 Saturday	Aloft Chennai OMR- IT Expressway 102, Rajiv Gandhi Salai, Sholinganallur, Chennai – 600 119	08.59 AM
30th September 2017 Saturday	The Rain tree, St. Mary's Road, Alwarpet, Chennai – 600 018	11.00 AM
30th September 2016 Friday	The Rain tree, St. Mary's Road, Alwarpet, Chennai – 600 018	10.15 AM

4. Related Party transactions:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The transactions entered into with the related parties during the financial year were in the ordinary course of business and at arm's length basis. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the financial statements.

The Board has obtained certificates /disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the Company at large. The Board has approved a policy for related party transactions which is available on the company's website.

5. Share Transfer Compliance and Share Capital Reconciliation:

Pursuant to Regulation 40 (9) of the SEBI (LODR) Regulations, 2015, certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from Mr. P.Sriram ,Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a share capital audit on a quarterly basis for reconciliation of the share capital of the Company.

6. Other Disclosure:

The Company has fulfilled the following non-mandatory requirements as detailed below:

The Board

As our Chairman is a Managing Director, the Company maintains an office for him at the Corporate Office

Shareholder Rights

The quarterly and half yearly and yearly declaration of the financial performance are posted on the website of the

Company and are also sent to the stock exchanges, where the shares of the Company are listed

Audit qualifications
Management's Response for Qualification of the Auditor's Opinion for Standalone and Consolidated Audited Financial Statements for the Financial year ended March 31, 2019 is annexed.

Reporting of Internal Auditors
The Internal Auditors' report directly to the Audit Committee.

Vigil Mechanism/ Whistle Blower Policy
The Board of directors of the Company at its meeting established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical be, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/ complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also discussed on the website of the Company. It is affirmed that no personnel has been denied access to the audit committee.

7. Means of Communication:
All material information about the Company is promptly sent through online platform provided by the stock exchanges / email/fax to the concerned stock exchanges wherein the Company's Shares are listed. Besides, these are all given to press for information of the Public at large. As stipulated under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the quarterly results are published in English national (Business Standard) newspaper and in one Tamil newspaper (Makkal Kural) within 48 hours of the conclusion of the Board Meeting at which the results are approved. The above results are also hosted on the Company website http://www.8kmiles.com/.

8. General Information for Shareholders:

a. Annual General Meeting
Date: 30th November 2019 Time: 10.30 AM

Venue: The Raintree, St Mary's Road, 120, St Mary's Road, Alwarpet, Chennai 600 018.

As required under Regulation 36 of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 30th November 2019.

b. Financial Year: 1st April 2018 to 31st March 2019.

9. Listing on Stock Exchanges :
The Company's Equity Shares are listed on the following Stock Exchanges:

ISIN-INE650K01021

Sl. No.	Name of the Stock Exchange	Stock Code
1	Bombay Stock Exchange Limited, Floor 25, P.J. Towers, Dalal Street, Mumbai – 400 001	512161
2	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051	8KMILES

Annual listing fees have been paid to the above Stock Exchanges, for the financial year 2018-19

10. Market Price Data

High, Low (based on closing prices) and number of shares traded during each month in the financial year 2018-19 on BSE Limited and National Stock Exchange of India Limited:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2018	851.80	669.00	851.95	677.45
May, 2018	793.70	512.10	792.00	510.05
June, 2018	612.30	458.80	611.95	462.35
July, 2018	502.50	230.60	501.85	234.30
August, 2018	392.35	286.05	392.50	290.00
September, 2018	341.95	192.25	339.00	191.35
October, 2018	182.65	67.05	181.00	68.30
November, 2018	181.80	55.00	183.85	55.40
December, 2018	209.90	140.00	206.00	140.00
January, 2019	167.30	112.50	167.35	114.30
February, 2019	132.50	102.70	132.30	102.15
March, 2019	116.70	88.15	116.00	88.35

Share Price performance in comparison to broad based indices – BSE Sensex

11. Share Transfer System

Transfer of the Shares is done through the Depositories with no involvement of the Company. As regards, transfer of shares held in physical form the transfer documents can be lodged with Adroit at the address given below:

Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industries Estate, Makwana Road, Marol, Andheri (East), Mumbai – 59

Transfer of shares in physical form is normally processed within ten days from the date of receipt, if the documents are complete in all respects.

Distribution of Shareholding as on March 31, 2019

Sl. No.	Share or Debentures holding of nominal Value	Share Folios			Share/Debenture Amount	
		Number	% to Total	No.of Shares	Amount Rs.	% to Total
1	Upto - 5000	36153	95.1	43,91,167	2,19,55,835	14.39
2	5001 - 10000	906	2.38	13,20,301	66,01,505	4.33
3	10001 - 20000	475	1.25	13,41,786	67,08,930	4.4
4	20001 - 30000	146	0.38	7,24,983	36,24,915	2.38
5	30001 - 40000	80	0.21	5,55,671	27,78,355	1.82
6	40001 - 50000	66	0.17	6,16,740	30,83,700	2.02
7	50001 - 100000	95	0.25	13,72,083	68,60,415	4.5
8	100001 and above	94	0.25	2,01,94,874	10,09,74,370	66.17
Total		**38,015**	**100**	**3,05,17,605**	**15,25,88,025**	**100**

12. Shareholding Pattern as on March 31, 2019

Category	Number of Holders	Shares	%
Promoter and Promoter Group	3	1,16,58,236	38.2
Foreign Portfolio Investors	5	1,23,800	0.41
Financial Institutions/Banks	1	2,240	0.01
Resident Individuals	35753	1,54,31,616	50.57
Bodies Corporate	346	12,80,228	4.2
Clearing Member	121	1,45,212	0.48
NRI	618	18,44,349	6.04
Trusts	1	500	0
Corporate Body-Broker	7	31,424	0.1
Grand Total	**36855**	**3,05,17,605**	**100**

13. **Details of Shares**

Mode	Number of Shares	% to paid up Capital	Number of holders
Physical	34	0	3
Electronic			
NSDL	15,890,693	52.07	18,385
CDSL	14,626,878	47.93	19,627

14. **Dematerialisation of Shares:**
    - The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and the BSE Limited, in dematerialized form.
    - Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE650K01021
    - Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

15. **Any query on Annual Report:**
    The Secretarial Department
    8K Miles Software Services Limited
    "Srinivas" Towers, II Floor,
    Cenotaph Road, Teynampet,
    Chennai-600 018

    Email: - investor@8kmilessoftwareservices.com
    contactus@8kmilessoftwareservices.com

16. **Address for Investor's Correspondence:**
    Adroit Corporate Services Private Limited
    Unit: 8K Miles Software Services Limited
    19/20, Jaferbhoy Industries Estate, Makwana Road, Marol, Andheri (East), Mumbai – 59

    Email : info@adroitcorporate.com
    Website: www.adroitcorporate.com

17. **Compliance Certificate from Practising Company Secretary**
    Certificate from M/s. P. Sriram & Associates ,Practicing Company Secretaries, Chennai, confirming compliance with conditions of Corporate Governance as per SEBI Regulations,2015 is forming part of this Annual Report attached as **Annexure C**.

18. **Secretarial Compliance Certificate from Secretarial Auditor**
    Secretarial Audit Report given by M/s. P. Sriram & Associates, Practicing Company Secretaries, Chennai is forming part of this Annual Report attached as **Annexure H.**

19. **Request to Investors**
    - Investors holding shares in electronic form are requested to deal only with their Depository Participant (DP) in respect of change of address, bank account details, etc.
    - Green Initiative- as permitted under rules 11 of the Companies (Accounts) Rules, 2014, Companies can circulate the Annual Report through electronic means to those members with the registered email IDs with NSDL or CDSL or with the Company. Members are requested to support this initiative and register their e-mail ids promptly with DPs in case of electronic shares or with the STA, in case of physical shares.

CREDIT RATING:
The rating agency, CARE Ratings Limited has reaffirmed CARE C Long-term and Stable/CARE A4 for the Short-term Bank Facilities.

20. **Other Disclosures**
    a. There were no materially significantly related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

    b. Being the first year of IND AS adoption, the Company declared Consolidated results belatedly and the penalty imposed by Stock Exchanges were paid within the stipulated time. There were no other such instances of non-compliance by the Company.

    c. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The Policy is available at the following weblink: https://8kmiles.com/Investor/Policies/WhistleBlowerPolicy.pdf

    d. The Company has complied with the Mandatory requirements.

    e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink : https://8kmiles.com/images/2019/11/Policy-on-Determination-of-Materiality.pdf

    f. The Related Party transaction Policy is disclosed in the Company's website and the weblink https://8kmiles.com/Investor/Policies/PolicyonRelatedpartytransactions.pdf

    g. Commodity Price risks and Commodity Hedging Activities: The Company has not undertaken any transaction in this regard. The details relating to commodity price risks and commodity hedging activities are not applicable.

h. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.

i. P. Sriram & Associates, Practicing Company Secretaries, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing of Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

j. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.

k. Auditors Remuneration - The total fees for all services paid by 8K Miles, on a consolidated basis, to the statutory auditors is Rs.62.47 Lacs.

l. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place a Policy on Prevention of Sexual Harassment (POSH) to ensure safety of women and prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done in assimilation programs and at regular intervals.
Pursuant to Rule 8(5) (x) of Companies Act (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) at its work place to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

a.	Number of complaints filed during the year	NIL
b.	Number of complaints disposed of during the year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

21. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) and (10) of Schedule V of SEBI (LODR) Regulations.

22. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted.

23. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.

24. Declaration signed by the Chief Executive Officer of the Company as per Schedule V (D) of LODR, in compliance with the Code of Conduct is annexed.

25. Compliance Certificate as per Regulation 17(8) read with Part B of Schedule II of LODR, provided by the Chief Executive Officer and Chief Financial Officer is annexed.

ANNEXURE C

Certificate on Compliance with the Conditions of Corporate Governance under Regulation 34 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015

To: The Members of 8K MILES SOFTWARE SERVICES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by M/s. 8K MILES SOFTWARE SERVICES LIMITED, for the year ended on 31st March 2019, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2018 to 31st March 2019, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except that

   i. The company has entered into certain Related Party Transactions without taking prior approval of the Audit Committee and Board as required under SEBI (Listing Obligations and Disclosure) Requirements (LODR).

   ii. The consolidated accounts for the year 2017-18 have been approved by the Board of Directors belatedly in the meeting held on 17th July 2018.

   iii. Mr. Gurumurthy Jayraman and Ms. Padmini Ravichandran, who were the Independent Directors, re-designated as Non-Executive Non Independent Directors of the Company during the year under review, consequent to the observations made by the statutory auditors on appointment of their relatives in the company/overseas subsidiary post their appointment as employee/consultant. In the opinion of the management since their appointment as an independent director presupposed the employment of such relatives, they shall not be disqualified to be an Independent Director U/s.149 of the Act and accordingly they have not given a declaration intimating change on criteria of independence under Section 149 (7) of the Companies Act, 2013

   iv. During the year under review, it was observed that there were certain non-compliance in terms of disclosures to be made to the Committees & Board as contemplated under SEBI (LODR] Regulations, 2015.

   v. The Company had made intimations to Stock Exchanges under SEBI (SAST) Regulation, 2011 and SEBI (PIT) Regulation,2015 on Pledge and sale of shares of the Promoter belatedly.

4. We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. P. Sriram & Associates

Place : Chennai
Date : 2 November 2019

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862

Declaration Pursuant to Regulation 34 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 Regarding Adherence to the Code of Business Conduct and Ethics

To

The Shareholders of
M/s 8K Miles Software Services Limited
No. 5, Cenotaph Road, II floor, "Srinivas" Towers,
Teynampet, Chennai - 600 018, Tamilnadu

On the basis of the written declaration received from Members of the Board and Senior Management Personnel in terms of the relevant provisions of Regulation 34 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, I hereby certify that both the Members of the Board and the Senior Management personnel of the Company have affirmed compliance with the respective provisions of the code of Business conduct and Ethics of the Company as laid down by the Board for the year ended March 31, 2019.

Place : Chennai
Date : 2 November 2019

Sd/-
Suresh Venkatachari
Managing Director&CEO

Annexure-D

Management Discussion and Analysis

A detailed Report on Management Discussions and Analysis is given below as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

Industry overview

Information Technology (IT) spending of companies has consistently improved over the last decade, regardless of global economic outcomes and the size of the organization. Enterprise IT has observed a rising trend in consumption, right from an individual business unit level demand to company-wide requirements. Management teams are cognizant of the organization-wide impact of IT and pay greater attention to the IT component of business strategy. Evolving IT technologies have driven disruptions in business models, leading to vast changes in revenue channels and operating structures of various industry verticals such as healthcare, retail, banking, education and media.

According to Gartner's latest forecast, worldwide IT spending is projected to total $3.79 trillion in 2019, an increase of 1.1 percent from 2018. The shift of enterprise IT spending from traditional (non-cloud) offerings to new, cloud-based alternatives is continuing to drive growth in the enterprise software market. In 2019, the market is forecast to reach $427 billion, up 7.1 percent from $399 billion in 2018. The largest cloud shift has so far occurred in application software. However, Gartner expects increased growth for the infrastructure software segment in the near-term, particularly in integration platform as a service (iPaaS) and application platform as a service (aPaaS). IT Services is also expected to grow to 3.5% driven by strong growth in digital engagements, particularly cloud adoption.

	2018 Spending	2018 Growth(in %)	2019 Spending	2019 Growth(in %)	2020 Spending	2020 Growth(in %)
Data Center Systems	210	15.5	204	-2.8	207	1.7
Enterprise Software	399	9.3	427	7.1	462	8.2
Devices	667	0.3	655	-1.9	677	3.5
IT Services	982	5.5	1016	3.5	1065	4.8
Communications Services	1489	2.1	1487	-0.1	1513	1.7
Overall IT	3747	4.0	3790	1.1	3925	3.6

Source Gartner (April2019)

Cloud Computing

In simple terms, cloud computing is the ability of storing and accessing data as well as run IT applications over the internet. The main advantage of this technology, over storing and running applications on a local server, is that computing can be made available on-demand. This means organizations can rent computing infrastructure, pay for only what they have used and save cost. However, this also means not only multiple IT applications can share the infrastructure but also multiple organizations across the world. On such a shared infrastructure, in order for organizations to protect their data and prevent security breaches, cloud computing requires protection both during while its static on the cloud and in-transit while accessing from the Cloud. Increasing public cloud usage with security enhancements such as digital watermarking techniques, helps augment revenue for clients and in turn, the cloud service providers.

8K Miles is able to consistently see the revenue growth over the years as a result of spending on cloud solutions as part of a company's overall IT budget has grown year-on-year. Cloud computing has emerged as the preferred partner for various IT use cases, owing to the bundled opportunities that it opens up across storage, analytics, collaboration and marketing, among others. Cloud allows organizations to optimize costs and improve operations. The cloud business model supports on-demand, internet-based IT services that offer huge economies of scale.

Healthcare Cloud Solutions

Highly regulated industries like healthcare and life science face major compliance challenges while embracing cloud transformation. It is primarily due to the large amount of sensitive data at stake. Organizations face many Health Insurance Portability and Accountability Act (HIPAA; 1966) regulatory requirements when it comes to cloud as not all solutions can meet the needs required for health data and Protected Health Information (PHI). Thus, there is a constant need to establish the right equilibrium across security, privacy and performance, within a limited IT budget. At the same time, healthcare cloud solutions need to strike a balance between being HIPAA- compliant and secure, as well as flexible and adaptive to technological advancements.

Another major challenge is the absence of on-site experts to provide support for hybrid cloud environments and deployments. However, as technologies improve and real-world examples demonstrate their reliability, cloud computing is on track to become the new norm in health IT infrastructure. Clients are keen on taking advantage of Software as a Service (SaaS) offerings such as Electronic Health Record (EHR) solutions and service desk assistance.

The increased interest in the healthcare cloud has inspired vendors and service providers to strengthen their support for business associate agreements and third-party privacy and security assessments. Healthcare data management includes strict requirements for security, confidentiality, privacy, traceability of access, reversibility of data and long-term preservation. As hospitals and health systems progressively test and decide on ideas and applications that range from patient health applications to Artificial Intelligence (AI), they need a HIPAA-compliant cloud hosting platform to build or test those applications upon. A reliable cloud advisory firm with such capabilities can double up as an integral implementation partner and manage the system on public cloud.

Outlook

The worldwide public cloud services market is projected to grow 17.5 percent in 2019 to total $214.3 billion, up from $182.4 billion in 2018, according to Gartner, Inc. The fastest-growing market segment will be cloud system infrastructure services, or infrastructure as a service (IaaS), which is forecast to grow 27.5 percent in 2019 to reach $38.9 billion, up from $30.5 billion in 2018 (see Table 1). This is reinforcing for 8K Miles as this is our major focus area for our cloud offerings as our customers continue to work to grow their cloud-based infrastructure. Additionally, Cloud Management and Security Services market segment, which is another 8K Miles focus area, is also showing strong growth projections with estimated additional $1.7B increased spending.

	2018	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	45.8	49.3	53.1	57.0	61.1
Cloud Application Infrastructure Services (PaaS)	15.6	19.0	23.0	27.5	31.8
Cloud Application Services (SaaS)	80.0	94.8	110.5	126.7	143.7
Cloud Management and Security Services	10.5	12.2	14.1	16.0	17.9
Cloud System Infrastructure Services (IaaS)	30.5	38.9	49.1	61.9	76.6
Total Market	182.4	214.3	249.8	289.1	331.2

Worldwide Public Cloud Service Revenue Forecast (Billions of U.S. Dollars) Source: Gartner (April 2019)
BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service

Shift from Cloud-First to Cloud-Only - According to recent Gartner surveys, more than a third of organizations see cloud investments as a top three investing priority, which is impacting market offerings. Gartner expects that by the end of 2019, more than 30 percent of technology providers' new software investments will shift from cloud-first to cloud-only. This means that license-based software consumption will further plummet, while SaaS and subscription-based cloud consumption models continue their rise.

Worldwide spending on public cloud services and infrastructure will more than double over the 2019-2023 forecast period, according to the latest update to the International Data Corporation (IDC) Worldwide Semiannual Public Cloud Services Spending Guide. With a five-year compound annual growth rate (CAGR) of 22.3%, public cloud spending will grow from $229 billion in 2019 to nearly $500 billion in 2023.

Global Healthcare Cloud Spending projection is in line with the projections across all sectors above. According to Global Market Insights Inc., the Global Healthcare Cloud Computing Market is expected to exceed more than US$ 15.50 billion by 2024 and will grow at a CAGR of more than 20% in the given forecast period of 5 years.

Company Overview

8K Miles Software Services Limited (8K Miles) is a leading solution provider in next generation cloud technology. It is a cloud solution specialist in healthcare, life science, finance and other verticals. The Company is the preferred partner for most public cloud providers – Amazon Web Services (AWS), Microsoft Azure (Azure) and Google Cloud – for transformation and managed services in healthcare industry. Its Next Generation Cloud Managed Services are recognized by AWS. Besides, 8K Miles is a Gold-certified cloud partner of Microsoft. The Company and its subsidiaries provide cloud migration advisory and implementation services, DevOps and ongoing upgrades, managed services, big data and analytics, digital transformation and maintenance, cloud solutions for business issues and infrastructure management.

Deep domain expertise, lasting client relationships, industry-specific knowhow, agile innovation and execution, qualified in-house talent and superior quality control form the driving force of the Company. Its products, tools and accelerators include CloudEz, Automaton, 8K Health Edge, DataEz and EzMFA among others in the areas of cloud and digital transformation for healthcare and life science sectors. 8K Miles is a public limited company, incorporated and domiciled in India with a registered office in Chennai, Tamil Nadu.

Key enablers

Platform-centric solutions

The Company has built an extensive portfolio with over a decade of hands-on experience and industry exposure. It comprises one-stop shop platforms that are compatible with the public clouds of AWS, Azure, Google and Oracle. The Company can wholly manage and secure the virtual private clouds of its customers, as well as ensure regulatory compliance.

8K Miles offers high-quality multi-cloud vendor-agnostic solutions to produce faster results and reduce risks at reasonable costs. This is primarily because it easily acquires customers because of the platform centric approach, who subsequently become partner since they seek cost-effective innovations. The Company is able to drive loyalty across its product range since its offerings are fully integrated into customers' enterprise IT infrastructure. It is uniquely positioned to provide end-to-end cloud transformation, seamlessly moving its clients to adopt Managed Services.

Next Generation Cloud Managed Services
8K Miles has services that drive both non-recurring and recurring revenue, while ensuring clients have cloud security, regulatory compliance and cloud management/ governance. Most large Indian IT vendors supply staff and services at different hourly rates. However, 8K Miles convinces clients to install its products across their enterprise and enlist its services for years to come by providing superior quality services.

While project-based services drive non-recurring revenue, the Company's state-of-the art Next Generation Managed Services contribute to its recurring revenue. These managed services include cloud competency services, cloud strategy, implementation of latest software development methodologies like DevOps and CI/CD, advanced and smart automation, end-to-end application infrastructure development services and DevOps as a Service.

Strategic partnerships
8K Miles' enduring partnerships with public cloud providers is the foundation for its long-term success. The Company primarily engages with its technology partners — who are also its customers — to drive sales. It provides diverse technology services that leads to shared success.

Value-based acquisitions
The Company has acquired several businesses to add expertise, acquire products and expand client base, propelling growth and expanding its product portfolio throughout the last decade. The strategic acquisitions help in access to captive customers and enhance cross- and up-selling that enable 8K Miles' platforms to be more robust, while addressing domain-specific compliance and security requirements.

Stellar advisory panel
8K Miles Advisory Board (members listed separately) brings great minds together

- Entrepreneurs, Innovators, Founders, Chairman & CEOs as well as CxOs
- Across many Industries, Technologies as well as Government entities
- Years of global experience

These great minds help accelerate 8K Miles growth by offering many of the following and more:

Market Insights & Needs
Industry Expertise
Executive Introductions and Business Development
Validating Business Directions
Strategic Product and Technology Investment Decisions
Serve as a Reference for our potential Enterprise Customers
Provide Sales Support

Our strength
We believe our strengths give us the competitive advantage to position ourselves as the leading global solutions and services company.

Sector and domain expertise: Our specific industry expertise in healthcare and life science and technology expertise in secure cloud environment enables us to transform client's business with innovative, secure, reliable and scalable solutions. Our expertise helps our clients enhance their business performance and IT efficiencies, increase agility and flexibility, reduce costs, and achieve measurable business value.

Intellectual property: Our products, platforms and solutions are geared to fulfill and serve the needs of cloud and digital consumers as well as leverage the potential of larger connected ecosystem. Our CloudEz platform is a result of several man-years of cloud consulting and implementation experiences across assignments and organizations of various sizes. It has in-built solutions for significant number of business problems of the clients/ potential clients in highly regulated industry verticals. Our timely acquisition of IPs like EzIAM has strengthened our positioning in the market.

Deep client relationships and cloud-specialists brand: Over last few years, we have been privileged to work with Fortune 500 organizations and several other pharma companies as clients. Our track record in delivering high-quality cloud and business solutions to pharma and healthcare clients has yielded in strong growth trajectory for our top 15 client accounts. Our strong branding in healthcare and life sciences verticals and our close association with technology partners has helped us bolster these relationships and further gain new client logos with each passing quarter. This history of client retention allows us to showcase and strengthen our brand.

Agile execution and DevOps: Our automated tools and accelerators allow us to continuously optimize and enhance already implemented client systems. Our platform creates visual dashboards on real-time basis for ease of decision making by the managers.

High-quality talent: We have a strong ecosystem for employee attraction, competency development, career progression and retention through a trusted partnership with our stakeholders. We have a culture of performance and innovation in an open and collaborative environment.

Financial Performance:

Financial Particulars	2018-19		2017-18		Growth Inc / (Dec)%
	Rupee in lakhs	% of Revenue	Rupee in lakhs	% of Revenue	
Income					
Revenue from operations	84,219.15	100.00%	84,923.87	100.00%	-0.83%
Expenditure					
Employee benefits expense	29,052.51	34.50%	23,557.56	27.74%	23.33%
Finance costs	1,162.49	1.38%	971.49	1.14%	19.66%
Depreciation and amortization expense	6,959.83	8.26%	2,518.68	2.97%	176.33%
Other expenses	38,220.86	45.38%	32,124.52	37.83%	18.98%
Total	75,395.69	89.52%	59,172.25	69.68%	27.42%
Profit before tax	9,642.88	11.45%	26,596.85	31.32%	-63.74%
Tax expense	1,660.39	1.97%	6,055.54	7.13%	-72.58%
Profit after tax	7,982.49	9.48%	20,541.31	24.19%	-61.14%

On consolidated basis, revenue for the year was Rs. 84,219.15 lakhs signifying a decreased of (0.83%) in Rupee terms.

EBITDA margins have decreased by 14.19% from 35.08% in the previous year to 20.89% in the current year. Total employee benefits expenses have increased by 6.76%. Employee benefits expense, as a percentage to revenue, is 34.50% in the previous year to 27.74%. Other expenses increased due to increase in Professional & Consultancy Charges, subcontractor expenses, Travelling expenses, Cloud hosting & Communication expenses and Other expenses.

The effective tax rate is at 17.22% when compared to 22.77% in the previous year. PAT has decreased by 14.71% and as a percentage of revenue, has decreased from 24.19% to 9.48% in the current year.

On standalone basis, revenue for the year was Rs.5,694.44 lakhs signifying a growth of 8.27% in Rupee terms. EBITDA margins have increased from 28.82% in the previous year to 37.09%. The growth in revenue 12.62% was higher than the growth in employee benefits expense 2.69%. Other expenses increased due to Professional & Consultancy Charges, subcontractor expenses, rent, travelling expenses and other expenses. Our effective tax rate is at 28.60% when compared to 32.38% in the previous year. PAT has increased by 99.50% to Rs. 973.23 lakhs as compared to Rs. 487.84 lakhs in the previous year mainly on account of increase in revenue, other income and foreign exchange gain in the current year as compared to forex loss in the previous year.

DETAILS OF INTANGIBLE ASSETS:

CloudEz for Continuous Security, Compliance and Governance

Cloud Transformation and Management Platform that facilitates Enterprises to transform and manage the Public Clouds – AWS, Azure, Google and Oracle as well as Private Clouds towards Enterprises having optimum Hybrid Cloud strategy. This platform ensures Continuous Security and Compliance while ensuring Continuous Governance across Public Clouds such as AWS, Azure, Oracle and Google Clouds as well as Client's Private Cloud.

CloudEz platform is a Service Automation Platform that integrates ITSM capabilities such as Service Catalog, Service orchestration and ITIL with Cloud Automation. Service Orchestration and Automation is achieved through the integration between the CloudEz Business Services Engine and an ITSM platform such as ServiceNow.

CloudEz Business Services Operation and Management Portal is an ITSM platform like ServiceNow which manages and enforces the ITIL processes such as incident, change and release management. It also has Service Catalog and Service Orchestration capabilities that allow it to offer Cloud Services in a self-service manner

CloudEz Business Services Engine orchestrates the execution of automation script and makes API calls in order to deploy the Business Service in the Cloud. It has the capability of integrating with various tools and technologies such as Chef, Puppet, Cloud APIs, Document Management Systems etc.

CloudEz platform is built upon a suite of frameworks to securely manage the lifecycle Cloud Services for Healthcare/Life Sciences Company:

- Application Automation Framework – Business Services Engine
- Security Framework Portability Framework
- Operations Automation Framework Enterprise Integration Framework Governance Framework

AUTOMATON

Cloud is treated as a Computing platform and infrastructure as piece of code. Managing such dynamic infrastructures is a huge challenge for enterprises running multiple applications. Once these applications are deployed in the Cloud, there are unique operational challenges such as, continuing to remain secure, continuous monitoring, high availability and disaster recovery. Thousands of configurations and parameters can change in a second in the environment. Such changes can introduce security and optimization loopholes in the cloud infrastructure. Managing these configuration drifts, identifying these loopholes immediately is not possible manually in cloud. This requirement necessitates highly intelligent programs which can detect and fix problems on the cloud every minute.

Automaton is a Cloud Operations engine that is designed and developed to seamlessly work with Amazon Web Services (AWS) to help different domains and businesses to detect and manage security risks of their entire AWS infrastructure. This is achieved via automated threat detection, incident response and compliance through continuous monitoring and analysis of all AWS configuration and usage of metadata logs. Automaton also ensures that the infrastructure on the AWS follow the best practices as per the AWS and community recommendations.

The following section describes the modules and features in the Automaton Operations Engine:

- **Identifiers:** Background Jobs that checks for loopholes in best practices, security, cost optimization, compliance in cloud infrastructure like Amazon Web Services, Azure and Google Cloud every 15 minutes. Identifiers results will be shown in dashboard, including Identifiers results and reports
- **Rules:** Customers can define compliance rules which will be executed by the Rule Engine. Example: Customers can define a rule to fix a security group loophole that is observed by the Identifier module
- **Fixers:** Fixers are intelligent programs that are triggered by events or when rules match a loophole. Pre- approved fixers will automatically fix a problem when it encounters. Manually approved fixers will log the details in the ITSM system and will initiate fixing action based on the user authorization
- **Traffic Analysis:** AWS and Azure generates the traffic information between the Virtual Machines as Flow logs. These flow logs contain information like Source IP, Port, Destination IP, Port, Protocol, Bytes, Count of bytes transferred. Traffic flow analysis module enriches this flow log information with VM and network details and provides real time analysis of the traffic patterns, anomalies and threshold breaches.
- **Reports:** Hourly, daily and weekly consolidated reports of loopholes, fixes and Traffic analysis are generated and sent to customers via email registered.

MULTI-DOMAIN IDENTITY SERVICES PLATFORM (MISP) AND EZIAM

Identity and Access Management (IAM) has emerged as a critical need for realizing the business benefits in terms of cost savings, management control and operational efficiency. Enterprises need to manage access to information and applications scattered across internal and external application systems. Moreover, they must provide this access for a growing number of identities, both inside and outside the organization, without compromising security or exposing sensitive information.

8K Miles is a leading provider of Cloud based Federated Identity Management Solutions for large distributed enterprises, Government agencies, service and SaaS providers, SMB's and online services. 8K Miles helps enterprises rapidly establish, scale, and manage identity federations. MISP™ (Multi-Domain Identity Services Platform®) is a toolkit based on industry standards to setup Federation, on-board partners rapidly and monitor deployments, including risk reduction through real-time compliance certification. This patent-pending platform includes Cloud ID Broker Services™ enables secure Federated Single Sign-On and the sharing of identity information.

MISP™ enables customers to leverage the latest developments in Identity Federation & Identity Management Systems and comply with Security and Governance Policies, through a systematic approach that guarantees interoperability of deployments and management of federations.

The hosting capability will allow the MISPTM to offer a more complete federation service and management offering. Besides the service to help an enterprise partner federation assessment, on-boarding, certification, and monitoring service, the solution will add value to an enterprise federation by providing the last mile integration that the SMBs will need to federate and that otherwise would not be able to participate.

This product is approved by US Patent: MISP: US patent 8,434,129 an abstract of which is given below:

MISP is a method and apparatus to provide identity management deployment interoperability and compliance verification. In one embodiment, the system also provides on-demand services including automated certification, monitoring, alerting, routing, and translation of tokens for federated identity related interactions between multi-domain identity management systems is provided.

8K HEALTH EDGE/BREMA – A BLOCKCHAIN RECORDS MANAGEMENT PLATFORM OVERVIEW

Here is a brief overview of Blockchain technology and its benefits as well as the overview of BREMA – Blockchain Records Management, a Platform designed to implement generic Management of any type of Records (financial, health, inventory and etc.)

About Blockchain

Blockchain, invented by Satoshi Nakamoto in 2008, is a shared immutable (tamper-proof) ledger technology network for recording any type of transactions. Though this technology is applicable across all industry verticals given that every industry deal with a network of participants as well as chain of events, i.e., transactions that needed to be recorded and managed properly, Blockchain became popular with Bit Coin, which is its ultimate use case of Currency Management – aka Cryptocurrency.

Ginni Rometty, CEO of IBM famously said, "What the internet did for communications, blockchain will do for trusted transactions" as the benefits of Blockchain technology across industries – not just Cryptocurrencies – can't be understated.

Why Blockchain? - Key Strengths

In the eco-system of every industry where trusted transactions (orders, payments, accounting, tracking etc.) happen continuously and concurrently, today, each participant is having to maintain his/her own ledger. Thus, everyone is maintaining their own version of truth. This is a recipe for human error, fraud and inefficiencies such as paper-trail processes, audits and time & money spent in addressing discrepancies. The goal is to see a transaction end-to-end and reduce those vulnerabilities for everyone involved in the business network.

How Blockchain Works

The following are the basic aspects of Blockchain transaction management:

- Single shared ledger that is tamper-proof. Once recorded, transactions cannot be altered
- All parties must give consensus before a new transaction is added to the network
- Eliminates or reduces paper processes, speeding up transaction times and increasing efficiencies

As each transaction happens, the details of it will be put in a block. Each block is part of a continuous linked-list, so that each block is connected to the one before it as well as the one after it using the hash computed based on the contents of the block. The process of maintaining and updating the blocks are applied independently across the network of nodes. Thus, the transactions are irreversible and immutable – i.e., tamper-proof.

Benefits of Blockchain

Blockchain offers critical benefits to enterprises across the board by offering a distributed, permissioned and secured framework by implementing business processes, i.e., contracts that can be fully or partially executed or enforced without any manual interaction – 'Smart Contracts' aka 'Chain codes'.

This means that enterprises can have a shared system of record across the participants (nodes) in the network, which makes the framework highly scalable yet eliminates the need for maintaining and reconciling disparate ledgers.

In this network, each member of the network has access rights so that confidential information is shared on a need-to-know basis.

Security is inherent as consensus is required from all network members and all validated transactions are permanently recorded. No one, not even a system administrator, can delete.

Given that Blockchain eliminates intermediaries (middle-men / 3rd. parties) and directly enables trust, it allows businesses to come together in new ways, exploit new business models and drive new values, optimize the entire eco-system to improve efficiency and save costs and finally reduce risks by enabling transparency and trust.

BREMA is a generic Transactions or Records Management Platform using the Blockchain technology. More specifically, it uses Linux Foundations Hyper ledger Fabric in conjunction with Hyper ledger Composer with pre-built modules that are standard and must for a typical enterprise grade platform.

This means that enterprises will have an out of the box platform that's ready to model any uses cases thus reducing cost & time necessary to implement a Blockchain based solution.

For example, in the Healthcare vertical, our platform can be integrated with any EHR/EMR solutions such as EPIC, Cerner and Meditech in order to build a platform that will host Electronic Medical Records in Blockchain.

Such platform will not only impact the way hospitals run today, but also enables patients to have direct access to his/her own medical records – on their mobile phones and tables.

Part of the objectives of BREMA is to also make the Blockchain platform 'Cloud ready', which means the blockchain network will be ready to operate across the nodes of Cloud based VPCs (Virtual Private Cloud) such that implementors of our platform can go-live almost instantly by simply creating a Cloud agreement with any/all of the major public Cloud vendors such as AWS, Microsoft Azure, Oracle or Google.

In other words, our platform can go-live out of the box without taking any time for physical HW infrastructure.

Having the network of Blockchain nodes run on the Cloud also means effective Big Data, Artificial Intelligence, Machine Learning and Deep Learning capabilities as well.

EZMFA – A TURN-KEY MULTI-FACTOR AUTHENTICATION SOLUTION

EzMFA, a Multi-Factor Authentication as a Service offering, is an advanced authentication service for protection of enterprise applications. It uses industry standard technology to sever as a resilient barrier to prevent malicious attempt to access an enterprise application from unauthorized access. The availability of multiple authentication factors and the flexibility to opt for tailor made combination of different authentication services stand as the primary benefit of EzMFA.

8K Miles' EzMFA offers a powerful set of mature multi factor authentication for Enterprise applications, hosted in one of the most robust, scalable, and secure infrastructures. Leveraging managed services expertise, our cyber security solution can be extended to support MFA as a Service for Amazon Web Services (AWS).

The following are some of the key benefits of EzMFA

- Since EzMFA is a service, companies can implement the service easily without incurring any infrastructure, personnel, or equipment costs to facilitate MFA to their employees. Opting MFA as a service, will be of immense help to organizations, especially when the employee count is fluctuating constantly.
- By signing up once, the EzMFA service can be extended to protect multiple applications, critical assets and services even if the usage/user context for each of these could be different.
- EzMFA ensures minimized administrative overhead and is PII compliant.
- EzMFA can also be extended to secure any of the AWS Services.

Acquisitions thus far

FuGen Solutions Inc. (May 2013) FuGen's acquisition includes its market leading patented Cloud Identity Broker and Multi-domain Identity Services Platform (MISP™), an on-demand partner onboarding platform that extends the capabilities of existing Identity Management (IDM), SSO solutions and legacy services to allow enterprise customers and their partners to establish, scale and manage their federated access, certification and SSO, and web services via the cloud. The platform is complementary to 8K Miles' public cloud expertise, serving as an added layer of security, while streamlining authentication and enabling secure single sign-on access across multiple cloud-based business systems.

SERJ Solutions (November 2014), a provider of innovative Epic EHR consulting, custom application development, and support solutions for the Healthcare market. This move solidifies 8K Miles' goal to offer a unique and differentiated cloud-managed solution to the Healthcare sector. By leveraging its expertise in cloud solutions, 8K Miles hopes to help hospitals and healthcare providers by providing the industry's first truly end to end Software as a Service (SaaS) technology platform.

Mindprint Inc. (March 2015) specializes in providing SaaS analytics and operational software to Clinical Research Organizations and Pharmaceutical companies based in Markham, Ontario, Canada. Mindprint brings clarity and transparency to its clients as they benefit from increased profitability, better predictability, streamlined business processes, and superior customer value. Mindprint has partnered with a number of leading CROs and understands the life cycle of a clinical study as well as the business challenges unique to the life sciences industry.

Cintel Systems, Inc. (April 2015) is a leading IT development and services company based in Pleasanton, California, and one of the fast-growing UI and UX design firms in the USA, with more than 7 years of experience creating highly usable and intuitive designs for enterprise customers. Cintel offers UI design and UX development, Mobile Application Development services for a range of key verticals such as Banking & Financial Services, Insurance & Health care, Hi-Tech, Education, Retail and Manufacturing. Cintel's customers includes SaaS and Cloud applications providers which requires a great look and feel in addition to value added features to attract any type of enterprise users.

NexAge Technologies USA Inc. (September 2015) is an East Coast based company with deep domain expertise in Regulatory Compliance and proprietary IT solutions for the US Life Sciences Industry. The company's 15-year track record in the areas of Computer Systems Validation, Quality Review, Vendor Audits, Data Analysis and Migration, Analytics, Change Management, and Governance has earned it expertise, unique insights, wide collaborative partner networks, and industry-wide respect.

Cornerstone Advisors Group (May 2017) is a national Health Information Technology professional services firm based in Georgetown, Connecticut. Cornerstone Advisors provides a higher-level of Information Technology Advisory Services and Implementation Expertise to the healthcare industry. Inspired by trusted relationships, Cornerstone Advisors partners with every client to drive change, add-value, and maximize the return of their Health Information Technology investment.

(Amount Rs. in Lakhs)

Particulars	Under IND AS				Under US/Indian GAAP			
	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
	Cost	NBV	Cost	NBV	Cost	NBV	Cost	NBV
Capitalized Software								
Cloud Ez	34,421.92	29,466.60	10,399.92	8,255.73	34,421.92	29,466.60	10,399.92	8,255.73
EzIAM	6,283.77	4,045.33	5,875.85	4,728.40	6,283.77	4,045.33	5,875.85	4,728.40
BREMA	9,379.00	8,170.40	5,367.10	5,367.10	9,379.00	8,170.40	5,367.10	5,367.10
Automaton	5,338.10	5,114.54	-	-	5,338.10	5,114.54	-	-
Total	**55,422.78**	**46,796.87**	**21,642.87**	**18,351.22**	**55,422.78**	**46,796.87**	**21,642.87**	**18,351.22**
Patents / Trademark	**486.33**	**206.93**	**454.76**	**241.87**	**486.33**	**206.93**	**454.76**	**241.87**
Intangibles Due to Acquisitions								
FuGen Technologies Inc	4,932.42	4,932.42	4,612.22	4,612.22	4,932.42	3,822.95	4,612.22	3,574.78
Serj Solutions Inc	1,733.00	1,733.00	1,620.50	1,620.50	1,733.00	1,384.20	1,620.50	1,294.35
Cintel Systems Inc	2,495.52	2,495.52	2,333.52	2,333.52	2,495.52	1,996.58	2,333.52	1,866.97
Mindprint Inc	242.62	242.62	226.87	226.87	242.62	194.11	226.87	181.51
Corner Stone Advisors Inc	4,753.58	3,835.64	4,437.68	3,996.93	4,753.58	3,835.64	4,437.68	3,996.93
8K Miles Inc	740.00	-	740.00	-	740.00	-	740.00	-
Total	**14,897.13**	**13,239.20**	**13,970.79**	**12,790.04**	**14,897.13**	**11,233.50**	**13,970.79**	**10,914.54**
Goodwill								
FuGen Technologies Inc	346.60	346.60	324.10	324.10	346.60	346.60	324.10	324.10
Serj Solutions Inc	105.49	105.49	98.64	98.64	105.49	105.49	98.64	98.64
Cintel Systems Inc	103.98	103.98	97.23	97.23	103.98	103.98	97.23	97.23
Mindprint Inc	34.66	34.66	32.41	32.41	34.66	34.66	32.41	32.41
NexAge Technologies Inc., USA	1,040.13	1,040.13	972.61	972.61	1,040.13	1,040.13	972.61	972.61
Corner Stone Advisors Inc	926.25	926.25	866.12	866.12	926.25	926.25	866.12	866.12
Total	**2,557.11**	**2,557.11**	**2,391.11**	**2,391.11**	**2,557.11**	**2,557.11**	**2,391.11**	**2,391.11**
Product Under Development (Not Capitalized yet)	-	-	**2,795.68**	**2,795.68**	-	-	**2,795.68**	**2,785.68**
	73,363.36	62,800.11	41,255.21	36,569.92	73,363.36	60,794.40	41,255.21	34,684.42

Note:
1. Capitalized Software and Patent/Trademark are amortized over a period of 5 years (PY - 6 years)
2. Intangibles due to Acq. Of Cornerstone are amortised as (a) Trademark - 10 Years (b) Customer Relationship - 10 Years (c) Non Compete - 5 Years
3. Intangible due to Acquisitions are amortised over a period of 5 years (PY 15 Years) per US GAAP and are not NOT Amortised under IND AS
4. Acquisition of 8K Miles Inc. by Standalone entity are amortized fully
5. Goodwill due to acquisitions of businessess and are not amortized as per Accounting Standards.

RISK AND RISK MITIGATION

1. Execution risk: While fixed price contracts offer an opportunity to add better margins in IP/ non-linear execution model, they also expose us to execution risk in remote scenarios of any inability to adhere to delivery or quality SLA. Your Company has made significant investments in its platform (IP).

2. Employee related risk: Employee attrition and/ or constraints in the availability of skilled human resources could pose a challenge for any services company. Your Company has kept its human capital at the center and has initiated multiple steps for overall development of its employees. We encourage entrepreneurship culture within organization and offer new challenges and opportunities for our employees. We have made significant investments in our recruitment and training procedures.

3. M&A execution risk: Your Company has been acquisitive in past when comes to acquisition of capabilities at right price. We believe in reducing our time to tap opportunity offered in this age of IT transformation but at the same time, we have put in place stringent evaluation criteria, diligence parameters and high standard of corporate governance practices for any target opportunity to cross the line. We have senior management team and independent board of advisors to monitor the progress of each opportunity pre-and post-closure.

4. Exchange rate risk: Given that the Company's revenues are largely denominated in US dollars and fluctuations in foreign currency exchange rates could have an impact on company's earnings.

5. Investment risk: The strength of your company is IP developed over years of research and development.

We expense the costs that is unlikely to yield significant results in future, in the year of accrual. We conduct regular impairment test of all intangible assets created either by way of internal Research and Development (R&D) and/ or assets acquired through acquisitions.

Our strategy

Our strategic objective is to remain relevant for our clients and to generate profitable growth for our all stakeholders. We shall continue to invest in people, processes, tools and operations. Our focus on innovation and shorter time to market has differentiated us from competition and these would continue to be core pillars of growth and of profitability.

Alliances and Partnerships

- Infrastructure: AWS, Azure, Google Cloud Services, IBM Smart Cloud and VMWare
- Security: CA, ForgeRock, Sophos, Trend Micro, Gemalto, IBM Security, New Relic
- Operations: ServiceNow, Splunk, DataDog, Cloud Checker

Human Resources

8K Miles' business performance relies, first and foremost, on its employees. Talent and development activities are aligned to three priorities: building leadership capabilities and developing future leaders; fostering an environment that supports sustainable performance; and promoting continual professional and personal development for all employees. It is therefore important to attracting the right talent with right skillsets.

We recruit the best talent from top institutions like NIT and best engineering and business schools. We have hired over 30% of our last year recruits through campus to nurture and grow leaders internally. As an equal opportunity employer, our women employees form 18% of our strength.

The 'Mitr – My Friend' employee referral program ensures that current employees contribute positively to building our Human Capital by referring their friends to the Company.

First Mile

Our on-boarding program is rightly named 'First Mile', with our focus moving towards campus recruitment, we at 8K Miles take all care to ensure that the new employee joining the company is comfortably and properly aligned within the organization as well as the functional role. First Mile includes interaction with key business leaders. The campus recruits are offered improved career opportunities and flexibility, a key factor determining 8K Miles's overall ability to retain people with the requisite skills.

The SBU/Department heads take special care to ensure that there is a seamless acquaintance within teams and the new employees have a clear roadmap of the way ahead.

STEP

Reflecting on 8K Miles's technological transformation, strategic objectives and changing demands from the client, it is continuously developing its employer brand. This includes positioning the organization as an employer of choice. Our Systematic Training for Effective Programing 'STEP' is an integral part of our continuous learning and Knowledge Management System (KMS) – an invaluable repository of training material in various technologies.

Any employee can access the internal STEP portal and learn from the vast knowledge database, that continues to keep getting updated. To further ensure that continuous learning and knowledge development, all employees undergo a 3-month online project and training program. Further, employees are encouraged to get more professional certifications in areas like AWS, Azure, IAM, Big-Data Analytics where they specialize. We are proud to state that nearly 70% of our technical staff hold professional certification.

One key aspect of ensuring continuous learning at 8K Miles is the weekly meetings called WWW2 - What Worked Well and What Went Wrong. This one-hour interactive knowledge-sharing session ensures that project experiences are shared by cross-function teams.

Hackathons

Based on the belief that 'More than coding, Hacking is the way of learning', we hold quarterly competitions to build fool-proof applications on given topics.

Reward and Recognition

One of the distinguishing factors for any performing organization is its rewards package. We have one of the best compensation packages in the industry backed that is constantly aligned to match the industry. Further with an objective Performance Management System that rewards outstanding performers.

We have the following rewards:

- Miler of the Year
- Team of the Quarter
- Milestone Awards

Other People Initiatives @ 8K Miles

Technopreneur@8K Miles

The strength of any technically oriented organization is in developing innovative and effective solutions that meet the customer needs. Technopreneur@8K Miles enables independent thinkers who are given their time and space to ideate and create new and groundbreaking ideas.

ComPass

To groom future leaders, each employee is assigned a senior management mentor who nurture them to be leaders of the future.

Smile

A social initiative driven employee group that undertakes socially helpful projects that bring smile to the people.

Fun@Work

These fun-filled evenings are regularly organized to relieve the stress of employees, and more importantly, ensure that they have fun at work.

Internal Control Systems And Adequacy Of Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference.

The Company has a proper and adequate system of internal controls. Adequate internal controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of internal audits and management reviews supplements the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls.

However, the company is periodically reviewing the Internal Financial Controls and takes requisite measures to strenghthen the control aspects from time to time. The management affirms that this is an ongoing process to improve the controls regularly.

ANNEXURE E

MANAGING DIRECTOR & CFO CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENT) REGULATIONS, 2015

We, Suresh Venkatachari, Managing Director and Swasti Sovan Bhowmick Chief Financial Officer of 8K Miles Software Services Limited, to the best of our knowledge and belief and certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and its schedules and Notes on Accounts, as well as the Cash Flow Statement and Director's Report.
   a. Based on our knowledge and information, these statements do not contain any untrue statements of a material fact or omit any material fact or contain statements that might be misleading
   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. We also certify, that based on our knowledge and information provided to us, there are no transactions entered into by 8K Miles Software Services Limited which are fraudulent, illegal or in violation of the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls and procedures for the Company pertaining to the financial reporting and have evaluated the effectiveness of these procedures in 8K Miles Software Services limited. We have disclosed to the auditors and the audit committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.

4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors; -
   c. Significant change in internal controls during the year;
   d. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements and;
   e. Instance, if any, of significant fraud of which we become aware and involvement therein, if any, of the Management or an employee having a significant role in the Company's internal Control System.

5. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).

Place : Chennai	**Sd/-**	**Sd/-**
Date : 2 November 2019	**Suresh Venkatachari**	**Swasti Sovan Bhowmick**
	Managing Director	Chief Financial Officer

ANNEXURE F

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part-A

(Amount Rs. in Lakhs)

S. No	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding
				Closing	Average										
1	8K Miles Software Services Inc. USA	31-Mar-19	US Dollar	1 USD =69.32	1 USD =69.76	22.31	48,694.74	73,785.24	73,785.24	-	51,449.53	4,681.13	746.07	3,935.06	64.42
2	8K Miles Software Services FZE - UAE	31-Mar-19	AED	1 AED =18.87	1 AED =18.99	28.31	11,548.97	11,635.68	11,635.68	-	7,560.23	789.65	NA	789.65	100.00
3	8K Miles Health Cloud Inc. USA	31-Mar-19	US Dollar	1 USD =69.32	1 USD =69.76	1.80	11,737.67	13,160.27	13,160.27	-	22,368.47	2,547.30	566.73	1,980.57	100.00
4	Mentor Minds Solutions and Services Inc. USA	31-Mar-19	US Dollar	1 USD =69.32	1 USD =69.76	0.69	4,146.75	4,147.44	4,147.44	-	-	-	-	-	100.00

ANNEXURE G

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

8K Miles Software Services Limited (the Company) has not entered into any contract/ arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during Financial Year 2018-19.

a. Name(s) of the related party and nature of relationship: Not Applicable

b. Nature of contracts/arrangements/transactions: Not Applicable

c. Duration of the contracts/arrangements/transactions: Not Applicable

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

e. Justification for entering into such contracts or arrangements or transactions: Not Applicable

f. Date(s) of approval by the Board: Not Applicable

g. Amount paid as advances, if any: Not Applicable

h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

There were certain transactions entered by the Company with its foreign subsidiaries and other parties who are related within the meaning of Indian Accounting Standard (Ind AS) 24 and Section 188 of the Act. Attention of Members is drawn to the disclosure of transactions with such related parties set out in Note No. 31 of the Standalone Financial Statements, forming part of this Annual Report.

ANNEXURE H

Form No.MR-3
SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
8K Miles Software Services Limited
#5, Cenotaph Road, II Floor Srinivasa Towers
Teynampet, Chennai 600 018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 8K MILES SOFTWARE SERVICES LIMITED, Corporate Identification Number L72300TN1993PLC101852 ("Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, subject to the note on non-compliances as mentioned in this report herein, wherever applicable, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed here under and also that the Company has established Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions as amended from time to time of:

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investments.

5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned with exception to the following observations:

1. The company has entered into certain Related Party Transactions without taking prior approval of the Audit Committee and Board as required under SEBI (Listing Obligations and Disclosure) Requirements (LODR).

2. The Company had granted loans & has made

investments to its subsidiary after taking approval of the board of directors as required u/s.179 of the Companies Act, 2013 but the filing of the resolution pursuant to sec.117 of the Companies Act, 2013 has not been complied with. The company is in the process of making an application for the condonation of delay and for filing the aforesaid form with Roc.

3. The consolidated accounts for the year 2017-18 have been approved by the Board of Directors belatedly in the meeting held on 17th July 2018.

4. The company has not spent the CSR amount as required to be spent during the year under review as the committee was formed only on 13th February 2019

5. The company is yet to file IEPF-2 form relating unclaimed dividend declared in the Annual General Meeting held on 30th September 2017

6. Mr. Gurumurthi Jayraman and Ms. Padmini Ravichandran, who were the Independent Directors, re-designated as Non-Executive Non Independent Directors of the Company during the year under review, consequent to the observations made by the statutory auditors on appointment of their relatives in the company/overseas subsidiary post their appointment as employee/consultant. In the opinion of the management since their appointment as an independent director presupposed the employment of such relatives, they shall not be disqualified to be an Independent Director U/s.149 of the Act and accordingly they have not given a declaration intimating change on criteria of independence under Section 149 (7) of the Companies Act, 2013.

7. The Boards' report was signed by Managing Director of the Company as against the requirement of signing by the Managing Director and other director as contemplated U/s.134 of the Act

8. There were certain lapses in compliance with Secretarial Standards.

9. During the year under review, it was observed that there were certain non-compliance in terms of disclosures to be made to the Committees & Board as contemplated under SEBI (LODR] Regulations, 2015.

10. The company had re-appointed the Managing Director who is a Non-resident Indian on 30th September 2017, which required the approval of the Central Government and during the year under review, the Company had filed the requisite form seeking the approval of the Central Government which was though not resubmitted with clarification within time, the same was submitted afresh on this date of report.

11. The Company had made intimations to Stock Exchanges under SEBI (SAST) Regulation, 2011 and SEBI (PIT) Regulation,2015 on Pledge and sale of shares of the Promoter belatedly.

12. The company has not filed form ODI with Reserve Bank of India thorough its Authorized dealers with respect to guarantees given on behalf of its subsidiary 8k Miles Software Services Inc., to Columbia Bank.

I further report that:
During the Financial year ended 31st March, 2019 and subject to our observation mentioned under Para 6 above, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with certain delay and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the minutes made available to us, decisions were carried out with requisite majority of the Board and there was no instance of dissent voting by any Board member that was required to be captured and recorded as part of the minutes.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them subject to exception on specific observations made by the statutory auditors.

I further report that the company is in the process of setting up adequate systems and processes in the company including compliance with Secretarial standards, LODR and other regulations laid down, commensurate with the size and operations of the company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc., except the following:

1. Corporate Guarantee extended to 8K Miles Software Services Inc, a subsidiary of the Company.

2. Loans given to the overseas subsidiary was converted

into shares

3. Sale of shares by the Promoter of the Company thereby the promoter shareholding were reduced from 57.40% to 38.20% consequent to sale/invocation of pledge by the lender.

4. Re-designation of two independent directors as non-executive & non-independent directors.

For M/s. P. Sriram & Associates
Sd/-
P. Sriram
Proprietor
Certificate of Practice No – 3310
Membership No–F 4862

Place : Chennai
Date : 2 November 2019

UDIN: F004862A000198319

To

The Members,
8k Miles Software Services Limited

My report of event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide are reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, its subsidiaries and group companies.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis for the period from 1st April, 2018 to 31st March,2019.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. P. Sriram & Associates
Sd/-
P. Sriram
Proprietor
Certificate of Practice No – 3310
Membership No–F 4862

Place : Chennai
Date : 2 November 2019

ANNEXURE I

Form No.MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L72300TN1993PLC101852
2	Registration Date	26/05/1993
3	Name of the Company	8K MILES SOFTWARE SERVICES LIMITED
4	Category/Sub-Category of the Company	Public Company
5	Address of the Registered office and contact details	#5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai – 600018, Tamil Nadu
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited Industries Estate, Makwane Road, Naronvaka Andheri (East), Mumbai – 400 059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Data Processing, Software Development and Computer Consultancy services and Software Supply Services.	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	8K Miles Software Services Inc. (USA)	-	Subsidiary	64.42	2 (87) (ii)
2	8K Miles Software Services (FZE)(UAE)	-	Subsidiary	100	2 (87) (ii)
3	8K Health Cloud Inc (USA)	-	Subsidiary	100	2 (87) (ii)
4	Mentor Minds Solutions and Services Inc (USA)	-	Subsidiary	100	2 (87) (ii)
6	Nexage Technologies USA Inc	-	Step-down Subsidiary	100	2(87) (ii)
7	Cornesrstone Advisors Inc ,USA	-	Step-down Subsidiary	100	2(87) (ii)
8	Serj Solutions Inc	-	Step-down Subsidiary	100	2(87) (ii)

IV. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% of change in shareholding during the year
1	Suresh Venkatachari	17029533	55.8	19,00,000	11181703	36.64	16,50,000	-19.16
2	R S Ramani	475000	1.56	0	465000	1.52	0	-0.04
3	M V Bhaskar	11533	0.04	0	11533	0.04	0	0
	Total	17516066	57.4	19,00,000	11658236	38.2	16,50,000	19.2

A. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Description	Name of the Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	Suresh Venkatachari	1/4/2018	17029533	55.8	17029533	55.8
	Date wise Increase/ Decrease in Promoters holding during the year		17/09/2018	-2570000	8.42	2570000	8.42
			5/10/2018	-1250000	4.1	1250000	4.1
			19/10/2018	-122083	0.4	122083	0.4
			2/11/2018	-1905747	6.24	1905747	6.24
	At the end of the year		31/03/2019	11181703	36.64	11181703	36.64
2	At the beginning of the year	R.S.Ramani	1/4/2018	475000	1.56	475000	1.56
	Date wise Increase/ Decrease in Promoters holding during the year		1/7/2018	-10000	0.03	10000	0.03
	At the end of the year		31/03/2019	465000	1.52	465000	1.52
3	At the beginning of the year	M V Bhaskar	1/4/2018	11533	0.04	11533	0.04
	Date wise Increase/ Decrease in Promoters holding during the year		NIL				
	At the end of the year		31/03/2019	11533	0.04	11533	0.04

B. Shareholding of top 10 shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	SANDEEP TANDON	1/4/2018	732613	2.40	732613	2.40
	Date wise Increase / Decrease in Share holding during the year		27/04/2018	1100000	3.60	1832613	6.01
			10/08/2018	256298	0.84	2088911	6.84
	At the End of the year		30/03/2019	0	0.00	2088911	6.84
2	At the beginning of the year	ASHISH NANDA	1/4/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		05/10/2018	1250000	4.10	1250000	4.10
			29/03/2019	-139127	0.46	1110873	3.64
	At the End of the year		30/03/2019	0	0.00	1110873	3.64
3	At the beginning of the year	NIRMAL BANG FINANCIAL SERVICES PRIVATE LTD	1/4/2018	1111150	3.64	1111150	3.64
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	-500	0.00	1110650	3.64
			27/04/2018	-1097850	3.60	12800	0.04
			04/05/2018	-2200	0.01	10600	0.03
			11/05/2018	250	0.00	10850	0.04
			18/05/2018	-250	0.00	10600	0.03
			25/05/2018	-285	0.00	10315	0.03
			01/06/2018	-47	0.00	10268	0.03
			08/06/2018	282	0.00	10550	0.03
			22/06/2018	9000	0.03	19550	0.06
			29/06/2018	100	0.00	19650	0.06
			06/07/2018	100	0.00	19750	0.06
			20/07/2018	-25	0.00	19725	0.06

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			27/07/2018	360	0.00	20085	0.07
			03/08/2018	24046	0.08	44131	0.14
			10/08/2018	-26851	0.09	17280	0.06
			17/08/2018	490	0.00	17770	0.06
			24/08/2018	-15660	0.05	2110	0.01
			31/08/2018	-2060	0.01	50	0.00
			07/09/2018	11070	0.04	11120	0.04
			14/09/2018	250	0.00	11370	0.04
			21/09/2018	2615	0.01	13985	0.05
			28/09/2018	480	0.00	14465	0.05
			05/10/2018	2200	0.01	16665	0.05
			12/10/2018	-11829	0.04	4836	0.02
			19/10/2018	8214	0.03	13050	0.04
			26/10/2018	3680	0.01	16730	0.05
			02/11/2018	-4420	0.01	12310	0.04
			09/11/2018	-2060	0.01	10250	0.03
			16/11/2018	-9500	0.03	750	0.00
			23/11/2018	-500	0.00	250	0.00
			30/11/2018	590	0.00	840	0.00
			07/12/2018	12675	0.04	13515	0.04
			14/12/2018	-12579	0.04	936	0.00
			21/12/2018	1914	0.01	2850	0.01
			28/12/2018	-843	0.00	2007	0.01
			31/12/2018	-500	0.00	1507	0.00
			04/01/2019	10363	0.03	11870	0.04
			11/01/2019	-8909	0.03	2961	0.01
			18/01/2019	1100	0.00	4061	0.01
			25/01/2019	2289	0.01	6350	0.02
			01/02/2019	8840	0.03	15190	0.05
			08/02/2019	2373	0.01	17563	0.06
			15/02/2019	102	0.00	17665	0.06
			22/02/2019	-15665	0.05	2000	0.01
			01/03/2019	-700	0.00	1300	0.00
			08/03/2019	-1300	0.00	0	0.00
			22/03/2019	385	0.00	385	0.00
	At the End of the year		30/03/2019	0	0.00	385	0.00
4	At the beginning of the year	DSP BLACKROCK SMALL CAP FUND	1/4/2018	1107230	3.63	1107230	3.63
	Date wise Increase / Decrease in Share holding during the year		05/10/2018	-50631	0.17	1056599	3.46
			19/10/2018	-364987	1.20	691612	2.27
			26/10/2018	-22372	0.07	669240	2.19
			02/11/2018	-669240	2.19	0	0.00
	At the End of the year		30/03/2019	0	0.00	0	0.00
5	At the beginning of the year	VIMAL SAGARMAL JAIN	1/4/2018	670533	2.20	670533	2.20
	Date wise Increase / Decrease in Share holding during the year		24/08/2018	124416	0.41	794949	2.60
			09/11/2018	54000	0.18	848949	2.78
	At the End of the year		30/03/2019	0	0.00	848949	2.78
6	At the beginning of the year	CANARA HSBC ORIENTAL BANK OF COMMERCE LI	1/4/2018	757331	2.48	757331	2.48

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	2542	0.01	759873	2.49
			13/04/2018	6726	0.02	766599	2.51
			20/04/2018	-5609	0.02	760990	2.49
			27/04/2018	-5367	0.02	755623	2.48
			18/05/2018	1319	0.00	756942	2.48
			25/05/2018	-3869	0.01	753073	2.47
			01/06/2018	164	0.00	753237	2.47
			15/06/2018	170	0.00	753407	2.47
			29/06/2018	218	0.00	753625	2.47
			06/07/2018	280	0.00	753905	2.47
			13/07/2018	-96233	0.32	657672	2.16
			20/07/2018	-127401	0.42	530271	1.74
			27/07/2018	-2588	0.01	527683	1.73
			24/08/2018	-1111	0.00	526572	1.73
			07/09/2018	-11778	0.04	514794	1.69
			14/09/2018	-5205	0.02	509589	1.67
			21/09/2018	98	0.00	509687	1.67
			19/10/2018	-212279	0.70	297408	0.97
			02/11/2018	-297408	0.97	0	0.00
	At the End of the year		30/03/2019	0	0.00	0	0.00
7	At the beginning of the year	KARTHIK RAMAKRISHNAN	1/4/2018	266666	0.87	266666	0.87
	Date wise Increase / Decrease in Share holding during the year		20/07/2018	-200000	0.66	66666	0.22
			27/07/2018	-40000	0.13	26666	0.09
			28/12/2018	-666	0.00	26000	0.09
			11/01/2019	-300	0.00	25700	0.08
			18/01/2019	-500	0.00	25200	0.08
			25/01/2019	-300	0.00	24900	0.08
			01/02/2019	-900	0.00	24000	0.08
			08/02/2019	-1000	0.00	23000	0.08
			22/02/2019	-300	0.00	22700	0.07
			01/03/2019	-500	0.00	22200	0.07
			08/03/2019	-1000	0.00	21200	0.07
			22/03/2019	-1500	0.00	19700	0.06
			29/03/2019	-1700	0.01	18000	0.06
	At the End of the year		30/03/2019	0	0.00	18000	0.06
8	At the beginning of the year	SANDEEP TANDON	1/4/2018	266666	0.87	266666	0.87
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		30/03/2019	0	0.00	266666	0.87
9	At the beginning of the year	ARCHANA SANDEEP TANDON	1/4/2018	256298	0.84	256298	0.84
	Date wise Increase / Decrease in Share holding during the year		10/08/2018	-256298	0.84	0	0.00
	At the End of the year		30/03/2019	0	0.00	0	0.00
10	At the beginning of the year	NIKESH K SHAH HUF .	1/4/2018	244908	0.80	244908	0.80
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		30/03/2019	0	0.00	244908	0.80

C. Shareholding of Directors & Key Managerial Personnel

Sl. No.	Description	Name of the Promoter	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	Venkatachari Suresh	1/4/2018	17029533	55.8	17029533	55.8
	Date wise Increase / Decrease in Shareholding during the year		17/09/2018	2570000	8.42	2570000	8.42
			5/10/2018	1250000	4.1	1250000	4.1
			19/10/2018	122083	0.4	122083	0.4
			2/11/2018	1905747	6.25	1905747	6.25
	At the end of the year		31/03/2019	11181703	36.64	11181703	36.64
2	At the beginning of the year	R S Ramani	1/4/2018	475000	1.56	475000	1.56
	Date wise Increase / Decrease in Shareholding during the year		1/7/2018	-10000	0.03	-10000	0.03
	At the end of the year		31/03/2019	465000	1.52	465000	1.52

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Description	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,512.49	3,750.00	-	7,262.49
ii) Interest due but not paid	11.81	209.11	-	220.92
iii) Interest accrued but not due				
Total (i+ii+iii)	3,524.3	3,959.11	-	7,483.41
Change in Indebtedness during the financial year				
-Addition	992.64	2,520.79	-	3,513.43
-Reduction	4.03	107.85		111.88
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	4,505.13	6,270.79		10,775.92
ii) Interest due but not paid	7.78	101.26		109.04
iii) Interest accrued but not due				
Total (i+ii+iii)	4,512.91	6,372.05		1,0884.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Gross salary	R.S.Ramani WTD/CFO*				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	26,66,664	-	-	-	26,66,664
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	-	-	-	-	-
	Profits in lieu of salary undersection17(3) Income- taxAct,1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	-as % of profit	-	-	-	-	-
	-Others, specify…	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total(A)	26,66,664	-	-	-	26,66,664
	Ceiling as per the Act	97,32,278	-	-	-	97,32,278

*Resigned w.e.f 28th September, 2018

B. Remuneration to other directors:

Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
Independent Directors	Padmini Ravichandran	Gurumurthi	Dinesh Raja Punniamurthy	Babita Singaram	Vivek Prakash	R.S. Ramani	
Fee for attending board committee meetings	45,000	1,02,500	80,000	70,000	15,000	7,500	3,20,000
Commission	-	-	-	-			-
Others, please specify	-	-	-	-			-
Total (1)	45,000	1,02,500	80,000	70,000	15,000	7,500	3,20,000
Other Non-Executive Directors	-	-	-	-			-
Fee for attending board committee meetings	-	-	-	-			-
Commission	-	-	-	-			-
Others, please specify	-	-	-	-			-
Total (2)	-	-	-	-			-
Total(B)=(1+2)	45,000	1,02,500	80,000	70,000	15,000	7,500	3,20,000
Total Managerial Remuneration	-	-	-	-			-
Overall Ceiling as per the Act			Not more than 100000 per meeting as sitting fee				

C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD:

(Rupees in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Resigned w.e.f 13th February, 2019	CFO Appointed w.e.f 13th February 2019	Total
1	Gross Salary		7.07	24.01	31.08
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961				
	(b) Value of perquisites u/s 17(2)Income tax Act,1961				
	(c) Profits in lieu of salary undersection 17(3) Income tax Act,1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	As %of profit				
	others, specify				
5	Others, please specify				
6	Total		7.07	24.01	31.08

D. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B.Directors					
Penalty					
Punishment					
Compounding					
C.Other officers in Default					
Penalty					
Punishment					
Compounding					

Place : Chennai
Date : 2 November 2019

On behalf of the Board of Directors
Sd/-
Suresh Venkatachari
Chairman

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of 8K Miles Software Services Limited
Report on the Audit of the Standalone Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of **8K Miles Software Services Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

Basis for Disclaimer of Opinion

1. **Report under Section 143 (12) of the Companies Act, 2013 ("the Act")**

   During the course of our audit of the standalone and consolidated financial statements of the Company for the year ended 31 March 2019, we came across certain transactions that gave us reason to believe that suspected offences involving fraud have been committed in the Company. Such transactions with regard to the standalone financial statements, *inter alia*, pertained to:

   (a) Several instances of inconsistencies between declarations provided by Directors and information available in the public forum which demonstrated existence of probable related parties which were not disclosed previously, including certain transactions with such parties which were not disclosed or approved by the Audit Committee/Board of Directors. Also see paragraph 5.1(a) below.

   (b) Several instances of transactions with certain customers, wherein the Company was not able to provide us with the particulars of the services rendered and acknowledged by the customer, the details of employees actually rendering such service, the appropriateness and source of the monies received from such customers. Also see paragraph 2 below.

   (c) Several instances of multiple addresses being considered in various communications with certain customers in the invoices, website of the customer, on cheques received from customers, including instances wherein some of the communication addresses coincided with the residential address of certain employees of the Company or its subsidiaries, which impacted our ability to establish the authenticity of the customer. Also see paragraph 2 below.

   (d) Several instances of communications with a vendor, wherein there were multiple communications using different email ids, documents with varying signatures and differences in the spelling of the common signatory of the vendor, etc. which impacted our ability to establish the authenticity of the vendor. Also see paragraph 4 below.

   (e) Appropriate approvals and concerns over recovery of advances made to a related party, by a subsidiary of the Company. Refer paragraph 3 for more details.

Several instances of various inconsistencies were also noted during our audit of the books of account of certain foreign subsidiaries in association with our audit of the consolidated financial statements of the Company.

Pursuant, *inter alia*, to the above observations, we requested the Audit Committee of the Company to provide us with their replies or observations to the aforesaid matters for us to consider the same as part of our audit.

Subsequent to our reporting of such matters to the Audit Committee vide our letter dated 15 July 2019, the Audit Committee in its meeting held on 18 July 2019 appointed an external firm of Chartered Accountants to carry out an investigation. We are informed that as on the date of this report, the investigation report of the external firm of Chartered Accountants has not yet been received by the Company and, hence, the same has not been made available to us.

Further, we also included the aforesaid matters in our report dated 13 September 2019 to the Central Government in accordance with the requirements of section 143(12) of the Act. The matters so reported also included observations relating to certain transactions pertaining to some subsidiaries, which are included in our report on the consolidated financial statements of the Company.

Pending receipt of the report on the findings of such investigation from the external firm of Chartered Accountants and pending receipt of information and explanations and evidences relating to the aforesaid matters from the management of the Company, we have been unable to obtain sufficient and appropriate audit evidence in respect of the above matters/transactions that gave us reason to believe that suspected offences involving fraud may have been committed in the Company and/or its subsidiaries.

In view of the above, we are unable to comment on the consequential adjustments, if any, that may be required to these standalone financial statements in this regard.

2. **Revenue from Contracts with Customers and related outstanding receivables**

During the year ended 31 March 2019, the Company recognised revenue aggregating to Rs. 2,428.69 Lakhs from the customers referred to in paragraphs 1(b) and 1(c) above, wherein such customers have an outstanding balance aggregating Rs. 3,464.01 Lakhs as at 31 March 2019 (includes balances of Rs. 1,022.36 Lakhs outstanding even as at 31 March 2018).

In the absence of complete information regarding the proof of services rendered, efforts expended, and in view of our observations in paragraphs 1(b) and 1(c) above in respect of these customers, we are unable to conclude on the appropriateness / correctness / completeness / validity of the revenue recognised, compliance with the recognition and measurement of revenue required under the Indian Accounting Standard (Ind AS) 115 Revenue from Contracts with Customers and the corresponding receivables in these standalone financial statements.

The Company has also not carried out an evaluation of the expected credit loss required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments for the outstanding trade receivables as at 31 March 2019 and therefore we are unable to comment on the adequacy and appropriateness of the provision made against the trade receivable balances as at 31 March 2019.

3. **8K Miles Media Private Limited ("8K Miles Media")**

3.1. Around the last week of September 2018, we were made aware of the resignation of the statutory auditor of 8K Miles Media, a company promoted by the promoter directors of the Company, vide their resignation letter dated 30 April 2018. As per the said letter, the resignation was due to the misuse of that Audit Firm's Letter Head and signature of their Partner through forgery in certain ODI Certificates submitted by 8K Miles Media to its bankers for transfer of funds of USD 71.51 Lakhs (Rs. 4,612.91 Lakhs) to 8K Miles Media Holdings Inc. USA, a subsidiary of 8K Miles Media. 8K Miles Media and its subsidiaries (together "8K Miles Media Group") were identified as a related party in the consolidated financial statements of the Company for the year ended 31 March 2018.

During the period ended 31 December 2018, the management of 8K Miles Media initiated an independent forensic review to evaluate the authenticity of the signatures in the ODI Certificates referred above. 8K Miles Media has submitted a copy of the forensic report to the Company. We understand that the aforesaid forensic report states that the writer of the signature in the ODI certificates is the same as that of the specimen signatures of the audit partner as provided to the forensic auditor thereby concluding that there was no forgery in the ODI certificates.

Since this matter relates to a company where another firm is the statutory auditor and since the financial statements of that company are not included in the consolidated financial statements of the Company, we have not been able to perform any procedures related to the allegation or the forensic report.

3.2. Further, during the last week of September 2018,

(a) the CEO and Managing Director of the Company, who was also a promoter director in 8K Miles Media, resigned as a director in 8K Miles Media.

(b) the CFO and Executive Director of the Company, who was the other promoter director in 8K Miles Media, resigned from his role as CFO of the Company stating that his resignation was to have the necessary time to clear all the baseless allegations and unsubstantiated allegations relating to 8K Miles Media. However, he continues to be a director in both the Company as well as 8K Miles Media.

3.3. The Company has trade and other receivables aggregating Rs. 3,309.10 Lakhs as at 31 March 2019 receivable from 8K Miles Software Services Inc., a subsidiary. It may be noted that this subsidiary had loans receivable from entities of 8K Miles Media Group in the USA aggregating USD 89.61 Lakhs (Rs. 5,808.44 Lakhs) as at 31 March 2018.

We are informed by the management of the Company that such amounts due, including interest as accrued, have been fully recovered as at 31 March 2019 by that subsidiary. However, in the absence of appropriate workings for the interest, documentation regarding loan agreements and due to inconsistencies noted between the transactions as per the Bank Statements of the subsidiary with the transactions as recorded in the books of account of the subsidiary, we were unable to confirm the management's assertion on the said collections made by the subsidiary.

3.4. We are unable to conclude if the above events in 8K Miles Media have any effect on:

(a) the Company and its operations, in view of the allegations in the aforesaid resignation letter of the statutory auditor of that company and the nature of the Company's relationship with 8K Miles Media, as described in paragraphs 3.1 and 3.2 above, respectively;
(b) the ability of the Company's subsidiary to transfer funds back to the Company, in view of the loans receivable by it from the entities of 8K Miles Media Group in the USA as described in paragraph 3.3 above, which could result in a possible impairment in the investment of Rs. 9,816.65 Lakhs held in that subsidiary, trade receivables of Rs. 2,819.92 Lakhs and interest recoverable of Rs. 489.18 Lakhs from such subsidiary; and
(c) the consequential impact, if any, of the same on the operations of the Company.

4. **Procurement of services and trade payables**

4.1. Based on the master service agreement with the external service provider, referred to in paragraph 1(d) above, for technical and referral services to be rendered towards certain customers, referred to in paragraphs 1 (b) and 1(c) above, the Company has recorded consultancy charges of Rs. 1,706.40 Lakhs, for the year ended 31 March 2019 with an outstanding liability of Rs. 1,709.16 Lakhs.

In the absence of complete information regarding proof of the services rendered by the vendor, and in view of our observations in paragraph 1(d) above in respect of this vendor, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense and the corresponding liability recorded in these standalone financial statements.

4.2. Further, the Company has not evaluated the applicability or coverage of such services under the Goods and Service Tax Regulations and has not accrued / paid the same. However, in our opinion, such tax is payable on those services. The management has not determined the amount of Goods and Service Tax payable and any interest thereon. We are unable to conclude on the consequential impact of the same on these standalone financial statements.

5. **Regulatory compliances**

5.1. We are unable to conclude on the consequential impact, if any, on the operations and the financial performance of the Company arising out of the following matters pertaining to non-compliance with the provisions of the Companies Act, 2013 and notifications issued by the Securities and Exchange Board of India (SEBI), as applicable:
(a) In the absence of appropriate processes for identifying related parties in view of the matters reported in paragraph 1 (a) above, we are unable to comment on the accuracy and completeness of the related parties identified and disclosed by the Company including compliance with obtaining necessary approvals, as required, from those charged with governance.
(b) It was noted that in the case of two of the Directors who were re-appointed at the Annual General Meeting (AGM) held on 18 September 2015 and designated as independent directors (One was also the Chairman of the Audit Committee and the other a member of the Nomination and Remuneration Committee and also the Chairman of the Stakeholder Relationship Committee), they may have ceased to be independent directors under the Act with effect from 17 November 2015 and 12 August 2015, respectively, being the date from when their relatives were employed either with the Company or its subsidiary. These directors have been designated as non-independent directors by the Company from 06 September 2019 and 13 February 2019, respectively.

Considering the above, we are unable to opine on the validity of the meetings of the Board of Directors, Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee, in regards to the quorum in such meetings and the resolutions approved in those meetings from the aforesaid AGM date until the dates when the Company designated them as non-independent directors.

5.2. We are unable to conclude on the consequential impact, if any, on the standalone financial statements arising out of the matters pertaining to non-compliance with the applicable master directions/ notifications issued by the Reserve Bank of India ("RBI") and provisions of The Foreign Exchange Management Act, 1999, as amended, in respect of the following:
(a) The Company has export trade receivables and foreign currency interest receivable aggregating Rs. 3,037.28 Lakhs and Rs. 336.13 Lakhs, respectively, which are outstanding for more than nine months, from the invoice date, as at 31 March 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.
(b) As at 31 March 2019, the Company had not made the necessary intimations to the Authorised Dealer/ RBI as required under the Master Directions provided by the RBI on Foreign Investment in India for loan/ collaterals/ pledge received from the promoter of the Company, being a resident outside India, amounting to Rs. 1,395.02 Lakhs during the year ended 31 March 2019.

However, subsequent to the year-end, the Company has made an intimation to the Authorised dealer on 12 July 2019 and is yet to make an application for condonation of delay.

(c) It appears that the Company has provided a corporate guarantee to Columbia Bank for a line of credit availed by 8K Miles Software Services Inc., a subsidiary of the Company, and Nexage Technologies Inc., a step down subsidiary of the Company, aggregating USD 5,000,000 on 12 September 2018. As per the loan sanction document issued by Columbia Bank, the line of credit was approved by Columbia Bank based on a representation by the Managing Director of the Company that the corporate guarantee was approved by the shareholders of the Company.

We have not been provided with minutes of the meeting of the shareholders referred above approving such corporate guarantee. Further, the Company has also not intimated the Authorised Dealer for providing such corporate guarantee as required under the Master Directions provided by the RBI on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad.

5.3. Further, the Company has not carried out a comprehensive review of compliance with laws and regulations and therefore we are unable to comment if there are any other instances of non-compliance with laws and regulations and any consequential impact thereof.

6. **Information / clarifications requested but not provided**

During the course of our audit, we have requested from the management various information and clarifications that were required for the purposes of our audit. In addition to the information and clarifications pending in respect of the matters described in paragraphs 1 to 5 above, information, *inter alia*, relating to assessment of how the revenue recognised by the Company was in compliance with the provisions of Ind AS 115, documentation supporting evaluation of the expected credit losses as at 31 March 2019, documentation on services received against certain consultancy expenses, confirmation of balances from customers, vendors and other parties, etc., are also pending to be provided to / received by us. In view of such pending information, we have not been able to obtain sufficient appropriate evidence to conclude on those matters to express an opinion on the standalone financial statements.

7. **Use of going concern assumption**

In view of the matters reported in paragraphs 1 to 6 above, and in the absence of reliable cash flow projections by the management, and any consequential impact of those matters on the standalone financial statements and operations of the Company, we are unable to comment on the appropriateness of the going concern assumption adopted by the management in the preparation of these standalone financial statements.

8. **Information on subsidiaries**

Based on information in the public domain 8K Miles Cloud Solutions Pte. Limited, Singapore has stated itself to be a subsidiary of the Company. This entity appears to have been incorporated on 08 May 2017. Further, 8K Miles Software Services Pte. Ltd, Singapore and 8K Miles Software Services UK Limited, United Kingdom exist with the promoter directors appearing as shareholders/ directors. The incorporation of wholly owned subsidiaries in these countries were approved by the Board of Directors of the Company on 30 May 2018.

However, all these three entities have not been considered by the management of the Company as subsidiaries in these standalone financial statements. We are informed by the management that these entities are not subsidiaries of the Company and the information in the public domain, including with the regulatory authorities in those geographies are not correct.

We have not been provided with the audited financial statements of these entities and/or any other verifiable evidence to ascertain the relationship of these entities with the Company. Hence, we are unable to comment on the relationship of these entities and the consequential impact these entities may have on the standalone financial statements.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the standalone financial statements of the Company in accordance with Standards on Auditing specified under section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

Report on Other Legal and Regulatory Requirements

1. In view of the matters described in paragraphs 1, 2, 3.3, 4 and 6 of the Basis for Disclaimer of Opinion section of our report, we are unable to state if any of the transactions referred to in those paragraphs were represented by mere book entries.

2. Subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, as required by Section 143(3) of the Act, based on our engagement to audit, we report that:
   a) We have sought and considering the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
   b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, we are unable to comment if proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, we are unable to comment if the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) The matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, in our opinion, may have an adverse effect on the functioning of the Company.
   f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above and in paragraph 1 above.
   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16)[1] of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion, except for the possible effect of the matters described in the Basis for Disclaimer of Opinion section above, and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
   ii. The Company did not have any long-term contracts including derivative contracts for

which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

V. Balaji
Partner
Membership No. 203685

2 November 2019
VB/JT/RB/2019
Unique Identification Number: 19203685AAAABD8282

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our engagement to audit the standalone financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **8K Miles Software Services Limited** ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at 31 March 2019. Inadequacies were noted in:

(a) entity level controls to prevent and detect fraud as more fully described in paragraph 1 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(b) evaluating the appropriateness of the customer contracts, compliance with the accounting standards for the purpose of revenue recognition, and the appropriateness of assessment of expected credit losses. Also see paragraph 2 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(c) evaluation of services being provided by key vendors, examination and review of terms of contracts / purchase orders / SOWs, as applicable to assess the authenticity of the documents and assessment of appropriateness of the liability being accrued. Also see paragraph 4 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(d) identification of related parties of the Company, which may result in transactions not authorized by audit committee/ board of directors (where applicable), inadequate disclosure of the related party transactions in the financial statements and identification of conflicts and designation of directors as independent or otherwise. Also see paragraphs 1(a), 5 and 8 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(e) ensuring compliance with applicable laws and regulations. Also see paragraph 5 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(f) ensuring compliance with the applicable accounting standards and generally accepted accounting principles. Also see paragraphs 1(a), 2, 3.4 and 8 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(g) financial book closing procedures to ensure preparation of timely, reliable and appropriate financial statements. Also see paragraphs 3, 5, 6, 7 and 8 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the effect of the material weaknesses described in Basis for Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of 31 March 2019, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and the Company's internal financial controls over financial reporting were not operating effectively as of 31 March 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March 2019, and these material weaknesses have affected our opinion on the said standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

V. Balaji
Partner
Membership No. 203685

2 November 2019
VB/JT/RB/2019
Unique Identification Number: 19203685AAAABD8282

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification, which, in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) The Company does not have any immovable properties of freehold land or building which are reported under Property, Plant and Equipment and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and, hence, reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanation given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
   (a) The terms and conditions of the grant of such loans as applicable are, in our opinion, prima facie, not prejudicial to the Company's interest.
   (b) The schedule of repayment of principal and payment of interest has been stipulated and there were no principal repayment due during the year as per such stipulations. However, receipts of interest have not been regular as per stipulations.
   (c) There is an overdue interest receivable amount of Rs. 287.29 Lakhs as at the year end. Out of the above, an amount of Rs. 287.29 Lakhs is outstanding as overdue for more than 90 days as at the balance sheet date. The management is in the process of initiating reasonable steps to recover the overdue balances. Also refer paragraph 3.4 in the Basis for Disclaimer of Opinion section in the Independent Auditor's Report.

(iv) In our opinion and according to the information and explanations given to us, except for the matters described in paragraph 5.2(c) in the Basis for Disclaimer of Opinion section in the Independent Auditor's Report, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order with regard to maintenance of cost records is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

   (a) Except for delays ranging from 1 day to 66 days for remittance of Goods and Services Tax, Provident Fund, Tax deducted at Source and Income Tax, subject to our comments on non-payment of Goods and Services Tax on certain vendor invoices referred to in paragraph 4.2 of the Basis for Disclaimer of Opinion section in the Independent Auditor's Report, which amount has not been determined, and in case of Employee's State Insurance for the year which was remitted subsequent to the year end, the Company has generally been regular in depositing undisputed statutory dues, including Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
   (b) Subject to our comments on the non-payment of Goods and Services Tax on certain vendor invoices referred to in paragraph 4.2 of the Basis for Disclaimer of Opinion section in the Independent Auditor's Report, which amount has not been determined, there were no undisputed amounts payable in respect of Provident Fund, Tax deducted at Source, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for Employees' State Insurance and Income tax amounting to Rs. 2.43 Lakhs and Rs. 34.55 Lakhs, respectively.

(c) Details of dues of Income-tax, sales tax, service tax, goods and service tax, customs duty, excise duty, and value added tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates (Financial Year)	Amount involved (Rs. in Lakhs)	Amount unpaid (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2007-08	9.51	9.51
			2009-10	56.76	56.76
			2010-11	1.39	1.39
			2011-12	11.91	11.91
			2012-13	0.25	0.25
			2014-15	15.16	15.16

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks, except as under:

Particulars	Amount of default of repayment as at 31 March 2019 (Rs. in Lakhs)		Period of default upto 31 March 2019
Due to Banks:	Principal	Interest	
Indian Bank – Term Loan	4.11	4.67	Principal: Represents amounts due on 1 March 2019. Hence, period of default is one month. Interest: Represents amounts of Rs. 2.04 lakhs and Rs. 2.63 lakhs due on 28 February 2019 (period of delay is one month) and 31 March 2019 (period of delay is one day), respectively.
Indian Bank – Open Cash Credit ('OCC')	300	3.1	Period of default for Principal and Interest is one day.

Further, the Company has not taken any loans or borrowings from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans from banks and financial institutions have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. Further, the Company has not raised moneys by way of Initial public offer or further public offer (including debt instruments).

(x) We refer to the matters stated in the Basis for Disclaimer of Opinion section of the Independent Auditor's Report where suspected offences involving fraud that have been committed on and by the Company have been reported. Since the report of the investigation initiated by the Company through an external firm of Chartered Accountants has not yet been received, we are unable to quantify the amount involved.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii)The Company is not a Nidhi Company and, hence, reporting under clause (xii) of the Order is not applicable.

(xiii) Subject to the matters highlighted in the Basis for Disclaimer of Opinion section in the Independent Auditor's Report, including the following transactions, where approvals have not been obtained at the time of entering into the transaction and which are relating to the matter reported in paragraph 5.1(b) of the Basis for Disclaimer of Opinion section in the Independent Auditor's Report, in our opinion and according to the information and explanations given to us, the Company is in compliance with the Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties:

Particulars	Amount of default of repayment as at 31 March 2019 (Rs. in Lakhs)		Period of default upto 31 March 2019
Due to Banks:	Principal	Interest	
Indian Bank – Term Loan	4.11	4.67	Principal: Represents amounts due on 1 March 2019. Hence, period of default is one month. Interest: Represents amounts of Rs. 2.04 lakhs and Rs. 2.63 lakhs due on 28 February 2019 (period of delay is one month) and 31 March 2019 (period of delay is one day), respectively.
Indian Bank – Open Cash Credit ('OCC')	300	3.1	Period of default for Principal and Interest is one day.

Name of the Related Party and relationship	Underlying Transaction	Amount Involved (Rs. in Lakhs)
S. Ravichandran (Spouse of a Director)	Office or Place of Profit in the Company	43.7
Sustainable Certification India Private Limited (Company in which the above Spouse is a Director)	Professional and Consultancy Charges	3.64
Gautam Gurumurthi (Son of a Director)	Office or Place of Profit in the subsidiary of the Company	85.75

In our opinion and according to the information and explanations given to us, except for the matter described in paragraphs 1(a), 5.1 (a) and 8 under Basis for Disclaimer of Opinion section in the Independent Auditor's Report, the Company has disclosed the details of related party transactions in the standalone financial statements etc. as required by the applicable accounting standards

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, hence, reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions during the current year with any of the directors of the Company or its holding or subsidiary company or a person connected with him that are covered under the provisions of Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

V. Balaji
Partner
Membership No. 203685

2 November 2019
VB/JT/RB/2019
Unique Identification Number: 19203685AAAABD8282

The Board has deliberated about the financial statements and the report of the statutory auditors. The response for qualification of the Auditors opinion has been provided below:

Management's Response on the Auditor's Opinion for Standalone Audited Financial Statements for the Financial Year ended March 31, 2019

Auditor's Observation:	Management's Response
Item 1 (a) Several instances of inconsistencies between declarations provided by Directors and information available in the public forum which demonstrated existence of probable related parties which were not disclosed previously, including certain transactions with such parties which were not disclosed or approved by the Audit Committee / Board of Directors. Also see paragraph 5.1(a) below.	The Directors have provided the appropriate documents as required under the law and believes to their knowledge there is no related parties which were undisclosed.
(b) Several instances of transactions with certain customers, wherein the Company was not able to provide us with the particulars of the services rendered and acknowledged by the customer, the details of employees actually rendering such service, the appropriateness and source of the monies received from such customers. Also see paragraph 2 below.	The Management hereby affirms that the proper time sheets and nature of services rendered were submitted to the audit team during the audit along with the acknowledgement received from such customers. Also, the confirmation of balances were received from the customers and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from them.
(c) Several instances of multiple addresses being considered in various communications with certain customers in the invoices, website of the customer, on cheques received from customers, including instances wherein some of the communication addresses coincided with the residential address of certain employees of the Company or its subsidiaries, which impacted our ability to establish the authenticity of the customer. Also see paragraph 2 below.	The Management hereby states that certain customers have multiple locations and the services were provided at various locations. The Management has duly clarified to the audit team about the addresses of the employees who were previously the employees of our customers.
(d) Several instances of communications with a vendor, wherein there were multiple communications using different email ids, documents with varying signatures and differences in the spelling of the common signatory of the vendor, etc. which impacted our ability to establish the authenticity of the vendor. Also see paragraphs 3.3 and 4 below.	The Management has given necessary explanations to audit team during the audit for the email addresses used by the vendor. The Management affirms that the authenticity of that vendor has been established by obtaining direct confirmation from that vendor with respect to services provided. The Management also of the opinion that usage of multiple email addresses is the preference of the vendor.
(e) Appropriate approvals and concerns over recovery of advances made to a related party, by a subsidiary of the Company. Refer paragraph 3 for more details.	The management confirms that advances to a related party has been fully recovered during the year of audit and there is NO outstanding at the end of 31st March 2019 as per the books of account.
(f) Several instances of various inconsistencies were also noted during our audit of the books of account of certain foreign subsidiaries in association with our audit of the consolidated financial statements of the Company.	The management states that the subsidiary accounts have been audited by the auditor in the domicile of subsidiary and not reported any such inconsistencies.
Item 2 Revenue from Contracts with Customers and related outstanding receivables During the year ended 31 March 2019 the Company recognised revenue aggregating to Rs.2,428.69 Lakhs from the customers referred to in paragraphs 1(b) and 1(c) above wherein such customers have an outstanding balance aggregating Rs.3,464.01 Lakhs as at 31 March 2019 (includes balances of Rs.1,022.36 Lakhs outstanding even as at 31 March 2018). In the absence of complete information regarding the proof of services rendered, efforts expended, and in view of our observations in paragraphs 1(b) and 1(c) above in respect of these customers, we are unable to conclude on the appropriateness / correctness / completeness / validity of the revenue recognised, compliance with the recognition and measurement of revenue required under the Indian Accounting Standard (Ind AS) 115 Revenue from Contracts with Customers and the corresponding receivables in these standalone financial statements. The Company has also not carried out an evaluation of the expected credit loss required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments for the outstanding trade receivables as at 31 March 2019 and therefore we are unable to comment on the adequacy and appropriateness of the provision made against the trade receivable balances as at 31 March 2019.	The Company has obtained the necessary balance confirmation from the customers as at the end of the year and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from those customers. As the amounts are good to recover, an evaluation of the expected credit loss as required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments for the outstanding trade receivables does not arise. As explained 1(b) above, the Management hereby affirms that the proper time sheets and nature of services rendered were submitted to the audit team during the audit along with the acknowledgement received from such customers. Also, the confirmation of balances were received from the customers and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from them.

Auditor's Observation:	Management's Response
Item No. 3: 8K Miles Media Private Limited 3.1 Around the last week of September 2018, we were made aware of the resignation of the statutory auditor of 8K Miles Media, a company promoted by the promoter directors of the Company, vide their resignation letter dated 30 April 2018. As per the said letter, the resignation was due to the misuse of that Audit Firm's Letter Head and signature of their Partner through forgery in certain ODI Certificates submitted by 8K Miles Media to its bankers for transfer of funds of USD 71.51 Lakhs (Rs. 4,612.91 Lakhs) to 8K Miles Media Holdings Inc. USA, a subsidiary of 8K Miles Media. 8K Miles Media and its subsidiaries (together "8K Miles Media Group") were identified as a related party in the consolidated financial statements of the Company for the year ended 31 March 2018. During the period ended 31 December 2018, the management of 8K Miles Media initiated an independent forensic review to evaluate the authenticity of the signatures in the ODI Certificates referred above. 8K Miles Media has submitted a copy of the forensic report to the Company. We understand that the aforesaid forensic report states that the writer of the signature in the ODI certificates is the same as that of the specimen signatures of the audit partner as provided to the forensic auditor thereby concluding that there was no forgery in the ODI certificates. Since this matter relates to a company where another firm is the statutory auditor and since the financial statements of that company are not included in the consolidated financial statements of the Company, we have not been able to perform any procedures related to the allegation or the forensic report.	The management states that the forensic experts appointed by the 8K Miles Media Private Limited have submitted their report to the Board wherein they have concluded that all the allegations made on 8K Miles Media are not true. The Board hereby has duly taken that report into record. The management further clarifies there is no relationship nexus between 8K Miles Media and the Company, except for the common promoter. Thus, there is no requirement of providing financial statements of 8K Miles Media to the auditors.
3.2 Further, during the last week of September 2018, (a) the CEO and Managing Director of the Company, who was also a promoter director in 8K Miles Media, resigned as a director in 8K Miles Media. (b) the CFO and Executive Director of the Company, who was the other promoter director in 8K Miles Media, resigned from his role as CFO of the Company stating that his resignation was to have the necessary time to clear all the baseless allegations and unsubstantiated allegations relating to 8K Miles Media. However, he continues to be a director in both the Company as well as 8K Miles Media. 3.3 The Company has trade and other receivables aggregating Rs.3,309.10 Lakhs as at 31 March 2019 receivable from 8K Miles Software Services Inc., a subsidiary. It may be noted that this subsidiary had loans receivable from entities of 8K Miles Media Group in the USA aggregating USD 89.61 Lakhs (Rs.5,808.44 Lakhs) as at 31 March 2018. We are informed by the management of the Company that such amounts due, including interest as accrued, have been fully recovered as at 31 March 2019 by that subsidiary. However, in the absence of appropriate workings for the interest, documentation regarding loan agreements and due to inconsistencies noted between the transactions as per the Bank Statements of the subsidiary with the transactions as recorded in the books of account of the subsidiary, we were unable to confirm the management's assertion on the said collections made by the subsidiary.	The Management affirms that 8K Miles Media has no nexus except for the common promoters. Hence the false and baseless allegations have no impact on the Company and its operations. The Trade receivables from 8K Software Services Inc., a subsidiary is an ongoing account and have since received Rs.858.48 Lakhs till date of this report. With respect to loans receivable from 8K Miles Media Group in USA – the total amount including the interest charge on the outstanding amounts have been fully recovered and as at the 31st March 2019 the balance from 8K Media is NIL. Also the Management affirms that the appropriate workings for the interest on the amounts outstanding have been provided and recovered in full. Based on the above facts and continuity of the business and operations of the subsidiary, the Managements believes that there is no possibility of impairment in the investments made by the parent company and the recoverability of the amount receivables are good.
3.4 We are unable to conclude if the above events in 8K Miles Media have any effect on: (a) the Company and its operations, in view of the allegations in the aforesaid resignation letter of the statutory auditor of that company and the nature of the Company's relationship with 8K Miles Media, as described in paragraphs 3.1 and 3.2 above, respectively; (b) the ability of the Company's subsidiary to transfer funds back to the Company, in view of the loans receivable by it from the entities of 8K Miles Media Group in the USA as described in paragraph 3.3 above, which could result in a possible impairment in the investment of Rs.9,816.65 Lakhs held in that subsidiary, trade receivables of Rs.2,819.92 Lakhs and interest recoverable of Rs. 489.18 Lakhs from such subsidiary; and (c) the consequential impact, if any, of the same on the operations of the Company.	As explained the company has received all the outstanding amounts prior to December 2018 and the above false allegation is nothing to do with the company as it is neither a related party nor a subsidiary.

Auditor's Observation:	Management's Response
Item 4: Procurement of services and trade payables 4.1. Based on the master service agreement with the external service provider, referred to in paragraph 1(d) above, for technical and referral services to be rendered towards certain customers, referred to in paragraphs 1 (b) and 1(c) above, the Company has recorded consultancy charges of Rs.1,706.40 Lakhs, for the year ended 31 March 2019 with an outstanding liability of Rs.1,709.16 Lakhs. In the absence of complete information regarding proof of the services rendered by the vendor, and in view of our observations in paragraph 1(d) above in respect of this vendor, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense and the corresponding liability recorded in these standalone financial statements. 4.2. Further, the Company has not evaluated the applicability or coverage of such services under the Goods and Service Tax Regulations and has not accrued / paid the same. However, in our opinion, such tax is payable on those services. The management has not determined the amount of Goods and Service Tax payable and any interest thereon. We are unable to conclude on the consequential impact of the same on these standalone financial statements.	The Management has provided the audit team, the details with respect to services availed from the vendor, confirmation of the charges and payables. With respect to GST applicability, the Management is in the process of obtaining a professional opinion and will take requisite steps in due course.
Item 5: Regulatory Compliances 5.1. We are unable to conclude on the consequential impact, if any, on the operations and the financial performance of the Company arising out of the following matters pertaining to non-compliance with the provisions of the Companies Act, 2013 and notifications issued by the Securities and Exchange Board of India (SEBI), as applicable: (a) In the absence of appropriate processes for identifying related parties in view of the matters reported in paragraph 1 (a) above, we are unable to comment on the accuracy and completeness of the related parties identified and disclosed by the Company including compliance with obtaining necessary approvals, as required, from those charged with governance.	The management hereby states that these have been duly complied as mentioned in 1(a) above and the related party details have been appropriately disclosed in the financial statements.
(b) It was noted that in the case of two of the Directors who were re-appointed at the Annual General Meeting (AGM) held on 18 September 2015 and designated as independent directors (One was also the Chairman of the Audit Committee and the other a member of the Nomination and Remuneration Committee and also the Chairman of the Stakeholder Relationship Committee), they may have ceased to be independent directors under the Act with effect from 17 November 2015 and 12 August 2015, respectively, being the date from when their relatives were employed either with the Company or its subsidiary. These directors have been designated as non-independent directors by the Company from 06 September 2019 and 13 February 2019, respectively. Considering the above, we are unable to opine on the validity of the meetings of the Board of Directors, Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee, in regards to the quorum in such meetings and the resolutions approved in those meetings from the aforesaid AGM date until the dates when the Company designated them as non-independent directors.	The management has taken necessary legal opinion from an independent law firm and they have stated that there is no non-compliance by the said directors as reported above.
Item No. 5(2)(a) We are unable to conclude on the consequential impact, if any, on the standalone financial statements arising out of the matters pertaining to non-compliance with the applicable master directions/ notifications issued by the Reserve Bank of India ("RBI") and provisions of The Foreign Exchange Management Act, 1999, as amended, in respect of the following: (a) The Company has export trade receivables and foreign currency interest receivable aggregating Rs.3,037.28 Lakhs and Rs.336.13 Lakhs, respectively, which are outstanding for more than nine months, from the invoice date, as at 31 March 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.	The management hereby states that this has been reported to the Reserve Bank of India through the AD Bank.

Auditor's Observation:	Management's Response
Item No. 5(2)(b) As at 31 March 2019, the Company had not made the necessary intimations to the Authorised Dealer/ RBI as required under the Master Directions provided by the RBI on Foreign Investment in India for loan/ collaterals/ pledge received from the promoter of the Company, being a resident outside India, amounting to Rs. 1,395.02 Lakhs during the year ended 31 March 2019. However, subsequent to the year-end, the Company has made an intimation to the Authorised dealer on 12 July 2019 and is yet to make an application for condonation of delay.	The management hereby clarifies that the due intimation has been made to the Reserve Bank of India (RBI) through the AD Bank and the same was provided to the audit team during the audit. The application of condonation does not arise as the AD Bank has not reverted after intimation.
Item No. 5(2)(c) It appears that the Company has provided a corporate guarantee to Columbia Bank for a line of credit availed by 8K Miles Software Services Inc., a subsidiary of the Company, and Nexage Technologies Inc., a step down subsidiary of the Company, aggregating USD 5,000,000 on 12 September 2018. As per the loan sanction document issued by Columbia Bank, the line of credit was approved by Columbia Bank based on a representation by the Managing Director of the Company that the corporate guarantee was approved by the shareholders of the Company. We have not been provided with minutes of the meeting of the shareholders referred above approving such corporate guarantee. Further, the Company has also not intimated the Authorised Dealer for providing such corporate guarantee as required under the Master Directions provided by the RBI on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad.	The management has provided the necessary resolution to the audit team, prior to this report of the auditors. Also, the shareholders' resolution passed during the AGM (under section 186 of Companies Act 2013) in the year 2015. The minutes of the Board of Directors meeting approving such corporate guarantee has been provided and the necessary intimation in the prescribed format to AD bank is in progress.
Item No. 5(3) Further, the Company has not carried out a comprehensive review of compliance with laws and regulations and therefore we are unable to comment if there are any other instances of non-compliance with laws and regulations and any consequential impact thereof.	The management has carried out a requisite review of compliance with laws and regulations by engaging individual professionals and practitioners having relevant area of expertise. The management also assures to enhance the competency further with respect to compliance and corporate governance of the company.
Item No. 6 Information / clarifications requested but not provided During the course of our audit, we have requested from the management various information and clarifications that were required for the purposes of our audit. In addition to the information and clarifications pending in respect of the matters described in paragraphs 1 to 5 above, information, inter alia, relating to assessment of how the revenue recognised by the Company was in compliance with the provisions of Ind AS 115, documentation supporting evaluation of the expected credit losses as at 31 March 2019, documentation on services received against certain consultancy expenses, confirmation of balances from customers, vendors and other parties, etc., are also pending to be provided to / received by us. In view of such pending information, we have not been able to obtain sufficient appropriate evidence to conclude on those matters to express an opinion on the standalone financial statements.	The details of how the revenues recognized were provided during the audit IND AS 115 – since most of the revenue is time and material – applicability of this standard is questionable or complied with the standard The confirmation of balances and Statement of Works and Master Services Agreements entered between have been sought directly from the customers by the auditors.
Item No. 7 Use of going concern assumption In view of the matters reported in paragraphs 1 to 6 above, and in the absence of reliable cash flow projections by the management, and any consequential impact of those matters on the standalone financial statements and operations of the Company, we are unable to comment on the appropriateness of the going concern assumption adopted by the management in the preparation of these standalone financial statements.	The management has made full inquiry into affairs of the business as a result of which, they firmly believe that there is a going concern assumption as there are requisite business, operations, customers, and employees. The management has discussed the cash flow projections for the foreseeable period and not envisaged anything negative which will impact the Company's business operations in the future years.

Auditor's Observation:	Management's Response
Item No. 8 Information on subsidiaries Based on information in the public domain 8K Miles Cloud Solutions Pte. Limited, Singapore has stated itself to be a subsidiary of the Company. This entity appears to have been incorporated on 08 May 2017. Further, 8K Miles Software Services Pte. Ltd, Singapore and 8K Miles Software Services UK Limited, United Kingdom exist with the promoter directors appearing as shareholders / directors. The incorporation of wholly owned subsidiaries in these countries were approved by the Board of Directors of the Company on 30 May 2018. However, all these three entities have not been considered by the management of the Company as subsidiaries in these standalone financial statements. We are informed by the management that these entities are not subsidiaries of the Company and the information in the public domain, including with the regulatory authorities in those geographies are not correct. We have not been provided with the audited financial statements of these entities and/or any other verifiable evidence to ascertain the relationship of these entities with the Company. Hence, we are unable to comment on the relationship of these entities and the consequential impact these entities may have on the standalone financial statements.	One of the director has incorporated on behalf of the parent company two foreign subsidiary companies. Since there is no possible economic benefit arising out of these companies, the management is in the process of striking off the Company. Under the circumstances and there are no commercial transactions, these were not consolidated.

Standalone Balance Sheet

as on 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	5A	61.65	83.25
	(b) Capital work-in-progress (Refer Note 5C)		-	10.60
	(c) Financial assets			
	(i) Investments	6	12,000.09	9,352.04
	(ii) Loans	8	46.51	2,618.37
	(d) Deferred tax assets (Net)	34	60.89	233.62
	(e) Other non-current assets	10	2.60	169.00
	Total non-current assets		**12,171.74**	**12,466.88**
II	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	7	6,835.01	3,679.84
	(ii) Cash and cash equivalents	11	85.20	14.37
	(iii) Bank balances other than (ii) above	12	-	76.00
	(iv) Other financial assets	9	489.18	248.06
	(b) Other current assets	10	30.13	116.92
	Total current assets		**7,439.52**	**4,135.19**
	Total Assets (I+II)		**19,611.26**	**16,602.07**
B	**EQUITY AND LIABILITIES**			
III	**Equity**			
	(a) Equity share capital	13	1,525.88	1,525.88
	(b) Other equity	14	7,274.55	6,294.39
	Total equity		**8,800.43**	**7,820.27**
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	- Borrowings	15	5,476.27	5,007.15
	(b) Provisions	18	65.46	63.10
	(c) Other non-current liabilities	19	4.39	10.61
	Total non-current liabilities		**5,546.12**	**5,080.86**

Standalone Balance Sheet (Cont.)

as on 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	1,804.40	1,198.60
	(ii) Trade payables	16		
	(a) Total outstanding dues of micro enterprises and small enterprises		2.92	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,964.05	948.02
	(iii) Other financial liabilities	17	1,174.28	1,269.33
	(b) Other current liabilities	19	119.06	125.07
	(c) Provisions	18	57.86	32.17
	(d) Current tax liabilities (Net)	20	142.14	127.75
	Total Current Liabilities		**5,264.71**	**3,700.94**
	Total Equity and Liabilities (III+IV+V)		**19,611.26**	**16,602.07**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	21	5,694.44	5,056.52
II	Other income	22	686.98	359.84
III	**Total income (I+II)**		**6,381.42**	**5,416.36**
IV	**Expenses**			
	Employee benefits expense	23	1,732.87	1,452.95
	Finance costs	25	969.66	755.42
	Depreciation and amortisation expense	5	34.05	83.87
	Other expenses	24	2,281.79	2,402.65
	Total expenses		**5,018.37**	**4,694.89**
V	**Profit before tax (III-IV)**		**1,363.05**	**721.47**
VI	**Tax expense**			
	(a) Current tax (including prior years)	34	219.90	244.05
	(b) Deferred tax	34	169.92	(10.42)
			389.82	233.63
VII	**Profit for the year (V-VI)**		**973.23**	**487.84**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	(a) Remeasurements of the defined benefit plans	29	9.74	14.95
	(b) Income tax relating to items that will not be reclassified to profit or loss	34	(2.81)	(4.12)
	Total other comprehensive income		**6.93**	**10.83**
IX	**Total comprehensive income for the year (VII+VIII)**		**980.16**	**498.67**
X	**Earnings per equity share (Face value of Rs. 5 each)**			
	(a) Basic (in Rs.)	26	3.19	1.60
	(b) Diluted (in Rs.)	26	3.19	1.60

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

V. Balaji
Partner

Place : Chennai
Date : 2 November 2019

For and on behalf of the Board of Directors

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Standalone Cash Flow Statement

as on 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**I. Cash Flow From Operating Activities**			
	Profit for the year		973.23	487.84
	Adjustments for:			
	Tax expenses	34	389.82	233.63
	Finance costs	25	969.66	755.42
	Depreciation and Amortisation Expense	5	34.05	83.87
	Gains on Sale of Other intangibles assets	22	-	(61.34)
	Loss on Sale of Property, Plant and Equipment (Net)	24	0.36	-
	Income on deposits and loans	22	(243.16)	(249.58)
	Gain on sale of investments	22	-	(6.12)
	Allowance for Expected Credit Losses (written back)	22	(23.74)	(1.49)
	Net Unrealised Exchange Gain	22	(282.77)	(12.79)
	Operating Profit before Working Capital and Other Changes		**1,817.45**	**1,229.44**
	Adjustments for (increase)/decrease in operating assets:			
	Trade receivables	7, 22	(3,027.37)	(2,433.42)
	Other non current financial assets	8	7.27	(7.23)
	Other non current assets	10	39.33	8.52
	Other current financial assets	8	-	11.13
	Other current assets	10	41.92	(67.04)
	Adjustments for increase/(decrease) in operating liabilities:			
	Trade payables	16, 22	1,013.73	555.98
	Provisions (non-current)	18, 29	2.37	30.41
	Other non current liabilities	19	(6.22)	(1.91)
	Provisions (current)	18	35.43	(7.58)
	Other current financial liabilities	17	6.37	(122.56)
	Other current liabilities	19	(6.01)	70.68
	Cash Generated from / (used in) Operations		**(75.73)**	**(733.58)**
	Net income tax paid (including interest paid there on)		(205.51)	(196.09)
	Net Cash Flow used in Operating Activities (A)		**(281.24)**	**(929.67)**

Standalone Cash Flow Statement (Cont.)

as on 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
II.	**Cash Flow From Investing Activities**			
	Capital Expenditure on Property, Plant and Equipment	5, 10	(118.36)	(155.19)
	Proceeds from Sale of Property, Plant and Equipment	5, 24, 22	0.02	394.81
	Investment made during the year	6	-	(521.21)
	Proceeds from sale of investments during the year	6, 22	-	94.21
	Bank balances not considered as Cash and cash equivalents	12	76.00	20.00
	Loans repaid / (granted) to Subsidiary		-	(2,478.72)
	Interest Received on Fixed Deposits		7.37	1.62
	Net Cash Flow used in Investing Activities (B)		**(34.97)**	**(2,644.48)**
III.	**Cash Flow Used in Financing Activities**			
	Dividend paid (including tax thereon)	14, 17	-	(366.60)
	Borrowings taken during the year	15, 17	6,938.45	15,481.86
	Borrowings repaid during the year	15, 17	(5,471.00)	(11,465.68)
	Finance costs paid	25, 17	(1,080.41)	(549.61)
	Net Cash Flow from Financing Activities (C)		**387.04**	**3,099.97**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)		**70.83**	**(474.18)**
	Cash and Cash Equivalents at the Beginning of the Year (Refer Note 11)	11	14.37	488.55
	Cash and Cash Equivalents at the End of the Year (Refer Note 11)		**85.20**	**14.37**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Statement of Changes in Equity

for the year ended 31 March 2019

A. Equity Share Capital

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the Year	1,525.88	1,525.88
Changes in equity share capital during the year	-	-
Closing Balance	**1,525.88**	**1,525.88**

B. Other Equity

(Amount Rs. in Lakhs)

Statement of changes in equity	Reserves and Surplus				Total Other Equity
	Securities premium	General Reserve	Subsidy Reserve	Retained earnings	
Balance as at 01 April 2017	**6,119.68**	**195.80**	**14.23**	**(166.68)**	**6,163.03**
Profit for the year	-	-	-	487.84	487.84
Other Comprehensive Income: Remeasurements of the defined benefit plans (net of taxes) (Refer Note 14.1)	-	-	-	10.83	10.83
Dividend Distribution	-	-	-	(305.18)	(305.18)
Dividend Distribution tax on equity shares	-	-	-	(62.13)	(62.13)
Total Comprehensive Income for the year	**-**	**-**	**-**	**131.36**	**131.36**
Balance as at 31 March 2018	**6,119.68**	**195.80**	**14.23**	**(35.32)**	**6,294.39**
Profit for the year	-	-	-	973.23	973.23
Other Comprehensive Income: Remeasurements of the defined benefit plans (net of taxes) (Refer Note 14.1)	-	-	-	6.93	6.93
Dividend Distribution	-	-	-	-	-
Dividend Distribution tax on equity shares	-	-	-	-	-
					-
Total Comprehensive Income for the year	**-**	**-**	**-**	**980.16**	**980.16**
Balance as at 31 March 2019	**6,119.68**	**195.80**	**14.23**	**944.84**	**7,274.55**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

V. Balaji
Partner

Place : Chennai
Date : 2 November 2019

For and on behalf of the Board of Directors

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

1 CORPORATE INFORMATION

8K Miles Software Services Limited ("8K Miles" or "the Company") was incorporated in the year 1985 in the name of Rosebud Commercials Limited and the Company's name was changed to P M Strips Limited in 1998 and subsequently to 8K Miles Software Services Limited in October 2010. The Company is a distributed platform that blends a global talent market place with collaboration tools and cloud infrastructure, helping small and medium enterprises (SMB's) and large enterprise customers to integrate Cloud computing and Identity Security into their Information and Technology ("IT") and business strategies.

2 Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements.

Recent Accounting Pronouncements:

Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019.

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109, when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1 April 2019.

Amendment to Ind AS 19 - Employee Benefits

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

New Accounting Standard : Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company is evaluating the effect of the above in its financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant ammendment rules issued thereafter.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition.

Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

3.2 Basis of Preparation and Presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

3.4 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

3.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.6 (i) Property, Plant and Equipment ("PPE")

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Value Added Tax (VAT)/ Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation and Amortisation:
Depreciation on property, plant and equipment is provided on the basis of the Written Down Value method, pro-rata from the month of capitalization over the period of use of the assets and Intangible assets are amortized on straight line method over their respective individual estimated useful lives as determined by the management, assessed as below:

Asset category	Useful Lives
Furniture & Fixtures	10 Years
Computers & Accessories	3 Years
Office Equipment	5 Years
Motor Vehicles	8 Years
Computer Software	5 Years

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advise, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc., as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(ii) Intangible Assets
'Intangible assets acquired separately:
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lite and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Revenue recognition

Revenue from Operations primarily comprises of income from Information Technology Enabled Services which is measured at the fair value of the consideration received or receivable. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. Service income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable. Effective from 1 April 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers. Arrangements with customers for information technology enabled services are either on a fixed price, fixed-timeframe contracts or on a time and material basis.

Revenue on time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed price, fixed-timeframe contracts where performance obligations are satisfied over a period of time and where there is no uncertainity as to the measurement or collectibility of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such certainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for Information Technology enabled services software development services and maintenance services, the Company has applied the guidance in

Ind AS 115, Revenue from Contracts with customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering Information Technology Enabled Services and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price.

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.9 Foreign currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate and exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

3.10 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.11 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

3.11.1 Financial Assets

(a) Recognition and initial measurement

(i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

3.11.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109."

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and capital expenditure. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months (for raw materials) and up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.12 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being

Notes

carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

Defined Contribution Plans
Employee defined contribution plans include provident fund and Employee state insurance.

Social Security Plan:
The Company has no further obligations beyond its contributions. Employer Contributions made to a social security plan, e.g., Provident Fund and Pension Funds, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

3.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessee:
Finance lease:
Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognises immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (Refer Note 3.23 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease:
Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.15 Taxation

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

3.16 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent Liability:

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

3.17 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

3.18 Goods and Service Tax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

3.19 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

3.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets (Refer Note 3.6)
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation (Refer Note 3.15)
- Provision for disputed matters
- Provision for employee benefits (Refer Note 3.12)
- Allowance for Expected Credit Loss (Refer Note 3.11.1 (e))"

Determination of functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (Rs.), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

5A. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of :		
Furniture and Fixtures	25.81	33.64
Computers and accessories	18.71	24.45
Office Equipment	1.72	2.74
Vehicles	15.41	22.42
Total	**61.65**	**83.25**

5A.1 Details of movement in the carrying amounts of property, plant and equipment

(Amount Rs. in Lakhs)

Description of Assets	Furniture and Fixtures	Computers and accessories	Office Equipment	Vehicles	Total
I. Gross carrying value					
As at 1 April 2017	60.23	32.41	8.88	50.14	151.66
Additions	0.65	22.49	0.13	-	23.27
Disposals / Adjustments during the year	-	-	-	(2.95)	(2.95)
As at 31 March 2018	**60.88**	**54.90**	**9.01**	**47.19**	**171.98**
As at 1 April 2018	**60.88**	**54.90**	**9.01**	**47.19**	**171.98**
Additions	1.04	11.65	0.14	-	**12.83**
Disposals / Adjustments during the year	-	(7.50)	-	-	(7.50)
As at 31 March 2019	**61.92**	**59.05**	**9.15**	**47.19**	**177.31**
II. Accumulated depreciation and impairment					
As at 1 April 2017	**15.54**	**17.14**	**3.99**	**15.66**	**52.33**
Charge for the year	11.70	13.31	2.28	10.35	37.64
Disposals / Adjustments during the year	-	-	-	(1.24)	**(1.24)**
Balance as at 31 March 2018	**27.24**	**30.45**	**6.27**	**24.77**	**88.73**
As at 1 April 2018	**27.24**	**30.45**	**6.27**	**24.77**	**88.73**
Charge for the year	8.87	17.01	1.16	7.01	**34.05**
Disposals / Adjustments during the year	-	(7.12)	-	-	(7.12)
Balance as at 31 March 2019	**36.11**	**40.34**	**7.43**	**31.78**	**115.66**
Net carrying value as at 31 March 2019	**25.81**	**18.71**	**1.72**	**15.41**	**61.65**
Net carrying value as at 31 March 2018	**33.64**	**24.45**	**2.74**	**22.42**	**83.25**

5B. Other intangible assets

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of :		
Software	-	-
Total	**-**	**-**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

5B.1 Details of movement in the carrying amounts of intangible assets

(Amount Rs. in Lakhs)

	Description of Assets	Software	Total
I.	**Gross carrying value**		
	As at 1 April 2017	**539.76**	**539.76**
	Additions	-	-
	Disposals / Adjustments during the year	(539.76)	(539.76)
	As at 31 March 2018	-	-
	As at 1 April 2018	-	-
	Additions	-	-
	Disposals / Adjustments during the year	-	-
	As at 31 March 2019	-	-
II.	**Accumulated depreciation and impairment**		
	As at 1 April 2017	**251.95**	**251.95**
	Charge for the year	46.23	46.23
	Disposals / Adjustments during the year	**(298.18)**	**(298.18)**
	Balance as at 31 March 2018	-	-
	As at 1 April 2018	-	-
	Charge for the year	-	-
	Disposals / Adjustments during the year	-	-
	Balance as at 31 March 2019	-	-
	Net carrying value as at 31 March 2019	-	-
	Net carrying value as at 31 March 2018	-	-

5.C

The Board of Directors of the Company in their meeting held on 10 April 2019, approved the termination of the lease agreement entered into with Suresh Venkatachari, Key Managerial Personnel (KMP) with effect from end of day on 31 March 2019. The termination terms as approved and agreed with Suresh Venkatachari, KMP included adjustment of capital work in progress of Rs. 101.55 lakhs, capital advances of Rs. 141.65 lakhs and rental deposits of Rs. 140 lakhs, aggregating Rs. 383.20 lakhs against the outstanding borrowing, as included in Note 15, due to Suresh Venkatachari, KMP.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

6 Investments

(Amount Rs. in Lakhs)

	Particulars	As at 31 March 2019			As at 31 March 2018		
		NOS	Current	Non-Current	NOS	Current	Non-Current
	A. COST ***Unquoted Investments (all fully paid)***						
	Investments in Equity Instruments of Subsidiaries						
(a)	8K Miles Health Cloud Inc. USA (Face Value per share: USD 0.001)	26,00,000	-	1,014.91	26,00,000	-	1,014.91
(b)	8K Miles Software Services FZE UAE (Face Value per share: AED 150,000)	1	-	18.41	1	-	18.41
(c)	8K Miles Software Services Inc. USA (Refer Note 8.1(i)) (Face Value per share: USD 0.001)	2,07,31,250	-	9,816.65	1,97,75,000	-	7,168.60
(d)	Mentor Minds Solutions & Services Inc. - USA (Face Value per share: USD 0.001)	10,00,000	-	1,150.12	10,00,000	-	1,150.12
	Total Unquoted Investments		**-**	**12,000.09**		**-**	**9,352.04**
	TOTAL INVESTMENTS		**-**	**12,000.09**	**-**	**-**	**9,352.04**
	Aggregate Carrying value of Investments		-	12,000.09		-	9,352.04
	Aggregate amount of impairment in the value of investments			-			-

7 Trade receivables

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Receivables considered good, Secured	-	-	-	-
(b) Receivables considered good, Unsecured	6,835.01	-	3,703.58	-
(c) Doubtful	-	-	-	633.73
Sub-total	**6,835.01**	**-**	**3,703.58**	**633.73**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-	(23.74)	(633.73)
Total	**6,835.01**	**-**	**3,679.84**	**-**

7.1 The above includes amount receivable from related parties

(Refer Note 31)

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
8K Miles Software Services Inc. (“the Subsidiary”)				-
(a) For services rendered on a direct contract	2,819.92	-	1,263.83	-
(b) For collections to be made from the Company’s customers on behalf of the Company	-	-	1,174.94	-
Total	**2,819.92**	**-**	**2,438.77**	**-**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

7.2 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms of upto 90 days. (Previous year - 30 days)
(b) Trade receivables (International & Related Party) are non-interest bearing and are generally on terms of upto 90 days. (Previous year - 3 to 9 months)

Five customers accounted for more than 10% of the revenue (Rs. 5,292.75 lakhs) for the year ended 31 March 2019 and four of the customers accounted for more than 10% of the receivables (Rs. 6,283.93 lakhs) as at 31 March 2019. Two customers accounted for more than 10% of the revenue (Rs. 4,232.17 lakhs) for the year ended 31 March 2018 and two of the customers accounted for more than 10% of the receivables (Rs. 3,151.48 lakhs) as at 31 March 2018.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7.3 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

Age of receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Domestic Customers:		
(i) Within Credit period	362.16	64.42
(ii) 0 - 1 year	182.38	2.24
(iii) More than 1 year	0.30	634.03
Sub-total (A)	**544.84**	**700.69**
International Customers:		
(i) Within Credit period	1,013.96	3,563.74
(ii) 0 - 1 year	4,960.10	72.88
(iii) More than 1 year	316.11	-
Sub-total (B)	**6,290.17**	**3,636.62**
Grand Total (A + B)	**6,835.01**	**4,337.31**

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

7.4 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	657.47	658.96
Add: Allowance towards Expected credit loss provided / (written back) during the year	(23.74)	(1.49)
Less: Allowances written off during the year	(633.73)	-
Balance at end of the year	-	**657.47**

8 Loans

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
Financial assets at amortised cost				
(a) Security deposits				
- Unsecured, considered good (Refer Note 5C)	-	46.51	-	139.00
- Doubtful			-	-
Sub-total	-	**46.51**	-	**139.00**
(b) Loans to related parties (Refer Note 8.1 below)				
- Unsecured, considered good		-		2,479.37
- Doubtful	-	-	-	-
Sub-total	-	-	-	**2,479.37**
Total	-	**46.51**	-	**2,618.37**

Note 8.1:

Particulars	Terms	Purpose of Loan Utilisation by the Receiver of the Loan	No. of Instalments outstanding as at 31 March 2019	Repayment Terms
Loan to 8K Miles Software Services Inc. (Refer Note (i) below)	**Original Tenor**: 12 Months **Interest Rate:** 11.45%	Working Capital and Investment in New Acquisition	-	Principal Monthly, Interest Monthly

Note:

(i) The Company had an outstanding balance of loans aggregating Rs. 2,479.37 lakhs as at 31 March 2018 receivable (excluding interest receivable amounting to Rs. 242.92 lakhs) from 8K Miles Software Services Inc., a subsidiary of the Company. During the current year, the Company has converted these loans in to equity investments in the said subsidiary with effect from 31 December 2018 and accordingly, the same has been accounted as investments in subsidiary amounting to Rs. 2,648.05 lakhs as at 31 March 2019. In this regard, the Company has made the intimations to the Authorised Dealer/ Reserve Bank of India (RBI) as required within the Master Directions provided by the RBI subsequent to the year ended 31 March 2019. Also refer note 6.

Further, amount of interest accrued on the said loan as at 31 March 2019 amounting to Rs. 287.89 lakhs and Rs. 201.89 lakhs has been classified as due and not due, respectively, based on the agreed terms with the subsidiary. Also refer Note 9.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

9 Other financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
Financial assets at amortised cost				
(a) Interest income accrued, not due	-	-	5.14	-
(b) Interest income accrued and due from subsidiary	287.29	-	-	-
(c) Interest income accrued, not due from subsidiary	201.89	-	242.92	-
Total	**489.18**	**-**	**248.06**	**-**

10 Other assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Prepaid expenses	11.52	2.60	13.80	41.93
(b) Other non-financial advances	-	-	0.10	-
(c) Balances with government authorities				
- Goods & Service tax receivables	18.61	-	103.02	-
(d) Capital Advances (Refer Note 5C)	-	-	-	127.07
Total	**30.13**	**2.60**	**116.92**	**169.00**

11 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Cash on hand	0.03	1.09
(b) Balances with Bank		
(i) In Current Accounts	84.46	12.57
(ii) In EEFC Accounts	-	-
(iii) In Earmarked Accounts*	0.71	0.71
Total	**85.20**	**14.37**

* Earmarked balances are in respect of unpaid dividends / dividend payable

12 Other Bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Term Deposits (between 3 to 12 months maturity)	-	76.00
Total	**-**	**76.00**

13 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
Authorised:				
Fully paid equity shares of Rs. 5/- each	6,00,00,000	3,000.00	6,00,00,000	3,000.00
Issued, subscribed and fully paid:				
Fully paid equity shares of Rs. 5/- each	3,05,17,605	1,525.88	3,05,17,605	1,525.88
Total	**3,05,17,605**	**1,525.88**	**3,05,17,605**	**1,525.88**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

(i) Reconciliation of number of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
Equity shares				
Balance as at beginning of the year	3,05,17,605	1,525.88	3,05,17,605	1,525.88
Add: Issued during the year	-	-	-	-
Balance as at end of the year	**3,05,17,605**	**1,525.88**	**3,05,17,605**	**1,525.88**

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Suresh Venkatachari	1,11,81,703	36.64%	1,70,29,533	55.80%
Sandeep Tandon	20,88,911	6.84%	7,32,613	2.40%

(iv) There are no shares which are reserved for issuance and there are no securities issued / outstanding which are convertible into equity shares.

(v) Issue of Bonus Shares during immediately preceding 5 years

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
No. of Bonus Equity Shares issued	-	76,29,401	-	-	-

14 Other equity

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Securities Premium Account (Refer Note 14.2 below)		
Opening balance	6,119.68	6,119.68
Add : Premium on shares issued during the year	-	-
Less : Issue of Bonus shares during the period	-	-
Closing balance	6,119.68	6,119.68
(b) General Reserve (Refer Note 14.3 below)		
Opening balance	195.80	195.80
Add : Transferred from Surplus in the statement of Profit & Loss	-	-
Closing balance	195.80	195.80
(c) Subsidy Reserve		
Opening balance	14.23	14.23
Add : Movements during the year	-	-
Closing balance	14.23	14.23
(d) Retained Earnings (Refer Note 14.4 below)		
Opening balance	(35.32)	(166.68)
Add : Total Comprehensive Income for the period (Refer Note 14.1 below)	980.16	498.67
Less : Apportionment for Dividend	-	(305.18)
Less : Dividend Distribution tax	-	(62.13)
Closing balance	944.84	(35.32)
Total	**7,274.55**	**6,294.39**

Note:

14.1 In accordance with Notification G.S.R 404(E), dated 6 April 2016, remeasurement of defined benefit plans is recognized as a part of retained earnings.
14.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation
14.3 This represents appropriation of profit by the Company.
14.4 Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

15 Borrowings

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current: (Refer Note (15.1) below)		
Borrowings measured at amortized cost:		
Secured borrowings :		
(a) Term Loans		
- From Banks	205.48	259.76
- From Other Parties (including Financial institutions)	-	997.39
(a) Loans from Related Parties	5,270.79	3,750.00
Total	**5,476.27**	**5,007.15**
Current: (Refer Note (15.1) below)		
Secured Borrowings:		
(a) Loans Repayable on Demand (Refer Note (i) below)	1,804.40	1,198.60
Total	**1,804.40**	**1,198.60**

15.1 Details of Term Loan from Banks / Others

The details of tenor, interest rate, repayment terms of the same are given below:

I - Term Loans from Indian Bank (Refer Note (i) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	73	11.75%	63	Principal Monthly, Interest Monthly	258.90	300.23
			Sub-Total		**258.90**	**300.23**

II - Vehicle Loans from HDFC Bank, (Refer Note (ii) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	48	9.71%	5	Principal Monthly, Interest Monthly	4.73	15.32
			Sub-Total		**4.73**	**15.32**
Total of borrowings from Banks					**263.63**	**315.55**
Less : Current Maturities of long-term borrowings (Refer Note 17)					58.16	55.79
Long-term Borrowings from Banks					**205.48**	**259.76**

III - Term Loans from Other Parties - IFCI (Refer Note (iii) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	10	11.45%	0	Principal Quarterly, Interest Monthly	-	1,990.43
Total of borrowings from Other Parties - IFCI					-	**1,990.43**
Less : Current Maturities of long-term borrowings (Refer Note 17)					-	993.04
Long Term Borrowings from Others Parties - IFCI					-	**997.39**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

IV - Term Loans from Related Parties (Refer Note (iii) and (iv) below) - Unsecured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	6 (Refer Note (v) below)	10.00%	6	Principal Half yearly, Interest Monthly	5,258.97	3,750.00
2	6	10.00%	6	Principal Quarterly, Interest Monthy	1,011.82	-
			Sub-Total		**6,270.79**	**3,750.00**
Total of borrowings from Related Parties					**6,270.79**	**3,750.00**
Less : Current Maturities of long-term borrowings (Refer Note 17)					1,000.00	-
Long Term Borrowings from Related Parties					**5,270.79**	**3,750.00**

V - Loans Repayable on Demand - Secured						
S.No	**Name of the bank**	**Interest Rate**	**Security Terms**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	Indian Bank	MCLR (1Y)+3.65%-0.5%	Refer Note (i) below	Loans Repayable on Demand	1,504.40	873.92
2	Indian Bank	Card Rate	Refer Note (i) below	Loans Repayable on Demand	-	324.68
3	Indian Bank	MCLR (1Y)+3.65%-0.5%	Refer Note (i) below	Loans Repayable on Demand	300.00	-
			Sub-Total		**1,804.40**	**1,198.60**

Notes:

(i) The details of Security provided against the Term Loans & Short term borrowings are as follows:

(a) Indian Bank Term Loan sanctioned of Rs. 300 lakhs and Open Cash Credit (OCC) sanctioned of Rs. 1,500 lakhs which are secured against Hypothecation of Book Debts (Accounts receivable), Fixed Assets and personal guarantee of the Directors & T.P.Saira (Former Director). Further, the Company has also availed an additional adhoc Open Cash Credit of Rs. 300 lakhs on 27 December 2018 which has been repaid fully by the Company subsequent to the year ended 31 March 2019.

(b) Collateral security provided is the property bearing Shop No. 1, 2, 3, 7, 7A, 9, 13, 14, Basement, 1st floor, 2nd floor in "Quintegra Towers" (previously known as "Rythms Arcade") situated at 168, Eldams Road held by Suresh Venkatachari, KMP.

(c) The loan is also further secured by pledge of 2,791,837 shares of 8K Miles Software Services Limited held by Suresh Venkatachari, KMP.

(d) Collateral security provided is the property situated at Plot No. A, Door No: 44 (as per Document) / Door No: 10A & 10B (as per site) Anna Salai Lane, Little Mount, Saidapet, Chennai - 15 owned by Ms. T.P. Saira.

(ii) The loans are secured by hypothecation of respective vehicles financed by the Banks.

(iii) The details of Security provided against the IFCI Term Loans were as follows:

(a) Secured against pledge of 8K Miles software services Limited shares at least 2.5 times of outstanding loan amount and personal guarantee of the Directors.

(b) Lien marked Fixed Deposit in favour of IFCI equivalent to 3 months interest due and PDCs for Interest and principal repayments

(c) Further, during the current year, the IFCI Limited ("the lender") invoked 20.27 lakhs pledged shares of the Company held by Suresh Venkatachari, KMP for settlement against the outstanding loan, owing to the reduction in the stipulated share cover against the loan granted, to the extent of Rs. 1,395.02 lakhs. Consequently, the amount of Rs. 1,395.02 lakhs has been recorded as loan payable to Suresh Venkatachari, KMP, also being a resident outside India. In this regard, the Company has made the intimations to the Authorised Dealer/ Reserve Bank of India (RBI) as required within the Master Directions provided by the RBI subsequent to the year ended 31 March 2019. Refer Note 5C. Further, the audit committee vide its meeting dated 13 February 2019 has approved the extension of the repayment period for the term loan payable to Suresh Venkatachari, KMP by an additional period of 6 months. Further, the accrued interest on the loan was revised to 10% p.a. as against 11.45% p.a. agreed with IFCI Limited previously."

(iv) As at 31 March 2019, the Company has obtained an unsecured loan of Rs. 5,258.97 lakhs and Rs. 1011.82 lakhs from R.S. Ramani, KMP and Suresh Venkatachari, KMP respectively. The Company has obtained a declaration from the Directors that the loan has not been given out of funds borrowed or deposits accepted from others.

(v) The audit committee vide its meeting dated 10 April 2019 has approved the revision of the repayment installments from four to six, with the first installment commencing from 30 June 2020 on account of additional borrowings obtained from R S Ramani, KMP during the financial year ended 31 March 2019.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

16 Trade payables

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Dues of Micro and small enterprises (MSME) (Refer Note 33.1)	2.92	-	-	-
(b) Others (Refer Note 16.1)	1,964.05	-	948.02	-
TOTAL	**1,966.97**	-	**948.02**	-

Note:

16.1 Others includes payable to foreign parties aggregating Rs. 1,062.24 lakhs which are outstanding for period of more than 6 months from the invoice date. The Company is still in the process of getting the necessary approvals from the vendor and making the necessary intimation to the authorised dealer for the extended credit period. Pending the same, these outstanding liabilities have been considered not to be interest bearing and classify as current liabilities as the Company intends to settle these liabilities before 31 March 2020.

17 Other financial liabilities

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Current maturities of long term borrowings (Refer Note 15.1)	1,058.16	-	1,048.83	-
(b) Dividend Payable	0.71	-	0.71	-
(c) Interest accrued and due on borrowings				
- from Banks	7.77	-	10.67	-
- from Related Parties (Refer Note 31)	101.27	-	209.12	-
(d) Unearned Revenue	6.37	-	-	-
TOTAL	**1,174.28**	-	**1,269.33**	-

18 Provisions

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Provision for Employee Benefits				
- Provision for Gratuity (Refer Note 29)	24.40	65.46	6.82	63.10
- Provision for Compensated Absences (Refer Note 29)	33.46	-	25.35	-
TOTAL	**57.86**	**65.46**	**32.17**	**63.10**

19 Other liabilities

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Statutory Payables	112.83	-	123.16	-
(b) Rent Equalisation Reserve	6.23	4.39	1.91	10.61
TOTAL	**119.06**	**4.39**	**125.07**	**10.61**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

20 Current tax liabilities (Net)

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Income Taxes (Net of Advance tax)	142.14	127.75
TOTAL	**142.14**	**127.75**

21 Revenue from operations

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2018
Revenue from Information Technology Enabled Services		
(a) International	4,556.38	4,710.65
(b) Domestic	1,101.55	345.87
Royalty income	36.51	-
Total	**5,694.44**	**5,056.52**

Notes:

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts and Time and material contracts. The contracts with customers requiring monthly invoicing, being significantly in line with the efforts during that period, have been categorised as time and material contracts.

Revenue by contract type

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Fixed-price (Domestic)	27.65	-
(b) Time and materials (Domestic)	1,073.90	345.87
(c) Time and materials (International)	4,556.38	4,710.65
Total	**5,657.93**	**5,056.52**

(i) Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in IND AS - 115, the Company has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

22 Other income

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Interest Income		
- On Term Deposits	2.23	6.66
- On Loans	231.03	242.92
(b) Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss	9.90	9.63
(c) Gains on Foreign Exchange Fluctuations (Net)	420.08	31.68
(d) Gains on Sale of Assets	-	61.34
(e) Gains on Sale of Investments	-	6.12
(f) Allowance for Expected Credit Losses reversed (Refer Note 7)	23.74	1.49
Total	**686.98**	**359.84**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

23 Employee benefits expense

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Salaries and wages, including bonus	1,617.19	1,356.80
(b)	Gratuity Expenses (Refer Note 29)	35.19	32.35
(c)	Contribution to Provident and other funds (Refer Note 29)	43.75	28.63
(d)	Staff welfare expenses	36.74	35.17
	Total	**1,732.87**	**1,452.95**

24 Other expenses

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Professional and Consultancy Charges	1,845.50	1,995.48
(b)	Traveling and logistics expenses	37.53	40.19
(c)	Power and Fuel	20.86	22.46
(d)	Rent (Refer Note 27 and 28)	219.22	226.74
(e)	Repair and maintenance	16.79	23.60
(f)	Insurance expenses	1.41	1.09
(g)	Fees, Rates and taxes	18.22	8.36
(h)	Sales and Marketing Expenses	6.31	1.07
(i)	Cloud Hosting and Communication Charges	20.93	17.68
(j)	Business Promotion Expenses	10.62	18.52
(k)	Audit Fees		
	(a) Statutory Audit	35.00	22.00
	(b) Tax Audit	-	2.00
	(c) Limited Review	4.50	3.00
	(d) Other Services	16.00	-
	(e) Reimbursement of out of pocket expenses	0.82	0.15
(l)	Bank Charges	2.90	1.89
(m)	Directors' Sitting Fees (Refer Note 31)	3.20	0.53
(n)	Bad Receivables Written off	633.73	-
	Less: Release of allowance for expected credit losses	(633.73)	-
		-	-
(o)	Loss on Sale of Asset	0.36	-
(p)	Miscellaneous expenses	21.62	17.89
	Total	**2,281.79**	**2,402.65**

25 Finance costs

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Interest cost:-		
	(i) Interest on bank overdrafts, open cash credits and loans (other than those from related parties)	312.94	447.39
	(ii) Interest on loans from related parties	563.08	232.35
	(iii) Others	9.56	46.20
(b)	Processing fee	40.74	15.07
(c)	Interest on delayed remittance of income tax	43.34	14.41
	Total	**969.66**	**755.42**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

26 Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Profit for the year attributable to equity shareholders of the Company	973.23	487.84
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	3,05,17,605	3,05,17,605
Nominal value of equity shares (in Rs.)	5.00	5.00
Basic EPS (in Rs.)	3.19	1.60
Diluted EPS (in Rs.)	3.19	1.60

27 Lease Arrangements

27 (a) Operating Leases

The Company has entered into operating lease agreements primarily for Office premises. An amount of Rs. 219.22 lakhs (Previous Year - Rs. 226.74 lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The lease is non cancellable for a period of 2 years and may be renewed based on mutual agreement of the parties.

The future minimum lease payments for office premises under operating lease contracted are as follows:

(Amount Rs. in Lakhs)

Lease Obligation	Expected Minimum Lease Commitment	
	As at 31 March 2019	As at 31 March 2018
Payable - Not later than one year	68.34	210.52
Payable - Later than one year but not later than five years	47.80	685.63
Payable - Later than five years	-	362.06
Total	**116.14**	**1,258.21**

28 Commitments and Contingencies

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debts	-	-
	(b) Income tax - Disputed (Refer Note (i) below)	94.98	94.98
	Total (A)	**94.98**	**94.98**
B.	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account & not provided for (Refer Note (ii) below)	-	129.81
	(b) Others	-	-
	Total (B)	**-**	**129.81**

Note:

(i) The amounts shown above as Contingent Liabilities and other disputed claims represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Company expects a favourable decision with respect to all the above disputed demands / claims based on professional advice and, accordingly, believes that no specific adjustment/ provision is required in respect of these matters at this stage.

(ii) Consequent to termination of contract with Mr. Suresh Venkatachari, KMP the leasehold premises at Eldams Road, Chennai, the ongoing improvements have been ceased and all open purchase orders have been transferred to the lessor (Refer Note 5C). Accordingly, the future capital commitments towards this project has been considered as Nil. Further, there are no other contracts remaining to be executed on capital account and not provided for or disclosed as at 31 March 2019.

29 Employee benefits

(I) Defined Contribution Plan

The Company makes contribution to a defined contribution plan, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the plan by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Included under 'Contributions to Provident and other Funds' (Refer Note 23 (c))		
Contributions to Employee state insurance	7.96	-
Contributions to provident funds	35.79	28.63

(II) Defined Benefit Plans: The Company offers 'Gratuity' (Refer Note 23 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

A) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

C) **Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

D) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2019 by Sapna Malhotra, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of defined benefit cost for the year ended recognised in the total comprehensive income under employee benefit expense is as follows		
Service Cost		
- Current Service Cost	29.68	15.92
- Past service cost and (gains)/losses from settlements	-	12.49
Net interest expense	5.51	3.94
Components of defined benefit costs recognised in profit or loss	**35.19**	**32.35**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	(1.46)	(4.62)
Actuarial gains and loss arising from experience adjustments	(4.42)	(10.33)
Actuarial gains and loss arising from changes in demographic assumptions	(3.86)	-
Components of defined benefit costs recognised in other comprehensive income	**(9.74)**	**(14.95)**
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	**25.45**	**17.40**

(i) The current service cost and interest expense for the year are included in the “Employee Benefit Expenses” in the statement of profit & loss under the line item “Gratuity Expenses”.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity’s obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	89.86	69.92
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(89.86)	(69.92)
4. Current portion of the above	(24.40)	(6.82)
5. Non current portion of the above	(65.46)	(63.10)

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

(c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in the obligation		
Present value of defined benefit obligation at the beginning of the year	69.92	53.22
Expenses Recognised in Statement of Profit and Loss:		
- Current Service Cost	29.68	15.92
- Past Service Cost and (gains)/losses from settlements	-	12.49
- Interest Expense (Income)	5.51	3.94
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(3.86)	-
ii. Financial Assumptions	(1.46)	(4.62)
iii. Experience Adjustments	(4.42)	(10.33)
Benefit payments	(5.51)	(0.70)
Liabilities assumed / (settled)		
Present value of defined benefit obligation at the end of the year	**89.86**	**69.92**

(d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in fair value of assets		
Fair value of plan assets at the beginning of the year	-	-
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	-	-
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial gains and loss arising from changes in financial assumptions	-	-
- Return on plan assets (excluding amunt included in net interest expense)	-	-
Contributions by employer	5.51	0.70
Benefit payments	(5.51)	(0.70)
Fair value of plan assets at the end of the year	-	-

(e) The principal assumptions used for the purpose of actuarial valuation were as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.62%	7.88%
Expected rate of salary increase	Refer Table below	Refer Table below
Withdrawal Rate	Refer Table below	Refer Table below
Expected return on plan assets	NA	NA
Expected average remaining working life (in years)	35.36	35.38
Mortality	100% of IALM 2006-08*	100% of IALM 2006-08*

* Based on India's standard mortality table (100% of industry mortality table IALM 2006-08)

Notes

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Above Year 5
For the Year Ended 31 March 2019						
Expected rate of salary increase	8.25%	10.02%	10.15%	11.66%	9.00%	7.86%
Withdrawal Rate	23.00%	20.00%	15.00%	12.00%	10.00%	10.00%
For the Year Ended 31 March 2018						
Expected rate of salary increase	7.83%	12.36%	18.71%	11.07%	20.69%	7.46%
Withdrawal Rate	12.28%	13.11%	4.09%	2.40%	1.63%	0.00%

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected rate of salary increase and Withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Amount of Impact		
Discount Rate		
- 0.5% Increase	(2.31)	(5.40)
- 0.5% Decrease	2.48	6.19
Salary Growth Rate		
- 1% Increase	4.27	8.97
- 1% Decrease	(4.01)	(7.84)
Withdrawal Rate		
- 1% Increase	(0.69)	2.13
- 1% Decrease	0.68	0.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(III) Compensated Absences

Provision for Short Term Compensated Absences is made at current encashable salary rates for the unavailed leave balance standing to the credit of the employees as at the date of the Balance Sheet in accordance with the rules of the Company.

30 Financial Instruments

(I) Capital Management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance. The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company ensures that it will be able to continue as a going concern while maximising its returns to its shareholders by managing its capital by optimisation of the debt and equity balance. The following table summarises the capital of the Company:

Gearing Ratio :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Debt (includes Borrowings and interest accrued and due on borrowings)	8,447.87	7,474.37
Cash and Bank Balances (includes Cash and Cash equivalents and Other Bank Balances)	(85.20)	(90.37)
Net Debt	**8,362.67**	**7,384.00**
Total Equity	8,800.43	7,820.27
Net Debt to equity ratio	**0.95**	**0.94**

(II) Categories of Financial Instruments

The carrying value of financial instruments by categories as at 31 March 2019, and 31 March 2018 is as follows:

(Amount Rs. in Lakhs)

Particulars	Carrying Value	
	As at 31 March 2019	As at 31 March 2018
(a) Financial Assets		
Measured at cost		
- Investment in subsidiaries	12,000.09	9,352.04
Measured at amortised cost		
- Cash and Bank balances	85.20	90.37
- Trade receivables	6,835.01	3,679.84
- Loans	46.51	2,618.37
- Other financial assets	489.18	248.06
Total assets	**19,455.99**	**15,988.68**
(b) Financial Liabilities :		
Measured at amortised cost		
- Borrowings	7,280.67	6,205.75
- Trade Payables	1,966.97	948.02
- Other financial liabilities	1,174.28	1,269.33
Total liabilities	**10,421.92**	**8,423.10**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and labilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value/ amortised cost:

a) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

b) Fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2019 was assessed to be insignificant.

(III) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including currency, interest rate and other market related risks). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Chief Financial Officer is responsible for overseeing the Company's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and the maturity periods of its financial assets. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at :
Maturity table of financial liabilities

(Amount Rs. in Lakhs)

Particulars	Within 1 year	1 to 5 years	5 years and above	Total
31 March 2019				
Non-derivative financial liabilities:				
Variable Interest rate instruments:				
(i) Borrowings	1,804.40	5,476.27	-	**7,280.67**
Non-Interest bearing:				
(ii) Trade payables	1,966.97	-	-	**1,966.97**
(iii) Other financial liabilities	1,174.28	-	-	**1,174.28**
Total	**4,945.65**	**5,476.27**	-	**10,421.92**
31 March 2018				
Non-derivative financial liabilities:				
Variable Interest rate instruments:				
(i) Borrowings	1,198.60	5,007.15	-	**6,205.75**
Non-Interest bearing:				
(ii) Trade payables	948.02	-	-	**948.02**
(iii) Other financial liabilities	1,269.33	-	-	**1,269.33**
Total	**3,415.95**	**5,007.15**	-	**8,423.10**

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturity table of financial assets

(Amount Rs. in Lakhs)

Particulars	Within 1 year	1 to 5 years	5 years and above	Total
As at 31 March 2019				
Non derivative assets:				
Non-interest bearing :				
(i) Investments	-	-	12,000.09	12,000.09
(ii) Trade receivables	6,835.01	-	-	6,835.01
(iii) Cash and Bank balance	85.20		-	85.20
(iv) Loans	-	46.51	-	46.51
(v) Other financial assets	489.18	-	-	489.18
Total	**7,409.39**	**46.51**	**12,000.09**	**19,455.99**
As at 31 March 2018				
Non derivative assets				
Interest bearing:				
(i) Loans	-	2,479.37	-	2,479.37
(ii) Other Bank Balances	76.00	-	-	76.00
Non-interest bearing :				
(i) Investments	-	-	9,352.04	9,352.04
(ii) Trade receivables	3,679.84	-	-	3,679.84
(iii) Cash and Bank balances	14.37	-	-	14.37
(iv) Loans	-	43.88	95.12	139.00
(v) Other financial assets	248.06			248.06
Total	**4,018.26**	**2,523.24**	**9,447.16**	**15,988.68**

(b) Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term debt. The Company is exposed to market risk primarily related to foreign exchange currency risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages this by considering only short-term borrowings.

ii. Foreign exchange rate risk:

The Company's foreign currency risk arises from its foreign currency revenues and expenses, (primarily in USD). A significant portion of the Company's revenues is in USD, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Company's revenues measured in Indian rupees may decrease and vice versa. The exchange rate between the Indian rupee and US Dollar has not been subjected to significant changes in recent periods. The Company has a forex policy in place whose objective is to reduce foreign exchange risk by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

(Amount Rs. in Lakhs)

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount in Foreign Currency (In Lakhs)	Reporting Currency Rs. in Lakhs	Amount in Foreign Currency (In Lakhs)	Reporting Currency Rs. in Lakhs
Loans and Advance to Related Parties	USD	-	-	38.25	2,479.37
Trade Payables	USD	24.66	1,709.16	11.54	748.22
Borrowings	USD	-	-	5.01	324.678
Foreign Currency in Hand & In Bank	USD	0.00	0.01	0.01	0.37
	EUR	-	-	0.01	0.48
Unearned Revenue	USD	0.09	6.37	-	-
Trade Receivables	USD	90.74	6,290.17	56.10	3,636.62
Interest Receivable for Loan to Related Parties	USD	7.06	489.18	3.75	242.92

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by derivative instruments or otherwise.

Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

The Company is mainly exposed to the following foreign currencies.

(i) Impact on Statement of the Profit and loss for the year

(Amount Rs. in Lakhs)

Particulars	2018-19	2018-19	2017-18	2017-18
Profit/(loss) for the year	**Increase by 5%**	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**
USD	253.83	(253.83)	264.34	(264.34)
EUR	-	-	0.02	(0.02)

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

(ii) Impact on total equity as at the end of the reporting period

(Amount Rs. in Lakhs)

Particulars	2018-19 Increase by 5%	2018-19 Decrease by 5%	2017-18 Increase by 5%	2017-18 Decrease by 5%
USD	253.83	(253.83)	264.34	(264.34)
EUR	-	-	0.02	(0.02)

Note:
This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

31 Related Party Disclosures

a. Names of Related Parties and Nature of Relationship

Nature of Relationship*	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Subsidiaries	8K Miles Software Services Inc.	8K Miles Software Services Inc.
	8K Miles Software Services FZE	8K Miles Software Services FZE
	8K Miles Health Cloud Inc.	8K Miles Health Cloud Inc.
	Mentor Minds Solutions & Services Inc.	Mentor Minds Solutions & Services Inc.
	-	Mentor Minds Solutions & Services (P) Limited **(Upto 28 February 2018)**
	NexAge Technologies USA Inc.	NexAge Technologies USA Inc.
	Serj Solutions Inc.	Serj Solutions Inc.
	Cornerstone Advisors Group LLC	Cornerstone Advisors Group LLC
Enterprises significantly influenced by Key Managerial Personnel or their relative ##	South Asian Digital Media & Entertainment Private Limited (Formerly known as '8K Miles Media Private Limited')	8K Miles Media Private Limited
Close member of the family of a Key Managerial Personnel #	Ravichandran Srinivasan	Ravichandran Srinivasan
Entity which is controlled or jointly controlled by Close member of the family of a Key Managerial Personnel#	Sustainable Certification (India) Private Limited	Sustainable Certification (India) Private Limited

* Related Party relationships are as identified by the Management.
# The Company had in the previous year missed disclosing particulars of Related Party Transactions and has made the necessary disclosures in the current year for the comparable period.
Particulars of related parties disclosed to the extent there were transactions with such parties during the year.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

b. Key Management Personnel

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Key Management Personnel of the Company and the Holding Company	Suresh Venkatachari, Managing Director	Suresh Venkatachari, Managing Director
	R S Ramani (Till 28 September 2018 - Whole Time Director and Chief Financial Officer) (From 29 September 2018 - Non-Executive Director)	R S Ramani, Whole Time Director and Chief Financial Officer
	Swasti Sovan Bhowmick, Chief Financial Officer (w.e.f. 13 Febrary 2019)	Gurumurthi Jayaraman
	Gurumurthi Jayaraman, Director	Padmini Ravichandran, Director
	Padmini Ravichandran, Director	Babita Singaram, Director
	Babita Singaram, Director	Dinesh Raja Punniamurthy, Director
	Dinesh Raja Punniamurthy, Director	Lakshmanan Kannappan, Director
	Lakshmanan Kannappan, Director	Sujatha Chandrasekaran, Director
	Sujatha Chandrasekaran, Director (upto 17 July 2018)	Jayashree Jagannathan, Company Secretary
	Vivek Prakash, Director (w.e.f. 17 July 2018)	-
	Jayashree Jagannathan, Company Secretary (upto 30 May 2018)	-
	Ashwin Jayagopal, Company Secretary (w.e.f 30 May 2018 and upto 13 February 2019)	-

c. Particulars of Material Transactions and Balances with Related Parties:

Transaction during the year	Related Party	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from operations	8K Miles Software Services Inc.	2,127.69	1,261.83
Interest Income	8K Miles Software Services Inc.	231.02	242.92
Sale of Intangibles	8K Miles Software Services Inc.	-	301.98
Interest on loans	R S Ramani	504.82	232.35
Interest on loans	Suresh Venkatachari	58.26	-
Rent	Suresh Venkatachari	142.38	143.30
Adjustment of cost incurred towards capital work-in-progress and advances paid with loans (Refer Note 5C)	Suresh Venkatachari	243.20	-
Adjustment of security deposits (rent) paid with loans (Refer Note 5C)	Suresh Venkatachari	140.00	-
Consultancy Fees	Sustainable Certification (India) Private Limited	3.64	1.56
Loan taken (Refer Note 15.1)	Suresh Venkatachari	1,395.02	-
Loan taken (Refer Note 15.1)	R S Ramani	1,509.00	3,570.00
Advance given	8K Miles Media Private Limited	-	124.00
Investment in subsidiary	8K Miles Software Services Inc.	-	521.21
Loan given	8K Miles Software Services Inc.	-	2,478.72
Conversion of loan into Investments (equity) (Refer Note 8.1)	8K Miles Software Services Inc.	2,648.05	-

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

Compensation of key management personnel

Transaction during the Year	Related Party	Year Ended 31 March 2019	Year Ended 31 March 2018
Short-term employee benefits			
Remuneration	R S Ramani (Refer Note (ii) & (iii) below)	26.67	40.00
	Ravichandran Srinivasan (Refer Note (ii) below)	43.70	41.78
	Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below)	24.01	-
	Jayashree Jagannathan (Refer Note (ii) & (iii) below)	0.50	3.00
	Ashwin Jayagopal (Refer Note (ii) & (iii) below)	7.07	-
Others			
Directors' sitting fees	Gurumurthi Jayaraman	1.02	0.12
	Padmini Ravichandran	0.45	0.13
	Babita Singaram	0.70	0.14
	Vivek Prakash	0.15	-
	R S Ramani	0.08	-
	Dinesh Raja Punniamurthy	0.80	0.14

Balances at the Year End (Refer Note (iv) below)			
Investment in Subsidiary (Refer Note 6)	8K Miles Software Services Inc.	9,816.65	7,168.61
	8K Miles Software Services FZE	18.41	18.41
	8K Miles Health Cloud Inc.	1,014.91	1,014.91
	Mentor Minds Solutions & Services Inc.	1,150.12	1,150.12
Loan to Subsidiary (Refer Note 8.1)	8K Miles Software Services Inc.	-	2,479.37
Trade Receivable	8K Miles Software Services Inc.	2,819.92	2,438.76
Interest Receivable	8K Miles Software Services Inc.	489.18	242.92
Other liabilities as at the Year End (Net)	Suresh Venkatachari	10.30	8.20
	Suresh Venkatachari	31.28	-
	R S Ramani	69.99	209.12
Security Deposits (Rent) (Refer Note 5C)	Suresh Venkatachari	-	140.00
Loans (Refer Note 5C and 15.1)	R S Ramani	5,258.97	3,750.00
	Suresh Venkatachari	1,011.82	-
Remuneration Payable (Short term benefit)	R S Ramani - Salary Payable (Refer Note (ii) & (iii) below)	-	2.84
	Ravichandran Srinivasan (Refer Note (ii) below)	2.12	1.41
	Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below)	4.98	-
	Jayashree Jagannathan (Refer Note (ii) & (iii) below)	-	0.20
	Ashwin Jayagopal (Refer Note (ii) & (iii) below)	0.42	-

Notes:

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2019 and 31 March 2018, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Excludes gratuity and compensated absences which cannot be separately identifiable from the composite amount advised by the actuary.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

(v) The Company has provided Corporate Gurantee amounting to USD 5 million during the year ended 31 March 2019 to Columbia Bank for loans taken by 8K Miles Software Services Inc., a subsidiary and NexAge Technologies Inc., USA a step down subsidiary of the Company.

(vi) Also Refer Note 5C, 6, 8.1 and 15.1

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

32 Segment Reporting

The Company is engaged in Information and Technology Services. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business / operating segment

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

32.1 Geographical Information:

The Company has operations within India as well as in other countries. The operations in United States of America constitute the major part of the operations. Management has reviewed the geographical areas vis-à-vis the risks and returns that encompass them. While arriving at this, management has reviewed the similarity of the economic and political conditions, relationships between operations in these geographical areas, proximity of operations, and special risks if any associated with operations in these areas.

(Amount Rs. in Lakhs)

Particulars	Revenue from operations	
	For the year ended 31 March 2019	For the year ended 31 March 2018
United States of America	3,981.01	3,805.83
UAE	575.37	904.82
India	1,138.06	345.87
Total	**5,694.44**	**5,056.52**

(Amount Rs. in Lakhs)

Particulars	Non - Current Assets *	
	As at 31 March 2019	As at 31 March 2018
United States of America	-	-
UAE	-	-
India	64.25	262.85
Unallocated	-	-

* Non-current assets exclude those relating to Investments, Deferred tax assets and Non-current financial assets.

33 Additional Information to the Financial Statements

33.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which has been relied upon by the Auditors, the relevant particulars are furnished below.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Principal amount remaining unpaid to MSME suppliers as on	2.92	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as at the Balance sheet date	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

34 Taxation

34.1 Income tax expense

34.1.1 Recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of the current year	219.90	248.77
Adjustments in respect of prior years	-	(4.72)
	219.90	**244.05**
Deferred Tax		
In respect of the current year	169.92	(10.42)
	169.92	**(10.42)**
Total income tax expense recognised in statement of profit and loss	**389.82**	**233.63**

34.1.2 Recognised in Other Comprehensive Income

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	(2.81)	(4.12)
Total income tax recognised in other comprehensive income	**(2.81)**	**(4.12)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(2.81)	(4.12)
Items that may be reclassified to profit or loss		

34.1.3 Reconciliation of income tax

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	1,363.05	721.47
Enacted income tax rate in India	27.820%	33.063%
Computed expected tax expense	**379.20**	**238.54**
Adjustments :		
- Prior period Tax	-	(4.72)
- Impact of differential tax rate for capital gains	-	(2.03)
- On account of permanent disallowance in accordance with Income Tax Act, 1961	13.10	-
- On account of tax rate changes and others	(2.48)	1.84
Total income tax expense recognised in the statement of profit and loss	**389.82**	**233.63**

The actual tax rates under Indian Income Tax Act, for the tax years ended 31 March 2019 and 31 March 2018 are 27.820% and 33.063% respectively.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

34.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	60.89	236.25
Less: Deferred tax liabilities	-	2.63
Deferred tax asset (net)	**60.89**	**233.62**

Movement in the deferred tax balance :

(Amount Rs. in Lakhs)

Particulars	For the year 2018-2019			
	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment & Others	24.81	(1.33)	-	23.48
Employee Benefit Expenses	26.25	10.87	(2.81)	34.31
Provision for Expected Credit Loss on Financial Assets	181.15	(181.15)	-	(0.00)
Amortised Cost adjustments - Financial Assets	0.61	(0.46)	-	0.15
Amortised Cost adjustments - Financial Liabilities	(2.63)	2.63	-	0.00
Rent Equalisation	3.43	(0.48)	-	2.95
Deferred Tax Asset /(Liabilities)	**233.62**	**(169.92)**	**(2.81)**	**60.89**

(Amount Rs. in Lakhs)

Particulars	For the year 2017-2018			
	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment & Others	22.91	1.90	-	24.81
Employee Benefit Expenses	24.07	6.30	(4.12)	26.25
Provision for Expected Credit Loss on Financial Assets	181.56	(0.41)	-	181.15
Amortised Cost adjustments - Financial Assets	0.33	0.28	-	0.61
Amortised Cost adjustments - Financial Liabilities	(5.10)	2.47	-	(2.63)
Rent Equalisation	3.55	(0.12)	-	3.43
Deferred Tax Asset /(Liabilities)	**227.32**	**10.42**	**(4.12)**	**233.62**

35 Corporate Social Responsibility

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company during the year	8.38	-
Amount spent during the year	-	-
Amounts pending to be spent	-	-

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company is in the process of spending the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

Notes

Forming Part of the Standalone Financial Statements for the year ended 31 March 2019

36 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2019, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 02 November 2019 in accordance with the provisions of Companies Act, 2013.

For and on behalf of the **Board of Directors**

Suresh Venkatachari	**Dinesh Raja Punniamurthy**	**Swasti Sovan Bhowmick**	**Diya Venkatesan**
Managing Director	Director	Chief Financial Officer	Company Secretary

Place : Chennai
Date : 2 November 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of 8K Miles Software Services Limited
Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of **8K Miles Software Services Limited** ("the Parent"/ "the Holding Company" / "the Company") and its subsidiaries (Refer note 2.2 of the consolidated financial statements for the subsidiaries that are considered in these financial statements), (the Parent/ the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

1. **Report under Section 143 (12) of the Companies Act, 2013 ("the Act")**

   During the course of our audit of the consolidated financial statements of the Group for the year ended 31 March 2019, we came across certain transactions that gave us reason to believe that suspected offences involving fraud have been committed in the Group. Such transactions with regard to the consolidated financial statements, *inter alia,* pertained to:

   (a) Several instances of inconsistencies between the initial bank statements and the subsequent bank statements provided for verification in certain subsidiaries. Also see paragraphs 3.3 and 4 below.

   (b) Several instances of inconsistencies between declarations provided by Directors and information available in the public forum which demonstrated existence of probable related parties which were not disclosed previously, including certain transactions with such parties which were not disclosed or approved by the Audit Committee/Board of Directors. Also see paragraph 9.1(a) below.

   (c) Several instances of transactions with certain customers, wherein the Company was not able to provide us with the particulars of the services rendered and acknowledged by the customer, the details of employees actually rendering such service, the appropriateness and source of the monies received from such customers. Also see paragraph 4 below.

   (d) Several inconsistencies with the names of the parties / customers mentioned in the bank statements of some of the subsidiaries and the books of account maintained by those subsidiaries. Also see paragraph 1(a) above and paragraphs 3.3 and 4 below.

   (e) Several instances of multiple addresses being considered in various communications with certain customers in the invoices, website of the customer, on cheques received from customers, including instances wherein some of the communication addresses coincided with the residential address of certain employees of the Company or its subsidiaries, which impacted our ability to establish the authenticity of the customer. Also see paragraph 4 below.

   (f) Several instances of communications with a vendor, wherein there were multiple communications using different email ids, documents with varying signatures and differences in the spelling of the common signatory of the vendor, etc. which impacted our ability to establish the authenticity of the vendor. Also see paragraph 5.1 below.

   (g) Several instances of transactions with vendors, wherein there were inconsistencies between the nature of services as mentioned in the invoices and the basis of recording in the books of account as consultancy expenses and intangible assets, multiple federal tax identification against the same vendor, contracts signed by employees post cessation of their employment, etc. Also see paragraph 5.2 below.

   (h) Appropriate approvals and concerns over recovery of advances made to a related party, by the Group. Also see paragraph 3 below.

Pursuant, *inter alia,* to the above observations, we requested the Audit Committee of the Company to provide us with their replies or observations to the aforesaid matters for us to consider the same as part of our audit.

Subsequent to our reporting of such matters to the Audit Committee vide our letter dated 15 July 2019, the Audit

Committee in its meeting held on 18 July 2019 appointed an external firm of Chartered Accountants to carry out an investigation. We are informed that as on the date of this report, the investigation report of the external firm of Chartered Accountants has not yet been received by the Company and, hence, the same has not been made available to us.

Further, we also included the aforesaid matters in our report dated 13 September 2019 to the Central Government in accordance with the requirements of section 143(12) of the Act.

Pending receipt of the report on the findings of such investigation from the external firm of Chartered Accountants and pending receipt of information and explanations and evidences relating to the aforesaid matters from the management of the Company, we have been unable to obtain sufficient and appropriate audit evidence in respect of the above matters/ transactions that gave us reason to believe that suspected offences involving fraud may have been committed in the Company and/or its subsidiaries.

In view of the above, we are unable to comment on the consequential adjustments, if any, that may be required to these consolidated financial statements in this regard.

2. Access to books of account of a subsidiary and information on subsidiaries

2.1 Our terms of engagement for the audit of the consolidated financial statements of the Company included the management's responsibility to provide us access, at all times, to the records of all the subsidiaries of the Company in so far as it relates to the consolidation of its financial statements as envisaged in the Act.

However, the Company did not provide us the access to the records and books of account of 8K Miles Software Services FZE, a wholly owned subsidiary of the Company, which represents total assets of Rs. 11,635.68 Lakhs as at 31 March 2019, total revenues of Rs. 7,560.23 Lakhs, profit after tax of Rs. 789.65 Lakhs and net cash outflows amounting to Rs. 96 Lakhs for the year ended on that date, as considered in these consolidated financial statements.

These balances have been included, in the consolidated financial statements, by the management based on financial statements of the subsidiary, prepared in accordance with the International Financial Reporting Standards (IFRS), wherein the auditor of the subsidiary has issued an unmodified report.

We were unable to obtain sufficient appropriate audit evidence about the state of affairs of the subsidiary as at 31 March 2019 and the results of its operations for the year then ended, in the absence of access to the records and books of account of the subsidiary.

2.2 Based on information in the public domain 8K Miles Cloud Solutions Pte. Limited, Singapore has stated itself to be a subsidiary of the Holding Company. This entity appears to have been incorporated on 08 May 2017. Further, 8K Miles Software Services Pte. Ltd, Singapore and 8K Miles Software Services UK Limited, United Kingdom exist with the promoter directors appearing as shareholders/directors. The incorporation of wholly owned subsidiaries in these countries were approved by the Board of Directors of the Holding Company on 30 May 2018.

However, all these three entities have not been considered by the management of the Holding Company as subsidiaries in the preparation of these consolidated financial statements. We are informed by the management that these entities are not subsidiaries of the Holding Company and the information in the public domain, including with the regulatory authorities in those geographies are not correct.

We have not been provided with the audited financial statements of these entities and/or any other verifiable evidence to ascertain the relationship of these entities with the Holding Company. Hence, we are unable to comment on the relationship of these entities and the impact the financial statements of these entities may have on these consolidated financial statements.

3. 8K Miles Media Private Limited ("8K Miles Media")

3.1 Around the last week of September 2018, we were made aware of the resignation of the statutory auditor of 8K Miles Media, a company promoted by the promoter directors of the Company, vide their resignation letter dated 30 April 2018. As per the said letter, the resignation was due to the misuse of that Audit Firm's Letter Head and signature of their Partner through forgery in certain ODI Certificates submitted by 8K Miles Media to its bankers for transfer of funds of USD 71.51 Lakhs (Rs. 4,612.91 Lakhs) to 8K Miles Media Holdings Inc. USA, a subsidiary of 8K Miles Media. 8K Miles Media and its subsidiaries (together "8K Miles Media Group") were identified as a related party in the consolidated financial statements of the Company for the year ended 31 March 2018.

During the period ended 31 December 2018, the management of 8K Miles Media initiated an independent forensic review to evaluate the authenticity of the signatures in the ODI Certificates referred above. 8K Miles Media has submitted a copy of the forensic report to the Company. We understand that the aforesaid forensic report states that the writer of the signature in the ODI certificates is the same as that of the specimen signatures of the audit partner as provided to the forensic auditor thereby concluding that there was no forgery in the ODI certificates.

Since this matter relates to a company where another firm is the statutory auditor and since the financial statements of that company are not included in the consolidated financial statements of the Company, we have not been able to perform any procedures related to the allegation or the forensic report.

3.2 Further, during the last week of September 2018,
   (a) the CEO and Managing Director of the Company, who was also a promoter director in 8K Miles Media, resigned as a director in 8K Miles Media.
   (b) the CFO and Executive Director of the Company, who was the other promoter director in 8K Miles Media, resigned from his role as CFO of the Company stating that his resignation was to have the necessary time to clear all the baseless allegations and unsubstantiated allegations relating to 8K Miles Media. However, he continues to be a director in both the Company as well as 8K Miles Media.

3.3 The Company has trade and other receivables aggregating Rs. 3,309.10 Lakhs as at 31 March 2019 receivable from 8K Miles Software Services Inc., a subsidiary. It may be noted that this subsidiary had loans receivable from entities of 8K Miles Media Group in the USA aggregating USD 89.61 Lakhs (Rs. 5,808.44 Lakhs) as at 31 March 2018.
We are informed by the management of the Holding Company that such amounts due, including interest as accrued, have been fully recovered as at 31 March 2019 by that subsidiary. However, in the absence of appropriate workings for the interest, documentation regarding loan agreements and due to inconsistencies noted between the transactions as per the Bank Statements of the subsidiary with the transactions as recorded in the books of account of the subsidiary, as mentioned in paragraphs 1(a) and 1(d) above, we were unable to confirm the management's assertion on the said collections made by the subsidiary.

3.4 We are unable to conclude if the above events in 8K Miles Media have any effect on:
   (a) the Group and its operations, in view of the allegations in the aforesaid resignation letter of the statutory auditor of that company and the nature of the Group's relationship with 8K Miles Media, as described in paragraphs 3.1 and 3.2 above, respectively;
   (b) the status of the Group's receivable from such related party, as described in paragraph 3.3 above; and
   (c) the consequential impact, if any, of the same on the operations of the Group.

4. Revenue from Contracts with Customers and related outstanding receivables

During the year ended 31 March 2019, the Group initially recognised revenue aggregating to Rs. 54,789 Lakhs (including Rs. 2,428.69 Lakhs relating to the Company) from the customers referred to in paragraphs 1(c), 1(d) and 1(e) above.

The management has, subsequently, based on our report under section 143(12) of the Act reversed and derecognised revenue aggregating to Rs. 16,940.66 Lakhs (including Rs. Nil relating to the Company) and the consequent receivables. Accordingly, the net revenues recognised from these customers during the year aggregated to Rs. 37,848.34 Lakhs and the outstanding receivables as at 31 March 2019 is Rs. 9,382.13 Lakhs (includes balances of Rs. 1,022.36 Lakhs outstanding even as at 31 March 2018).

In the absence of complete information regarding the proof of services rendered, efforts expended, basis of revenue recognition and reversal/derecognition, and in view of our observations in paragraphs 1(c), 1(d) and 1(e) above in respect of these customers, and inconsistencies in the bank statements referred in paragraph 1(a) above, we are unable to conclude on the appropriateness / correctness / completeness / validity of the net revenue recognised, compliance with the recognition and measurement of revenue required under the Indian Accounting Standard (Ind AS) 115 - Revenue from Contracts with Customers and the corresponding receivables in these consolidated financial statements.

The Group has also not carried out an evaluation of the expected credit loss required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments (Ind AS 109) for the outstanding trade receivables as at 31 March 2019 and therefore we are unable to comment on the adequacy and appropriateness of the provision made against the trade receivable balances as at 31 March 2019.

5. Procurement of services and trade payables

5.1 Based on the master service agreement with the external service provider, referred to in paragraph 1(f) above, for technical and referral services to be rendered towards certain customers, referred to in paragraphs 1 (c) and 1(e) above, the Company has recorded consultancy charges of Rs. 1,706.40 Lakhs for the year ended 31 March 2019 with an outstanding liability of Rs. 1,709.16 Lakhs.

In the absence of complete information regarding proof of the services being rendered by the vendor, and in view of our observations in paragraph 1(f) above in respect of this vendor, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense and the corresponding liability recorded in these consolidated financial statements.

Further, the Company has not evaluated the applicability or coverage of such services under the Goods and Service Tax Regulations and has not accrued / paid the same. However, in our opinion, such tax is payable on those services. The management has not determined the amount of Goods and Service Tax payable and any interest thereon. We are unable to conclude on the consequential impact of the same on these consolidated financial statements.

5.2 Based on the invoices received from certain vendors, referred to in paragraph 1 (g) above, the Group has for the year ended 31 March 2019 recorded consultancy charges aggregating Rs. 26,689.45 Lakhs, intangible assets/assets under development of Rs. 22,267.29 Lakhs, with an outstanding liability of Rs. 2,224.43 Lakhs as at that date.

In the absence of complete information regarding nature of the services being rendered, the customers for whom these services were rendered and the nature of intangible assets being developed, and in view of our observations in paragraph 1(g) above in respect of these vendors, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense, the intangible asset/asset under development and the corresponding liability/ payment recorded in these consolidated financial statements.

6. Income Taxes

6.1 The Group has recorded tax expenses (net) of Rs. 1,270.57 Lakhs during the year ended 31 March 2019, and has a net tax asset as at that date of Rs. 3,155.17 Lakhs and a net deferred tax liability of Rs. 731.91 Lakhs, relating to certain of its foreign subsidiaries.

We have not been provided with the tax returns filed with regard to its foreign subsidiaries, reconciliation of the balances considered in the tax returns so filed with the audited financial statements of the subsidiaries, the tax position and status of assessments of such subsidiaries, a roll forward to the deferred tax position as at 31 March 2019 from 31 March 2018 and the workings for the tax provision for the current year.

We are accordingly unable to conclude on the carrying amounts of tax assets and liabilities, including deferred tax balances, as at 31 March 2019, as considered in these consolidated financial statements. Further, in the absence of the tax returns we have also not been able to validate if the profits of these subsidiaries considered in the tax returns and as per the books of account provided to us were the same.

7. Intangible asset capitalisation and evaluation of impairment, including for goodwill

7.1 The Group has during the year capitalised costs towards internally generated intangible assets and internally generated intangible assets under development amounting to Rs. 32,393.80 Lakhs (also refer paragraphs 1(g) and 5.2 above).

In the absence of appropriate documentation as to the nature of these intangible assets, data to demonstrate the appropriateness of the timing to commence capitalization of costs associated with such intangible assets as well as the basis to demonstrate the costs capitalised in fact were associated with the intangibles being developed, we are unable comment on the carrying value of such intangible assets as at 31 March 2019.

7.2 The Group has goodwill and acquired intangibles (net of amortisation) of Rs. 62,800.11 Lakhs as at 31 March 2019.

The management has not provided us with their assessment of any impairment to the carrying value of such goodwill and other intangible assets. Accordingly, we are unable to comment on the appropriateness of the carrying value and the recoverability of such goodwill and other intangible assets as at 31 March 2019.

8. Business Combinations

The Group had in the previous year ended 31 March 2018 completed certain acquisitions or had paid advances towards proposed acquisitions, wherein we noted that:

8.1 During the previous year ended 31 March 2018, the Group had recorded an amount of USD 3,304,557 (INR 2,142.01 Lakhs) as contingent consideration due to the erstwhile owners of Cornerstone Advisors Group LLC (“Cornerstone”) payable upon satisfaction of conditions as specified in the acquisition agreement. During the current year an amount USD 1,747,198 (INR 1,218.85 Lakhs) has been paid by the Group to the erstwhile members of Cornerstone. In the absence of details with respect to satisfaction of conditions as specified in the acquisition agreement, we are unable to comment on the amount of contingent consideration that has been paid during the year and the carrying amount of USD 1,557,359 (Rs. 1,079.56 Lakhs), as the liability towards contingent consideration as at 31 March 2019. Further, such consideration has not been fair valued as required under Ind AS 109.

8.2 An advance of USD 6,500,000 was paid by one of the subsidiaries of the Company, during the previous year ended 31 March 2018, consequent to a Share Purchase agreement entered into with a Seller and a Corporation for acquiring the entire outstanding shares of the Corporation. In accordance with the said agreement, in the event the closing of acquisition doesn't occur within 15 months (i.e. before February 2019) from the date of agreement, Seller will retain Five Hundred Thousand US Dollars ($500,000) as penalty and balance Six Million US Dollars ($6,000,000) shall be refunded to the Group within 5 calendar days.

As at 31 March 2019 the acquisition as planned was not completed and the management of the Company has represented that the term of the Share Purchase agreement has been extended. In the absence of a supporting convincing evidence and our inability to send direct confirmation request to the Seller and the Corporation on the revision of the terms including waiver of the penalty, due to not receiving the communication address to which the confirmation requests were to be sent, we are unable to comment on the recoverability of the amount of Rs. 4,505.80 Lakhs (equivalent to USD 6,500,000) as at 31 March 2019 and the consequential impact, if any, on the consolidated financial statements.

9. Regulatory compliances

9.1 We are unable to conclude on the consequential impact, if any, on the operations and the financial performance of the Group arising out of the following matters pertaining to non-compliance with the provisions of the Companies Act, 2013 and notifications issued by the Securities and Exchange Board of India (SEBI), as applicable:

(a) In the absence of appropriate processes for identifying related parties in view of the matters reported in paragraph 1 (b) above, we are unable to comment on the accuracy and completeness of the related parties identified and disclosed by the Company including compliance with obtaining necessary approvals, as required, from those charged with governance.

(b) It was noted that in the case of two of the Directors who were re-appointed at the Annual General Meeting (AGM) held on 18 September 2015 and designated as independent directors (One was also the Chairman of the Audit Committee and the other a member of the Nomination and Remuneration Committee and also the Chairman of the Stakeholder Relationship Committee), they may have ceased to be independent directors under the Act with effect from 17 November 2015 and 12 August 2015 respectively, being the date from when their relatives were employed either with the Company or its subsidiary. These directors have been designated as non-independent directors by the Company from 06 September 2019 and 13 February 2019, respectively.

Considering the above, we are unable to opine on the validity of the meetings of the Board of Directors, Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee, in regards to the quorum in such meetings and the resolutions approved in those meetings from the aforesaid AGM date until the dates when the Company designated them as non-independent directors.

9.2 We are unable to conclude on the consequential impact, if any, on the consolidated financial statements arising out of the matters pertaining to non-compliance by the Holding Company with the applicable master directions/ notifications issued by the Reserve Bank of India ("RBI") and provisions of The Foreign Exchange Management Act, 1999, as amended, in respect of the following:

(a) The Holding Company has export trade receivables and foreign currency interest receivable aggregating Rs. 3,037.28 Lakhs and Rs. 336.13 Lakhs, respectively, including intra-group receivables which amounts, as at 31 March 2019, were outstanding for more than nine months from the invoice date, which is beyond the time limit stipulated under the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, for repatriation of foreign currency receivables.

(b) As at 31 March 2019, the Company had not made the necessary intimations to the Authorised Dealer/ RBI as required under the Master Directions provided by the RBI on Foreign Investment in India for loan/ collaterals/ pledge received from the promoter of the Company, being a resident outside India, amounting to Rs. 1,395.02 Lakhs during the year ended 31 March 2019.

However, subsequent to the year-end, the Company has made an intimation to the Authorised dealer on 12 July 2019 and is yet to make an application for condonation of delay.

(c) It appears that the Holding Company has provided a corporate guarantee to Columbia Bank for a line of credit availed by two of the subsidiaries in the Group aggregating USD 5,000,000 on 12 September 2018. As per the loan sanction document issued by Columbia Bank, the line of credit was approved by Columbia Bank, based on a representation by the Managing Director of the Holding Company that the corporate guarantee was approved by the shareholders of the Holding Company.

We have not been provided with minutes of the meeting of the shareholders referred above approving such corporate guarantee. Further, the Company has also not intimated the Authorised Dealer for providing such corporate guarantee as required under the Master Directions provided by the RBI on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad.

9.3 Further, the Holding Company has not carried out a comprehensive review of compliance with laws and regulations and therefore we are unable to comment if there are any other instances of non-compliance with laws and regulations and any consequential impact thereof.

10. Information / clarifications requested but not provided

During the course of our audit, we have requested from the management various information and clarifications that were required for the purposes of our audit. In addition to the information and clarifications pending in respect of the matters described in paragraphs 1 to 9 above, information, *inter alia*, relating to assessment of how the revenue recognised by the Group was in compliance with the provisions of Ind AS 115, documentation supporting evaluation of expected credit losses as at 31 March 2019, information of payroll costs recognised in some of the subsidiaries, confirmation of balances from customers, vendors and other parties, etc., are also pending to be provided to / received by us. In view of such pending information, we have not been able to obtain sufficient appropriate evidence to conclude on those matters to express an opinion on the consolidated financial statements.

11. Use of going concern assumption

In view of the matters reported in paragraphs 1 to 10 above, and in the absence of reliable cash flow projections by the management, and any consequential impact of those matters on the consolidated financial statements and operations of the Group, we are unable to comment on the appropriateness of the going concern assumption adopted by the management in the preparation of these consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group in accordance with Standards on Auditing specified under section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

Report on Other Legal and Regulatory Requirements

1. In view of the matters described in paragraphs 1, 3.3,

4, 5, 7 and 10 of the Basis for Disclaimer of Opinion section of our report, we are unable to state if any of the transactions referred to in those paragraphs were represented by mere book entries.

2. Subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, as required by Section 143(3) of the Act, based on our engagement to audit, we report that:

   a) We have sought and considering the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, we are unable to comment if proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

   d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and in paragraph 1 above, we are unable to comment if the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matters described in the Basis for Disclaimer Opinion section above and in paragraph 1 above, in our opinion, may have an adverse effect on the functioning of the Group.

   f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer Opinion section above and in paragraph 1 above.

   h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company. Our report expresses an adverse opinion on the internal financial controls over financial reporting of the Holding Company, for the reasons stated therein.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16)[1] of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion, except for the possible effect of the matters described in the Basis for Disclaimer of Opinion section above, and to the best of our information and according to the explanations given to us:

   i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements;

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

V. Balaji
Partner
Membership No. 203685

2 November 2019
VB/JT/RB/2019
Unique Identification Number: 19203685AAAABG5431

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our engagement to audit the consolidated financial statements of 8K Miles Software Services Limited (hereinafter referred to as "Parent") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Parent as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our adverse audit opinion on the Parent's internal financial controls system over financial reporting..

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Holding Company's internal financial controls over financial reporting as at 31 March 2019. Inadequacies were noted in:

(a) entity level controls to prevent and detect fraud as more fully described in paragraph 1 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(b) evaluating the appropriateness of the customer contracts, compliance with the accounting standards for the purpose of revenue recognition, and the appropriateness of evaluation of expected credit losses. Also see paragraph 4 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report

(c) evaluation of services being provided by key vendors, examination and review of terms of contracts / purchase orders / SOWs, as applicable to assess the authenticity of the documents and assessment of appropriateness of the liability being accrued. Also see paragraph 5.1 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(d) identification of related parties of the Company, which may result in transactions not authorized by audit committee/ board of directors (where applicable) and inadequate disclosure of the related party transactions in the financial statements and to identification of conflicts and designation of directors as independent or otherwise. Also see paragraphs 1(b), 2.2 and 9 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(e) ensuring compliance with applicable laws and regulations. Also see paragraph 9 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(f) ensuring compliance with the applicable accounting standards and generally accepted accounting principles. Refer paragraphs 1(b), 2.2, 4, 6, 7 and 8 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

(g) adequacy of management's oversight and review of the financial information and the financial book closing procedures at the Holding Company and its subsidiaries to ensure timely, reliable and appropriate financial statements. Also see paragraphs 2.2, 3, 9, 10 and 11 of the Basis for Disclaimer of Opinion section of the Independent Auditor's Report.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the effect of the material weaknesses described in Basis for Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent has not maintained adequate and effective internal financial controls over financial reporting as of 31 March 2019, based on criteria for the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and the Parent's internal financial controls over financial reporting were not operating effectively as of 31 March 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements for the year ended 31 March 2019, and these material weaknesses have affected our opinion on the said consolidated financial statements of the Parent and we have issued a disclaimer of opinion on the consolidated financial statements of the Parent.

Other Matter

As at 31 March 2019, the Group did not have any subsidiaries that were companies incorporated in India. Accordingly, the report on internal financial controls over financial reporting relates to such controls designed and operating at the Parent in relation to the consolidated financial statements of the Parent.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

V. Balaji
Partner
Membership No. 203685

2 November 2019
VB/JT/RB/2019
Unique Identification Number: 19203685AAAABG5431

The Board has deliberated about the financial statements (consolidated) and the report of the statutory auditors. The response for qualification of the Auditors opinion has been provided below:

Management's Response on the Auditor's Opinion for Consolidated Audited Financial Statements for the Financial Year ended March 31, 2019

Auditor's Observation:	Management's Response
Item 1 (a) Several instances of inconsistencies between the initial bank statements and the subsequent bank statements provided for verification in certain subsidiaries. Also see paragraphs 3.3 and 4 below.	The management states that the subsidiary accounts have been audited by the auditor in the domicile of subsidiary and not reported any such inconsistencies.
(b) Several instances of inconsistencies between declarations provided by Directors and information available in the public forum which demonstrated existence of probable related parties which were not disclosed previously, including certain transactions with such parties which were not disclosed or approved by the Audit Committee / Board of Directors. Also see paragraph 5.1(a) below.	The Directors have provided the appropriate documents as required under the law and believes to their knowledge there is no related parties which were undisclosed.
(c) Several instances of transactions with certain customers, wherein the Company was not able to provide us with the particulars of the services rendered and acknowledged by the customer, the details of employees actually rendering such service, the appropriateness and source of the monies received from such customers. Also see paragraph 2 below.	The Management hereby affirms that the proper time sheets and nature of services rendered were submitted to the audit team during the audit along with the acknowledgement received from such customers. Also, the confirmation of balances were received from the customers and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from them.
(d) Several inconsistencies with the names of the parties / customers mentioned in the bank statements of some of the subsidiaries and the books of account maintained by those subsidiaries. Also see paragraph 1(a) above and paragraphs 3.3 and 4 below.	The management states that the subsidiary accounts have been audited by the auditor in the domicile of subsidiary and not reported any such inconsistencies.
(e) Several instances of multiple addresses being considered in various communications with certain customers in the invoices, website of the customer, on cheques received from customers, including instances wherein some of the communication addresses coincided with the residential address of certain employees of the Company or its subsidiaries, which impacted our ability to establish the authenticity of the customer. Also see paragraph 2 below.	The Management hereby states that certain customers have multiple locations and the services were provided at various locations. The Management has duly clarified to the audit team about the addresses of the employees who were previously the employees of our customers.
(f) Several instances of communications with a vendor, wherein there were multiple communications using different email ids, documents with varying signatures and differences in the spelling of the common signatory of the vendor, etc. which impacted our ability to establish the authenticity of the vendor. Also see paragraphs 3.3 and 4 below.	The Management has given necessary explanations to audit team during the audit for the email addresses used by the vendor. The Management affirms that the authenticity of that vendor has been established by obtaining direct confirmation from that vendor with respect to services provided. The Management also of the opinion that usage of multiple email addresses is the preference of the vendor.
(g) Several instances of various inconsistencies were also noted during our audit of the books of account of certain foreign subsidiaries in association with our audit of the consolidated financial statements of the Company.	The management states that the subsidiary accounts have been audited by the auditor in the domicile of subsidiary and not reported any such inconsistencies.
(h) Appropriate approvals and concerns over recovery of advances made to a related party, by the Group. Also see paragraph 3 below.	The management confirms that advances to a related party has been fully recovered during the year of audit and there is NO outstanding at the end of 31st March 2019 as per the books of account.

Auditor's Observation:	Management's Response
Item 2 Access to books of account of a subsidiary and information on subsidiaries 2.1 Our terms of engagement for the audit of the consolidated financial statements of the Company included the management's responsibility to provide us access, at all times, to the records of all the subsidiaries of the Company in so far as it relates to the consolidation of its financial statements as envisaged in the Act. However, the Company did not provide us the access to the records and books of account of 8K Miles Software Services FZE, a wholly owned subsidiary of the Company, which represents total assets of Rs.11,635.68 Lakhs as at 31 March 2019, total revenues of Rs.7,560.23 Lakhs, profit after tax of Rs.789.65 Lakhs and net cash outflows amounting to Rs.96 Lakhs for the year ended on that date, as considered in these consolidated financial statements. These balances have been included, in the consolidated financial statements, by the Management based on financial statements of the subsidiary, prepared in accordance with the International Financial Reporting Standards (IFRS), wherein the auditor of the subsidiary has issued an unmodified report. We were unable to obtain sufficient appropriate audit evidence about the state of affairs of the subsidiary as at 31 March 2019 and the results of its operations for the year then ended, in the absence of access to the records and books of account of the subsidiary.	The management has informed that the subsidiary accounts have been audited by another auditor of the domicile of the subsidiary and that audited financial statements have been furnished to the statutory auditors of the company for the purpose of consolidation.
2.2 Based on information in the public domain 8K Miles Cloud Solutions Pte. Limited, Singapore has stated itself to be a subsidiary of the Company. This entity appears to have been incorporated on 08 May 2017. Further, 8K Miles Software Services Pte. Ltd, Singapore and 8K Miles Software Services UK Limited, United Kingdom exist with the promoter directors appearing as shareholders / directors. The incorporation of wholly owned subsidiaries in these countries were approved by the Board of Directors of the Company on 30 May 2018. However, all these three entities have not been considered by the management of the Company as subsidiaries in these standalone financial statements. We are informed by the management that these entities are not subsidiaries of the Company and the information in the public domain, including with the regulatory authorities in those geographies are not correct. We have not been provided with the audited financial statements of these entities and/or any other verifiable evidence to ascertain the relationship of these entities with the Company. Hence, we are unable to comment on the relationship of these entities and the consequential impact these entities may have on the standalone financial statements.	One of the director has incorporated on behalf of the parent company two foreign subsidiary companies. Since there is no possible economic benefit arising out of these companies, the management is in the process of striking off the Company. Under the circumstances and there are no commercial transactions, these were not consolidated.

Auditor's Observation:	Management's Response
Item No. 3: 8K Miles Media Private Limited 3.1 Around the last week of September 2018, we were made aware of the resignation of the statutory auditor of 8K Miles Media, a company promoted by the promoter directors of the Company, vide their resignation letter dated 30 April 2018. As per the said letter, the resignation was due to the misuse of that Audit Firm's Letter Head and signature of their Partner through forgery in certain ODI Certificates submitted by 8K Miles Media to its bankers for transfer of funds of USD 71.51 Lakhs (Rs. 4,612.91 Lakhs) to 8K Miles Media Holdings Inc. USA, a subsidiary of 8K Miles Media. 8K Miles Media and its subsidiaries (together "8K Miles Media Group") were identified as a related party in the consolidated financial statements of the Company for the year ended 31 March 2018. During the period ended 31 December 2018, the management of 8K Miles Media initiated an independent forensic review to evaluate the authenticity of the signatures in the ODI Certificates referred above. 8K Miles Media has submitted a copy of the forensic report to the Company. We understand that the aforesaid forensic report states that the writer of the signature in the ODI certificates is the same as that of the specimen signatures of the audit partner as provided to the forensic auditor thereby concluding that there was no forgery in the ODI certificates. Since this matter relates to a company where another firm is the statutory auditor and since the financial statements of that company are not included in the consolidated financial statements of the Company, we have not been able to perform any procedures related to the allegation or the forensic report.	The management states that the forensic experts appointed by the 8K Miles Media Private Limited have submitted their report to the Board wherein they have concluded that all the allegations made on 8K Miles Media are not true. The Board hereby has duly taken that report into record. The management further clarifies there is no relationship nexus between 8K Miles Media and the Company, except for the common promoter. Thus, there is no requirement of providing financial statements of 8K Miles Media to the auditors.
3.2 Further, during the last week of September 2018, (a) the CEO and Managing Director of the Company, who was also a promoter director in 8K Miles Media, resigned as a director in 8K Miles Media. (b) the CFO and Executive Director of the Company, who was the other promoter director in 8K Miles Media, resigned from his role as CFO of the Company stating that his resignation was to have the necessary time to clear all the baseless allegations and unsubstantiated allegations relating to 8K Miles Media. However, he continues to be a director in both the Company as well as 8K Miles Media. 3.3 The Company has trade and other receivables aggregating Rs.3,309.10 Lakhs as at 31 March 2019 receivable from 8K Miles Software Services Inc., a subsidiary. It may be noted that this subsidiary had loans receivable from entities of 8K Miles Media Group in the USA aggregating USD 89.61 Lakhs (Rs.5,808.44 Lakhs) as at 31 March 2018. We are informed by the management of the Company that such amounts due, including interest as accrued, have been fully recovered as at 31 March 2019 by that subsidiary. However, in the absence of appropriate workings for the interest, documentation regarding loan agreements and due to inconsistencies noted between the transactions as per the Bank Statements of the subsidiary with the transactions as recorded in the books of account of the subsidiary, we were unable to confirm the management's assertion on the said collections made by the subsidiary.	The Management affirms that 8K Miles Media has no nexus except for the common promoters. Hence the false and baseless allegations have no impact on the Company and its operations. The Trade receivables from 8K Software Services Inc., a subsidiary is an ongoing account and have since received Rs.858.48 Lakhs till date of this report. With respect to loans receivable from 8K Miles Media Group in USA – the total amount including the interest charge on the outstanding amounts have been fully recovered and as at the 31st March 2019 the balance from 8K Media is NIL. Also the Management affirms that the appropriate workings for the interest on the amounts outstanding have been provided and recovered in full. Based on the above facts and continuity of the business and operations of the subsidiary, the Managements believes that there is no possibility of impairment in the investments made by the parent company and the recoverability of the amount receivables are good.
3.4 We are unable to conclude if the above events in 8K Miles Media have any effect on: (a) the Group and its operations, in view of the allegations in the aforesaid resignation letter of the statutory auditor of that company and the nature of the Company's relationship with 8K Miles Media, as described in paragraphs 3.1 and 3.2 above, respectively (b) the status of the Group's receivable from such related party, as described in paragraph 3.3 above; and (c) the consequential impact, if any, of the same on the operations of the Company.	As explained the company has received all the outstanding amounts prior to December 2018 and the above false allegation is nothing to do with the company as it is neither a related party nor a subsidiary.

Auditor's Observation:	Management's Response
Item 4 Revenue from Contracts with Customers and related outstanding receivables During the year ended 31 March 2019 the Group initially recognised revenue aggregating to Rs. 54,789 Lakhs (including Rs. 2,428.69 Lakhs relating to the Company) from the customers referred to in paragraphs 1(c), 1(d) and 1(e) above. The management has, subsequently, based on our report under section 143(12) of the Act reversed and derecognised revenue aggregating to Rs.16,940.66 Lakhs (including Rs. Nil relating to the Company) and the consequent receivables. Accordingly, the net revenues recognised from these customers during the year aggregated to Rs. 37,848.34 Lakhs and the outstanding receivables as at 31 March 2019 is Rs. 9,382.13 Lakhs (includes balances of Rs. 1,022.36 Lakhs outstanding even as at 31 March 2018). In the absence of complete information regarding the proof of services rendered, efforts expended, basis of revenue recognition and reversal / derecognition, and in view of our observations in paragraphs 1(c), 1(d) and 1(e) above in respect of these customers, and inconsistencies in the bank statements referred in paragraph 1(a) above, we are unable to conclude on the appropriateness / correctness / completeness / validity of the net revenue recognised, compliance with the recognition and measurement of revenue required under the Indian Accounting Standard (Ind AS) 115 - Revenue from Contracts with Customers and the corresponding receivables in these consolidated financial statements. The Group has also not carried out an evaluation of the expected credit loss required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments (Ind AS 109) for the outstanding trade receivables as at 31 March 2019 and therefore we are unable to comment on the adequacy and appropriateness of the provision made against the trade receivable balances as at 31 March 2019.	The Company has obtained the necessary balance confirmation from the customers as at the end of the year and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from those customers. As the amounts are good to recover, an evaluation of the expected credit loss as required under Indian Accounting Standard (Ind AS) 109 – Financial Instruments for the outstanding trade receivables does not arise. As explained 1(b) above, the Management hereby affirms that the proper time sheets and nature of services rendered were submitted to the audit team during the audit along with the acknowledgement received from such customers. Also, the confirmation of balances were received from the customers and the Company has requested such customers for the payment schedule to support the recoverability of the amounts from them.
Item 5: Procurement of services and trade payables 5.1 Based on the master service agreement with the external service provider, referred to in paragraph 1(d) above, for technical and referral services to be rendered towards certain customers, referred to in paragraphs 1 (b) and 1(c) above, the Company has recorded consultancy charges of Rs.1,706.40 Lakhs, for the year ended 31 March 2019 with an outstanding liability of Rs.1,709.16 Lakhs. In the absence of complete information regarding proof of the services rendered by the vendor, and in view of our observations in paragraph 1(d) above in respect of this vendor, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense and the corresponding liability recorded in these standalone financial statements. Further, the Company has not evaluated the applicability or coverage of such services under the Goods and Service Tax Regulations and has not accrued / paid the same. However, in our opinion, such tax is payable on those services. The management has not determined the amount of Goods and Service Tax payable and any interest thereon. We are unable to conclude on the consequential impact of the same on these standalone financial statements.	The Management has provided the audit team, the details with respect to services availed from the vendor, confirmation of the charges and payables. With respect to GST applicability, the Management is in the process of obtaining a professional opinion and will take requisite steps in due course.
5.2. Based on the invoices received from certain vendors, referred to in paragraph 1 (g) above, the Group has for the year ended 31 March 2019 recorded consultancy charges aggregating Rs.26,689.45 Lakhs (included in Note 23 of the consolidated financial statements), intangible assets/assets under development of Rs.22,267.29 Lakhs (included in Note 5C of the consolidated financial statements), with an outstanding liability of Rs.2,224.43 Lakhs as at that date (included in Note 15 of the consolidated financial statements). In the absence of complete information regarding nature of the services being rendered, the customers for whom these services were rendered and the nature of intangible assets being developed, and in view of our observations in paragraph 1(g) above in respect of these vendors, we are unable to conclude on the appropriateness / correctness / completeness / validity of the expense, the intangible asset / asset under development and the corresponding liability / payment recorded in these consolidated financial statements.	The management has explained during the audit to the audit team that the services rendered by these vendors are "Development of Tools and Platforms" which are owned by the Company.

Auditor's Observation:	Management's Response
Item 6: Income Taxes The Group has recorded tax expenses (net) of Rs.1,650.40 Lakhs during the year ended 31 March 2019, included in Note 33 to the consolidated financial statements, and has a net tax asset as at that date of Rs.3,025.84 Lakhs and a net deferred tax liability of Rs.671.02 Lakhs, included in Notes 19 and 33 to the consolidated financial statements respectively, relating to certain of its foreign subsidiaries. We have not been provided with the tax returns filed with regard to its foreign subsidiaries, reconciliation of the balances considered in the tax returns so filed with the audited financial statements of the subsidiaries, the tax position and status of assessments of such subsidiaries, a roll forward to the deferred tax position as at 31 March 2019 from 31 March 2018 and the workings for the tax provision for the current year. We are accordingly unable to conclude on the carrying amounts of tax assets and liabilities, including deferred tax balances, as at 31 March 2019, as considered in these consolidated financial statements. Further, in the absence of the tax returns we have also not been able to validate if the profits of these subsidiaries considered in the tax returns and as per the books of account provided to us were the same.	The management states that the subsidiary accounts have been audited by the auditor in the domicile of subsidiary and the matters specified in this item has been duly recorded in the financial statement of the subsidiary company.
Item 7: Intangible asset capitalisation and evaluation of impairment, including for goodwill 7.1 The Group has during the year capitalised costs towards internally generated intangible assets and internally generated intangible assets under development amounting to Rs.32,393.80 Lakhs (also refer paragraphs 1(g) and 5.2 above). In the absence of appropriate documentation as to the nature of these intangible assets, data to demonstrate the appropriateness of the timing to commence capitalization of costs associated with such intangible assets as well as the basis to demonstrate the costs capitalised in fact were associated with the intangibles being developed, we are unable comment on the carrying value of such intangible assets as at 31 March 2019. 7.2 The Group has goodwill and acquired intangibles (net of amortisation) of Rs.62,800.11 Lakhs as at 31 March 2019. The management has not provided us with their assessment of any impairment to the carrying value of such goodwill and other intangible assets. Accordingly, we are unable to comment on the appropriateness of the carrying value and the recoverability of such goodwill and other intangible assets as at 31 March 2019.	The impairment analysis along with projected financial statements for the entities have been prepared and discussed by the Management and concluded that there is no need for any impairment of Intangibles as at 31st March 2019.
Item 8: Business Combinations The Group had in the previous year ended 31 March 2018 completed certain acquisitions or had paid advances towards proposed acquisitions, wherein we noted that: 8.1. During the previous year ended 31 March 2018, the Group had recorded an amount of USD 3,304,557 (INR 2,142.01 Lakhs) as contingent consideration due to the erstwhile owners of Cornerstone Advisors Group LLC ("Cornerstone") payable upon satisfaction of conditions as specified in the acquisition agreement. During the current year an amount USD 721,366 (INR 503.22 Lakhs) has been paid by the Group to the erstwhile members of Cornerstone. In the absence of details with respect to satisfaction of conditions as specified in the acquisition agreement, we are unable to comment on the amount of contingent consideration that has been paid during the year and the carrying amount of Rs. 1,079.56 Lakhs, as the liability towards contingent consideration as at 31 March 2019. Further such consideration has not been fair valued as required under Ind AS 109.	The consideration has been determined and paid as per the terms and conditions of the Share Purchase Agreement and the same is recorded in the books of account.

Auditor's Observation:	Management's Response
8.2 An advance of USD 6,500,000 was paid by one of the subsidiaries of the Company, during the previous year ended 31 March 2018, consequent to a Share Purchase agreement entered into with a Seller and a Corporation for acquiring the entire outstanding shares of the Corporation. In accordance with the said agreement, in the event the closing of acquisition doesn't occur within 15 months (i.e. before Feb 2019) from the date of agreement, Seller will retain Five Hundred Thousand US Dollars ($500,000) as penalty and balance Six Million US Dollars ($6,000,000) shall be refunded to the Group within 5 calendar days. As at 31 March 2019 the acquisition as planned was not completed and the Management of the Company has represented that the term of the Share Purchase agreement has been extended. In the absence of a supporting convincing evidence and our inability to send direct confirmation request to the Seller and the Corporation on the revision of the terms including waiver of the penalty, due to not receiving the communication address to which the confirmation requests were to be sent, we are unable to comment on the recoverability of the amount of Rs. 4,505.80 Lakhs (equivalent to USD 6,500,000) included under Note 9 as "advances towards acquisition", as at 31 March 2019 and the consequential impact, if any, on the consolidated financial statements	The contract has been extended on the same terms for an additional period of nine months ending December 2019 and the same has been Provided to the audit team.
Item 9: Regulatory Compliances 9.1. We are unable to conclude on the consequential impact, if any, on the operations and the financial performance of the Company arising out of the following matters pertaining to non-compliance with the provisions of the Companies Act, 2013 and notifications issued by the Securities and Exchange Board of India (SEBI), as applicable: (a) In the absence of appropriate processes for identifying related parties in view of the matters reported in paragraph 1 (a) above, we are unable to comment on the accuracy and completeness of the related parties identified and disclosed by the Company including compliance with obtaining necessary approvals, as required, from those charged with governance. (b) It was noted that in the case of two of the Directors who were re-appointed at the Annual General Meeting (AGM) held on 18 September 2015 and designated as independent directors (One was also the Chairman of the Audit Committee and the other a member of the Nomination and Remuneration Committee and also the Chairman of the Stakeholder Relationship Committee), they may have ceased to be independent directors under the Act with effect from 17 November 2015 and 12 August 2015, respectively, being the date from when their relatives were employed either with the Company or its subsidiary. These directors have been designated as non-independent directors by the Company from 06 September 2019 and 13 February 2019, respectively. Considering the above, we are unable to opine on the validity of the meetings of the Board of Directors, Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee, in regards to the quorum in such meetings and the resolutions approved in those meetings from the aforesaid AGM date until the dates when the Company designated them as non-independent directors.	The management hereby states that this has been reported to the Reserve Bank of India through the AD Bank.

Auditor's Observation:	Management's Response
9.2. We are unable to conclude on the consequential impact, if any, on the consolidated financial statements arising out of the matters pertaining to non-compliance with the applicable master directions/ notifications issued by the Reserve Bank of India ("RBI") and provisions of The Foreign Exchange Management Act, 1999, as amended, in respect of the following: (a) The Holding Company has export trade receivables and foreign currency interest receivable aggregating Rs.3,037.28 Lakhs and Rs.336.13 Lakhs, respectively, which are outstanding for more than nine months, from the invoice date, as at 31 March 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. (b) As at 31 March 2019, the Company had not made the necessary intimations to the Authorised Dealer/ RBI as required under the Master Directions provided by the RBI on Foreign Investment in India for loan/ collaterals/ pledge received from the promoter of the Company, being a resident outside India, amounting to Rs. 1,395.02 Lakhs during the year ended 31 March 2019. However, subsequent to the year-end, the Company has made an intimation to the Authorised dealer on 12 July 2019 and is yet to make an application for condonation of delay.	The management hereby clarifies that the due intimation has been made to the Reserve Bank of India (RBI) through the AD Bank and the same was provided to the audit team during the audit. The application of condonation does not arise as the AD Bank has not reverted after intimation.
(c) It appears that the Holding Company has provided a corporate guarantee to Columbia Bank for a line of credit availed by two of the subsidiaries in the Group aggregating USD 5,000,000 on 12 September 2018. As per the loan sanction document issued by Columbia Bank, the line of credit was approved by Columbia Bank, based on a representation by the Managing Director of the Holding Company that the corporate guarantee was approved by the shareholders of the Holding Company. We have not been provided with minutes of the meeting of the shareholders referred above approving such corporate guarantee. Further, the Company has also not intimated the Authorised Dealer for providing such corporate guarantee as required under the Master Directions provided by the RBI on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad.	The management has provided the necessary resolution to the audit team, prior to this report of the auditors. Also, the shareholders' resolution passed during the AGM (under section 186 of Companies Act 2013) in the year 2015. The minutes of the Board of Directors meeting approving such corporate guarantee has been provided and the necessary intimation in the prescribed format to AD bank is in progress.
9.3. Further, the Company has not carried out a comprehensive review of compliance with laws and regulations and therefore we are unable to comment if there are any other instances of non-compliance with laws and regulations and any consequential impact thereof.	The management has carried out a requisite review of compliance with laws and regulations by engaging individual professionals and practitioners having relevant area of expertise. The management also assures to enhance the competency further with respect to compliance and corporate governance of the company.
Item 10: Information / clarifications requested but not provided During the course of our audit, we have requested from the management various information and clarifications that were required for the purposes of our audit. In addition to the information and clarifications pending in respect of the matters described in paragraphs 1 to 9 above, information, inter alia, relating to assessment of how the revenue recognised by the Group was in compliance with the provisions of Ind AS 115, Documentation supporting evaluation of expected credit losses as at 31 March 2019, information of payroll costs recognised in some of the subsidiaries, confirmation of balances from customers, vendors and other parties, etc., are also pending to be provided to / received by us. In view of such pending information, we have not been able to obtain sufficient appropriate evidence to conclude on those matters to express an opinion on the consolidated financial statements.	The Company has been providing the information and clarifications to the best of its ability from time to time during the audit. As far as the IND AS 115 is concerned, since most of the revenue is time and material – applicability of this standard is questionable or complied with the standard.
Item 11: Use of going concern assumption In view of the matters reported in paragraphs 1 to 10 above, and in the absence of reliable cash flow projections by the management, and any consequential impact of those matters on the consolidated financial statements and operations of the Group, we are unable to comment on the appropriateness of the going concern assumption adopted by the management in the preparation of these consolidated financial statements.	The management has made full inquiry into affairs of the business as a result of which, they firmly believe that there is a going concern assumption as there are requisite business, operations, customers, and employees. The management has discussed the cash flow projections for the foreseeable period and not envisaged anything negative which will impact the Company's business operations in the future years.

Consolidated Balance Sheet

as at 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	5A	899.23	1,249.05
	(b) Capital work-in-progress (Refer Note 5D)		-	10.60
	(c) Goodwill	5B	12,827.16	11,994.47
	(d) Other intangible assets	5C	49,972.95	22,590.02
	(e) Intangibles assets under development		-	2,795.68
	(f) Financial assets			
	(i) Loans	7	81.19	171.42
	(g) Other non-current assets	9	4,508.40	4,382.27
	Total non-current assets		**68,288.93**	**43,193.51**
II	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	6	23,768.30	25,252.35
	(ii) Cash and cash equivalents	10	815.45	1,023.13
	(iii) Bank balances other than (ii) above	11	-	76.00
	(iv) Loans	7	1.84	6,518.41
	(v) Other financial assets	8	1,704.89	3,306.36
	(b) Current Tax Assets (Net)		3,155.17	-
	(c) Other current assets	9	2,065.38	2,516.51
	Total current assets		**31,511.03**	**38,692.76**
	Total Assets (I+II)		**99,799.96**	**81,886.27**
B	**EQUITY AND LIABILITIES**			
III	**Equity**			
	(a) Equity share capital	12	1,525.88	1,525.88
	(b) Other equity	13	57,706.55	47,583.61
	Equity attributable to owners of the company		**59,232.43**	**49,109.49**
	Non Controlling Interest	13(g)	17,301.01	14,723.63
	Total Equity		**76,533.44**	**63,833.12**
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	5,476.27	5,007.15
	(b) Provisions	17	65.46	63.10
	(c) Deferred Tax Liabilities	33	671.02	308.40
	(d) Other non-current liabilities	18	4.39	10.61
	Total non-current liabilities		**6,217.14**	**5,389.26**

Consolidated Balance Sheet (Cont.)

as at 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	5,299.65	2,592.27
	(ii) Trade payables	15		
	(a) Total outstanding dues of micro enterprises and small enterprises		2.92	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,318.66	4,136.41
	(iii) Other financial liabilities	16	2,253.84	3,412.47
	(b) Other current liabilities	18	974.31	750.35
	(c) Provisions	17	57.86	32.17
	(d) Current tax liabilities (Net)	19	142.14	1,740.22
	Total current liabilities		17,049.38	12,663.89
	Total Equity and Liabilities (III+IV+V)		**99,799.96**	**81,886.27**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of **the Board of Directors**

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	20	84,219.15	84,923.87
II	Other income	21	819.42	845.23
III	**Total income (I+II)**		**85,038.57**	**85,769.10**
IV	**Expenses**			
	Employee benefits expense	22	29,052.51	23,557.56
	Finance costs	24	1,162.49	971.49
	Depreciation and amortisation expense	5	6,959.83	2,518.68
	Other expenses	23	38,220.86	32,124.52
	Total expenses		**75,395.69**	**59,172.25**
V	**Profit before tax (III-IV)**		**9,642.88**	**26,596.85**
VI	**Tax expense**			
	(a) Current tax	33	1,300.58	5,910.31
	(b) Deferred tax	33	359.81	145.23
			1,660.39	6,055.54
VII	**Profit for the year (V-VI)**		**7,982.49**	**20,541.31**
VIII	**Other comprehensive income / (loss)**			
	(i) Items that will not be reclassified to profit or loss:			
	(a) Remeasurements of the defined benefit plans	28	9.74	14.95
	(b) Income tax relating to items that will not be reclassified to profit or loss	33	(2.81)	(4.12)
	(ii) Items that will be reclassified to profit and loss:			
	(a) Foreign currency translation differences (Refer Note 32.2)		3,246.43	159.49
	Total other comprehensive income		**3,253.36**	**170.32**

Consolidated Statement of Profit and Loss (Cont.)

for the year ended 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
IX	**Total comprehensive income for the period (VII+VIII)**		**11,235.85**	**20,711.63**
	Profit attributable to:			
	Owners of the company		6,871.77	17,161.62
	Non controlling Interest		1,110.72	3,379.69
	Other comprehensive income attributable to:			
	Owners of the company		3,253.36	170.32
	Non controlling Interest		-	-
	Total comprehensive income attributable to:			
	Owners of the company		10,125.13	17,331.94
	Non controlling Interest		1,110.72	3,379.69
X	**Earnings per equity share [Face value of Rs. 5 each]**			
	(a) Basic	25	22.52	56.24
	(b) Diluted	25	22.52	56.24

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of **the Board of Directors**

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Consolidated Cash Flow Statement

as at 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I.	**Cash Flow From Operating Activities**			
	Profit for the year		7,982.49	20,541.31
	Adjustments for:			
	Income tax expense recognised in the statement of profit and loss	33	1,660.39	6,055.54
	Finance cost recognised in statement of profit and loss	24	1,162.49	971.49
	Income on deposits and loans	21	(347.94)	(738.43)
	Depreciation and amortisation Expense	5	6,959.83	2,518.68
	Net loss/ (gain) on Sale of Property, Plant and Equipment (Net)	23, 21	0.36	(0.94)
	Gain on sale of investment	21	-	(6.12)
	Allowance for Expected Credit Losses	6	(23.74)	(1.49)
	Bad Receivables Written off	23	120.98	-
	Net Unrealised Exchange Gain		(98.86)	(12.13)
	Operating Profit before Working Capital and Other Changes		**17,416.00**	**29,327.91**
	Adjustments for (increase)/decrease in operating assets:			
	Trade Receivables	6	1,490.88	(12,281.47)
	Other Non Current Financial Assets	8	5.01	20.90
	Other Non Current Assets	9	39.30	8.58
	Other Current Financial Assets	8	864.44	(190.31)
	Other Current Assets	9	211.81	(1,355.85)
	Adjustments for increase/(decrease) in operating liabilities:			
	Trade Payables	15	4,179.96	2,529.10
	Other Non Current Liabilities	18	(6.22)	(1.91)
	Provisions (Non-current)	17	2.36	30.41
	Provisions (Current)	17	25.69	(7.58)
	Other Current Financial Liabilities	16	6.37	-
	Other Current Liabilities	18	223.96	695.96
	Cash Generated from Operations		**24,459.56**	**18,775.74**
	Net Income Tax paid (including interest paid there on)		(6,053.83)	(6,265.66)
	Net Cash Flow From Operating Activities (A)		**18,405.73**	**12,510.08**

Consolidated Cash Flow Statement (Cont.)

as at 31 March 2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	" For the year ended 31 March 2019 "	" For the year ended 31 March 2018 "
II.	**Cash Flow From Investing Activities**			
	Capital Expenditure on Property, Plant and Equipment	5, 9	(29,750.80)	(18,956.22)
	Proceeds from Sale of Property, Plant and Equipment	5	0.02	2.65
	Investment made during the year	9	(98.04)	(2,110.20)
	Proceeds from sale of investments during the year		-	94.20
	Movement in Loans given to Related Parties (Net)	7	5,808.44	(3,571.17)
	Movement in Loans given to Non Related Parties (Net)	7	708.25	(653.53)
	Bank balances not considered as Cash and cash equivalents	11	76.00	20.00
	Interest Received	8, 21	1,074.95	1.62
	Contingent Consideration Paid during the year		(1,062.45)	2,142.01
	Net Cash Flow Used in Investing Activities (B)		**(23,243.63)**	**(23,030.64)**
III.	**Cash Flow Used in Financing Activities**			
	Proceeds from issue of Equity Shares (including premium / Share application money)	12, 13	-	-
	Dividend paid (including tax thereon)	13, 16	-	(366.60)
	Borrowings taken during the year	14, 16	10,444.58	26,239.69
	Borrowings repaid during the year	14, 16	(6,857.27)	(21,670.32)
	Finance Costs	24, 16	(1,274.37)	(765.68)
	Net Cash Flow From Financing Activities (C)		**2,312.94**	**3,437.09**
	Effect Of Foreign Currency Translation Adjustment on Cash (D)		2,317.28	(776.64)
	Net (Decrease) / Increase in Cash and Cash Equivalents (A) + (B) + (C) + (D)		**(207.68)**	**(7,860.11)**
	Cash and Cash Equivalents at the Beginning of the Year	10	1,023.13	8,883.24
	Cash and Cash Equivalents at the End of the Year	**10**	**815.45**	**1,023.13**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of **the Board of Directors**

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Statement of Changes in Equity

for the year ended 31 March 2019

A. Equity Share Capital

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the Year	1,525.88	1,525.88
Changes in equity share capital during the year:	-	-
Closing Balance	**1,525.88**	**1,525.88**

B. Other Equity

(Amount Rs. in Lakhs)

Particulars	Reserves and Surplus						Total Other Equity	Non Controlling Interest	Total
	Securities Premium	General Reserve	Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve			
Balance as at 1 April 2017	**6,119.68**	**195.80**	**14.23**	**18,831.26**	**37.25**	**5,271.23**	**30,469.45**	**10,822.58**	**41,292.03**
Profit for the year	-	-	-	17,161.62	-	-	17,161.62	3,379.69	20,541.31
Other Comprehensive Income: (Refer Note 13)	-	-	-	10.83	159.49	-	170.32	-	170.32
Changes in shareholding pattern	-	-	-	(25.74)	-	-	(25.74)	478.90	453.16
Adjustments during the year	-	-	-	-	-	175.27	175.27	42.46	217.73
Dividend Distribution	-	-	-	(305.18)	-	-	(305.18)	-	(305.18)
Dividend Distribution tax	-	-	-	(62.13)	-	-	(62.13)	-	(62.13)
Movement during the year	**-**	**-**	**-**	**16,779.40**	**159.49**	**175.27**	**17,114.16**	**3,901.05**	**21,015.21**
Balance as at 31 March 2018	**6,119.68**	**195.80**	**14.23**	**35,610.66**	**196.74**	**5,446.50**	**47,583.61**	**14,723.63**	**62,307.24**

Statement of Changes in Equity (Cont.)

for the year ended 31 March 2019

(Amount Rs. in Lakhs)

Particulars	Reserves and Surplus						Total Other Equity	Non Controlling Interest	Total
	Securities Premium	General Reserve	Subsidy Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve			
Balance as at 31 March 2018	**6,119.68**	**195.80**	**14.23**	**35,610.66**	**196.74**	**5,446.50**	**47,583.61**	**14,723.63**	**62,307.24**
Profit for the year	-	-	-	6,871.77	-	-	6,871.77	1,110.72	7,982.49
Other Comprehensive Income: (Refer Note 13)	-	-	-	6.93	3,246.43	-	3,253.36	-	3,253.36
Changes in shareholding pattern	-	-	-	299.27	-	-	299.27	449.62	748.89
Adjustments during the year	-	-	-	-	-	(301.46)	(301.46)	1,017.04	715.58
Movement during the year	-	-	-	**7,177.97**	**3,246.43**	**(301.46)**	**10,122.94**	**2,577.38**	**12,700.32**
Balance as at 31 March 2019	**6,119.68**	**195.80**	**14.23**	**42,788.63**	**3,443.17**	**5,145.04**	**57,706.55**	**17,301.01**	**75,007.56**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of **the Board of Directors**

V. Balaji
Partner

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Place : Chennai
Date : 2 November 2019

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2019

1 CORPORATE INFORMATION

8K Miles Software Services Limited ("8K Miles" or "the Company") was incorporated in the year 1985 in the name of Rosebud Commercials Limited and the Company's name was changed to P M Strips Limited in 1998 and subsequently to 8K Miles Software Services Limited in October 2010. The Company is a distributed platform that blends a global talent market place with collaboration tools and cloud infrastructure, helping small and medium enterprises (SMB's) and large enterprise customers to integrate Cloud computing and Identity Security into their Information and Technology ("IT") and business strategies. The Company, together with its subsidiaries is hereinafter referred to as "the group".

2 Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these consolidated financial statements.

Recent Accounting Pronouncements:

Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019.

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109, when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1 April 2019.

Amendment to Ind AS 19 - Employee Benefits

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

New Accounting Standard : Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Group is evaluating the effect of the above in its consolidated financial statements.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line by line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

The details of the subsidiaries considered in the preparation of the consolidated financial statements are given below:

S.No.	Name of the Subsidiary	Country of Incorporation	Relationship	Effective Ownership Interest as at Balance Sheet Date	
				2018-19	2017-18
1	8K Miles Software Services Inc.	USA	Subsidiary	64.42%	63.38%
2	8K Miles Software Services FZE	UAE	Subsidiary	100%	100%
3	8K Miles Health Cloud Inc.	USA	Subsidiary	100%	100%
4	Mentor Minds Solutions & Services Inc.	USA	Subsidiary	100%	100%
5	Mentor Minds Solutions and Services Pvt Limited	India	Subsidiary	-	100% (up to 28 February 2018)
6	Nexage Technologies USA Inc.	USA	Step down Subsidiary	100% Subsidiary of 8K Miles Software Services Inc.	100% Subsidiary of 8K Miles Software Services Inc.
7	Cornerstone Advisors Group LLC	USA	Step down Subsidiary	100% Subsidiary of 8K Miles Software Services Inc.	100% Subsidiary of 8K Miles Software Services Inc.
8	Serj Solutions Inc. USA	USA	Step down Subsidiary	100% Subsidiary of 8K Miles Health Cloud Inc.	100% Subsidiary of 8K Miles Health Cloud Inc.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

3.2 Basis of Preparation and Presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Use of estimates

The preparation of the consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

3.4 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

3.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.6 (i) Property, Plant and Equipment ("PPE")

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Value Added Tax (VAT)/ Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation and Amortisation:

Depreciation on property, plant and equipment is provided on the basis of the Written Down Value method, pro-rata from the month of capitalization over the period of use of the assets and Intangible assets are amortized on straight line method over their respective individual estimated useful lives as determined by the management, assessed as below:

Asset category	Useful Lives
Furniture & Fixtures	5-10 Years
Computers & Accessories	3 Years
Office Equipment	5 Years
Motor Vehicles	8 Years
Computer Software	5 Years
Tradename	10 Years
Non-Compete Agreement	5 Years
Customers Relationships	10 Years

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advise, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on fixed assets, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(ii) Intangible Assets
Intangible assets acquired separately:
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of Tangible and Intangible Assets
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Revenue recognition

Revenue from Operations primarily comprises of income from Information Technology Enabled Services which is measured at the fair value of the consideration received or receivable. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the group expects to receive in exchange for those services. Service income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable.

Effective from 1 April 2018, the Group adopted Ind AS 115, Revenue from Contracts with Customers. Arrangements with customers for information technology enabled services are either on a fixed price, fixed-timeframe contracts or on a time and material basis.

Revenue on time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed price, fixed-timeframe contracts where performance obligations are satisfied over a period of time and where there is no uncertainty as to the measurement or collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such certainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for information technology enabled services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from Contracts with customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering information technology and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are district and whether the pricing is at the standalone selling price.

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.9 Foreign currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:
As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:
All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate and exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

3.10 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in statement of profit or loss in the period in which they become receivable.

3.11 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

3.11.1 Financial Assets

(a) Recognition and initial measurement

(i) The Group initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) The Group has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

(f) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

3.11.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of materials, services and capital expenditure. The banks and financial institutions are subsequently repaid by the Group at a later date. These are normally settled up to 3 months (for materials and services) and up to 3 months (for capital expenditure). These arrangements for materials and services are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

3.12 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

Defined Contribution Plans:
Employee defined contribution plans include provident fund and Employee state insurance.

Social Security Plan:
The Group has no further obligations beyond its contributions. Employer Contributions made to a social security plan, e.g., Provident Fund and Pension Funds, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

3.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessee:
Finance lease:

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognises immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Refer Note 3.20 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease:
Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.15 Taxation

Current Tax:
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible

in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:
Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year :
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

3.16 Provisions and Contingencies
Provisions are recognized when the Group has a present obligation (legal/ constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent Liability:
Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized.

3.17 Segment Reporting
Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive

Notes

Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

3.18 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

3.19 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

3.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.21 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets (Refer Note 3.6)
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation (Refer Note 3.15)
- Provision for disputed matters (Refer Note 3.16)
- Allowance for Expected Credit Loss (Refer Note 3.11.1(e))
- Provision for employee benefits (Refer Note 3.12)

Determination of functional currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (Rs.), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

5A. Property, Plant and Equipment

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of :		
Furniture and Fixtures	600.23	806.67
Computers & accessories	164.75	256.73
Office Equipment	118.83	163.23
Vehicles	15.42	22.42
Total	**899.23**	**1,249.05**

5A.1 Details of movement in the carrying amounts of Property, Plant and Equipment

(Amount Rs. in Lakhs)

Description of Assets	Furniture and Fixtures	Computers and accessories	Office Equipment	Vehicles	Total
I. Gross carrying value					
As at 1 April 2017	1,184.24	360.87	209.94	50.14	1,805.19
Additions	97.92	132.01	29.47	-	259.40
Disposals	-	-	-	(2.95)	(2.95)
Effect of foreign currency exchange difference	2.56	(86.57)	(4.61)	-	(88.62)
As at 31 March 2018	**1,284.72**	**406.31**	**234.80**	**47.19**	**1,973.02**
As at 1 April 2018	1,284.72	406.31	234.80	47.19	1,973.02
Additions	35.35	11.65	0.14	-	47.14
Disposals	-	(7.49)	-	-	(7.49)
Effect of foreign currency exchange difference	88.47	31.99	17.70	0.63	138.79
As at 31 March 2019	**1,408.54**	**442.46**	**252.64**	**47.82**	**2,151.46**
II. Accumulated depreciation and impairment					
As at 1 April 2017	204.50	108.71	26.38	15.66	355.25
Charge for the year	270.30	99.40	49.95	10.35	430.00
Disposals	-	-	-	(1.24)	(1.24)
Effect of foreign currency exchange difference	3.25	(58.53)	(4.76)	-	(60.04)
As at 31 March 2018	**478.05**	**149.58**	**71.57**	**24.77**	**723.97**
As at 1 April 2018	478.05	149.58	71.57	24.77	723.97
Charge for the year	297.06	120.04	56.03	7.00	480.13
Disposals	-	(7.11)	-	-	(7.11)
Effect of foreign currency exchange difference	33.20	15.20	6.21	0.63	55.24
Balance as at 31 March 2019	**808.31**	**277.71**	**133.81**	**32.40**	**1,252.23**
Net carrying value as at 31 March 2019	**600.23**	**164.75**	**118.83**	**15.42**	**899.23**
Net carrying value as at 31 March 2018	**806.67**	**256.73**	**163.23**	**22.42**	**1,249.05**

5B. Goodwill

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of :		
Goodwill	12,827.16	11,994.47
Total	**12,827.16**	**11,994.47**

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

5B.1 Details of movement in the carrying amounts of intangible assets

(Amount Rs. in Lakhs)

Description of Assets		Goodwill	Total
I.	**Gross carrying value**		
	As at 1 April 2017	11,120.78	11,120.78
	Additions	866.12	866.12
	Disposal	(9.60)	(9.60)
	Effect of foreign currency exchange difference	17.17	17.17
	As at 31 March 2018	**11,994.47**	**11,994.47**
	As at 1 April 2018	**11,994.47**	**11,994.47**
	Additions	-	-
	Disposal	-	-
	Effect of foreign currency exchange difference	**832.69**	**832.69**
	As at 31 March 2019	**12,827.16**	**12,827.16**
	Net carrying value as at 31 March 2019	**12,827.16**	**12,827.16**
	Net carrying value as at 31 March 2018	**11,994.47**	**11,994.47**

5.C Other intangible assets

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of :		
Software	46,005.79	18,351.20
Patents	206.94	241.88
Tradename	645.86	678.65
Non-Compete Agreement	239.50	296.59
Customers Relationships	2,874.86	3,021.70
Total	**49,972.95**	**22,590.02**

5C.1 Details of movement in the carrying amounts of Other intangible assets

(Amount Rs. in Lakhs)

Description of Assets		Software	Patents	Tradename	Non-Compete Agreement	Customers Relationships	Total
I.	**Gross carrying value**						
	As at 1 April 2017	6,808.93	391.52	-	-	-	7,200.45
	Additions	13,431.58	-	741.47	360.44	3,302.23	17,835.72
	Disposals	(539.76)	-	-	-	-	(539.76)
	Effect of foreign currency exchange difference	115.26	0.70	5.65	2.75	25.15	149.51
	As at 31 March 2018	**19,816.01**	**392.22**	**747.12**	**363.19**	**3,327.38**	**24,645.92**
	As at 1 April 2018	**19,816.01**	**392.22**	**747.12**	**363.19**	**3,327.38**	**24,645.92**
	Additions	**32,393.80**	-	-	-	-	**32,393.80**
	Disposals	-	-	-	-	-	-
	Effect of foreign currency exchange difference	1,301.56	31.57	51.87	25.21	231.00	1,641.21
	As at 31 March 2019	**53,511.37**	**423.79**	**798.99**	**388.40**	**3,558.38**	**58,680.93**

5C.1 Details of movement in the carrying amounts of Other intangible assets

(Amount Rs. in Lakhs)

	Description of Assets	Software	Patents	Tradename	Non-Compete Agreement	Customers Relationships	Total
II.	**Accumulated depreciation and impairment**						
	As at 1 April 2017	**956.91**	**74.37**	**-**	**-**	**-**	**1,031.28**
	Charge for the year	1,576.07	75.19	67.97	66.08	303.37	2,088.68
	Disposals	(298.18)	-	-	-	-	(298.18)
	Effect of foreign currency exchange difference	(769.99)	0.78	0.50	0.52	2.31	(765.88)
	As at 31 March 2018	**1,464.81**	**150.34**	**68.47**	**66.60**	**305.68**	**2,055.90**
	As at 1 April 2018	1,464.81	150.34	68.47	66.60	305.68	2,055.90
	Charge for the year	5,910.18	52.06	80.41	78.17	358.88	6,479.70
	Disposals / Adjustments during the year	-	-	-	-	-	-
	Effect of foreign currency exchange difference	130.59	14.45	4.25	4.13	18.96	172.38
	Balance as at 31 March 2019	**7,505.58**	**216.85**	**153.13**	**148.90**	**683.52**	**8,707.98**
	Net carrying value as at 31 March 2019	**46,005.79**	**206.94**	**645.86**	**239.50**	**2,874.86**	**49,972.95**
	Net carrying value as at 31 March 2018	**18,351.20**	**241.88**	**678.65**	**296.59**	**3,021.70**	**22,590.02**

5D The Board of Directors of the Company in their meeting held on 10 April 2019, approved the termination of the lease agreement entered into with Suresh Venkatachari, KMP with effect from end of day on 31 March 2019. The termination terms as approved and agreed with Suresh Venkatachari, Key Managerial Personnel ("KMP") included adjustment of capital work in progress of Rs. 101.55 lakhs, capital advances of Rs. 141.65 lakhs and rental deposits of Rs. 140 lakhs, aggregating Rs. 383.20 lakhs against the outstanding borrowing, as included in Note 14, due to Suresh Venkatachari, KMP.

The Goodwill and the software intangibles have been allocated to a single cash generating unit, vis. Cloud Transfer and Maintenance, for impairment testing purposes. The recoverable amount has been determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five year period, and a discount rate of 10% (31 March 2018 - 10 %).

5E Cash flow projections during the budget period are based on expected margins as observed by the management in its negotiations with customers. There is no terminal value arising from extropolation of the cash flow projections beyond the five year budget period. Based on the above evaluation, the Directors are of the opinion that no impairment exists as of 31 March 2019 and 31 March 2018 and any reasonable change in assumptions would not cause the aggregate carrying value to exceed the recoverable value.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

6 Trade receivables

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
Trade receivables				
(a) Secured, considered good	-	-	-	-
(b) Unsecured, considered good	23,768.30	-	25,252.35	-
(c) Doubtful	-	-	23.74	633.73
Sub-total	**23,768.30**	**-**	**25,276.09**	**633.73**
Less: Allowance for expected credit losses	-	-	(23.74)	(633.73)
Total	**23,768.30**	**-**	**25,252.35**	**-**

6.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (India) are non-interest bearing and are generally on terms of upto 90 days (Previous year - 30 days).

(b) Trade receivables (International) are non-interest bearing and are generally on terms of upto 5 months (Previous year - 3 - 9 months)

One customer accounted for more than 10% of the revenue (Rs. 9133.08 lakhs) for the year ended 31 March 2019, however none of the customers accounted for more than 10% of the receivables as at 31 March 2019. Two customers accounted for more than 10% of the revenue (Rs. 19,226.52 lakhs) for the year ended 31 March 2018, and three of the customers accounted for more than 10% of the receivables (Rs. 9,252.76 lakhs) as at 31 March 2018.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6.2 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

Age of receivables

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Domestic Customers:		
(i) Within Credit period	362.16	64.42
(ii) 0 - 1 year	182.38	2.24
(iii) More than 1 year	0.30	634.03
Sub-total (A)	**544.84**	**700.69**
International Customers:		
(i) Within Credit period	9,410.05	23,646.36
(ii) 0 - 1 year	13,360.66	1,562.77
(iii) More than 1 year	452.75	-
Sub-total (B)	**23,223.46**	**25,209.13**
Grand Total (A + B)	**23,768.30**	**25,909.82**

Based on the assessment of the Company using past experience, wherein collections are done within a year of it being due and expectation in the future credit loss, necessary provisions have been recorded.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

6.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance):

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	657.47	658.96
Add: Allowance towards Expected credit loss provided / (written back) during the year	(23.74)	(1.49)
Less: Allowances written off during the year	(633.73)	
Balance at end of the year	-	**657.47**

7 Loans

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
Financial assets at amortised cost				
(a) Security deposits				
- Unsecured, considered good (Refer Note 5D)	1.84	81.19	1.72	171.42
- Doubtful	-	-	-	-
Sub-total	**1.84**	**81.19**	**1.72**	**171.42**
(b) Loans / Advances to related parties				
- Unsecured, considered good	-	-	5,808.44	-
- Doubtful	-	-	-	-
Sub-total	-	-	**5,808.44**	-
(c) Loans to others				
- Unsecured, considered good	-	-	708.25	-
- Doubtful	-	-	-	-
Sub-total	-	-	**708.25**	-
Total	**1.84**	**81.19**	**6,518.41**	**171.42**

8 Other financial assets

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Interest income accrued not due	-	-	5.14	-
(b) Interest receivable on Loan to Related parties	-	-	731.77	-
(c) Unbilled Revenue*	1,704.89	-	2,569.45	-
Total	**1,704.89**	-	**3,306.36**	-

* Classified as financial asset as right to consideration is unconditional upon passage of time

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

9 Other assets

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Prepaid expenses	379.43	2.60	582.93	41.90
(b) Advance for Acquisition	-	4,505.80	194.46	4,213.30
(c) Other non-financial advances	-	-	0.10	-
(d) Balances with government authorities				
- GST receivables	18.61	-	103.02	-
(e) Capital Advances (Refer Note 5D)	-	-	-	127.07
(f) Advances to Suppliers	1,645.34	-	1,604.50	-
(g) Staff Advances	22.00	-	31.50	-
Total	**2,065.38**	**4,508.40**	**2,516.51**	**4,382.27**

10 Cash and cash equivalents

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Cash in hand	2.29	35.14
(b) Balances with Bank		
(i) In Current Accounts	812.45	987.28
(ii) In EEFC Accounts	-	-
(iii) In Earmarked Accounts*	0.71	0.71
Total	**815.45**	**1,023.13**

* Earmarked balances are in respect of unpaid dividends / dividend payable

11 Other Bank balances

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Term Deposits (between 3 to 12 months maturity)	-	76.00
Total	**-**	**76.00**

12 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Authorised:				
Fully paid equity shares of Rs. 5/- each	6,00,00,000	3,000.00	6,00,00,000	3,000.00
Issued, subscribed and fully paid:				
Fully paid equity shares of Rs. 5/- each	3,05,17,605	1,525.88	3,05,17,605	1,525.88
Total	**30,517,605**	**1,525.88**	**30,517,605**	**1,525.88**

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

(i) Reconciliation of number of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Equity shares				
Balance as at beginning of the year	3,05,17,605	1,525.88	3,05,17,605	1,525.88
Add: Issued during the year	-	-	-	-
Balance as at end of the year	**30,517,605**	**1,525.88**	**30,517,605**	**1,525.88**

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Suresh Venkatachari	1,11,81,703	36.64%	1,70,29,533	55.80%
Sandeep Tandon	20,88,911	6.84%	7,32,613	2.40%

(iv) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares.

(v) Issue of Bonus Shares during immediately preceding 5 years

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
No. of Bonus Equity Shares issued	-	76,29,401	-	-	-

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

13 Other equity

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Securities Premium (Refer Note 13.2 below)		
Opening balance	6,119.68	6,119.68
Add : Premium on shares issued during the year	-	-
Less : Issue of Bonus shares during the year	-	-
Closing balance	**6,119.68**	**6,119.68**
(b) General Reserve (Refer Note 13.3 below)		
Opening balance	195.80	195.80
Add/Less: Current Year Movements	-	-
Closing balance	**195.80**	**195.80**
(c) Subsidy Reserve		
Opening balance	14.23	14.23
Add/Less: Current Year Movements	-	-
Closing balance	**14.23**	**14.23**
(d) Retained Earnings (Refer Note 13.4 below)		
Opening balance	35,610.66	18,831.26
Add : Total Comprehensive Income for the period (Refer Note 13.1 below)	6,878.70	17,172.45
Less : Changes in shareholding pattern in subsidiaries	299.27	(25.74)
Less : Apportionment for Dividend	-	(305.18)
Less : Dividend Distribution tax	-	(62.13)
Closing balance	**42,788.63**	**35,610.66**
(e) Foreign currency translation reserve (Refer Note 13.5 below)		
Opening balance	196.74	37.25
Add: Movement during the year	3,246.43	159.49
Closing balance	**3,443.17**	**196.74**
(f) Capital reserve		
Opening balance	5,446.50	5,271.23
Add/Less: Movement during the year	(301.46)	175.27
Closing balance	**5,145.04**	**5,446.50**
Total of Other equity	**57,706.55**	**47,583.61**
(g) Non-controlling Interest		
Opening balance	14,723.63	10,822.58
Add: Total Comprehensive Income for the period	1,110.72	3,379.69
Add: Changes in shareholding pattern	449.62	478.90
Add: Foreign exchange fluctuation	1,017.04	42.46
Total of Non-controlling Interest	**17,301.01**	**14,723.63**

Note:

13.1 In accordance with Notification G.S.R 404(E), dated 6 April 2016, remeasurement of defined benefit plans is recognized as a part of retained earnings.

13.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

13.3 This represents appropriation of profit by the Company.

13.4 Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

13.5 Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

14 Borrowings

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-Current (Refer Note (14.1) below)		
Borrowings measured at amortized cost:		
Secured borrowings :		
(a) Term Loans		
- From Banks	205.48	259.76
- From Other Parties (including Financial institutions)	-	997.39
Unsecured borrowings:		
(a) Loans from Related Parties	5,270.79	3,750.00
Total	**5,476.27**	**5,007.15**
Current (Refer Note (14.1) below)		
Secured Borrowings:		
(a) Loans Repayable on Demand - From Banks	1,804.40	2,537.17
(b) Loan from Bank	3,466.00	-
Unsecured borrowings:		
(a) Loans from Related Parties	29.25	55.10
Total	**5,299.65**	**2,592.27**

14.1 Details of Term Loan from Banks / Others

The details of tenor, interest rate, repayment terms of the same are given below:

I - Term Loans from Indian Bank (Refer Note (i) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	73	11.75%	63	Principal Monthly, Interest Monthly	258.90	300.23
			Sub-Total		**258.90**	**300.23**

II - Vehicle Loans from HDFC Bank, (Refer Note (ii) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	48	9.71%	5	Principal Monthly, Interest Monthly	4.73	15.32
			Sub-Total		**4.73**	**15.32**
	Total of borrowings from Banks				**263.63**	**315.55**
	Less : Current Maturities of long-term borrowings (Refer Note 16)				58.16	55.79
	Long-term Borrowings from Banks				**205.48**	**259.76**

III - Term Loans from Other Parties - IFCI (Refer Note (iii) below) - Secured						
S.No	**Original Tenor**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	10	11.45%	0	Principal Quarterly, Interest Monthly	-	1,990.43
	Total of borrowings from Other Parties - IFCI				-	**1,990.43**
	Less : Current Maturities of long-term borrowings (Refer Note 16)				-	993.04
	Long Term Borrowings from Other Parties - IFCI				-	**997.39**

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

IV - Term Loans from Related Parties (Unsecured) (Refer Note (iv) below)						
S.No	**Original Tenor (in Months)**	**Interest Rate**	**No. of Instalments outstanding as at 31 March 2019**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	6 (Refer Note (vi) below)	10.00%	6	Principal Half yearly, Interest Monthly	5,258.97	3,750.00
2	6	10.00%	6	Principal Quarterly, Interest Monthly	1,011.82	-
			Sub-Total		**6,270.79**	**3,750.00**
	Total of borrowings from Related Parties				**6,270.79**	**3,750.00**
	Less : Current Maturities of long-term borrowings (Refer Note 16)				1,000.00	-
	Long Term Borrowings from Related Parties				**5,270.79**	**3,750.00**
V - Loans Repayable on Demand - Secured						
S.No	**Name of the bank**	**Interest Rate**	**Security Terms**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	Indian Bank	MCLR (1Y)+3.65%-0.5%	Refer Note (i) below	Loans Repayable on Demand	1,504.40	873.92
2	Indian Bank	Card Rate	Refer Note (i) below	Loans Repayable on Demand	-	324.68
3	Indian Bank	MCLR (1Y)+3.65%-0.5%	Refer Note (i) below	Loans Repayable on Demand	300.00	-
4	Marquette Commercial Finance	Card Rate	Refer Note (vii) below	Loans Repayable on Demand	-	1,338.57
			Sub-Total		**1,804.40**	**2,537.17**
VI - Loans from Banks - Secured						
S.No	**Name of the bank**	**Interest Rate**	**Security Terms**	**Repayment Terms**	**As at 31 March 2019**	**As at 31 March 2018**
1	Columbia Bank	Card Rate	Refer Note (v) below	Loan Repayable on 1 September 2019	3,466.00	-
VII - Loans from Related Parties (Unsecured) (Refer Note (iv) below)						
S.No	**Name of the Related Party**	**Interest Rate**		**Repayment Terms**	**As at 31 March 2018**	**As at 31 March 2018**
1	Suresh Ventakachari	Nil		Loans Repayable on Demand	29.25	55.10
					29.25	**55.10**

Notes:(i) The details of Security provided against the Term Loans & Short term borrowings are as follows:

(a) Indian Bank Term Loan sanctioned of Rs. 300 lakhs and Open Cash Credit (OCC) sanctioned of Rs. 1,500 lakhs which are secured against Hypothecation of Book Debts (Accounts receivable), Fixed Assets and personal guarantee of the Directors & T.P.Saira (Former Director). Further, the Company has also availed an additional adhoc Open Cash Credit of Rs. 300 lakhs on 27 December 2018 which has been repaid fully by the Company subsequent to the year ended 31 March 2019.

(b) Collateral security provided is the property bearing Shop No. 1, 2, 3, 7, 7A, 9, 13, 14, Basement, 1st floor, 2nd floor in “Quintegra Towers” (previously known as “Rythms Arcade”) situated at 168, Eldams Road held by Suresh Venkatachari, KMP.

(c) The loan is also further secured by pledge of 2,791,837 shares of 8K Miles Software Services Limited held by Suresh Venkatachari, KMP.

(d) Collateral security provided is the property situated at Plot No. A, Door No: 44 (as per Document) / Door No: 10A & 10B (as per site) Anna Salai Lane, Little Mount, Saidapet, Chennai - 15 owned by Ms. T.P. Saira.

(ii) The loans are secured by hypothecation of respective vehicles financed by the Banks.

(iii) The details of Security provided against the IFCI Term Loans are as follows:

(a) Secured against pledge of 8K Miles software services Limited shares at least 2.5 times of outstanding loan amount and personal guarantee of the Directors.

(b) Lien marked Fixed Deposit in favor of IFCI equivalent to 3 months interest due and PDCs for Interest and principal repayments

“Further, during the current year, the IFCI Limited (“the lender”) invoked 20.27 lakhs pledged shares of the Company held by Suresh Venkatachari, KMP for settlement against the outstanding loan, owing to the reduction in the stipulated share cover against the loan granted, to the extent of Rs. 1,395.02 lakhs. Consequently, the amount of Rs. 1,395.02 lakhs has been recorded as loan payable to Suresh Venkatachari, the key managerial personnel, also being a resident outside India. In this regard, the Company has made the intimations to the Authorised Dealer/ Reserve Bank of India (RBI) as required within the Master Directions provided by the RBI subsequent to the year ended 31 March 2019. Refer note 5D. Further, the audit committee vide its meeting dated 13 February 2019 has approved the extension of the repayment period for the term loan payable to Suresh Venkatachari, KMP by an additional period of 6 months. Further, the accrued interest on the loan was revised to 10% p.a. as against 11.45% p.a. agreed with IFCI Limited previously.”

(iv) As at 31 March 2019, the Company has obtained an unsecured loan of Rs. 5,258.97 lakhs and Rs. 1041.07 lakhs from R.S. Ramani, KMP and Suresh Venkatachari, KMP respectively. The Company has obtained a declaration from the Directors that the loan has not been given out of funds borrowed or deposits accepted from others.

(v) “The Line of Credit taken from Columbia Bank is secured by the following:

(a) Accounts receivable, Equipment, General Intangibles, Fixtures of 8K Miles Software Services Inc. and NexAge Technologies USA Inc.

(b) Commercial Guarantee provided by Suresh Venkatachari, KMP for full and punctual payment and discharge of all obligations under the Promissory Note.

(c) Commercial Guarantee provided by 8K Miles Software Services Limited for full and punctual payment and discharge of all obligations under the Promissory Note.”

(vi) The audit committee vide its meeting dated 10 April 2019 has approved the revision of the repayment installments from four to six, with the first installment commencing from 30 June 2020 on account of additional borrowings obtained from R S Ramani, KMP during the financial year ended 31 March 2019.

(vii) The loans taken from Marquette Commercial Finance was secured by all assets of 8K Miles Software Services Inc. and NexAge Technologies USA Inc. Managing Director for settlement against the outstanding loan, owing to the reduction in the stipulated share cover against the loan granted, to the extent of Rs. 1,395.02 lakhs. Consequently, the amount of Rs. 1,395.02 lakhs has been recorded as loan payable to Suresh Venkatachari, the key managerial personnel, also being a resident outside India. In this regard, the Company has made the intimations to the Authorised Dealer/ Reserve Bank of India (RBI) as required within the Master Directions provided by the RBI subsequent to the year ended 31 March 2019. Refer note 5D. Further, the audit committee vide its meeting dated 13 February 2019 has approved the extention of the repayment period for the term loan payable to Suresh Venkatachari, Managing Director by an additional period of 6 months. Further, the accrued interest on the loan was revised to 10% p.a. as against 11.45% p.a. agreed with IFCI Limited previously.”

(iv) As at 31 March 2019, the Company has obtained an unsecured loan of Rs. 5,258.97 lakhs and Rs. 1041.07 lakhs from R.S. Ramani, Director and Suresh Venkatachari, Managing Director respectively. The Company has obtained a declaration from the Directors that the loan has not been given out of funds borrowed or deposits accepted from others.

(v) “The Line of Credit taken from Columbia Bank is secured by the following:

(a) Accounts receivable, Equipment, General Intangibles, Fixtures of 8K Miles Software Services Inc. and Nexage Technologies USA Inc.

(b) Commercial Guarantee provided by Suresh Venkatachari, Managing Director for full and punctual payment and discharge of all obligations under the Promissory Note. (c) Commercial Guarantee provided by 8K Miles Software Services Limited for full and punctual payment and discharge of all obligations under the Promissory Note.”

(vi) The audit committee vide its meeting dated 10 April 2019 has approved the revision of the repayment installments from four to six, with the first installment commencing from 30 June 2020 on account of additional borrowings obtained from R S Ramani, Director during the financial year ended 31 March 2019.

Notes

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15 Trade payables

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Dues of Micro and small enterprises (MSME) (Refer Note 32)	2.92	-	-	-
(b) Dues to Others	8,318.66	-	4,136.41	-
Total	**8,321.58**	**-**	**4,136.41**	**-**

Dues from Others includes payable to foreign parties aggregating Rs. 1062.24 lakhs which are outstanding for period of more than 6 months from the invoice date. The Company is still in the process of getting the necessary approvals from the vendor and making the necessary intimation to the authorised dealer for the extended credit period. Pending the same, these outstanding liabiities have been considered not to be interest bearing and classified as current liabilities as the Company intends to settle these liabilities before 31 March 2020.

16 Other financial liabilities

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Current maturities of long term borrowings (Refer Note 14.1)	1,058.16	-	1,048.83	-
(b) Dividend Payable	0.71	-	0.71	-
(c) Interest accrued and due on borrowings		-		-
- From Banks	7.77		11.80	
- From Related Parties (Refer Note 30)	101.27		209.12	
(d) Contingent Consideration due on Acquisition	1,079.56	-	2,142.01	-
(e) Unearned Revenue	6.37	-	-	-
Total	**2,253.84**	**-**	**3,412.47**	**-**

17 Provisions

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Provision for Employee Benefits				
- Provision for Gratuity (Refer Note 28)	24.40	65.46	6.82	63.10
- Provision for Compensated Absences (Refer Note 28)	33.46	-	25.35	-
Total	**57.86**	**65.46**	**32.17**	**63.10**

18 Other liabilities

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non Current
(a) Statutory Payables	407.31	-	123.16	-
(b) Rent Equalisation Reserve	6.23	4.39	1.91	10.61
(c) Advances from Customers	560.77	-	625.28	-
Total	**974.31**	**4.39**	**750.35**	**10.61**

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Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

19 Current tax liabilities (Net)

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Income Taxes (Net of Advance tax)	142.14	1,740.22
TOTAL	**142.14**	**1,740.22**

20 Revenue from operations

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from Information Technology Enabled Services		
(a) International	83,081.09	84,578.00
(b) Domestic	1,101.55	345.87
Royalty Income	36.51	-
Total	**84,219.15**	**84,923.87**

Note:

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts and Time and material contracts. The contracts with customers requiring monthly invoicing, being significantly in line with the efforts during that period, have been categorised as time and material contracts.

Revenue by contract type

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Fixed-price (Domestic)	27.65	-
(b) Time and materials (Domestic)	1,073.90	345.87
(c) Time and materials (International)	83,081.09	84,578.00
Total	**84,182.64**	**84,923.87**

(i) Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in IND AS - 115, the Company has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

21 Other income

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Interest Income		
	- On Term Deposits	2.23	6.66
	- On Loans	335.81	731.77
(b)	Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss	9.90	9.63
(c)	Gains on Foreign Exchange Fluctuations (Net)	420.08	31.68
(d)	Gains on Sale of Intangibles	-	0.94
(e)	Gains on Sale of Investments	-	6.12
(f)	Allowances for Expected Credit Loss reversed (Refer Note 6)	23.74	1.49
(g)	Miscellaneous Income	27.66	56.94
	Total	**819.42**	**845.23**

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22 Employee benefits expense

(Amount Rs. in Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Salaries and wages, including bonus	28,309.26	22,722.75
(b)	Gratuity Expenses (Refer Note 28)	35.19	32.35
(c)	Contribution to Provident Fund (Refer Note 28)	43.75	28.63
(d)	Staff welfare expenses	664.31	773.83
	Total	**29,052.51**	**23,557.56**

23 Other expenses

(Amount Rs. in Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Professional and Consultancy Charges	27,474.24	24,620.35
(b)	Traveling and logistics expenses	1,267.61	2,083.17
(c)	Power and Fuel	29.79	30.44
(d)	Rent (Refer Note 26 and 27)	657.06	567.90
(e)	Repairs and maintenance	61.31	40.40
(f)	Insurance expenses	75.44	57.17
(g)	Fees, Rates and taxes	27.16	16.59
(h)	Sales and Marketing Expenses	249.35	361.52
(i)	Cloud Hosting and Communication Charges	3,559.55	1,421.13
(j)	Business Promotion Expenses	4,110.10	1,729.77
(k)	Audit Fees		
	Payments to statutory auditors towards:		
	(a) Statutory Audit	35.00	22.00
	(b) Tax Audit	-	2.00
	(c) Limited Review	4.50	3.00
	(d) Other Services	16.00	-
	(e) Reimbursement of out of pocket expenses	0.82	0.15
	Payments to other auditors towards:		
	(a) Audit of financial statements	39.90	82.81
(l)	Bank Charges	132.78	94.74
(m)	Directors' Sitting Fees (Refer Note 30)	3.20	0.53
(n)	Bad Receivables Written off	754.71	-
	Less: Release of allowance for expected credit losses	(633.73)	-
		120.98	-
(o)	Recruitment Expenses	105.55	106.89
(p)	Loss on Sale of Assets	0.36	-
(q)	Miscellaneous expenses	250.16	883.96
	Total	**38,220.86**	**32,124.52**

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24 Finance costs

(Amount Rs. in Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Interest cost:-		
	(i) Interest on bank overdrafts, open cash credits and loans (other than those from related parties)	490.72	662.71
	(ii) Interest on loans from related parties	563.08	232.35
	(iii) Others	15.80	46.95
(b)	Processing fee	49.55	15.07
(c)	Interest on delayed remittance of income tax	43.34	14.41
	Total	**1,162.49**	**971.49**

25 Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for the year attributable to equity shareholders of the Company	6,871.77	17,161.62
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	30,517,605	30,517,605
Nominal value of equity shares (in Rs.)	5.00	5.00
Basic EPS (in Rs.)	22.52	56.24
Diluted EPS (in Rs.)	22.52	56.24

26 Lease Arrangements

Operating Leases

The Group has entered into operating lease agreements primarily for Office premises. An amount of Rs. 657.06 lakhs (Previous Year - Rs. 567.90 lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The leases are non cancellable for periods of 1 to 5 years and may be renewed based on mutual agreement of the parties.

The future minimum lease payments for office premises under operating lease contracted are as follows:

(Amount Rs. in Lakhs)

Lease Obligation	Expected Minimum Lease Commitment	
	As at 31 March 2019	As at 31 March 2018
Payable - Not later than one year	371.12	541.96
Payable - Later than one year but not later than five years	629.59	1,447.63
Payable - Later than five years	-	427.20
Total	**1,000.71**	**2,416.79**

27 Commitments and Contingencies

(Amount Rs. in Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
A.	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debts	-	-
	(b) Income tax - Disputed (Refer Note (i) below)	94.98	94.98
	Total (A)	**94.98**	**94.98**

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Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

27 Commitments and Contingencies

(Amount Rs. in Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
B.	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account & not provided for (Refer Note (ii) below)	-	129.81
	(b) Others	-	-
	Total (B)	**-**	**129.81**

Note:

(i) The amounts shown above as Contingent Liabilities and other disputed claims represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Company expects a favorable decision with respect to all the above disputed demands / claims based on professional advice and, accordingly, believes that no specific adjustment/provision is required in respect of these matters at this stage.

(ii) Consequent to termination of contract with Suresh Venkatachari, KMP the leasehold premises at Eldams Road, Chennai, the ongoing improvements have been ceased and all open purchase orders have been transferred to the lessor (Refer Note 5D). Accordingly, the future capital commitments towards this project has been considered as Nil. Further, there are no other contracts remaining to be executed on capital account and not provided for or disclosed as at 31 March 2019.

28 Employee benefits

(I) Defined Contribution Plan

The Company makes contribution to a defined contribution plan, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the plan by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Included under 'Contributions to Provident and other Funds' (Refer Note 22 (c))		
Contributions to Employee state insurance	7.96	-
Contributions to provident funds	35.79	28.63

(II) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 22 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

A) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

C) **Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

D) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2019 by Sapna Malhotra, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

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(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of defined benefit cost for the year ended recognised in the total comprehensive income under employee benefit expense is as follows		
Service Cost		
- Current Service Cost	29.68	15.92
- Past service cost and (gains)/losses from settlements	-	12.49
Net interest expense	5.51	3.94
Components of defined benefit costs recognised in profit or loss	**35.19**	**32.35**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	(1.46)	(4.62)
Actuarial gains and loss arising from experience adjustments	(4.42)	(10.33)
Actuarial gains and loss arising from changes in demographic assumptions	(3.86)	-
Components of defined benefit costs recognised in other comprehensive income	**(9.74)**	**(14.95)**
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	**25.45**	**17.40**

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Gratuity Expenses".

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	89.86	69.92
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(89.86)	(69.92)
4. Current portion of the above	(24.40)	(6.82)
5. Non current portion of the above	(65.46)	(63.10)

(c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in the obligation		
Present value of defined benefit obligation at the beginning of the year	69.92	53.22
Expenses Recognised in Statement of Profit and Loss:		
- Current Service Cost	29.68	15.92
- Past Service Cost and (gains)/losses from settlements	-	12.49
- Interest Expense (Income)	5.51	3.94
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(3.86)	-
ii. Financial Assumptions	(1.46)	(4.62)
iii. Experience Adjustments	(4.42)	(10.33)
Benefit payments	(5.51)	(0.70)
Liabilities assumed / (settled)		
Present value of defined benefit obligation at the end of the year	**89.86**	**69.92**

(d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in fair value of assets		
Fair value of plan assets at the beginning of the year	-	-
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	-	-
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial gains and loss arising form changes in financial assumptions	-	-
- Return on plan assets (excluding amunt included in net interest expense)	-	-
Contributions by employer	5.51	0.70
Benefit payments	(5.51)	(0.70)
Fair value of plan assets at the end of the year	-	-

(e) The principal assumptions used for the purpose of actuarial valuation were as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.62%	7.88%
Expected rate of salary increase	Refer Table below	Refer Table below
Withdrawal Rate	Refer Table below	Refer Table below
Expected return on plan assets	NA	NA
Expected average remaining working life (in years)	35.36	35.38
Mortality	100% of IALM 2006-08*	100% of IALM 2006-08*

* Based on India's standard mortality table (100% of industry mortality table IALM 2006-08)

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Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Above Year 5
For the Year Ended 31 March 2019						
Expected rate of salary increase	8.25%	10.02%	10.15%	11.66%	9.00%	7.86%
Withdrawal Rate	23.00%	20.00%	15.00%	12.00%	10.00%	10.00%
For the Year Ended 31 March 2018						
Expected rate of salary increase	7.83%	12.36%	18.71%	11.07%	20.69%	7.46%
Withdrawal Rate	12.28%	13.11%	4.09%	2.40%	1.63%	0.00%

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected rate of salary increase and Withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Amount of Impact		
Discount Rate		
- 0.5% Increase	(2.31)	(5.40)
- 0.5% Decrease	2.48	6.19
Salary Growth Rate		
- 1% Increase	4.27	8.97
- 1% Decrease	(4.01)	(7.84)
Withdrawal Rate		
- 1% Increase	(0.69)	2.13
- 1% Decrease	0.68	0.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(III) Compensated Absences

Provision for Short Term Compensated Absences is made at current encashable salary rates for the unavailed leave balance standing to the credit of the employees as at the date of the Balance Sheet in accordance with the rules of the Company.

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29 Financial Instruments

(I) Capital Management

The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance. The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group. The Group ensures that it will be able to continue as a going concern while maximising its returns to its shareholders by managing its capital by optimisation of the debt and equity balance. The following table summarises the capital of the Group:

Gearing Ratio :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Debt (includes Borrowings and interest accrued and due/not due on borrowings)	11,943.12	8,869.17
Cash and Bank Balances (includes Cash and Cash equivalents and Other Bank Balances)	(815.45)	(1,099.13)
Net Debt	**11,127.67**	**7,770.04**
Total Equity	59,232.43	49,109.49
Net Debt to Equity ratio	**0.18**	**0.16**

(II) Categories of Financial Instruments

The carrying value of financial instruments by categories as at 31 March 2019, and 31 March 2018 is as follows:

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Financial Assets		
Measured at amortised cost		
- Cash and Cash Equivalents	815.45	1,023.13
- Other Bank Balances	-	76.00
- Trade receivables	23,768.30	25,252.35
- Loans	83.03	6,689.83
- Other financial assets	1,704.89	3,306.36
Total assets	**26,371.67**	**36,347.67**
(b) Financial Liabilities :		
Measured at amortised cost		
- Borrowings	10,775.92	7,599.42
- Trade Payables	8,321.58	4,136.41
- Other financial liabilities	2,253.84	3,412.47
Total liabilities	**21,351.34**	**15,148.30**

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and labilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value/ amortised cost:

a) Long-term fixed-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

b) Fair values of the Group's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.

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c) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2018, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financials instruments recognised at fair value.

(III) Financial Risk Management Framework

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including currency, interest rate and other market related risks). The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Chief Financial Officer is responsible for overseeing the Group's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods and the maturity periods of its financial assets. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Liquidity exposure as at :
Maturity table of financial liabilities

(Amount Rs. in Lakhs)

Particulars	Within 1 year	1 to 5 years	5 years and above	Total
31 March 2019				
Non-derivative financial liabilities:				
Variable Interest rate instruments:				
(i) Borrowings	5,299.65	5,476.27	-	10,775.92
Non-Interest bearing:				
(i) Trade payables	8,321.58	-	-	8,321.58
(ii) Other financial liabilities	2,253.84	-	-	2,253.84
Total	**15,875.07**	**5,476.27**	**-**	**21,351.34**
31 March 2018				
Non-derivative financial liabilities:				
Variable Interest rate instruments:				
(i) Borrowings	2,592.27	5,007.15	-	7,599.42
Non-Interest bearing:				
(i) Trade payables	4,136.41	-	-	4,136.41
(ii) Other financial liabilities	3,412.47	-	-	3,412.47
Total	**10,141.15**	**5,007.15**	**-**	**15,148.30**

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The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturity table of financial assets

(Amount Rs. in Lakhs)

Particulars	Within 1 year	1 to 5 years	5 years and above	Total
As at 31 March 2019				
Non derivative assets:				
Non-interest bearing :				
(i) Trade receivables	23,768.30	-	-	23,768.30
(iii) Unbilled Revenue				-
(ii) Cash and cash equivalents	815.45	-	-	815.45
(iii) Loans	1.84	81.19	-	83.03
(iv) Other financial assets	1,704.89	-	-	1,704.89
Total	**26,290.48**	**81.19**	**-**	**26,371.67**
As at 31 March 2018				
Non derivative assets				
Interest bearing :				
(i) Loans	6,516.69	-	-	6,516.69
(ii) Other Bank Balances	76.00	-	-	76.00
Non-interest bearing :				
(i) Trade receivables	25,252.35	-	-	25,252.35
(ii) Cash and cash equivalents	1,023.13	-	-	1,023.13
(iii) Loans	1.72	55.36	116.06	173.14
(iv) Other financial assets	3,306.36	-	-	3,306.36
Total	**36,176.25**	**55.36**	**116.06**	**36,347.67**

(b) Credit Risk :

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Trade receivables: The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term debt. The Group is exposed to market risk primarily related to foreign exchange currency risk and interest rate risk. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages this by considering only short-term borrowings.

ii. Foreign exchange rate risk:

The Group's foreign currency risk arises from its foreign currency revenues and expenses, (primarily in USD). A significant portion of the Group's revenues is in USD, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Group's revenues measured in Indian rupees may decrease and vice versa. The exchange rate between the Indian rupee and US Dollar has not been subjected to significant changes in recent periods. The Group has a forex policy in place whose objective is to reduce foreign exchange risk by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

(Amount Rs. in Lakhs)

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount in Foreign Currency (In Lakhs)	Reporting Currency Rs. In Lakhs	Amount in Foreign Currency (In Lakhs)	Reporting Currency Rs. In Lakhs
Loans and Advance to Related Parties	USD	-	-	89.61	5,808.44
Loan and Advances to Others	AED	-	-	40.13	708.25
Trade Payables	USD	115.57	8,011.50	58.88	3,816.41
	AED	3.10	58.40	2.38	41.98
Borrowings	USD	50.42	3,495.25	26.51	1,718.35
Foreign Currency in Hand & In Bank	USD	10.50	728.04	14.15	917.27
	EUR	-	-	0.01	0.48
	AED	0.12	2.21	5.20	91.87
Trade Receivables	USD	268.00	18,577.97	316.18	20,494.63
	AED	246.18	4,645.49	267.11	4,714.49
Interest Receivable for Loan and advances given	USD	-	-	11.29	731.77
Security Deposits	USD	0.53	36.51	0.53	34.14
Staff Advances (net)	USD	0.41	28.13	0.50	32.72
Unbilled Revenue	USD	24.59	1,704.89	25.90	1,679.12
	AED	-	-	50.44	890.33
Contingent Consideration due on Acquisition	USD	15.57	1,079.56	33.05	2,142.01
Interest accrued and due/ not due on borrowings	USD	-	-	0.02	1.13

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by derivative instruments or otherwise.

Foreign Currency sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

The Group's is mainly exposed to the following foreign currencies.

(i) Impact on Statement of the Profit and loss for the year

(Amount Rs. in Lakhs)

Particulars	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	442.47	(442.47)	1,101.01	(1,101.01)
EUR	-	-	0.02	(0.02)
AED	229.46	(229.46)	318.15	(318.15)

(ii) Impact on total equity as at the end of the reporting period

(Amount Rs. in Lakhs)

Particulars	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	442.47	(442.47)	1,101.01	(1,101.01)
EUR	-	-	0.02	(0.02)
AED	229.46	(229.46)	318.15	(318.15)

Note:

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

30 Related Party Disclosures

a. Names of Related Parties and Nature of Relationship

Nature of Relationship*	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Enterprises significantly influenced by Key Managerial Personnel or their relative ##	8K Miles Media Group, USA	8K Miles Media Group, USA
Close member of the family of a Key Managerial Personnel#	Ravichandran Srinivasan	Ravichandran Srinivasan
Close member of the family of a Key Managerial Personnel#	Gautham Gurumurthi	Gautham Gurumurthi
Entity which is controlled or jointly controlled by Close member of the family of a Key Managerial Personnel	Sustainable Certification (India) Private Limited	Sustainable Certification (India) Private Limited

* Related Party relationships are as identified by the Management.

The Company had in the previous year missed disclosing particulars of Related Party Transactions and has made the necessary disclosures in the current year for the comparable period.

Particulars of related parties disclosed to the extent there were transactions with such parties during the year.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

b. Key Management Personnel

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Key Management Personnel of the Company and the Holding Company	Suresh Venkatachari, Managing Director	Suresh Venkatachari, Managing Director
	R S Ramani (Till 28 September 2018 - Whole Time Director and Chief Financial Officer) (From 29 September 2018 - Non-Executive Director)	R S Ramani, Whole Time Director and Chief Financial Officer
	Swasti Sovan Bhowmick, Chief Financial Officer (w.e.f. 13 Febrary 2019)	Gurumurthi Jayaraman
	Gurumurthi Jayaraman, Director	Padmini Ravichandran, Director
	Padmini Ravichandran, Director	Babita Singaram, Director
	Babita Singaram, Director	Dinesh Raja Punniamurthy, Director
	Dinesh Raja Punniamurthy, Director	Lakshmanan Kannappan, Director
	Lakshmanan Kannappan, Director	Sujatha Chandrasekaran, Director
	Sujatha Chandrasekaran, Director (upto 17 July 2018)	Jayashree Jagannathan, Company Secretary
	Vivek Prakash, Director (w.e.f. 17 July 2018)	-
	Jayashree Jagannathan, Company Secretary (upto 30 May 2018)	-
	Ashwin Jayagopal, Company Secretary (w.e.f 30 May 2018 and upto 13 February 2019)	-

c. Particulars of Material Transactions and Balances with Related Parties:

Transaction	Related Party	Year Ended 31 March 2019	Year Ended 31 March 2018
Transactions during the Year			
Interest Income	8K Miles Media Group, USA	335.81	731.77
Interest Received	8K Miles Media Group, USA	1,067.58	-
Interest on Loans	R S Ramani	504.82	232.35
Interest on Loans	Suresh Venkatachari	58.26	-
Rent	Suresh Venkatachari	142.38	143.30
Adjustment of cost incurred towards capital work-in-progress and advances paid with Loans (Refer note 5D)	Suresh Venkatachari	243.20	-
Adjustment of security deposits (rent) paid with Loans (Refer note 5D)	Suresh Venkatachari	140.00	-
Adjustment of interest recoverable from 8K Miles Media Group with Loans	Suresh Venkatachari	47.70	
Consultancy Charges	Sustainable Certification (India) Private Limited	3.64	1.56
Loans (Refer note 14.1)	Suresh Venkatachari	1,413.16	55.10
Loans (Refer note 14.1)	R S Ramani	1,509.00	3,750.00
Loans / Advance given	8K Miles Media Private Limited	-	124.00
	8K Miles Media Group, USA	1,454.79	10,596.00

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

Compensation of key management personnel

Transaction during the Year	Related Party	Year Ended 31 March 2019	Year Ended 31 March 2018
Short-term employee benefits			
Remuneration	R S Ramani (Refer Note (ii) & (iii) below)	26.67	40.00
	Suresh Venkatachari	167.42	154.39
	Lakshmanan Kannappan	92.08	92.64
	Ravichandran Srinivasan (Refer Note (ii) below)	43.70	41.78
	Gautham Gurumurthi	85.75	-
	Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below)	24.01	-
	Jayashree Jagannathan (Refer Note (ii) & (iii) below)	0.50	3.00
	Ashwin Jayagopal (Refer Note (ii) & (iii) below)	7.07	-
Director sitting fees	Gurumurthi Jayaraman	1.03	0.12
	Padmini Ravichandran	0.45	0.13
	Babita Singaram	0.70	0.14
	Vivek Prakash	0.15	-
	R S Ramani	0.08	-
	Dinesh Raja Punniamurthy	0.80	0.14
Balances at the Year End			
Balances outstanding	**Related Party**	**As at 31 March 2019**	**As at 31 March 2018**
Other Payable as at the Year End (Net)	Suresh Venkatachari - Rent Payable	10.30	8.20
	Suresh Venkatachari - Interest Payable	31.28	-
	R S Ramani - Interest Payable	69.99	209.12
Security Deposits (Rent) (Refer note 5D)	Suresh Venkatachari	-	140.00
Borrowings (Refer note 5D)	R S Ramani	5,258.97	3,750.00
	Suresh Venkatachari	1,041.07	55.10
Loans/ Advances	8K Miles Media Group, USA	-	5,808.44
Interest Receivable	8K Miles Media Group, USA	-	731.77
Remuneration Payable (Short term benefit)	Suresh Venkatachari - Salary Payable	9.35	-
	Lakshmanan Kannappan - Salary Payable	1.71	-
	Ravichandran Srinivasan - Salary Payable (Refer Note (ii) below)	2.12	1.41
	Gautham Gurumurthi - Salary Payable	5.03	-
	R S Ramani - Salary Payable (Refer Note (ii) & (iii) below)	-	2.84
	Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below)	4.98	-
	Jayashree Jagannathan (Refer Note (ii) & (iii) below)	-	0.20
	Ashwin Jayagopal (Refer Note (ii) & (iii) below)	0.42	-

Notes:(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2019 and 31 March 2018, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Excludes gratuity and compensated absences which cannot be separately identifiable from the composite amount advised by the actuary.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) The amounts outstanding are unsecured and will be settled in cash.There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

(v) The Company has provided Corporate Gurantee amounting to USD 5 million during the year ended 31 March 2019 to Columbia Bank for loans taken by 8K Miles Software Services Inc., a subsidiary and NexAge Technologies Inc. USA, a step down subsidiary of the Company.

(vi) Also Refer Note 5D and 14.1

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

31 Segment Reporting

The Group is engaged in Information and Technology Services. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by the overall business / operating segment.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

31.1 Geographical Information:

The Group has operations within India as well as in other countries. The operations in United States of America constitute the major part of the operations. Management has reviewed the geographical areas vis-à-vis the risks and returns that encompass them. While arriving at this, management has reviewed the similarity of the economic and political conditions, relationships between operations in these geographical areas, proximity of operations, and special risks if any associated with operations in these areas.

(Amount Rs. in Lakhs)

Particulars	Revenue from operations	
	For the year ended 31 March 2019	For the year ended 31 March 2018
United States of America	74,937.01	68,695.57
Middle East and North America (MENA)	8,135.60	14,386.43
India	1,138.06	345.87
Others	8.48	1,496.00
Total	**84,219.15**	**84,923.87**

(Amount Rs. in Lakhs)

Particulars	Non - Current Assets *	
	As at 31 March 2019	As at 31 March 2018
United States of America	62,406.20	40,578.04
Middle East and North America (MENA)	5,737.27	2,181.23
India	64.27	262.82
Unallocated	-	-
Total	68,207.74	43,022.09

* Non-current assets exclude those relating to deferred tax assets and Non-current financial assets.

32 Additional Information to the Financial Statements

32.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which has been relied upon by the Auditors, the relevant particulars are furnished below.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Principal amount remaining unpaid to MSME suppliers as on	2.92	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as at the Balance sheet date	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

32.2 The Company had in the previous year, recognized foreign currency translation reserve of Rs. 159.49 lakhs, which was categorized in Statement of Changes in Equity, but was missed being disclosed under other comprehensive income in the Statement of Profit and Loss. The same has been updated in the disclosure of the comparable information in the current year.

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

33 Taxation

33.1 Income tax expense

33.1.1 Recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of the current year	1,300.58	5,915.03
Adjustments in respect of prior years	-	(4.72)
	1,300.58	**5,910.31**
Deferred Tax		
In respect of the current year	359.81	145.23
	359.81	**145.23**
Total income tax expense recognised in statement of profit and loss	**1,660.39**	**6,055.54**

33.1.2 Recognised in Other Comprehensive Income

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	(2.81)	(4.12)
Total income tax recognised in other comprehensive income	**(2.81)**	**(4.12)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(2.81)	(4.12)
Items that may be reclassified to profit or loss	-	-

33.1.3 Reconciliation of income tax

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	9,642.88	26,596.85
Enacted income tax rate in India	27.82%	33.06%
Enacted income tax rate in USA	21.00%	28.17%
Computed expected tax expense	**1,833.72**	**6,057.35**
Adjustments :		
- Prior period Tax	-	(4.72)
- Impact of differential tax rate for capital gains	-	(2.03)
- On account of permanent disallowance in accordance with Income Tax Act, 1961	13.10	-
- On account of tax rate changes and others	(186.43)	4.94
Total income tax expense recognised in the statement of profit and loss	**1,660.39**	**6,055.54**

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

33.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	60.89	236.25
Less: Deferred tax liabilities	731.91	544.65
Deferred tax (liabilities) (net)	**(671.02)**	**(308.40)**

Movement in the deferred tax balance :

(Amount Rs. in Lakhs)

Particulars	For the year 2018-2019			
	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income / Others	Closing Balance
Depreciation on Property, Plant and Equipment & Others	24.81	(1.33)	-	23.48
Employee Benefit Expenses	26.25	10.87	(2.81)	34.31
Allowance for Expected Credit Loss on Financial Assets	181.15	(181.15)	-	-
Amortised Cost adjustments - Financial Assets	0.61	(0.45)	-	0.16
Amortised Cost adjustments - Financial Liabilities	(2.63)	2.63	-	-
Rent Equalisation	3.43	(0.50)	-	2.93
Amortisation of acquired intangibles reversed	(542.02)	(189.88)	-	(731.90)
Deferred tax (liabilities) (net)	**(308.40)**	**(359.81)**	**(2.81)**	**(671.02)**

(Amount Rs. in Lakhs)

Particulars	For the year 2017-2018			
	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment & Others	22.91	1.90	-	24.81
Employee Benefit Expenses	24.07	6.30	(4.12)	26.25
Allowance for Expected Credit Loss on Financial Assets	181.56	(0.41)	-	181.15
Amortised Cost adjustments - Financial Assets	0.33	0.28	-	0.61
Amortised Cost adjustments - Financial Liabilities	(5.10)	2.47	-	(2.63)
Rent Equalisation	3.55	(0.12)	-	3.43
Amortisation of acquired intangibles reversed	(386.37)	(155.65)	-	(542.02)
Others	(0.30)	-	0.30	-
Deferred tax (liabilities) (net)	**(159.35)**	**(145.23)**	**(3.82)**	**(308.40)**

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

35 Additional Information as per Schedule III to the Companies Act, 2013

(a) For the year ended 31 March 2019

Particulars	Net Assets, i.e., Total Assets Minus Total Liabilities		Share of Profit or (Loss) for the year ended 31 March 2019		Share of Other Comprehensive income for the year ended 31 March 2019		Share of Total Comprehensive income / (loss) for the year ended 31 March 2019	
	As a % of Consolidated Net Assets	Amount Rs. in Lakhs	As a % of Consolidated Profit or (Loss)	Amount Rs. in Lakhs	As a % of Consolidated Other Comprehensive income	Amount Rs. in Lakhs	As a % of Consolidated Total Comprehensive income	Amount Rs. in Lakhs
Parent: 8K Miles Software Services Limited	(7.37%)	(5,641.94)	(17.36%)	(1,385.41)	100.00%	3,253.36	16.62%	1,867.95
Subsidiaries - Foreign								
(i) 8K Miles Software Services Inc.	61.76%	47,267.35	68.12%	5,437.32	-	-	48.39%	5,437.32
(ii) 8K Miles Health Cloud Inc.	7.87%	6,029.75	25.44%	2,030.21	-	-	18.07%	2,030.21
(iii) 8K Miles Software Services FZE	15.13%	11,577.27	9.89%	789.65	-	-	7.03%	789.65
(iv) Mentor Minds Solutions & Services Inc	0.00%	-	0.00%	-	-	-	0.00%	-
Non-Controlling Interest in 8K Miles Software Services Inc.	**22.61%**	**17,301.01**	**13.91%**	**1,110.72**	**-**	**-**	**9.89%**	**1,110.72**
Total	**100.00%**	**76,533.44**	**100.00%**	**7,982.49**	**100%**	**3,253.36**	**100%**	**11,235.85**

(b) For the year ended 31 March 2018

Particulars	Net Assets, i.e., Total Assets Minus Total Liabilities		Share of Profit or (Loss) for the year ended 31 March 2018		Share of Other Comprehensive income for the year ended 31 March 2018		Share of Total Comprehensive income / (loss) for the year ended 31 March 2018	
	As a % of Consolidated Net Assets	Amount Rs. in Lakhs	As a % of Consolidated Profit or (Loss)	Amount Rs. in Lakhs	As a % of Consolidated Other Comprehensive income	Amount Rs. in Lakhs	As a % of Consolidated Total Comprehensive income	Amount Rs. in Lakhs
Parent: 8K Miles Software Services Limited	(7.76%)	(4,950.36)	(4.56%)	(936.92)	100.00%	170.32	(3.70%)	(766.60)
Subsidiaries - India								
(i) Mentor Minds Solutions and Services Pvt Limited	0.00%	-	(0.00%)	(0.18)	-	-	(0.00%)	(0.18)
Subsidiaries - Foreign								
(i) 8K Miles Software Services Inc.	51.98%	33,178.21	22.87%	4,698.66	-	-	22.69%	4,698.66
(ii) 8K Miles Health Cloud Inc.	19.29%	12,311.84	39.53%	8,120.94	-	-	39.21%	8,120.94
(iii) 8K Miles Software Services FZE	13.43%	8,569.80	25.70%	5,278.55	-	-	25.49%	5,278.55
(iv) Mentor Minds Solutions & Services Inc	0.00%	-	0.00%	0.57	-	-	0.00%	0.57
Non-Controlling Interest in 8K Miles Software Services Inc.	**23.07%**	**14,723.63**	**16.45%**	**3,379.69**	**-**	**-**	**16.32%**	**3,379.69**
Total	100%	63,833.12	100%	20,541.31	100%	170.32	100%	20,711.63

Notes

Forming Part of the Consolidated Financial Statements for the year ended 31 March 2019

36 Corporate Social Responsibility

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company during the year	8.38	-
Amount spent during the year	-	-
Amounts pending to be spent	8.38	-

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company is in the process of spending the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

37 Approval of Financial Statements

In connection with the preparation of the consolidated financial statements for the year ended 31 March 2019, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 02 November 2019 in accordance with the provisions of Companies Act, 2013.

For and on behalf of the **Board of Directors**

Suresh Venkatachari
Managing Director

Dinesh Raja Punniamurthy
Director

Swasti Sovan Bhowmick
Chief Financial Officer

Diya Venkatesan
Company Secretary

Place : Chennai
Date : 2 November 2019

Subsidiary Financial Information

BALANCE SHEET AS AT 31ST MARCH 2019

(Amount Rs. in Lakhs)

Particulars	8K Miles Software Services Inc. USA	8K Miles Software Services FZE UAE	8K Miles Health Cloud Inc. USA	Mentor Minds Solutions & Services Inc. USA
Reporting Currency	USD	AED	USD	USD
Exchange rate at last date of Financial year	69.32	18.87	69.32	69.32
Average Exchange Rate	69.76	18.99	69.76	69.76
Financial Year ended on	31/Mar/19	31/Mar/19	31/Mar/19	31/Mar/19
Share Capital	22.31	28.31	1.80	0.69
Reserves & Surplus	48,694.74	11,548.97	11,737.67	4,146.75
Total Equity	48,717.05	11,577.28	11,739.47	4,147.44
Current Liabilities	25,068.19	58.40	1,420.80	-
Accounts payable	5,099.83	16.25	1,142.82	-
Accrued expenses & Payable	5,163.73	42.15	178.71	-
Due to Related parties	14,804.63	-	99.27	-
Total Liabilities	25,068.19	58.40	1,420.80	-
Total Liabilities & Equity	**73,785.24**	**11,635.68**	**13,160.27**	**4,147.44**
Total Current assets	21,710.95	5,898.41	11,674.06	4,147.44
Cash and Cash equivalents	661.47	2.21	66.28	-
Accounts Receivable - Trade	11,449.77	4,645.49	4,632.26	-
Prepayments and other current assets	9,489.62	1,250.71	518.69	-
Due from Related parties	110.09	-	6,456.83	4,147.44
Property, Plant and Equipment	745.80	-	91.75	-
In-tangible Assets	51,328.49	5,737.27	1,394.46	-
Total Assets	**73,785.24**	**11,635.68**	**13,160.27**	**4,147.44**
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019				
Particulars	**8K Miles Software Services Inc. USA**	**8K Miles Software Services FZE UAE**	**8K Miles Health Cloud Inc. USA**	**Mentor Minds Solutions & Services Inc. USA**
Revenue	51,449.53	7,560.23	22,368.47	-
Other Income	1,195.44	23.36	53.92	-
Direct Costs	32,893.64	3,387.41	14,042.82	-
Gross Profit	**19,751.33**	**4,196.18**	**8,379.57**	**-**
Selling, General and administrative expenses	8,120.17	2,294.24	5,479.83	-
Earnings/(Loss) Before Interest, Tax, Depreciation and Amortization (EBITDA)	11,631.16	1,901.93	2,899.74	-
Depreciation	417.93	-	28.15	-
Amortization	6,532.10	1,112.28	324.29	-
Tax expense	746.07	-	566.73	-
Profit/(Loss) After Tax (PAT)	**3,935.06**	**789.65**	**1,980.57**	**-**
% of Shareholding	64.42%	100.00%	100.00%	100.00%

Subsidiary companies' Legal Status and Accounting Policies

8K Miles Software Services Inc. USA
8k Miles Health Cloud Inc. USA
Mentor Minds Software & Services Inc. USA

Organization and Description of Business
8K Miles Software Services Inc. ("the Company") was incorporated under the laws of the State of Nevada on February 17, 2011 and is 64.42% as on 31st March 2019 (63.38% as on 31st March 2018) subsidiary of 8K Miles Software Services Limited ("8K Miles"). 8K Miles is a Company organized under the laws of the Republic of India.

The Company is a thought leader in advising companies operating in highly regulated industries in drafting cloud transformation strategy and subsequently, implementing it is a secure, agile and scalable environment. The Company enables this implementation through a series of patented products that have been packaged into a fully integrated platform to provide additional value added services like managed services, big data and analytics, Identity management, validation and other regulatory checks on SaaS basis. The company's cloud solutions help companies integrate cloud computing into IT and Business strategies.

NexAge Technologies USA Inc. ("the Subsidiary") which is a 100% subsidiary of 8K Miles Software Services Inc., and was incorporated in the State of New Jersey was acquired on September 4, 2015. The Subsidiary specializes in Regulatory Compliance and proprietary IT solutions for US Life Sciences Industry. The Subsidiary's 16 year track record in the areas of Computer Systems Validation, Quality Review, Vendor Audits, Data Analysis and Migration, Analytics, Change Management, and Governance has earned it expertise, unique insights, wide collaborative partner networks, and industry-wide respect.

Cornerstone Advisory Services LLC ("the Subsidiary") a Limited Liability Corporation acquired effective 1st May 2017 as 100% subsidiary of 8K Miles Software Services Inc. Cornerstone Advisory Services specializes Advisory, Implementation & Resourcing services to clients in healthcare sector with extensive, real-world experience to understand and appreciate every client's unique challenges & effectively partner to drive change.

8K Miles Health Cloud Inc., "the "Company" was incorporated under the laws of the State of Delaware on November 24, 2014, and is 100% subsidiary of 8K Miles Software Services Limited ("8K Miles") 8K Miles is a company organized under the laws of the Republic of India.

The Company is primarily focused on critical cloud implementation and development of cloud based solutions. Expertise in enterprise cloud and Knowledge base makes the Company unique and it also extends to SaaS, cloud consulting and migration, big data (Hadoop/EMR) services, cloud infrastructures managed services, backup and disaster recovery services to AWS, Azure and also extends its support to various verticals such as Retain, Media, Travel, Pharmaceutical, Healthcare and Financial Services and providing innovative Epic EHR consulting, custom application development and support for the Healthcare market. This move solidifies 8K Miles' goal to offer a unique and differentiated cloud-managed solutions to the Healthcare sector. By leveraging its expertise in cloud solutions, 8K Miles hopes to help hospitals and healthcare providers by providing the industry's first truly end-to-end Software as a Service (SaaS) technology platform.

The Corporate office of the Company is located at Collin County, Texas.

Serj Solutions Inc. ("the Subsidiary") which is a 100% subsidiary of the Company was formed in the state of Texas was acquired by the Company on November 26, 2014. The Subsidiary specializes in HER Consulting, Custom Application Development and Support Solutions. The Subsidiary offers innovative solutions for a range of projects spanning any or all of a project lifecycle from initial implementation planning, full implementation management, and post-live support and enhancements.

Mentor Minds Solutions & Services Inc. ("the Company") was incorporated in New Jersey, USA. is 100% subsidiary of 8K Miles Software Services Limited ("8K Miles") 8K Miles is a company organized under the laws of the Republic of India.

Summary of Significant Account Policies
Accounting Principles
The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP")

Principles of Consolidation
The consolidated financial statements include the financial statements of 8K Miles Software Services Inc. and its subsidiaries. All significant Intercompany transactions and balances have been eliminated. Previous year's numbers are regrouped wherever necessary.

Estimates and Assumptions
Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples of estimates include: loss contingencies; product warranties; the fair value of and/or potential impairment of goodwill and intangible assets for our reporting units; product life cycles; useful lives

of our tangible and intangible assets; allowances for doubtful accounts; allowances for product returns; the market value of, and demand for, our inventory; and stock-based compensation forfeiture rates. Examples of assumptions include: the elements comprising a software arrangement, including the distinction between upgrades or enhancements and new products; when technological feasibility is achieved for our products; the potential outcome of future tax consequences of events that have been recognized on our consolidated financial statements or tax returns; and determining when investment impairments are other-than-temporary. Actual results and outcomes may differ from management's estimates and assumptions.

Revenue recognition

The Company recognizes revenue in accordance with the Accounting Standard Codification 605 "Revenue Recognition." Revenue is recognized when persuasive evidence of an arrangement exists delivery occurred, when all of the following criteria are met: (1) persuasive evident of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

The Company recognizes revenue from information technology services as the services are provided. Service revenues are recognized based on contracted hourly rates, as services are rendered or upon completion of specified contracted services and acceptances by the customer. Deferred revenue results from customer prepayment of services and maintenance contracts. Occasionally managed services are pre-billed quarterly and income is recognized as services are performed.

Services

The company's primary services offerings include information technology (IT), application management services, consulting and systems integration, technology infrastructure, hosting and the design and development of complex IT systems to a client's specifications (design and build). These services are provided on a time-and-material basis, as a fixed-price contract or as a fixed-price per measure of output contract and the contract terms range from less than one year to over 3 years.

Revenue from application management services, technology infrastructure and system maintenance and hosting contracts is recognized on a straight-line basis over the terms of the contracts. Revenue from time-and-material contracts is recognized as labor hours are delivered and direct expenses are incurred.

Revenue from fixed-price design and build contracts is recognized under the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the labor costs incurred to date as a percentage of the total estimated labor costs to fulfill the contract. If circumstances arise that change the original estimates of revenue, costs, or extent of progress toward completion, revision to the estimates are made. These revisions may result in increase or decrease in estimated revenues or costs and such revisions are reflected in income in the period in which the circumstances that gave rise to the revision become known by the company.

The Company performs ongoing profitability analyses of its services contracts accounted for under the POC method in order to determine whether the latest estimates of revenues, costs and profits require updating. For non-POC method services contracts, any losses are recorded as incurred.

Billings usually occur in the month after the company performs the services or in accordance with the specific contractual provisions.

Cost of Revenue

Recurring operating costs for services contracts, including costs related to bid and proposal activities, are recognized as incurred. For fixed-price design and built contracts, the costs for external hardware and software accounted for under POC method are deferred and recognized based on the labor costs incurred to date, as a percentage of the total estimated labor costs to fulfill the contract. Certain eligible, non-recurring costs incurred in the initial phases of outsourcing contracts are deferred and subsequently amortized. These costs consist of transition and set up costs related to the installation of systems and processes and are amortized on a straight-line basis over the expected period of benefit, not to exceed the term of the contract.

Selling, General and Administrative

Selling, general and administrative (SG&A) expense is charged to income as incurred. Expenses of promoting and selling products and services are classified as selling expense and include such items as compensation, advertising, sales commissions and travel. General and administrative expense includes such items as compensation, legal costs, office supplies, non-income taxes, insurance and office rental. In addition, general and administrative expense includes other operating items such as allowance for credit losses, workforce rebalancing charges for contractually obligated payments to employees terminated in the ongoing course of business, acquisition costs related to business combinations, amortization of certain intangible assets and environmental remediation costs.

Research and Development

Research and development expenses include payroll, employee benefits and other headcount-related expenses associated with product development. Research and development expenses also include third-party development and programming costs, localization costs incurred to translate software for international market. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our tools, plat forms and frame works, is generally shortly before the products are released to production. Once technological feasibility is reached, such costs are capitalized and amortized over the estimated lives of the products.

Sales and Marketing

Sales and marketing expenses include payroll, employee benefits, and other headcount-related expenses associated with sales and marketing personnel, and the costs of advertising, promotions, trade shows, seminars, and other programs. Advertising costs are expensed as incurred.

Depreciation and Amortization

Property, plant and equipment are carried at cost and depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of all depreciable assets are 5 years as estimated by the management.

Capitalized software costs incurred or acquired after technological feasibility has been established are amortized over period ranging from 5 to 15 years. Capitalized costs for internal use software are amortized on a straight-line basis over periods ranging up to 6 years.

Cash and cash equivalents

The Company considers all highly liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents. The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Notes and Accounts Receivable – Trade

The Company extends credit to clients based upon management's assessment of their credit-worthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The Company includes any balances that are determined to be uncollectible in its allowances for doubtful accounts. As of March 31, 2019, there were no allowances for uncollectible accounts. Based on the information available, management believes the Company's accounts receivable, net of allowances for doubtful accounts, are collectible.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and the Company provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the related assets is 5 years. Leasehold improvements are amortized using the straight-line method over a shorter of the lease terms or the useful lives of the improvements. The Company charges repairs and maintenance cost that do not extend the lives of the assets to expenses as incurred.

Business Combinations and Intangible Assets Including Goodwill

The company accounts for business combinations using the acquisition method and accordingly, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquire-e are recorded at their acquisition date fair values. Goodwill represents the excess of the purchase price over the fair value of net assets, including the amount assigned to identifiable intangible assets. The primary drivers that generate goodwill are the value of synergies between the acquired entities and the company and the acquired assembled workforce, neither of which qualifies as a separately identifiable intangible asset. Goodwill recorded in an acquisition is assigned to applicable reporting units based on expected revenues. Identifiable intangible assets with finite lives are amortized over their useful lives. Amortization of completed technology is recorded in Cost, and amortization of all other intangible assets is recorded in SG & A expense. Acquisition related costs, including advisory, legal accounting valuation and other costs are expensed in the period in which the costs are incurred. Goodwill is neither amortizable nor deductible for tax purposes. The results of operations of acquired businesses are included in the Consolidated Financial Statements from the acquisition date.

Intangible Assets

All of our intangible assets are subject to amortization and are amortized using the straight-line method over their estimated period of benefit, ranging from 6 to 15 years. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicates the asset may be impaired.

Goodwill

In accordance with FASB Accounting Standards Codification ("ASC") 350, the Company performs a goodwill impairment analysis, using the two-step method, on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of goodwill is measured at the reporting unit level, by comparing the reporting unit's carrying amount, including goodwill, to the fair market value of the reporting unit. It consistently determines the fair market value of its reporting units based on a weighting of both the present value of future projected cash flows (the "income approach") and the use of comparative market multiples (the "market approach"). The market approach compares each of the Company's reporting units to other comparable companies based on valuation multiples to arrive at a fair value. The income approach is based on assumptions that are consistent with the Company's estimates of future cash flows. Factors requiring significant judgment include assumptions related to future growth rates, discount factors, and tax rates, among other considerations. Changes in economic or operating conditions that occur after the annual impairment analysis and that impact these assumptions, may result in a future goodwill impairment charge.

Income taxes

Income taxes have been provided for using assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available, it is not "more-likely-than-not" that a portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rate and laws.

The Company's effective tax was estimated to be ranging between 28-30% for the year ended March 31, 2019. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

The Company files income tax returns in the U.S. federal jurisdiction, and various State jurisdictions. The Company is generally subject to U.S. Federal, State and local examinations by tax authorities from the three years before 2014.

Fair value of Financial Instruments
FASB ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. FASB ASC 820 defines fair value as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash, accounts receivable, accounts payable and accrued expenses and other liabilities.

Limitations and contingencies
The Company does not have any knowledge of any involvement in legal proceedings, either of which the Company has initiated or has been brought against it. The Company's liabilities have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

8K Miles Software Services (FZE) – United Arab Emirates
8K Miles Software Services (FZE), Sharjah, United Arab Emirates ("the Company") was incorporated on March 14, 2011 and operates as a Free Zone Company in the United Arab Emirates, under a service license issued by the Sharjah Airport International Free Zone, Sharjah.

- The main activities of the Establishment are providing IT Services and Solutions.
- The main activities of the Establishment, is located at Executive Desk Ql-05-109/C, P O Box 513211, SAIF Zone, Sharjah, UAE
- The management and control is vested with 8K Miles Software Services Limited, India.
- These financial statements incorporate the operation results of Service License No.09147

Capital
The authorized, issued and paid up share capital of the Company is AED 150,000 divided into 1 share(s) of AED 150,000 each. The shares are entirely held by 8K Miles Software Services Limited.

Summary of significant accounting policies
Statement of Compliance
The financial statements of the Company have been prepared in accordance with International Financing Reporting Standards (IFRS)

Basis of Preparation
The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Adoption of new and revised International Financial Reporting Standards

The following new and revised standards including amendments there to and interpretations which became effective for the current reporting year have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Adoption of new and revised International Financial Reporting Standards (IFRSs)

The Company has adopted new and amended IFRSs and IFRIC interpretations which became effective on 1 January 2018. The adoption of these standards did not have material impact on the financial position or financial performance of the Company. The new and amended standards and IFRIC interpretations applied during the year are disclosed below:

IFRS 15 - Revenue from Contracts with Customers
IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer (owner): A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue, as and when the Company satisfies a performance obligation.

IFRS 9 - Financial Instruments
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all the three aspects of the accounting for the financial instrument: classification and measurement; impairment; and hedge accounting. The effect of adopting IFRS 9 is as follows:

Impairment
The adoption of IFRS 9 requires the Company to account for impairment loss for the financial assets by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all service charge and other receivables not held at fair value through profit or loss (FVTPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For the service charge and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on the life time expected credit losses. Company has established an approach which is based on the historical credit loss experience, economic factors, and rights of lien to recover the service charges along with Regulator's concerns on service charge receivables.

The Company assessed the expected credit losses as prescribed by the requirements of IFRS 9 against service charge and other receivables and concluded that there was no material impact on the financial statements.

New standards and interpretations not yet adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for the Company's accounting period and have not been early adopted by the Company. The standards and interpretations are not likely to have a significant impact on the financial statements of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Financial instruments
Financial instruments comprise financial assets and financial liabilities.

Financial assets and financial liabilities are recognized on the Company's Statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

Trade and other receivables
Trade and other receivables are measured initially at the transaction cost. They are subsequently stated at net of provisions for impairment, which established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Trade Payables
Trade payables are recognized initially at the transaction price for the goods and services received, whether billed by the customers or not.

Impairment of non-financial assets other than inventories
Assets that are subject to depreciation and amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When there is any indication that an asset may be impaired, the carrying value of the asset is tested from impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Provisions
A provision is recognized if, as a result of a past event, the

Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of future economic benefits will be required to settle the obligation.

Revenue recognition
Income is recognized when: the amount of revenue can be reliably measured; it is possible that future economic benefits will flow to the entity; and specific criteria have been met.

Intangible Assets
IAS 38 requires an entity to recognize an intangible asset, whether purchased or self-created (at cost) if, and only if: [IAS 38.21]

- it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

This requirement applies whether an intangible asset is acquired externally or generated internally. IAS 38 includes additional recognition criteria for internally generated intangible assets.

The probability of future economic benefits must be based on reasonable and supportable assumptions about conditions that will exist over the life of the asset. [IAS 38.22] The probability recognition criterion is always considered to be satisfied for intangible assets that are acquired separately or in a business combination. [IAS 38.33]

Intangible assets that are deemed to have definite lives are amortized, primarily on a straight-line basis, over their useful lives, generally ranging upto 6 years. Refer to Note15.

Critical accounting judgments, estimates and assumptions
The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of asset, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Financial risk management
Financial risk management objectives
The Company's management observes domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing risks exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of risk related to financial instruments. The company policies in this regard are set and approved by the management on foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Market risk
The company activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company is not exposed to any significant interest rate risks.

Credit risk management
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company obtains information about counterparty's credit worthiness from publicly available information and its own trading records.

Credit risk is primarily related to the trade and other receivable balance which were presented in the balance sheet net of provision from doubtful debt that was estimated by the management based on prior experience and prevailing economic conditions.

Foreign Currency Management
The company undertakes certain transactions denominated in foreign currencies. Hence exposures to the exchange rate fluctuations arise.

Currently the company is mainly exposed to the currency exchange risk related to the transactions denominated in the multi currencies. There is no currency exchange risk related to transactions denominated in the US Dollars or currencies linked with it as the AED rate is fixed to the US Dollar. The management undertakes suitable procedure to minimize risk associated with transactions denominated in currencies other than AED and USD.

34th Annual General Meeting

Saturday, 30th November 2019,
10:30 AM (IST)

Venue:
The Raintree, St Mary's Road,
"Chamiers Hall"

No.120, St Mary's Road,
Alwarpet, Chennai 600 018.

8K MILES SOFTWARE SERVICES LIMITED
CIN : L72300TN1993PLC101852
Registered Office : #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai 600 018.
Website : www.8kmiles.com E-mail : contactus@8kmilessoftwareservices.com
Phone: 044- 6602 8000

Notice to the Shareholders

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Shareholders of the Company will be held as scheduled below:

DATE : 30th November 2019
DAY : Saturday
TIME : 10:30 A.M
PLACE: The Raintree, St Mary's Road
Chamiers Hall, 120, St Mary's Road,
Alwarpet, Chennai 600 018.

To transact the following businesses: -

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 together the reports of the Board of Directors and Auditors thereon
To consider passing the following resolution(s) as an ordinary resolution:

(i) "Resolved that the Standalone Audited Financial Statement of the Company for the year ended March 31, 2019 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

(ii) "Resolved that the Consolidated Audited Financial Statement of the Company for the year ended March 31, 2019 together with the report of the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. To appoint a Director in place of Mrs. Padmini Ravichandran (DIN: 02831078), who retires by rotation and being eligible, offers herself for re-appointment

   To consider passing the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mrs. Padmini Ravichandran (DIN: 02831078) Non-Executive Non-Independent Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

3. To appoint Mr.Raghunathan Aravamuthan (DIN: 01254052) as an Independent Director
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
Resolved that pursuant to the provisions of Sections 149, 150, and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the act, as amended from time to time, Mr.Raghunathan Aravamuthan (DIN: 01254052), a Non- Executive Independent Director of the Company who was appointed by the Board of Directors on 6th September, 2019, who has submitted a declaration that he meets the criteria for independence as provided Section 149(6) of the Act and Regulation 16(1) (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 6th September 2019 upto the conclusion of Thirty Ninth Annual General Meeting or 5th September 2024 whichever is earlier.

For and on behalf of the Board
For 8K Miles Software Services Limited

Sd/-
Suresh Venkatachari
Managing Director
DIN: 00365522

Place : Chennai
Date : 2 November 2019

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

2. Proxies, in order to be effective, must be received at the company's registered office not less than 48 hours before the meeting. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company.

3. A member holding more than ten percent of the total share capital of the Company may appoint a person as Proxy and that such person shall not act as a Proxy for any other member.

4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and secretarial standard on General Meeting (SS-2) setting out of material facts concerning the item of special business specified above is annexed hereto.

5. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company together with the attendance slip and Proxy Form are being sent to all the members whose email Ids are registered with the Company / Depository Participants.

6. As per SEBI amendment regulations dated 8th June,2018 securities of listed companies can be transferred only in dematerialised form w.e.f 5th December, 2018.In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.

7. Members/Proxy are requested to notify the Company at its Registered Office or to the Share Transfer Registrar of any change in address quoting their folio number.

8. To support Green initiative Members who have not registered their email addresses are requested to update their email address with their depository participants to enable the company to send future communications electronically.

9. Members who have received the Annual Report in electronic mode and who intend to attend the meeting in person or through proxy are requested to bring a printed copy of the attendance slip to the meeting hall.

10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the Hall to attend the meeting.

11. Members are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.

12. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the company authorising their representative to attend and vote on their behalf at the Meeting.

13. Members seeking any information or clarification on the Accounts are requested to send queries in written to the Company. Replies to such written queries received, will be provided only at the meeting.

14. A route map showing directions to reach the venue of the AGM is given at the end of this Notice as per the requirement of Secretarial Standard-2 on "General Meeting"

15. Remote e-voting facility

(a) In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company offers voting by electronic means through remote e-voting services provided by Central Depository Securities Limited (CDSL).

(b) Voting rights are reckoned on the basis of the shares registered in the names of the members/beneficial owners as on the cut-off date fixed for this purpose, viz., November 25, 2019. The Company has appointed M/s. P Sriram & Associates, Practising Company Secretary, Chennai as the Scrutinizer for conducting the remote e-voting and also the physical ballot process in the Annual General Meeting in a fair and transparent manner.

(c) The instructions for remote e-voting are as under:

(d) The voting period begins on November 27, 2019 (Wednesday) at 9.00 AM and ends on November 29, 2019 (Friday) at 5.00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 25, 2019, Monday may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- The shareholders should log on to the e-voting website www.evotingindia.com.

- Click on Shareholders.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

After entering these details appropriately, click on "SUBMIT" tab.

- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- Click on the EVSN for the relevant 8K MILES SOFTWARE SERVICES LIMITED on which you choose to vote.

- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

16. Additional information pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declarations for their appointment/ reappointment.

Annexure to the Notice Explanatory Statement as required under Section 102 of the Companies Act, 2013.
The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.

Item No:3

To appoint Mr. Raghunathan Aravamuthan (DIN: 01254052) as an Independent Director

Mr. Raghunathan Aravamuthan was appointed as an Additional Director under the category of Non-Executive Independent Director w.e.f 6th September 2019. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr.Raghunathan Aravamuthan be appointed as an Independent Director on the Board of the Company to hold office till the conclusion of 39th Annual General Meeting of the Company.

Mr. Raghunathan Aravamuthan (DIN: 01254052) is a physics graduate and a Chartered Accountant having 33 years of experience in Audit, Direct and Indirect Taxation, Exim Policy and Valuations. He consults for some of the largest groups in Chennai on Goods and Services Tax, Customs etc. He is an ICAI accredited faculty for GST and also addresses various forums on GST across India. He represents various Industries before the Ministry of Finance, Ministry of Commerce & Industry Government of India with regard to Indirect taxes and Foreign Trade Policy and also an active Rotarian.

In the opinion of the Board, Mr.Raghunathan Aravamuthan fulfils the conditions specified in Section 149 (6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Mr.Raghunathan Aravamuthan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Details of Mr.Raghunathan Aravamuthan are provided in the "Annexure 1 " to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board considers that the association would be of immense benefit to the Company and it is desirable to avail services of Mr.Raghunathan Aravamuthan as an Independent Director.

Appointment of Mr.Raghunathan Aravamuthan as director requires the approval of the shareholders and the board recommends the resolution for approval of members. He does not hold any shares in the Company.

Mr.Raghunathan Aravamuthan is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

For and on behalf of the Board
For 8K Miles Software Services Limited

Sd/-
Suresh Venkatachari
Managing Director
DIN: 00365522

Place : Chennai
Date : 2 November 2019

Details of Director Seeking Appointment/ Re-appointment at the Annual General Meeting
Annexure 1

Name of the Director	Padmini Ravichandran	Raghunathan Aravamuthan
Director Identification Number (DIN)	02831078	01254052
Date of Birth	20/08/1962	3/6/1961
Father's Name	Thiagarajan Narayanaswamy	Aravamuthan Srinivasaraghavan
Date of Appointment	31/08/2010	6/9/2019
Expertise in specific functional area and expertise	Expertise in marketing and media planning and runs her own media company that publishes a popular current affairs magazine	33 years of experience in Audit, Direct and Indirect Taxation, Exim Policy and Valuations.
Qualification	BCA, MBA	BSc, FCA
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	Proposed to be appointed as a Non-Executive Non-Independent Director as per the item no. 2 of the Notice convening this AGM	Proposed to be appointed as a Non-Executive Independent Director as per the item no. 3 of the Notice convening this AGM.
Remuneration last drawn (including sitting fees, if any)	Sitting Fees for the FY 2018-19 is Rs. 45000	Nil
Directorship in other Companies as on 31/03/2019	1.Sreyes Communetwork Private Limited	1.Fat Rhino Stay Private Limited 2.Akshaya Business Solutions Private Limited
Membership of Committees in other Public Limited Companies	Nil	Nil
No. of Shares held in the Company as on 31.03.2018	Nil	Nil
Relationship between Directors inter se and Key Managerial Personnel	N.A	N.A
Number of meetings of the Board attended during the Financial Year 2018-19	Refer to Report on Corporate Governance	Not Applicable

8K MILES SOFTWARE SERVICES LIMITED

CIN: L72300TN1993PLC101852

Reg. Office: #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai- 600 018

Tel No.: 044 6602 8000; Website: https://8kmiles.com

Form No. MGT -11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No. /DP ID & Client ID*	:	
No. of shares held	:	

I/We, being the holder(s) of ____ shares of **8K Miles Software Services Limited**, hereby appoint:

Name	:	
Address	:	
E-mail ID	:	
	:	**Signature** ____________ or failing him/her

Name	:	
Address	:	
E-mail ID	:	
	:	**Signature** ____________ or failing him/her

Name	:	
Address	:	
E-mail ID	:	
	:	**Signature** ____________ or failing him/her

as my / our proxy to attend and vote (on Poll) for me/us and on my/our behalf at the THIRTY FOURTH ANNUAL GENERAL MEETING

("the AGM") of the Company to be held on Saturday, 30th November 2019 at 10.30 a.m. at the The Raintree, St Mary's Road, " Chamiers Hall" No:120, St Mary's Road, Alwarpet, Chennai 600 018., and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Res .No	Description	For	Against
ORDINARY BUSINESS:			
1.	To consider and adopt the Audited Financial Statements Standalone & Consolidated of the Company for year the ended March 31, 2019 together the reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mrs. Padmini Ravichandran (DIN: 02831078), who retires by rotation and being eligible, offers herself for re-appointment		
SPECIAL BUSINESS:			
4.	To appoint Mr.Raghunathan Aravamuthan (DIN: 01254052) as an Independent Director.		

Signed this __________________ day of November 2019 Signature of Member ________________

Affix Revenue Stamp

__________________________ ____________________________ ________________________

Signature of first proxy holder **Signature of second proxy holder** **Signature of third proxy holder**

Note:

1. This form in order to be effective must be duly completed ,deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.
2. Please put an 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Secretarial Standards -2 issued by Institute of Company Secretaries of India, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company.
   Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
4. The Proxy-holder shall prove his identity at the time of attending the Meeting.

8K MILES SOFTWARE SERVICES LIMITED

CIN: L72300TN1993PLC101852

Reg. Office: #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai- 600 018
Tel No.: 044 6602 8000; Website: https://8kmiles.com

ATTENDANCE SLIP

THIRTY FOURTH ANNUAL GENERAL MEETING ON SATURDAY, NOVEMBER 30, 2019 AT 10.30 A.M.

Folio No. / DP ID & Client ID	
No. of shares held	

I/We certify that I/We am/are registered Member /proxy for the registered Member of the Company.

I/We hereby record my presence at the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company to be held on Saturday, 30th November 2019 at 10.30 a.m. at the The Raintree, St Mary's Road, " Chamiers Hall" No:120, St.Mary's Road, Alwarpet, Chennai 600 018.

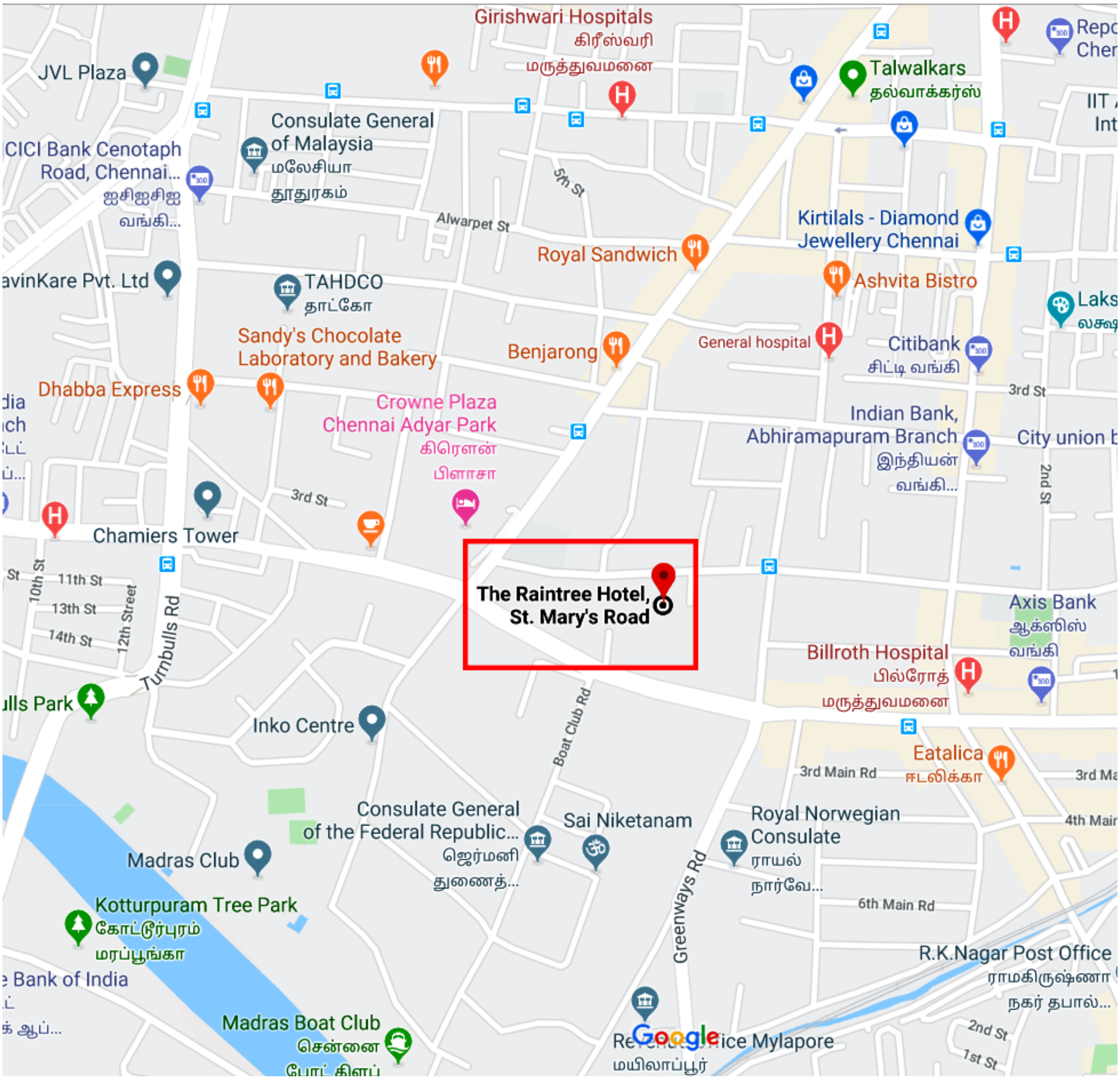
Member's / Proxy's name in **BLOCK** letters **Signature of Member /Proxy**

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting hall. Joint Member(s) may obtain additional attendance slip at the venue of the Meeting.

E-voting Particulars

EVEN (eVoting Event Number)	User ID	Password

ROUTE MAP TO AGM VENUE



Corporate Information

BOARD OF DIRECTORS
Mr. Suresh Venkatachari, Managing Director
Mr. Lakshmanan Kannappan, Director
Mrs. Padmini Ravichandran, Director
Mr. Dinesh Raja Punniamurthy, Independent Director
Mrs. Babita Singaram, Independent Director
Mr. Vivek Prakash, Independent Director
Mr. Raghunathan Aravamuthan, Additional Director, (Independent) *Appointed w.e.f 06.09.2019*

AUDIT COMMITTEE
Mr. Dinesh Raja Punniamurthy, Chairman
Mrs. Babita Singaram, Member
Mr. Raghunathan Aravamuthan, Member

NOMINATION AND REMUNERATION COMMITTEE
Mr. Dinesh Raja Punniamurthy, Chairman
Mrs. Babita Singaram, Member
Mrs. Padmini Ravichandran, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mrs. Padmini Ravichandran, Chairperson
Mr. Suresh Venkatachari, Member
Mr. Lakshmanan Kannapan, Member
Mr. Raghunathan Aravamuthan, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mrs. Babita Singaram, Chairperson
Mr. Dinesh Raja Punniamurthy, Member
Mrs. Padmini Ravichandran, Member

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Diya Venkatesan

STATUTORY AUDITORS
Deloitte Haskins & Sells LLP
8th Floor, ASV N Ramana Towers
52, Venkatnarayana Road,
T-Nagar, Chennai 600 017.

INTERNAL AUDITORS
M/s.Yoganandh & Ram LLP,
Chartered Accountants,
G-1, Shree Vishnu Apartments,
12, Twelfth Cross Street,
Dhandeeswaram Nagar,
Velachery, Chennai – 600 042,

SECRETARIAL AUDITORS
P. Sriram & Associates
Practising Company Secretaries
No.10/17, Anandam Colony, South Canal Bank Road,
Mandaveli, Chennai 600 028.

BANKERS

Indian Bank	HDFC Bank
Porur Branch,	759, ITC Centre,
225, Trunk Road,	Anna Salai,
Porur, Chennai 600 116.	Chennai 600 002.

REGISTRAR AND SHARE TRANSFER AGENT
Adroit Corporate Services Pvt. Ltd.
17-20, Jafferbhoy Ind. Estate,
1st Floor, Makhwana Road,
Marol Naka, Andheri (E)
Mumbai 400 059.
Ph: +91 – 22- 4227-0400

REGISTERED OFFICE
#5, Cenotaph Road,
'Srinivas' Towers, II Floor,
Teynampet, Chennai 600 018.

WEBSITE
www.8kmiles.com

CORPORATE IDENTITY NUMBER
L72300TN1993PLC101852

SHARES LISTED AT
BSE Limited
National Stock Exchange of India Limited

8K Miles Software Services Limited

Registered Office:
No. 5, Cenotaph Road,
“Srinivas” Towers, II Floor,
Teynampet, Chennai - 600 018
Tamil Nadu

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