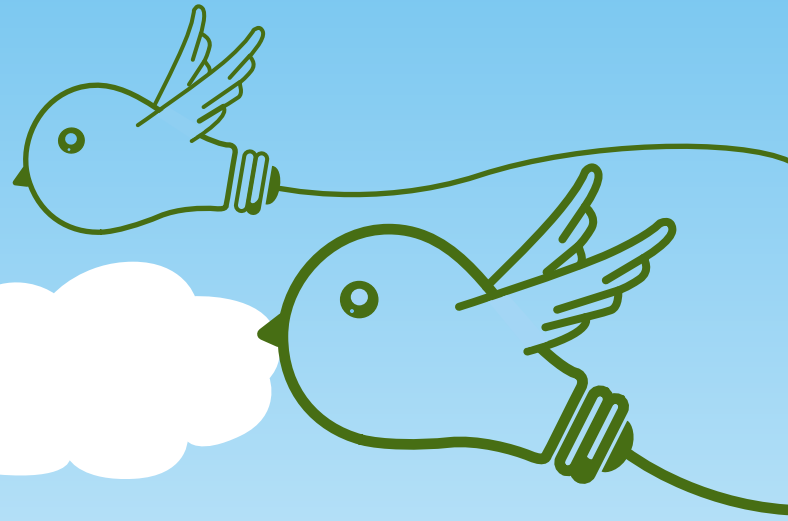




# Invest in your Ideas, not on Servers



No matter what the size of your business is, **You can benefit by moving to the Cloud!**



**Cost saving:**  
No Cap-Ex. Pay for Use.



**Fault Tolerance:**  
Make your applications available all the time.



**Autoscaling:**  
Address spike in demand easily.



**Backup & Disaster Recovery:**  
Automatic multiple backups let you meet recovery objectives.

## Why 8KMiles Cloud Solutions ?

- Amazon System Integrations Partner.
- Migrated hundreds of servers to cloud for Startups, Small businesses and Enterprises.
- In-depth understanding of cloud infrastructure services.
- Cloud solution design and migration expertise

## 8KMiles Solutions Overview

### Cloud Consulting

- Strategy and roadmap for cloud adoption
- Design public, virtual private and hybrid clouds
- Architect solutions using AWS

### Cloud Migration

- AutoScaling/Load Balancing Solutions
- Backup/Disaster Recovery
- GEO Distributed Web Infrastructure
- Monitoring and Storage Solutions
- Production and Test Infrastructure setup

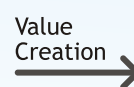
### Cloud Engineering

- Custom cloud applications and tools
- Application Integration with Amazon Web Services

Offers on demand  
Virtual cloud infrastructure  
with Web service



Offers cloud consulting  
and infrastructure  
management services



### Customers

benefit from infrastructure  
cost reduction, low capex,  
Greener IT, Greater value  
in lesser time and flexibility

8KMiles is an internet company which helps companies integrate cloud computing into their IT and Business Strategies. 8KMiles Cloud Solutions group offers cloud consulting, engineering and migration services to help companies leverage the power of cloud computing. 8KMiles is an Amazon Web Services Systems Integrator.

Board of Directors

Mr. G P Surana, Managing Director  
Mr. R S Ramani, Whole Time Director  
Mr. Suresh Venkatachari, Director  
Mr. M.V.Bhaskar, Director  
Mr. Ravi Surana, Director  
Mr. Vedantharamanujam Srinivasan, Director  
Ms. Padmini Ravichandran, Director  
Ms. T P Saira, Director

Statutory Auditors

GHG Associates  
Chartered Accountants  
No.22, Govindu Street,  
T Nagar, Chennai – 600 017

Bankers

Indian Bank,  
Porur Branch, Chennai

Indian Overseas Bank  
RK Salai Branch, Chennai

Registered Office

1-7-241/11/D, S.D.Road,  
Secunderabad – 500003

Corporate Office

No.7, 3rd Floor, 3rd Street,  
Ganapathy Colony, Teynampet,  
Chennai – 600 018

Registrar and Share Transfer Agent

Adroit Corporate Services Private Limited  
Industries Estate, Makwane Road, Naronvaka  
Andheri (East), Mumbai - 59

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	CONSOLIDATED FINANCIAL STATEMENTS	
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## Notice To The Shareholders

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of the Company will be held at 03:00pm on Saturday, 29<sup>th</sup> September 2012 at Registered office of the Company located at 1-78-241/11/D, S.D.Road, Secunderabad – 500 003 – Andhra Pradesh.

### As Ordinary Business:

1. To receive, consider and adopt the Balance Sheet of the Company as on March 31, 2012 and the Profit and Loss account for the year ended on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Mr. Vedantharamanujam Srinivasan, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in the place of Ms. Padmini Ravichandran, who retires by rotation and being eligible offers her for re-appointment.
4. To consider resignation of Mr. Ravi Surana from the Board of Directors of the Company with effect from 4<sup>th</sup> September 2012
5. To consider resignation of Mr. G.P. Surana from the post of Managing Director of the Company with effect from 4<sup>th</sup> September 2012. Mr. G.P. Surana informing his inability to continue as Managing Director due to various other commitments.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution

RESOLVED that M/s. GHG Associates - Chartered Accountants (Registration No.008703S), be and hereby are re-appointed as Auditors of the Company, to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting, to audit the Accounts of the Company for the financial year 2012-13, including audit of Cash Flow Statements, on a remuneration to be mutually decided upon between the Auditors and the Board of Directors of the Company.

### As Special Business:

7. To consider the Appointment of Mr. Suresh Venkatachari as Managing Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolutions:-

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 (" the Act" ) as amended or re-enacted from time to time, read with Schedule XIII and subject to the approval of Central Government, consent of the Company be and is hereby accorded to appoint Mr. Suresh Venkatachari as Managing Director of the company for a period of five years with effect from 4<sup>th</sup> September 2012 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as " the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration in such manner as may be agreed to between the Board and Mr. Suresh Venkatachari without being required to seek the further approval of members within the limits as prescribed and any action taken by the Board in this regard be and is hereby ratified and he is not liable to retire by rotation."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in a ny financial year during the tenure of Mr. Suresh Venkatachari as the Managing Director of the Company, the total remuneration comprising of Basic Salary and other applicable allowances together with other perquisites and/or benefits as per the policy of the Company, as stipulated, be paid to him as minimum remuneration, subject to the provisions of Schedule XIII to the Companies Act, 1956, as amended from time to time or any equivalent statutory re-enactment thereof for the time being in force."

"RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to alter the overall remuneration payable to Mr. Suresh Venkatachari, so as not to exceed the limits as may be stipulated by the Central Government from time to time."

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to submit and file necessary form(s), application(s), writing(s), and other necessary document(s) to the Central Government and/ or Registrar of Companies and to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution."

By ORDER OF THE BOARD  
For 8K MILES SOFTWARE SERVICES LIMITED

*Sd/-*  
G P SURANA  
MANAGING DIRECTOR

*Sd/-*  
M.V.BHASKAR  
DIRECTOR

Place: Secunderabad  
Date: 03 September 2012

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. The proxy forms, in order to be valid, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting. A form of proxy is given at the end of the Annual Report.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act is enclosed and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed on 28<sup>th</sup> of September 2012 and 29<sup>th</sup> September 2012 (Both days Inclusive)
4. Members 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.
5. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM.
6. 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 to the place of the meeting.
7. Members are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.

Corporate Members are requested to send certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the meeting.

8. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company. Replies to such written queries received, will be provided only at the meeting.
9. Members / proxies are requested to bring the duly filed attendance slip sent herewith for attending the meeting.

## Explanatory Statement under Section 173(2) of the Companies Act, 1956

### Item No. 7

#### Appointment of Managing Director

Mr. Suresh Venkatachari has been a Promoter cum Director of the Company and has been instrumental in growth of the Company. The Company is into growth phase and Board of Directors feels that Mr. Suresh Venkatachari should be given more powers and responsibility to guide the Company in its proposed new projects.

Mr. Suresh Venkatachari, an enthusiastic and ambitious force infuses dynamism in the group. This diehard entrepreneur is involved in managing the day to day operations of the company and provides leadership to the heads of individual business vertical and corporate functions like Product Development and promotions, Marketing, Finance, IT and Legal. His strength lies in new venture creation, financing and project execution. Mr. Suresh Venkatachari also specializes in designing of innovative methods and strategies right from financing, contracting, project structuring. Mr. Suresh Venkatachari has also been sharing his knowledge on current technology in the core sector areas various foras of relevance. Mr Suresh Venkatachari holds a Bachelor Degree in Engineering and honorary doctorate in Business Administration.

Considering the vast experience of Mr. Suresh Venkatachari and his leadership qualities, the Board of Directors, subject to approval of members and other requisite approvals as may be necessary from time to time, appointed him as Managing Director for a term of five years w.e.f. 4<sup>th</sup> September 2012 on the terms as set out below:

In accordance with the provision of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII the remuneration payable to Chairman, Managing Director, Directors in a financial year does not exceed 5% of the annual net profit of the Company for one such managerial person and subject to further to the overall limit of 10% of the annual net profit of the Company for all of them together.

- A. *Tenure of Agreement:* September 4<sup>th</sup>, 2012 to September 3<sup>rd</sup>, 2017
- B. *Remuneration:* Salary of Rs.1,00,000 (Rupees One lakh) per month. The Board of directors has power to increase the Salary with the approval of Central government.
- C. The Managing Director shall also be entitled to the following perquisites and facilities:



PERQUISITES:

- 1) *Medical Reimbursement:* As per Company's Policy
- 2) Personal Accident Insurance: As per Company's Policy
- 3) Annual Leave: 30 days annual leave with pay for every completed year of service.
  
- 4) Provision of Car: As per the rules of the Company.
- 5) Telephone/Cell Phones: As per the rules of the Company.
- 6) Residential Accommodation/HRA: The Managing Director shall be provided residential accommodation in accordance with the rules of the company
- 7) The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's business.

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members needs to be obtained in connection with the appointment of Mr. Suresh Venkatachari as Managing Director and payment of remuneration as above.

The Board recommends the resolution for your approval.

Except Mr. Suresh Venkatachari, none of the Directors are interested in this Resolution.

By ORDER OF THE BOARD  
For 8K MILES SOFTWARE SERVICES LIMITED

*Sd/-*  
G P SURANA  
MANAGING DIRECTOR

*Sd/-*  
M.V.BHASKAR  
DIRECTOR

Place: Secunderabad  
Date :03 September 2012

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, THE ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE- APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Re-appointment of Mr. Vedantharamanujam Srinivasan as an Independent Director

Name	Vedantharamanujam Srinivasan
Age	52 years
Qualification	B. Sc, B.E.
Other Directorships held in Companies	Compucrafters India Private Limited Compucrafters Systems and Solutions Private Limited
Date of Appointment	31/08/2010

Re-appointment of Ms. Padmini Ravichandran as an Independent Director

Name	Ms. Padmini Ravichandran
Age	48 years
Qualification	BCA
Other Directorships held in Companies	Sreyes Communetwork Private Limited Sudesi Infomedia Private Limited
Date of Appointment	31/08/2010

## DIRECTORS' REPORT

The Board of Directors of 8K Miles Software Services Limited are pleased to present the Twenty Seventh Annual Report for the year ended March 31, 2012, together with the Auditors' Report and Audited Accounts for the Financial year 2011-12.

### FINANCIAL PERFORMANCE

The comparative pictures of the financials of the Company for the last two years are presented in the table below.

(All figures in Rupees)

PARTICULARS	2011-12	2010-11
Sales and Other Income	20308080	11187230
Profit/(Loss) before Interest & Depreciation	1018908	3349241
Interest	298257	0
Depreciation	126514	52166
Profit/(Loss) for the year	594137	3297075
Provision for Taxation	0	0
Current tax	(72753)	(653059)
MAT Credit Enhancement	0	0
Fringe Benefit Tax	0	0
Deferred Tax	39023	767800
Profit/(Loss) After Tax	482361	3411816
Balance carried forward from Previous Year	(8640392)	(12052208)
Total Loss carried Forward	(8158031)	(8640392)

### OPERATIONS REVIEW

The Company's income stood at Rs. 2,03,08,080/= as against Rs. 1,11,87,230/= in the previous year. Your Company has entered a net profit of Rs 4,82,361/= as against Rs. 34,11,816/= in the previous year.

### SUBSIDIARY COMPANIES

- 1) Mentor minds solutions and Services Inc (USA)
- 2) Mentor minds solutions and Services Private Ltd (India)
- 3) 8kmiles Software Services Inc (USA)
- 4) 8kmiles Software Services (FZE) – UAE

### DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Vedantharamanujam Srinivasan, Director, retire by rotation and being eligible offers him for re-appointment.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Ms. Padmini Ravichandran, Director, retire by rotation and being eligible offers her for re-appointment.

## AUDITORS

Messrs GHG Associates, Chartered Accountants, Chennai hold office until conclusion of the ensuing Annual General Meeting and being eligible and recommended for reappointment.

## PARTICULARS OF EMPLOYEES

Statement of personnel particulars of employee's pursuant section 217(2A) of the Companies Act, 1956 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein (Rs. 5,00,000 per month or Rs. 60,00,000 per annum) during the period under review.

## CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

Your Company does not carry on any manufacturing activities and hence the disclosure requirement in terms of Sections 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding Conservation of Energy and Technology do not apply to your Company.

During the year under review, there was no Foreign Exchange outgo for your Company. The Forex loss for this period stands at a gain of Rs.3,49,330/= as against a loss of Rs. 1,67,327/=

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure have been made from the same;
- ii. Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true a fair view of the state of affairs of the Company as at March 31, 2012 and Profit & Loss Account for the year ended March 31, 2012;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT AND APPRECIATION

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. Further, the Directors wish to place on record their appreciation of Employees at all levels for their hard work, dedication and commitment.

By ORDER OF THE BOARD  
For 8K MILES SOFTWARE SERVICES LIMITED

*Sd/-*  
G P SURANA  
MANAGING DIRECTOR

*Sd/-*  
M.V.BHASKAR  
DIRECTOR

Place: Secunderabad

Date :03 September 2012

## MANAGEMENT DISCUSSION & ANALYSIS

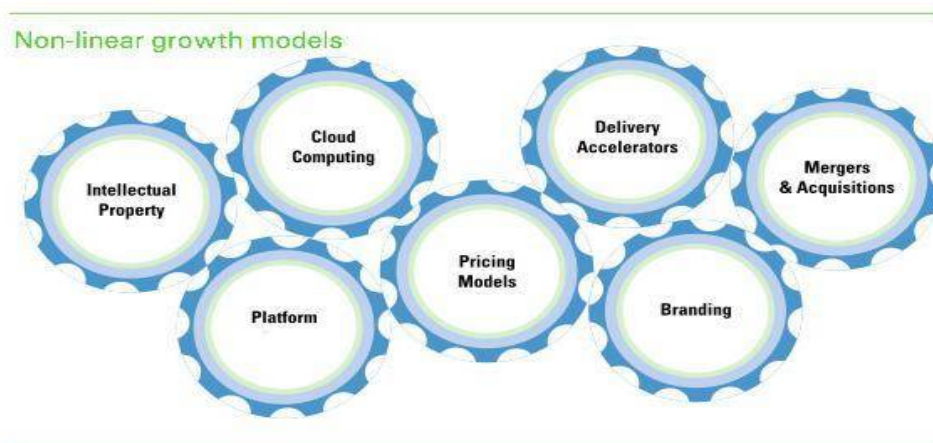
### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Technology is a great enabler for most businesses. Cloud computing is a major technology breakthrough that has clearly caught the attention of business executives who are finding real benefits by adopting cloud computing within their organizations. Various market studies by leading research firms indicate that cloud computing is projected to grow at a CAGR of 40-50% till 2017 to reach \$150-\$200 billion. The reports also indicate that cloud computing is being adopted in all segments of businesses, from small and medium businesses to large enterprises and across many verticals from Retail to Manufacturing to Healthcare, BFSI, Hospitality and Media.

Even so, corporation's reliance on outsourced technology service providers for adopting and implementing cloud computing has increased due to specialized skill requirements and reluctance on the part of businesses to focus on anything other than their core competencies. Businesses are looking at a cloud technology vendor who can provide them with the right technical direction and also help them implement and maintain the business' cloud computing applications. This approach has made the pure play cloud services model of 8KMiles very attractive.

#### Business Offerings

- Cloud Solutions
- Consulting and Services, Engineering, Migration, Disaster recovery Services
- Vertical solutions for Retail, Media and Airline Industries
- Products, Tools and Frameworks
- Ecosystem Solutions : Mobility (iPhone, iPad and Android)



## 2. BUSINESS OVER VIEW

8K MILES is an Internet based company focused on helping enterprise and small and medium businesses ("SMBs") integrate Cloud computing into their information technology ("IT") and business strategies. Our team of Cloud computing experts provide Cloud consulting and migration, Big Data (Hadoop) services, remote infrastructure management, backup and disaster recovery services over Amazon Web Services (AWS), Windows Azure and other Cloud platforms. Our Company was a very early strategic partner with Amazon Web Services, and is currently working with IBM Smart cloud and Microsoft Azure to develop a solution similar to that developed with AWS. Our goal, to help companies of all sizes understand, navigate and implement Cloud computing technologies in order to lower overall costs and better serve their employees and customers. We have specialized our expertise and currently have major clientele within the retail, media, travel and healthcare industries.

We believe that Cloud computing, as an industry, will change the way we think about technology and information management. The "Cloud" computing concept is a computing model providing web-based software, middleware and computing resources on demand. By deploying technology as a service, we give users access only to the resources they need for a particular task. This prevents businesses from paying for idle computing resources. Cloud computing can also go beyond cost savings by allowing users to access the latest software and infrastructure offerings to foster business innovation.

We are in the early days of pursuing our mission to help companies to learn and utilize all the features of the Cloud. We believe there is a significant opportunity to further enhance the value we deliver to clients and users. The current economic downturn creates great potential for the growth of our Company, as our offerings always save costs for our customers. Key elements of our strategy are based on providing clients with top-level customer support and service offerings. By raising funds through this private offering, we plan to enhance the reach of our current offerings, branch out into the public sector, form strategic alliances to grow our Company internally, and acquire multiple subsidiaries that will rapidly grow out Company externally.

Typically, in today's corporate there are three ways that businesses can fulfill their IT requirements:

The first approach is commonly referred to as a "do it yourself," or DIY model. This is the long-standing approach to managing IT services, in which a business retains complete ownership and responsibility for ongoing maintenance and management of servers, software, networking equipment and IT staff. Companies may choose to house this equipment in their own data centers or server closets, or may rent datacenter space from a provider.

The second approach is outsourcing, where businesses transfer full responsibility for their IT systems, operations and employees to - third-party service providers.

The third approach is Cloud computing, which is the delivery of IT services on demand, usually over the Internet.

## The "Cloud" Computing Concept

In its simplest form Cloud computing means the migration of many functions that used to be done inside the standalone computer/server to the Internet, or "Cloud". In order to fully understand the industry of Cloud computing, one must understand what Cloud computing truly means. Within the context of the phrase 'Cloud computing', 'Cloud' is a metaphor for the Internet derived the Cloud symbols used to represent the Internet in diagrams, and 'computing' refers to any IT activity carried out over the Internet. Thus, 'Cloud computing' is a type of Internet-based computing that follows a certain set of characteristics. Simply put, Cloud computing is an approach to deploying IT infrastructure and software applications in a way that keeps end-users and information consumers from needing to know the nuts and bolts of the system they use.

Nearly every person who owns a web-enabled personal computer ("PC"), laptop, smart phone, digital notebook, etc. has been influenced in the recent years by the rise in popularity of Cloud computing.

The Cloud technology has many advantages for users because you can access your files from any computer with an Internet connection, thus making access to files and collaborative work much easier. An additional, benefit of Cloud computing is the potential to lower total cost of doing business by reducing datacenter costs and the associated administration costs. The advancements in Cloud computing are creating the potential for IT savings and improved business efficiencies.

Traditional enterprise software requires companies to purchase servers, bandwidth, networks, data storage, power, and find a place to house everything with a proper cooling system. On top of all that, companies have to factor in the cost of IT staff, and the support required run the entire system and manage scalability. Enterprise software is a costly endeavor with significant up front expense. Conversely, Cloud computing tackles the need for sprawling datacenters through infrastructure virtualization. Within a Cloud, access to resources is controlled by the entity, and restricted by them to their authorized used; resources are then delivered via the Internet to all of these users. Further, resources are hosted by a service provider on behalf of the entity, and dedicated for their exclusive use. Cloud combines virtualization, automation, and parallel processing technology to shield resource consumers from many IT complexities.

Because of this virtualization, a Cloud datacenter footprint requires less physical hardware, maintenance, and administration. This allows companies requiring enterprise software to lower capital expenditures and in some instances lower operational expenditures as well. Cloud computing also has the capability for leveraging on-demand computing through Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS) service models.

SaaS is often referred to as on-demand software because it is a software delivery model in which software and associated data are centrally hosted on the Cloud, which allows users to run an application without having to know where it is installed or how it is managed. In order to run SaaS applications, there is no hardware or software to buy other than a network connection and web-enabled device. SaaS applications may include office e-mail, productivity and document sharing software, all provided over the Internet rather than maintained on a company's network and server.



PaaS is a service model of Cloud computing, wherein the consumer creates the software using tools and libraries from the provider. The consumer also controls software deployment and configuration settings. The provider simply provides the networks, servers and storage, which enables software vendors and corporate IT departments to focus on innovation instead of infrastructure when creating and delivering applications. The platform service model leverages the elasticity of Cloud computing to provide developers with tools to design, test, stage, and deploy web applications over the Internet or through a local corporate Cloud.

IaaS is this most basic Cloud service model, wherein Cloud providers can deliver on-demand Cloud-based computation, data storage, and virtualized hardware. IaaS providers supply these resources on demand from their large pools installed in data centers or "Cloud centers" which create flexibility for companies to deploy IT resources, from network components and data stores to virtual datacenters that can satisfy even the most intensive workloads and computing scenarios. To deploy their applications, Cloud users then install operating system images on the machines as well as their application software. In this model, it is the Cloud user who is responsible for patching and maintaining the operating systems and application software.

### Characteristics of Cloud

<b>Characteristics</b>	=	<b>On-Demand Sell-Service</b>	<b>Internet Accessibility</b>	<b>Pooled Resources</b>	<b>Elastic Capacity</b>	<b>Usage-Based Billing</b>
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Source: KPMG's The Cloud: Changing the Business Ecosystem, 2011

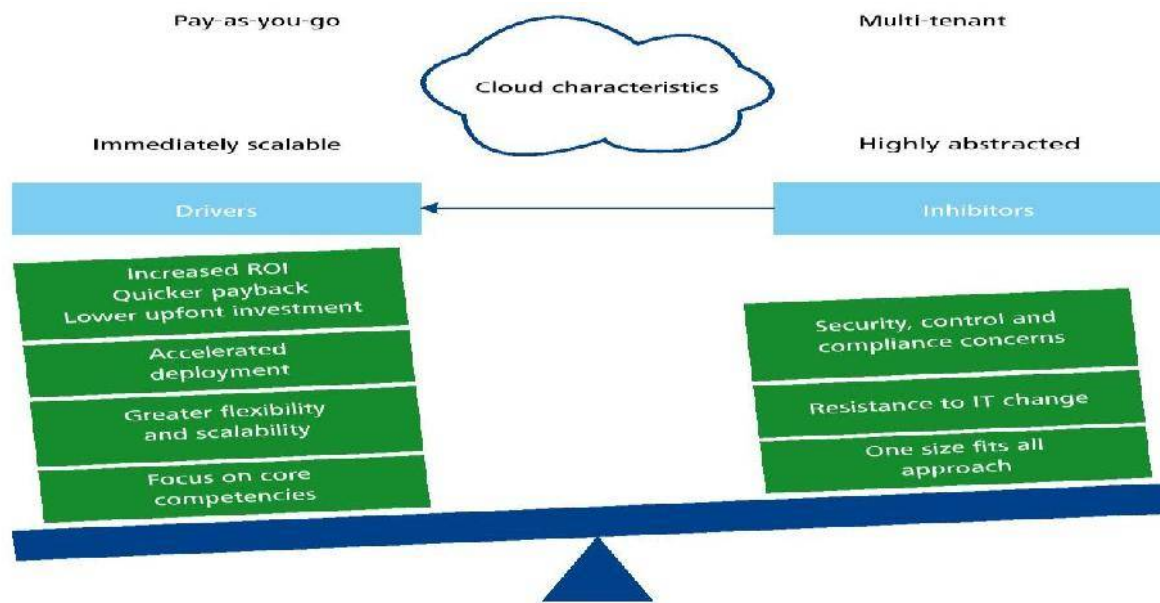
Further, the Cloud is defined in terms of three Service models and four deployment models as depicted below:

### Cloud Service Models and Deployment Models

Cloud Service Models			Cloud Deployment Models	
<b>Software as a Service</b>  Business operations over a network  <b>"SaaS"</b>	<b>Platform as a Service</b>  Deploy customer-created applications to a Cloud  <b>"PaaS"</b>	<b>Infrastructure as a Service</b>  Rent processing, storage, network, other computing resources  <b>"IaaS"</b>	<b>Private</b> Operated for a single organizations	<b>Community</b> Shared by several organizations, supporting a specific community
			<b>Public</b> Available to the general public or large industry group, owned by an organization selling Cloud services	<b>Hybrid</b> Two or more Clouds that remain unique but are bound by technology that enables data and application portability

Source: KPMG's The Cloud: Changing the Business Ecosystem, 2011

## Cloud Computing Drivers and Inhibitors



## Public, Private and Hybrid Clouds

There are three different types of Clouds that can be utilized within the industry: public, private and hybrid Clouds.

Public Clouds are those located outside a corporate firewall and are delivered over the Internet. With a public Cloud there is zero cost of ownership, maintenance, and administration associated with operating the datacenters. A service provider makes public Cloud applications, storage, and other resources available to the general public, and offers the services for free or on a pay-per-use model. PaaS and IaaS providers maintain global datacenters where services are often metered providing pay-as-you-go pricing for on-demand resource usage. SaaS may take advantage of the public Cloud's economy of scale to provide services to a mass market, typically through a subscription price model. The shared nature public Clouds can make companies question data security, however this is a matter of perception because PaaS and IaaS services can be just as secure as offsite datacenters, extranets, and virtual private networks prevalent across the industry.

On the other hand, private Clouds, or dedicated Clouds, contain Cloud infrastructure operated solely for a single organization, whether managed internally or by a third-party, and hosted internally or externally. Customers have full administrator privileges and are responsible for most administrative functions. The operator can provide a customer management portal and other management tools. This service frees the customer from the burden of managing the data center, network, hardware devices, and operating system software. Private Cloud hosting is largely a recurring, subscription-based business. Private Clouds offer SaaS, PaaS, and IaaS capabilities via a corporate network providing complete control over where sensitive data is stored. For publicly traded companies that can be subject to data stewardship laws, a private Cloud provides on-demand computing without jeopardizing regulatory compliance (e.g., the US Sarbanes-Oxley Act). Private Clouds offers an advantage over public Clouds where certain situations bottle necks or bandwidth limitations can exist. Private Clouds typically require investment in a physical IT

footprint and require hands-on administration, upkeep and associated costs. Because of this, private Clouds often receive criticism because users must buy, build, and manage them, thus not fully benefiting from less hands-on management. This approach is typically popular with larger corporate customers.

The third Cloud model is a derivative of both the public and private Clouds, hence its name, the hybrid Cloud. Hybrid Cloud is a composition both Clouds that remain unique entities but are bound together, offering the benefits of multiple deployment models. By utilizing hybrid Cloud architecture, companies and individuals are able to obtain degrees of fault tolerance combined with locally immediate usability without dependency on Internet connectivity. Hybrid Cloud architecture requires both on-premises resources and off-site server based Cloud infrastructure



### 3. STRENGTHS of 8K MILES

#### Cloud Consulting and Implementation

- Provide a cloud strategy and roadmap for cloud adoption
- Design and deploy public, private and hybrid cloud solutions

#### Cloud Migration Services

- Testing Infrastructure set up/ production Infrastructure set up
- Monitoring solutions and Storage solutions
- Scaling / Load balacing solutions / GEO Distributed Load
- Back up / Disaster recovery / Fail over solutions

#### Cloud Application Development

- Custom cloud applications and tools
- Application integration with AWS services

#### 4. INDUSTRY OVERVIEW AND MARKET OPPORTUNITY

We believe that the days of paying for costly software upgrades coming to an end as Cloud computing continues to gain popularity and becomes accepted practice for more companies. For IT to keep up with the pace of growing businesses in this modern, interconnected world, it has become necessary to take data into the Cloud. Anywhere in the world, on any computer, laptop, tablet, notebook, or smartphone, all data, information, files, database, analytics, and more needs to be synched, up-to-date, and fully accessible in order for businesses to thrive. According to the Sand Hill Group, Cloud computing is more transformational than the Internet, which revolutionized communications and e-commerce but, unlike Cloud computing, it didn't really change the way companies build and deliver IT systems and services. Cloud computing transforms the entire IT landscape.

It is believed that Cloud computing will also be a powerful catalyst for generating hundreds of thousands of new jobs in the United States and worldwide because there is rarely a need for capital expenditures, and operational expenditures are significantly decreased in most scenarios. This is very important for SMBs that require extra cash or money to run daily operations. According to a Sand Hill Group Study published in January 2012 Cloud computing already generates a sizable number of U.S. jobs. For instance,

eleven technology companies with Cloud operations as their main business unit added 80,000 jobs in the United States and abroad between January 2010 and January 2011, despite the poor economy. The study further reports that an average savings of 25 percent across IT services and hardware is not inconceivable. Re-investing the cost savings into new business opportunities can yield hundreds of thousands of new jobs in the next five years

In its April 2011 report, "Sizing the Cloud," Forrester predicted that the Cloud market could be \$118.17 billion by 2014. Gartner's projection is \$177 billion in 2015, which is a more modest 25 percent annual growth estimate. In either case, Cloud companies may add an average of \$20 billion of net revenues every year for the next four to five years.

Sand Hill Group points out the three industry trends that are driving the Cloud model to be even bigger and create massive business opportunities and hundreds of thousands of new jobs are: mobile, social and Big Data. Facebook, Twitter, LinkedIn, Google+ and other social networking sites would not be possible without Cloud computing technologies. And Cloud infrastructure and platforms really shine in addressing the challenges of accessing, processing and analyzing Big Data. Traditional businesses of all kinds, even those that may not define themselves as technology companies can benefit from Cloud innovations to improve their productivity and agility, reduce costs, free up resources for investment and compete globally with larger companies.

According to a study published by Forbes in April 2012, Cloud computing could cut \$12 billion from the US government annual deficit. This study states that less than two years ago the federal government began to adopt a Cloud-first rule to IT in order to cut down its \$80 billion a year budget, and is already saving about \$5.5 billion annually with Cloud implementation. Further, Meritalk Cloud Computing Exchange, a community of federal Cloud leaders, recently released a survey of 108 federal IT managers that states IT executives report an average saving of at least 7% of their IT budgets by using Cloud computing. Respondents also reported that over 11% of their annual IT budget is spent on Cloud resources. Even if the savings numbers are way too optimistic, it is still a significant endorsement of Cloud computing by the US government, which is the world's largest organization.

## 5. OUR MISSION

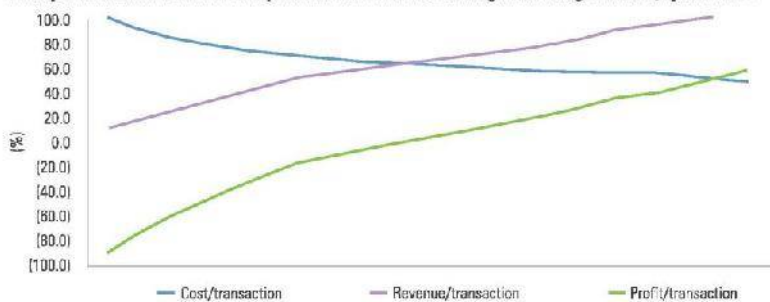
Our mission is to continue to grow and gain market share in the Cloud computing industry by offering services to the industry sectors that offer the greatest growth and profit potential. As the Internet continues to change the way that businesses structure and house their data, resources, and applications, there is enormous potential for carving out our share of the market. With trailblazers in the Cloud computing industry such as Amazon Web Services, Microsoft Azure, and IBM SmartCloud, it has been profitable for smaller companies like 8K Miles to form partnerships and offer a wide array of Cloud computing services while keeping overhead low.

We believe demand for Cloud computing will continue to grow because most smaller companies do not have the IT staff needed to manage complicated websites or other IT applications, and they do not want to purchase expensive hardware with their available capital. Yet they must have an increasingly robust, reliable online presence in order to succeed in today's market. Also, larger companies that do have specialized, dedicated IT resources would rather deploy these resources to more strategic areas of their

business rather than managing servers or running a website. As companies have experienced the benefits of using Cloud computing providers to manage some of their IT workloads, they have become more comfortable having those providers manage additional IT services. As time goes by, they will move more and more of their IT workloads to the Cloud. Cloud computing also removes many of the traditional barriers to new business formation, through its low cost, its high speed and scalability, and the way it lowers upfront capital requirements.

### Cost, revenue and profit per transaction

Profit per transaction can show an exponential curve with volume surge after tiding over fixed, upfront costs



Source: JP Morgan, India IT Services, 12 December 2010

## 6. RISKS AND CONCERNS:

Risks:

As a pure play cloud services company, 8KMiles Software Services is uniquely positioned to capitalize on the cloud computing opportunity. There is a high level of interest from executives to adopt cloud computing. However, the situation can change when there is a slowdown in the global economy. IT investments can be reduced which can have a negative impact on the business.

Though cloud computing is being seen as a reliable and cost saving model of computing, there are many businesses (and business verticals) that are still evaluating it and not bringing it into the mainstream of their organizations. This slower adoption is also a risk factor for the business.

Finally, the entry of newer players into the market may result in increased competition and force a reduction on our pricing. This will compromise on the margins of 8KMiles Software Services.

Concerns:

Cloud Computing is a niche and specialized skill set and is one that is having a high demand. For a services model of 8KMiles, it is a challenge to hire and retain top talent in the organization. This is one area of concern for the company.

The talent issue may force the company to increase the salary costs. Also, the growth of the company in existing and newer markets comes at an increasing cost of hiring non- technical talent. It also increases the operational expenses of the company. This is an additional area of concern for the company.

#### 7. VALUE PROPOSITIONS:

8K Miles models real world outsourcing without the overheads

End-to-End Model: Design, Develop, Test, Deploy and Maintain Solutions

Access to diverse talent on-demand

Access to unlimited computing infrastructure on-demand: Cloud delivered

#### 8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has set up internal control systems and considering the volume of operations, they are fairly adequate.

#### 9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

During the year, the Company has recruited employees for its Business development and also managerial personnel, who would drive the diversified activities of the company including overseas trading and also the operations of its four wholly owned subsidiaries. Relationship with its employees continues to remain cordial.

## REPORT ON CORPORATE GOVERNANCE

### 1. 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 Ltd is committed to achieving the highest standards of corporate governance.

8K Miles Software Services Ltd believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

### 2. BOARD OF DIRECTORS

The Company in its commitment to uphold good corporate Governance has further strengthened independence of the Board, by inducting 1 (One) Director in the Board. Total strength of the board on the date of this report is (8) Eight. The constitution of the Board has been made as per the guidelines provided by various regulatory authorities.

During the last 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.

### 3. AUDIT COMMITTEE

#### (i) Brief description of terms of reference

Your Company constituted an Audit Committee comprising of the following met 4 times during the year on 31<sup>st</sup> of May 2011, 14<sup>th</sup> of August 2011, 14<sup>th</sup> of November 2011 and 15<sup>th</sup> of February 2012.

Mr. Vedanta Ramanujam Srinivasan as the Chairman, (attended all the four meetings held)  
Ms. Padmini Ravichandran as its Member (attended all the four meetings held) and  
Mr. M V Bhaskar as it's Member (attended all the four meetings held) and complied with the necessary guidelines.

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

*Overseeing the Company's financial reporting process and Discloser of its financial information to ensure that the financial statements are correct, sufficient and creditable;  
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 financial and risk management policies;*

All the members including the chairman have adequate financial and accounting Knowledge.

#### 4. SHAREHOLDER/ INVESTOR GRIEVANCE COMMITTEE

Subsequent to takeover, your Company also constituted the Shareholder or Investor Grievance Committee comprising of:

Ms. Padmini Ravichandran as its Chairman,  
Mr. Vedanta Ramanujam Srinivasan as the Member and  
Mr. R S Ramani as the Compliance Officer and complied with the necessary guidelines.

Shareholder or Investor Grievance Committee met and were attended by all the members 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.

Regular reporting procedures are 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) / depository(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 2011-2012.

Total Shareholders complaints/ Requests

RECEIVED	REDRESSED	PENDING
01	01	0



## 5. GENERAL MEETINGS

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

DATE	VENUE	TIME
30 <sup>th</sup> September 2009	1-7-241/11/D, Ramalaya, 3 <sup>rd</sup> floor, S.D.Road, Secunderabad – 500 003	10:00AM
28 <sup>th</sup> September 2010	1-7-241/11/D, Ramalaya, 3 <sup>rd</sup> floor, S.D.Road, Secunderabad – 500 003	11:00AM
30 <sup>th</sup> September 2011	1-7-241/11/D, Ramalaya, 3 <sup>rd</sup> floor, S.D.Road, Secunderabad – 500 003	3:00PM

Date, location & time for the Extra-ordinary general meeting held during the year 2010-11:

There was no Extra-ordinary General Meeting held during the year.

## 6. POSTAL BALLOT

The Board of Directors of the company have sought, as decided in its meeting held on August 13, 2011 and vide Postal Ballot Notice dated August 13, 2011, the consent of the Shareholders by way of postal ballot pursuant to section 192-A of the Companies Act 1956 read with Companies (passing of resolution by postal ballot) Rules 2011 for the Special Resolution with respect to

Change of Registered Office of the Company from the State of Andhra Pradesh to the State of Tamilnadu pursuant to section 17, 146 (2) of the Companies Act 1956.

## 7. DISCLOSURE

There has not been any non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Company has complied with all the mandatory requirements of Corporate Governance, as required under the Listing Agreement and Company's status of Compliance with the non-mandatory requirements is given below:

### (a) The Board:

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

### (b) 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.

## 8. MEANS OF COMMUNICATION:

The Quarterly Audited or Un-audited Financial results are normally published in The Financial Express and Andhra Prabha. All material information about the Company is promptly sent through 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. The above results are also hosted on the Company website [www.8kmilessoftwareservices.com](http://www.8kmilessoftwareservices.com).

## GENERAL SHAREHOLDER INFORMATION:

S. NO.	PARTICULARS	DESCRIPTION
1.	Financial Year	April 1, 2011 - March 31, 2012
2.	Date, Time and Venue	29 <sup>th</sup> September 2012 at 3.00 pm Regd Office of the Company : 1-7-241/11/D, S.D. Road, Secunderabad – 500 003 Andhra Pradesh
3.	Book closure date	28 <sup>th</sup> September 2012 and 29 <sup>th</sup> September 2012 (Both days inclusive)
4.	Listed Stock Exchanges	Bombay Stock Exchange Limited, Mumbai.
5.	Registrar and Transfer Agents (share transfer and communication regarding share certificates and change of address)	Adroit Corporate Services Private Ltd. Unit : 8K Miles Software Services Limited Industries Estate, Makwane Road, Naronvaka, Andheri (East), Mumbai - 59 Tel / Fax: (022) 42270400 E-mail: <a href="mailto:info@adroitcorporate.com">info@adroitcorporate.com</a> Website: <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a>
6.	Share Transfer System	Presently, the transfer of shares is done through electronic mode with the help of the DP account held by the members.
7.	Dividend Payment Date	No dividend declared.
8.	Scrip ID (BSE)	8KMILES
9.	Stock Code(BSE)	512161
10.	Market Price Data	Annexed.
11.	Address for Correspondence	1-7-241/11/D, S D Road, Secunderabad – 500 003
12.	ISIN	<b>INE650K01013</b>
13.	AGM	27 <sup>th</sup> Annual General Meeting
14.	Quarterly Results (Tentative) For the First Quarter ending June 30, 2012.	August 1, 2012
	For the Second Quarter ending September 30, 2012.	On or before November 14 <sup>th</sup> , 2012
	For the Third Quarter ending December 31, 2012.	On or before February 14 <sup>th</sup> , 2013
	For the Fourth Quarter ending March 31, 2013.	On or before May 15 <sup>th</sup> , 2013
15.	Dematerialization of Shares	About 99.75% of the shareholding has been dematerialized as on March 31, 2012.

S. NO.	PARTICULARS	DESCRIPTION
16.	Any query on Annual Report	8K Miles Software Services Limited Secretarial Department No.7, 3 <sup>rd</sup> Floor, 3 <sup>rd</sup> Street, Ganapathy Colony, Teynampet, Chennai – 600 018 Email: <a href="mailto:investor@8kmilessoftwareservices.com">investor@8kmilessoftwareservices.com</a>
17.	Investor Correspondence	Adroit Corporate Services Private Limited Unit : 8K Miles Software Services Limited Industries Estate, Makwane Road, Naronvaka, Andheri (East), Mumbai - 59 Tel / Fax: (022) 42270400 E-mail: <a href="mailto:info@adroitcorporate.com">info@adroitcorporate.com</a> Website: <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a>

9. STOCK MARKET DATA:

Month	Bombay Stock Exchange Ltd.	
	High (Rs.)	Low (Rs.)
April 2011	51.70	46.10
May 2011	60.30	48.70
June 2011	62.45	51.85
July 2011	57.00	46.00
August 2011	53.75	40.90
September 2011	55.70	46.55
October 2011	51.95	43.25
November 2011	49.25	41.60
December 2011	48.95	39.70
January 2012	57.50	39.90
February 2012	62.65	53.20
March 2012	61.80	53.00

10. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

Shareholding Pattern	Shareholders		Share Amount	
	Numbers	Percentage to total	Rupees	Percentage to total
Up to 500	217	53.71	389930	0.70
501-1000	59	14.60	513720	0.92
1001-2000	41	10.15	615260	1.11
2001-3000	7	1.73	182160	0.33
3001-4000	8	1.98	286090	0.52
4001-5000	9	2.23	438240	0.79
5001-10000	26	6.44	1959190	3.53
10001 and above	37	9.16	51157020	92.11
Total	404	100%	55541610	100

11. DEMATERIALISATION OF SHARES:

As on March 31, 2012, out of total 5554161 equity shares of the company, 5540361 equity shares representing 99.75% of total shares have been dematerialized. The detailed break-up of shares as on March 31, 2012 is as follows:

Particulars	No. of equity shares	Percentage
CDSL	43,93,822	79.11%
NSDL	11,46,539	20.64%
PHYSICAL	13,800	0.25%
Total	5554161	100%

12. Shareholding Pattern of the Company as on March 31, 2012.

<b>8K Miles Software Services Limited (Formerly P.M.Strips Limited)</b>			
<b>Scrip Code:</b> 512161 <b>Date Begin:</b> 01 Jan 2012		<b>Quarter Ending:</b> March 2012 <b>Date End:</b> 31 Mar 2012	
Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
held by public	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
held by public	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
Warrants	No. of warrant	As a % of total no. of warrants	As a % of total no. of shares of the company assuming full

			conversion of warrants
Held by promoter/promoter group	0	0	0
held by public	0	0	0
Total	0	0	0
Total Paid-up capital of the company assuming full conversion of warrants and convertible securities	55,54,161		

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
(1) Indian individuals / HUF	1	37,077	-	0.67	0.67		
Sub Total	1	37,077	-	0.67	0.67	-	-
(2) Foreign/NRI	2	39,57,084	-	71.25	71.25		
Total shareholding of Promoter and Promoter Group (A)	3	39,94,161	-	71.91	71.91	-	-
<b>(B) Public Shareholding</b>							
(1) Institutions							

<b>(2) Non-Institutions</b>							
Bodies Corporate	51	1,56,177	1,56,177	2.81	2.81	-	-
<b>Individuals</b>						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	316	3,77,002	3,77,002	6.79	6.79	-	-
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	26	8,99,094	8,85,294	16.19	16.19	-	-
<b>Any Others (Clearing member/Directors)</b>	<b>6</b>	<b>1,26,687</b>	<b>1,26,687</b>	<b>2.28</b>	<b>2.28</b>	-	-
Non Resident Indians	2	1,040	1040	0.02	0.02	-	-
<b>Sub Total</b>	<b>401</b>	<b>15,60,000</b>	<b>1,546,200</b>	<b>28.09</b>	<b>28.09</b>	-	-
<b>Total Public shareholding (B)</b>	<b>401</b>	<b>15,60,000</b>	<b>1,546,200</b>	<b>28.09</b>	<b>28.09</b>	-	-
<b>Total (A)+(B)</b>	<b>404</b>	<b>55,54,161</b>	<b>55,40,361</b>	<b>100.00</b>	<b>100.00</b>	-	-
<b>(C) Shares held by Custodians and against which Depository records. Have been issued</b>	-	-	-	-	-	-	-
(1) Promoter	-	-	-	-	-	-	-

and Promoter Group							
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	404	5,554,161	1,546,200	-	100.00	-	-

Note:

1. For determining public shareholding for the purpose of Clause 40A
2. For definitions of Promoter and Promoter Group, refer to Clause 40A
3. Public Shareholding.



CERTIFICATE BY MANAGING DIRECTOR OF 8K MILES SOFTWARE SERVICES LIMITED

I, G P Surana, Managing Director of 8K MILES SOFTWARE SERVICES LIMITED, to the best of our knowledge and belief and certify that:

1. I 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 contains 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. I 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. I am 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. I 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; -
  - a. Significant change in internal controls during the year:
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
  - c. 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. I 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: Secunderabad  
Date: 31<sup>st</sup> May 2012

Sd/-  
G P Surana  
Managing Director

DECLARATION OF CODE OF CONDUCT

To  
The Members of 8K Miles Software Services Limited  
Hyderabad.

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company.

It is further confirmed that all the directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2012 as envisaged in Clause 49 of the listing agreement with Stock Exchange.

Place : Secunderabad  
Date : 31<sup>st</sup> May 2012

*Sd/-*  
G P SURANA  
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of 8K Miles Software Services Limited  
Hyderabad.

I have examined the compliance of the conditions of Corporate Governance by 8K Miles Software Services Limited for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that generally no investor grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company.

I 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 GHG Associates  
Chartered Accountants

Sd/-  
S.Haresh  
Partner

Place: Chennai  
Date: 31<sup>st</sup> May 2012

## STANDALONE FINANCIAL STATEMENTS

AUDITOR'S REPORT TO THE SHARE HOLDERS OF  
8K MILES SOFTWARE SERVICES LIMITED.  
(Formerly Known as P.M.Strips Ltd)

We have audited the Balance Sheet of M/s.8K MILES SOFTWARE SERVICES LIMITED, as at March 31, 2012 and also the Profit and Loss Account for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The provisions of the Companies (Audit Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (herein after called the Act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, We set out in the annexure a statement on the matters of the said order.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956.

- (v) On the basis of written representations received from the directors, as at March 31, 2012, and taken on record by the Board of Directors, We report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012
- b. In the case of the Profit and Loss Account of the Profit for the year ended on that date and
- c. In case of Cash Flow statement, of the cash flows for the year ended on that date.

For GHG ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(S.HARESH)  
PARTNER  
Membership No.205204

Place: Chennai  
Date: 31<sup>st</sup> May 2012

ANNEXURE TO AUDITORS'S REPORT

Annexure to Auditor's Report

Annexure referred to in paragraph 3 of the report of the Auditors to the Members of M/s.8K Miles Software Services Limited for the year ended March 31, 2012.

- (i) The nature of the Company's business activities during the year are such that clauses clause (xiii) with respect to provisions of any special statue, (xiv) with respect to Companies dealing in securities (xix) with respect to creation of securities in case the company has raised money by way of issue of debentures (xx) company raising money by way of public issue are not applicable to the company.
- (ii) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Fixed Assets of the Company have been physically verified by the management and no material discrepancies between the records and physical inventory have been noticed.
- (iii) The company is primarily rendering software solution services. Accordingly it does not hold any physical inventories. The paragraph 4(11) of the order is not applicable
- (iv) In our opinion and according to the information and explanation given to us, the internal control procedures are commensurate with the operations.
- (v) (a) On the basis of information and explanation given to us, the company has given and taken interest free loans to Companies, firms and other parties covered under section 301 of the Act and the same is prejudicial to the interest of the company.  
  
(b) The Loans either taken or given are both interest free.
- (vi) (a) on the basis of information and explanations given to us, we are of the opinion that the procedure of entering transactions that need to be entered into the Registered maintained under Section 301 of the 'Act have been so entered.  
  
(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of Rs. Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regards to the market prices prevailing at relevant time.

- (vii) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits as defined under the provisions of section 58A and 58 AA or any other relevant provisions of the Act and rules framed there under from the public.
- (viii) The company has an internal audit system commensurate with the size and nature of its business.
- (ix) The maintenance of cost records under sec.209 (1) (d) has not been prescribed by the Central Govt, for this company.
- (x) The company has not granted any loans and advance on the basis of security by way pledge of shares, debentures and other securities.
- (xi) According to the information and explanation given to us the company has not registered with PF & ESI Authorities and both the Employer Contribution and Employee Contributions were neither deducted nor deposited as per the relevant Acts, during the period under audit
- (Xii) We are informed by the management of the company that the Company has not given any guarantees for the loans taken by others from bank or financial institutions, the terms and conditions, whereof, in our opinion, are prime facie, prejudicial to the interest of the company.
- (xiii) In our opinion, and according to the information and explanations given to us, the Company is neither a dealer nor trader in securities.
- (xiv) The Company has not raised money by way of Term loans during the year .
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no fraud on the company has been noticed or reported during the year.

Place : Chennai  
Date : 31<sup>st</sup> May 2012

For GHG Associates  
Chartered Accountants

Sd/-  
S. Haresh



8K MILES SOFTWARE SERVICES LTD  
[Formerly Known As P.M.Strips Ltd]  
1-7-241/11D, S.D.ROAD, SECUNDERABAD-500003 A.P  
BALANCE SHEET AS AT 31st MARCH, 2012.

PARTICULARS		Note	As at 31st March 2012	As at 31st March 2011
			Rs.P	Rs.P
I	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Share capital	2	55,541,610	55,541,610
	(b) Reserves and Surplus	3	136,899,177	136,416,816
			192,440,787	191,958,426
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3	NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	4	2,293,278	3,241,734
	(b) Deferred Tax Liability (net)	5	48,464	9,441
	(c) Other long term liabilities	6	72,884,364	87,135,753
	(d) Long Term Provisions		-	-
			75,226,106	90,386,928
4	CURRENT LIABILITIES			
	(a) Short Term Borrowings	7	16,562,807	-
	(b) Trade Payables	8	543,140	-
	(c) Other Current Liabilities	9	47,258,756	9,158,968
	(d) Short Term Provisions	10	725,812	653,059
			65,090,515	9,812,027
	<b>TOTAL</b>		<b>332,757,408</b>	<b>292,157,381</b>
II	ASSETS			
1	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible Assets	11	305,324	197,474
	(ii) Intangible Assets	12	23,923	-
	(iii) Capital work-in-progress		97,671,413	89,434,287
	(iv) Intangible assets under development		-	-
			98,000,660	89,631,761
	(b) Non-Current Investments	13	125,704,725	125,704,725
	(c) Deferred Tax Assets (net)		-	-
	(d) Long Term Loans and Advances	14	42,914,047	41,108,608
	(e) Other Non-Current Assets		-	-
			168,618,772	166,813,333
2	CURRENT ASSETS			
	(a) Current Investments		-	-
	(b) Inventories		-	-
	(c) Trade Receivables	15	39,121,872	35,705,397
	(d) Cash and Cash Equivalents	16	23,033,967	6,890
	(e) Short Term Loans and Advances	17	3,905,987	-
	(f) Other Current Assets	18	76,150	-
			66,137,976	35,712,287
	<b>TOTAL</b>		<b>332,757,408</b>	<b>292,157,381</b>

Significant Accounting Policies and Notes on Accounts  
As per our report of even date attached

1

For GHG ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
(S.HARESH)  
Partner  
Membership No.205204

Sd/-  
G.P.SURANA  
Director

Sd/-  
M.V.BHASKAR  
Director

Place : Secunderabad  
Date : 31st May 2012

**8K MILES SOFTWARE SERVICES LTD**  
[Formerly Known As P.M.Strips Ltd]

Profit & Loss Account for the year ended 31st March 2012

PARTICULARS		Note	Year ended	Year ended
			31st March 2012	31st March 2011
			Rs.P	Rs.P
I.	Revenue from operations	19	20,308,080	11,187,230
II.	Other income	20	349,330	-
III.	Total Revenue		20,657,410	11,187,230
IV.	Expenses			
	Employee benefit expenses	21	13,994,275	5,086,208
	Finance costs	22	298,257	2,500
	Depreciation and amortisation expenses	11	126,514	52,166
	Other expenses	23	5,644,227	2,749,281
	Total expenses		20,063,273	7,890,155
V.	Profit before Exceptional & Extraordinary items and tax(III-IV)		594,137	3,297,075
VI.	Exceptional items		-	-
VII.	Profit before Extraordinary items and tax (V-VI)		594,137	3,297,075
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII-VIII)		594,137	3,297,075
X.	Tax expenses	24		
	(1) Current Tax		72,753	653,059
	(2) Deferred Tax		39,023	767,800
XI.	Profit /(Loss) for the period from Continuing Operations (IX-X)		482,361	3,411,816
XII.	Profit /(Loss) for the period from Discontinuing Operations		-	-
XIII.	Tax expenses on Discontinuing Operations		-	-
XIV.	Profit /(Loss) for the period from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV.	Profit(Loss) for the period (XI + XIV)		482,361	3,411,816
XVI.	Earnings per equity share :			
	(1) Basic		0.09	0.61
	(2) Diluted		0.09	0.61

The schedules referred to above form an integral part of these consolidated financial statements

As per our report of even date attached  
For GHG ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
S.HARESH  
Partner  
Membership No.205204

Sd/-  
G.P.SURANA  
Director

Sd/-  
M.V.BHASKAR  
Director

Place Secunderabad  
Date 31st May 2012

2 - SHARE CAPITAL

A. Authorised, Issued, Subscribed and paid-up share capital and par value per share

Particulars	AS at 31 March 2012	As at 31 March 2011
A. Authorised share Capital 15000000 equity shares of Rs 10. each (Previous year 15000000 equity shares of Rs 10. each)	150,000,000	150,000,000
B. Issued & Subscribed Share Capital 5554161 equity shares capital of Rs 10 each (Previous year 5554161 equity shares of Rs 10 each)	55,541,610	55,541,610
C. Paid- Up Share Capital 5554161 equity shares capital of Rs 10 each fully paidup	55,541,610	55,541,610

B. The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2012 and 31st March, 2011 is set out below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning	5,554,161	55,541,610	5,554,161	55,541,610
Add: Bonus Shares issued by capitalisation of reserves	-	-	-	-
Number of shares at the end	5,554,161	55,541,610	5,554,161	55,541,610

C. Shares in the company held by each share holder holding more than 5% share :

S.No.	Name of share holder	2011-12		2010-11	
		Number of share held in the company	Percentage of shares held	Number of share held in the company	Percentage of shares held
1	Mr.V.Suresh	3,561,645	64.13%	3,561,645	64.13%
2	Mr.R.S.Ramani	395,439	7.12%	395,439	7.12%

D. Details of allotments of shares other than cash, bonus shares and share bought back :

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	(Nos.)	(Nos.)	(Nos.)	(Nos.)	(Nos.)
Fully paid up equity shares of Rs.31/- each (Face value Rs.10/- and Premium Rs.21/-) allocated as consideration for purchase of 100% of share capital in Mentor minds Inc, USA to:					
- Mr. Suresh	-	-	-	3,339,043	-
- Mr. R.S.Ramani	-	-	-	371,005	-
Total	-	-	-	3,710,048	-
Fully paid up equity shares of Rs.31/- each (Face value Rs.10/- and Premium Rs.21/-) allocated as consideration for purchase of 100% of share capital in Mentorminds solutions and Services Pvt Ltd, India to:					
- Mr. Suresh	-	-	-	222,602	-
- Mr. R.S.Ramani	-	-	-	24,434	-
- Mr. M.V.Bhaskar	-	-	-	37,077	-
Total	-	-	-	284,113	-

3 - RESERVES AND SURPLUS

Particulars	AS at 31 March 2010	Additions during the year	Deductions during the year	As at 31 March 2011
Capital Reserves	-	-	-	-
Capital Redemption Reserve	-	-	-	-
Securities Premium Reserve	-	83,877,381	-	83,877,381
Debtenture Redemption Reserve	-	-	-	-
Revenue profit on Consolidation	-	-	-	-
Share Options Outstanding Account	-	-	-	-
Deferred Employee Compensation expense account	-	-	-	-
General Reserve	59,756,717	-	-	59,756,717
Dividend Equalization Reserve	-	-	-	-
Taxation Reserve	-	-	-	-
Reserve for contingent liabilities	-	-	-	-
Subsidy Reserve	1,423,110	-	-	1,423,110
Surplus (Profit and Loss Account)	(12,052,208)	3,411,816	-	(8,640,392)
Total	49,127,619	87,289,197	-	136,416,816
Note :				
Profit for the period	-	Year ended 2011 298,257	-	Year ended 2010 385,164
Less: Proposed Dividend on Equity shares	-	-	-	-
Tax on distributed profits on Equity shares	-	-	-	-
Transfer to Reserve	-	298,257	-	385,164

## RESERVES AND SURPLUS - Contd

Particulars	AS at 31 March 2011	Additions during the year	Deductions during the year	As at 31 March 2012
Capital Reserves				
Capital Redemption Reserve	-	-	-	-
Securities Premium Reserve	83,877,381	-	-	83,877,381
Debtenture Redemption Reserve	-	-	-	-
Revenue profit on Consolidation	-	-	-	-
Share Options Outstanding Account	-	-	-	-
Deferred Employee Compensation expense account	-	-	-	-
General Reserve	59,756,717	-	-	59,756,717
Dividend Equalization Reserve	-	-	-	-
Taxation Reserve	-	-	-	-
Reserve for contingent liabilities	-	-	-	-
Subsidy Reserve	1,423,110	-	-	1,423,110
Surplus (Profit and Loss Account)	(8,640,392)	482,361	-	(8,158,031)
Total	136,416,816	482,361	-	136,899,177
Note :				
Profit for the period		Year ended 2012		Year ended 2011
Less: Proposed Dividend on Equity shares	-	482,361	-	298,257
Tax on distributed profits on Equity shares	-	-	-	-
Transfer to Reserve		482,361		298,257

## 4 - LONG TERM BORROWINGS

Particulars	AS at 31 March 2012	As at 31 March 2011
A. Bonds & Debentures		
Secured	-	-
Unsecured	-	-
B. Term loans from Banks		
Secured	-	-
Unsecured	-	-
C. Term loans from Others		
Secured	-	-
Unsecured	-	-
D. Loans and Advances From Related Parties		
Secured	-	-
Unsecured	-	-
- From Directors	2,293,278	3,241,734
(E) PUBLIC DEPOSITS (UNSECURED)	-	-
(F) LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS (SECURED BY HYPOTHICATION )	-	-
Total	2,293,278	3,241,734

## 5 - DEFERRED TAX LIABILITIES (NET)

Particulars	AS at 31 March 2012	As at 31 March 2011
Deferred Tax Liabilities	48,464	9,441
Deferred Tax Assets	-	-
Deferred Tax Liabilities (Net)	48,464	9,441

## 6 - OTHER LONG TERM LIABILITIES

Particulars	AS at 31 March 2012	As at 31 March 2011
Outstanding Liabilities	826,945	800,000
Others (Consideration payable for business purchased)	72,057,419	86,335,753
Total	72,884,364	87,135,753

## 7 - SHORT TERM BORROWINGS

Particulars	AS at 31 March 2012	As at 31 March 2011
A. LOAN REPAYABLE ON DEMAND		
Secured		
Bank over draft with Indian bank (Guaranteed by Director Ms.T.P.Saira)	15,092,567	-
Bank over draft with Indian Overseas bank (Secured by Hypothecation of book debts Rate of Interest - Basic rate +1.75%)	1,470,240	-
Unsecured	-	-
B. LOANS AND ADVANCES FROM RELATED PARTIES		
Secured	-	-
Unsecured	-	-
C. PUBLIC DEPOSITS (UNSECURED)	-	-
Total	16,562,807	-

## 8 TRADE PAYABLES

Particulars	AS at 31 March 2012	As at 31 March 2011
Trade Payables	543,140	-
Others	-	-
<b>Total</b>	<b>543,140</b>	<b>-</b>

## 9 - OTHER CURRENT LIABILITIES

Particulars	AS at 31 March 2012	As at 31 March 2011
Current maturities of long term debt	-	-
Current maturities of finance lease obligations	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid / unclaimed dividends	-	-
Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
Salary payable	2,169,663	-
Employee dues	320,566	50,500
Rent Payable	40,837	-
Consulting fee payable	148,003	-
Service tax payable	36,661	-
Profession tax payable	84,025	-
Tds payable	1,805,420	63,468
Advance received from debtors	148,581	-
Audit fee payable	5,000	45,000
Others	-	-
-Other Advances	20,000,000	-
-Current maturities of Consideration payable for business purchased	22,500,000	9,000,000
<b>Total</b>	<b>47,258,756</b>	<b>9,158,968</b>

## 10 - SHORT TERM PROVISIONS

Particulars	AS at 31 March 2012	As at 31 March 2011
Provision for employee benefits	-	-
- Salary payable	-	-
Provision for dividends (including dividend distribution tax)	-	-
Provision for income tax	725,812	653,059
Provision for wealth tax	-	-
Other provisions	-	-
<b>Total</b>	<b>725,812</b>	<b>653,059</b>

## 13 - NON CURRENT INVESTMENTS

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Investment Property	-	-
(B) Trade Investments	-	-
(i) Investments in Equity Instruments	-	-
(ii) Investments in Preference Shares	-	-
(iii) Investments in debentures or bonds	-	-
(C) Non Trade Investments	-	-
(i) Investments in Equity Instruments	-	-
- Associate	-	-
- Joint venture	-	-
- Subsidiary	-	-
- In 10 lakh shares of Mentorminds solutions and Services Inc(USA) - 100% of total no of shares	115,011,500	115,011,500
- In 76587 shares of Mentorminds solutions and Services Pvt Ltd - 100% of total no of shares	8,807,505	8,807,505
- In 1000 shares of 8k miles Software Services Inc(USA) - 100% of total no of shares	45,220	45,220
- In 1 share of 8k miles Software Services (FZE)	1,840,500	1,840,500
- Partlypaid	-	-
(ii) Investments in Preference Shares	-	-
- Associate	-	-
- Joint venture	-	-
- Subsidiary	-	-
- Partlypaid	-	-
(iii) Investments in debentures or bonds	-	-
- Associate	-	-
- Joint venture	-	-
- Subsidiary	-	-
- Partlypaid	-	-
(iv) Investments in Mutual Funds	-	-
(v) Investments in Government or trust securities	-	-
NSCs (deposited with Sales Tax Authorities as security in respect of disputed dues)	-	-
(vi) Investments in partnership firms	-	-
<b>Total</b>	<b>125,704,725</b>	<b>125,704,725</b>
Investments valued at other than cost	-	-
All the above investments stated at cost	-	-
(2) Quoted Investments	NIL	NIL
Aggregate amount	NIL	NIL
Market Value	-	-
(3) Unquoted Investments	-	-
Aggregate Amount	125,704,725	125,704,725
(5) Aggregate provision made for diminution in value	NIL	NIL

14 - LONGTERM LOANS AND ADVANCES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (A)</b>	-	-
(B) Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	500,591	500,591
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (B)</b>	<b>500,591</b>	<b>500,591</b>
(C) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	42,413,456	40,608,017
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (C)</b>	<b>42,413,456</b>	<b>40,608,017</b>
(D) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (D)</b>	-	-
<b>TOTAL [(A) + (B) + (C) + (D)]</b>	<b>42,914,047</b>	<b>41,108,608</b>

15 - TRADE RECEIVABLES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	28,756,090	27,589,965
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	28,756,090	27,589,965
(B) Trade Receivables (Others)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	10,365,782	8,115,432
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	10,365,782	8,115,432
<b>Total</b>	<b>39,121,872</b>	<b>35,705,397</b>
Note: Debts due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any directors is a partner or a director or member:		
(A) Trade receivables outstanding for more than six months form the date they became due for payment		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
(B) Trade Receivables (others)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-

16 - CASH AND CASH EQUIVALENTS

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Balance with Banks	3,033,765	6,890
(B) Earmarked Bank balances		
(i) Employees security deposits pursuant to section 417 of the Companies Act, 1956	-	-
(ii) Unpaid dividend bank account	-	-
(iii) Monies raised in public issue kept in schedule bank account pending allotment	-	-
(iv) Monies kept in escrow account for payment of buyback consideration	-	-
(C) Bank balances held as margin money or as security against:		
(i) Borrowings	-	-
(ii) Guarantees	-	-
(iii) Letters of Credit	-	-
(iv) Other commitments	-	-
(D) Other bank balances		
(i) Bank deposits with more than 12 months	-	-
(ii) Others	20,000,000	-
(E) Cheques, drafts in hand		
(i) Cheques on hand	-	-
(ii) Drafts in hand	-	-
(F) Cash on hand	202	-
G) Others		
(i) Preference shares acquired with less than 3 months for maturity	-	-
(ii) Investment in Floater Mutual Funds	-	-
(iii) Government securities acquired with less than 3 months for maturity	-	-
<b>TOTAL</b>	<b>23,033,967</b>	<b>6,890</b>

## 17 - SHORT TERM LOANS AND ADVANCES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Loans and advances to related parties		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	24,165	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances		
Total (A)	24,165	-
(B) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances		
Total (B)	-	-
(C) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	3,881,822	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances		
Total (C)	3,881,822	-
<b>TOTAL [(A) + (B) + (C)]</b>	<b>3,905,987</b>	<b>-</b>

## 18 - OTHER CURRENT ASSETS

Particulars	AS at 31 March 2012	As at 31 March 2011
Tds on Receivables	76,150	-
Prepaid expenses	-	-
<b>Total</b>	<b>76,150</b>	<b>-</b>

## 19 - REVENUE FROM OPERATIONS

Particulars	AS at 31 March 2012 Rs.P	As at 31 March 2011 Rs.P
Project Revenue	20,308,080	10,984,408
Profit on sale of land	-	202,822
<b>Total</b>	<b>20,308,080</b>	<b>11,187,230</b>

## 20 - OTHER INCOME

Particulars	AS at 31 March 2012 Rs.P	As at 31 March 2011 Rs.P
(A) Income from non current investments		
Rentals from investment property	-	-
Dividends from subsidiaries	-	-
Interest from Government Securities	-	-
-Dividends from shares of other companies / units of Mutual Funds	-	-
Interest from debentures	-	-
Share of profit / loss from partnership firms	-	-
Total (A)	-	-
(B) Income from current investments		
Interest income from debentures	-	-
Dividends	-	-
Total (B)	-	-
(C) Other Income	349,330	-
<b>Total (A+B+C)</b>	<b>349,330</b>	<b>-</b>

## 21 - EMPLOYEE BENEFIT EXPENSES

Particulars	AS at 31 March 2012 Rs.P	As at 31 March 2011 Rs.P
Salary	13,994,275	5,086,208
(The company is not covered under the provisions of Provident fund and Employees state Insurance)		
Staff welfare	-	-
<b>Total</b>	<b>13,994,275</b>	<b>5,086,208</b>

## 22 - FINANCE COST

Particulars	AS at 31 March 2012 Rs.P	As at 31 March 2011 Rs.P
Interest expense	135,761	-
Bank charges	162,496	2,500
Loss on foreign exchange transaction and translation	-	-
Less: Capital Amount included in Capital Work in progress	-	-
<b>Total</b>	<b>298,257</b>	<b>2,500</b>

## 23 - OTHER EXPENSES

Particulars	AS at 31 March 2012 Rs.P	As at 31 March 2011 Rs.P
Professional & consultancy charges	2,446,840	158,920
Rent	718,728	332,500
Rates & Taxes	291,596	1,634,102
Auditors Remuneration :		
-Statutory Audit Fees	40,000	20,000
-Tax Audit Fees	10,000	15,000
-Other Services	23,000	15,000
Travelling and Business Promotion Expenses	247,722	51,573
Exchange Fluctuation Account	-	167,327
Communication-Telephones	96,775	5,199
Internship fees	192,000	48,000
General & Other Administrative expenses	1,577,566	301,660
<b>Total</b>	<b>5,644,227</b>	<b>2,749,281</b>

## 24 - TAX EXPENSE

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
-Current tax	72,753	653,059
-MAT credit	39,023	767,800
Deferred taxes		867,763
<b>Total</b>	<b>111,776</b>	<b>2,288,622</b>

## 25 - FOREIGN CURRENCY TRANSACTIONS

Particulars	Year ending 31 March 2012		Year ending 31 March 2011	
	In foreign currency	Amount (inRs.)	In foreign currency	Amount (inRs.)
Amount invoiced for services rendered	3,96,701 US\$	19,598,080	1,45,981 US\$ & 79525 CAN\$	8,394,610
Amount Received from clients	355708 US\$	16,966,142	1,15,370 US\$ & 80,000 CAN\$	8,723,231
Outflow	-	-	-	-

## 26 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(b) Guarantees		
(c) Other money for which company is contingently liable Bills discounted with banks		
<b>Total (A)</b>	-	-
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(b) Uncalled liability on shares and other investments partly paid		
(c) Others		
The company had provided for Rs. 6,53,089/- as Minimum alternate tax for the Ay 2011-12. Notice of Demand under Income Tax Act, 1961 of Rs. 11,90,670/- for the AY 2011-12 has been received and the Company has preferred a representation before the incometax Authorities. No provision has been made in the books of account for the difference amount as the Company has brought forward losses available to set off. The Company has not paid any amount of tax relating to AY 2011-12.		
<b>Total (B)</b>	537,581	-
<b>TOTAL [(A) + (B)]</b>	<b>537,581</b>	<b>-</b>

## 27 - DUES TO SMALL AND MEDIUM ENTERPRISES

The company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Rs. Nil.



8K MILES SOFTWARE SERVICES LTD.  
[Formerly Known As P.M.Strips Ltd]

11 - FIXED ASSETS (TANGIBLE)

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Sl. No	Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
		As at 31st March 2011 Rs.	Additional adjustment during the year Rs.	Deductions during the year Rs.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.	Provided during the year Rs.	Deductions during the year	As at 31st March 2012 Rs.	As at 31st March 2011	Reversed during the year	Provided during the year	As at 31st March 2012	As at 31st March 2011 Rs.	As at 31st March 2012 Rs.
1	<b>Furniture</b>														
	Owned	-	25,000.00	-	25,000.00	-	112.00		112.00	-	-	-	-	-	24,888.00
	Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	<b>Computers</b>														
	Owned	218,464.00	206,287.00	-	424,751.00	47,242.00	113,760.00	-	161,002.00	-	-	-	-	171,222.00	263,749.00
	Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	<b>Office &amp; Equipments</b>														
	Owned	11,500.00	11,000.00	-	22,500.00	353.00	5,460.00		5,813.00	-	-	-	-	11,147.00	16,687.00
	Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>229,964.00</b>	<b>242,287.00</b>	<b>-</b>	<b>472,251.00</b>	<b>47,595.00</b>	<b>119,332.00</b>		<b>166,927.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,369.00</b>	<b>305,324.00</b>
	<b>Fy 2010-11</b>	<b>900,000.00</b>	<b>229,964.00</b>	<b>900,000.00</b>	<b>229,964.00</b>	<b>-</b>	<b>47,595.00</b>		<b>47,595.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900,000.00</b>	<b>182,369.00</b>



# 8K MILES SOFTWARE SERVICES LIMITED

[Formerly Known As P.M.Strips Ltd]

## Cash Flow Statement for the year ended 31st March 2012

Particulars	Amount
Net Profit before taxes and Extra-ordinary items	594,137
Adjustment For :	
Depreciation and Similar non -Cash Items	126,514
Interest Paid	295,757
<b>Operating Profit before working capital Changes</b>	<b>424,894</b>
<b>Add / Less : Decrease/(Increase) in Current Assets excluding Cash/Cash equivalents</b>	
Deposits & Advances	(3,905,987)
Sundry Debtors	(3,416,475)
Other Current Assets	(76,150)
<b>Increase / (Decrease) in Current Liabilities excluding Cash /Cash Equivalents</b>	
Current Liabilities	35,205,735
Provision	72,753
Share application money pending allotment	20,000,000
<b>Cash Generated from Operations</b>	<b>48,304,770</b>
Less : Cash payments (Refunds) of Income Taxes , Unless they can be specifically identified with Financing and Investing Activities	
<b>Net Cash from Operating Activities</b>	<b>48,304,770</b>
<b><u>Cash Flow from Financing Activity</u></b>	
Reserves & Surplus	57,467
Unsecured Loan	(15,199,845)
DTL	39,023
<b>Total Cash flow from financing activities</b>	<b>(15,103,355)</b>
<b><u>Cash Flow from Investing Activity</u></b>	
Fixed Assets	107,850
Capital wip	8,237,126
Good Will	23,923
Investment	1,805,439
<b>Total Cash flow from investing activities</b>	<b>10,174,338</b>
Closing Balance	23,027,077
Opening Balance of cash as at 31/03/2011	6,890
	23,033,967
<b>Closing Balance of Cash as on 31/03/2012</b>	<b>23,033,967</b>

For GHG ASSOCIATES

For 8kMiles Software Services Limited

Sd/-

S. HARESH

Partner

Membership No. 205204

Sd/-

G.P.SURANA

Director

Sd/-

M.V.BHASKAR

Director

Place: Secunderabad

Date: 31.05.2012

8K MILES SOFTWARE SERVICES LIMITED  
1-7-241/11/D, S.D.ROAD  
SECUNDERABAD - 500003 A.P

Notes forming part of the  
Balance Sheet and the Profit and Loss Account  
For the year ended 31<sup>st</sup> March 2012

Note: 1 Significant Accounting Policies and Notes on Accounts

1 BACKGROUND

8k Miles Software Services Limited ("the Company") was incorporated in 1993 in the name of Rosebuds Commercials Limited and the company's name was subsequently changed to P.M. Strips Limited in March 2009. The Main object of the Company is to enable outsourcing of software and other knowledge services completely over the internet. The company provides the people, hardware, software and tools required for outsourcing on-demand effectively enabling a non cap-ex model of "Software development".

2. *SIGNIFICANT ACCOUNTING POLICIES*

a. Basis of Preparation of Financial Statements:

The financial statements of the company have been prepared and presented under historical cost convention on the accrual basis of accounting and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable.

b. Use of Estimates:

The preparation of Financial Statements in conformity with generally accepted Accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue Recognition:

Revenue from software services are recognized as related services are performed.

d. Fixed Assets:

Fixed assets are carried at cost of acquisition less depreciation. Cost of acquisition of fixed assets is inclusive of all incidental expenses relating to the cost of acquisition and the cost of installation / erection as applicable.

e. Depreciation:

Depreciation is provided on fixed assets on the written down value (WDV) method. The rates of depreciation prescribed in Schedule XIV to the Companies Act 1956 are considered as minimum rates.

f. Employee Benefits:

The company has not registered with PF & ESI Authorities and both the Employer Contribution and Employee Contributions were not deposited as per the relevant Acts, during the period under audit

g. Transfer Pricing:

In the Current year, the Company has not entered into any international transaction which attracts the provisions of Sec.92 - 92 F of the Income Tax Act, 1961

h. Quantitative Information:

Since the company does not deal in Inventory, no quantitative details are being furnished.

i. Accounting for Taxes on Income:

Income-tax expense comprises current year tax (i.e. Minimum Alternate Tax (MAT) for the period determined in accordance with Income Tax Act, 1962). Deferred tax resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the current rate of tax, only to the extent the timing differences are expected to crystallize.

j. Segment Reporting:

Although the company has reportable business and geographical segments, segmentation as required by AS-17 'Segment Reporting' issued by the Institute of Chartered Accountants of India, has not been complied with. This is mainly due to the fact that, products and services included in a single business segment is similar with respect to majority of factors.

k. Investments.

Investments in subsidiaries are accounted as per accounting standard 13 issued by the Institute of Chartered Accountants of India. Investments are stated at cost. No provision is made for diminution in value of investments as they are long term and strategic in nature.

## I. Related Party Disclosures

### 1. Relationships

Category - I - Major shareholders in the company:

Erstwhile Promoters-20.61%  
Mr. Suresh Venkatachari -64.12%  
Mr.R.S.Ramani-7.12%

Category - II - Subsidiaries and associates of the company.

Mentor minds solutions and Services Inc (USA) -100% subsidiary company acquired during the preceding financial year.

Mentor minds solutions and Services Pvt Ltd-100% subsidiary company acquired during the preceding financial year.

8k miles Software Services Inc (USA) -100% subsidiary company acquired during the preceding financial year.

8k miles Software Services (FZE) (UAE) -100% subsidiary company acquired during the preceding financial year.

Category - III - Other parties where common control exists.

Kaveri (India) Ltd, Regd. Office: 1-7-241/11/D.S.D.Road, Secunderabad-3.  
Golconda Engg.Entp.Ltd, Regd.Office:1-7-241/11/D.S.D.Road,Secunderabad-3  
Surana Securities Ltd, Regd.Office: 1-7-241/11/D.S.D.Road, Secunderabad-3.  
P.M.Telelinks Ltd (Formerly Surana Strips Ltd), Regd.Office: 1-7-241/11/D.S.D.Road, Secunderabad-3.  
Surana Steels Ltd, Regd.Office: 1-7-241/11/D.S.D.Road, Secunderabad-3.  
P.M.Telecom, 1-7-241/11/D.S.D.Road, Secunderabad-3.  
Surana Udyog Ltd, 7<sup>th</sup> floor, 1-7-241/11/D.S.D.Road, Secunderabad-3.  
8k Miles Web Services Private Limited - No.7, 3rd floor, Ganapathy colony 3 rd street, Teynampet, Chennai - 600018.  
8k Miles Inc(USA). - 3525, Quaker bridge road, Suite 1600, Hamilton, NJ 08619, USA  
Vinoosh foods and Entertainment private Limited - No.7, 3rd floor, Ganapathy colony 3rd street, Teynampet, Chennai - 600018.

Category - IV - Key Managerial Personnel:

Mr. G.P.Surana, Director, 19 P & T Colony, Vikrampuri Colony Secunderabad.  
Mr. Suresh Venkatachari, Director, Apt Blk 223 Yishun, Street 21, #06-475,, Singapore, 760223, , Singapore.  
Mr.R.S.Ramani, Director, No 62 Vellala Street,Purasawalkam, Chennai - 600084,  
Mr. M.V.Bhaskar, Director, T1 Venkatesh Nagar, II Street, 1<sup>st</sup> Extension, Virugambakkam, Chennai -600092.

Mr. Ravi Surana, 19 P & T Colony, Vikrampuri Colony Secunderabad.  
Ms.T.P.Saira, Director, Old No.15 New No.6 II Crescent Park Street, Gandhi  
nagar, Adyar, Chennai – 600020.  
Ms.Padmini Ravichandran – 15, 6<sup>th</sup> Cross Street, Karpagam Gardens, Adyar,  
Chennai – 600020.  
Mr.V.Srinivasan – 56, Thambiah Road, West Mambalam, Chennai – 600033.

Category – V – Relatives of Key Managerial Personnel:

Sri G.P.Surana, Father of Ravi Surana 19 P & T Colony, Secunderabad.

## 2. Transactions with related parties:-

Category – I – Major shareholders in the company:

Loan Received from Directors:

Mr.Suresh Venkatachari : Rs.22,65,747/-.

Mr.R.S.Ramani : Rs.27,531/-.

Category – II – Subsidiaries and associates of the company.

8k miles Software Services Inc(USA) :

Amount Invoiced: US\$ 52400 (Rs.2613644)

Amount Recd against invoices raised: US\$ 57147.17(Rs.2588560)

Amount invested in share capital: US\$ 1000 (Rs.45220).

8k miles Software Services FZE (UAE):

Amount invested in share capital: AED150000 (Rs.18, 40,500).

Mentor Minds Solutions Services Inc:

Amount Invoiced: US\$ 97300 (Rs.49,10,256)

Amount Received against invoices raised: US\$ 49000 (Rs.24,68,775)

Amount invested in share capital: Rs.11,50,11,500.

Mentorminds solutions and Services Pvt Ltd:

Amount invested in share capital: Rs.88,07,505.

Advances made: Rs.54,10,695.

Category – III – Other parties where common control exists.

8k Miles Software Services Singapore

Amount Invoiced: US\$ 15000 (Rs.8040600)

Amount Received against invoices raised: Rs.768548.

Vinoosh foods USA

Amount Invoiced: US\$ 15000 (Rs.697050)

Amount Received against invoices raised: Rs.783304.

8k Miles Web Services Private Limited

Consideration payable for business purchased – Rs.1,60,00,000/-

Loan repayable: Rs.45,57419.

8k Miles Inc(USA)

Amount Invoiced: Nil

Amount Received against invoices raised: US\$62950.78 (Rs.29,45,873).

Consideration payable for business purchased – Rs.7,40,00,000/-

m. Interest on loans:

The management has decided not to charge any interest on loans advanced to sister concerns and also not to pay interest on loans taken from sister concerns and company's directors.

n. Cash flow statement

The cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of noncash 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.

o. Other Information

Director Remuneration

Nature	2011-12	2010-11
Mr.R.S.Ramani	1,00,000	NIL

Auditor's Remuneration

Nature	2011-12	2010-11
Statutory Audit - Net of Service Tax	40,000	20,000
Tax Audit - Net of Service Tax	10,000	15,000
Taxation matters	23,000	15,000

p. Details of Capacity and Production

The company is into software development, which cannot be expressed in any generic unit. As the company is not into manufacture / production of any product, data relating to capacity and production is not relevant and hence not provided.



q. Debtors & Creditors

Balances of Debtors and Creditors are yet to be confirmed.

r. Previous year figures:

Figures for the prior year have been regrouped, recast or rearranged to conform to the current year's classification.

As per our report attached

For GHG Associates  
Chartered Accountants

For 8KMiles Software Services Limited

Sd/-  
S.Haresh  
Partner  
*Membership No. 205204*

Sd/-  
G.P.SURANA  
Director

Sd/-  
M.V.BHASKAR  
Director

Place: Chennai  
Date: 31<sup>st</sup> May 2012

# CONSOLIDATED FINANCIAL STATEMENTS

## Auditors' Report on Consolidated Financial Statements

To

The Board of Directors  
8K Miles Software Services Limited  
(Formerly known as P.M.Strips Ltd.)  
Hyderabad  
INDIA

We have audited the attached Consolidated Balance Sheet of 8K Miles Software Services Limited, the parent company and its subsidiaries as at 31<sup>st</sup> March 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto.

These consolidated financial Statements are the responsibility of M/s. 8K Miles Software Services Limited's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimated made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standard) Rules, 2006.

We have audited the financial statements of M/s. 8K Miles Software Services Limited, Hyderabad, India (the Parent Company). The financial statements of M/s. Mentor Minds Solutions and Services Private Limited, India, the Indian subsidiary of the Parent Company and the Financial Statements of Foreign Subsidiaries M/s.8K Miles Software Solutions, FZE, UAE, M/s.8K Miles Software Solutions Inc., USA and M/s. Mentor Minds Solutions and Services Inc., USA along with the Consolidated Financial Statements of Foreign Subsidiary's (M/s. Mentor Minds Solutions and Services Inc. USA) immediate subsidiary company, SRM Tech Canada, Inc, have been audited by other Auditors whose reports have been furnished to us for consolidation purpose and our opinion in respect of these subsidiaries is based solely on the report of the respective auditors and the representation of the Company.

Based on our audit on financial statements of M/s. 8K Miles Software Services Limited, India parent Company and on consideration of the reports of other auditors and on the basis of the information and explanations along with the management representation letter provided to us, we are of the opinion that:

- a. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of M/s. 8K Miles Software Services Limited, and its subsidiaries as at 31<sup>st</sup> March 2012:
- b. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of M/s. 8K Miles Software Services Limited, and its subsidiaries for the year ended on that date and
- c. The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of M/s.8K Miles Software Services Limited and its subsidiaries for the year then ended.

For GHG Associates  
Chartered Accountants

Sd/-  
S.Haresh  
Partner  
Membership No.205204

Place: Chennai  
Date: 31<sup>st</sup> May 2012

8K MILES SOFTWARE SERVICES LTD  
[Formerly Known As P.M.Strips Ltd]  
1-7-241/11D,S.D.ROAD,SECUNDERABAD-500003 A.P

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012.

PARTICULARS	Note	As at 31st March 2012 Rs.P	As at 31st March 2011 Rs.P
<b>I</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	55,541,610	55,541,610
(b) Reserves and Surplus	3	199,619,320	151,364,291
		<b>255,160,930</b>	<b>206,905,901</b>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		-	-
<b>3 NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	12,191,924	10,660,908
(b) Deferred Tax Liability (net)	5	308,755	380,881
(c) Other long term liabilities	6	73,984,364	88,348,676
(d) Long Term Provisions		-	-
		<b>86,485,043</b>	<b>99,390,465</b>
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	7	16,611,641	-
(b) Trade Payables	8	5,671,662	19,059,036
(c) Other Current Liabilities	9	71,970,957	25,821,491
(d) Short Term Provisions	10	8,260,337	2,131,713
		<b>102,514,597</b>	<b>47,012,240</b>
<b>TOTAL</b>		<b>444,160,570</b>	<b>353,308,605</b>
<b>II ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	5,154,795	5,875,583
(ii) Intangible Assets			
- Goodwill on Consolidation		54,584,609	54,584,609
- Other Intangible assets	12	23,923	15,105
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		164,295,792	125,894,718
		<b>224,059,119</b>	<b>186,370,015</b>
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (net)	13	40,392,377	41,402,922
(d) Long Term Loans and Advances	14	15,490,525	10,939,094
(e) Other Non-Current Assets		55,882,902	52,342,016
<b>2 CURRENT ASSETS</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	15	129,474,558	109,630,751
(d) Cash and Cash Equivalents	16	29,731,961	4,374,612
(e) Short Term Loans and Advances	17	3,905,987	-
(f) Other Current Assets	18	1,106,043	591,210
		<b>164,218,549</b>	<b>114,596,573</b>
<b>TOTAL</b>		<b>444,160,570</b>	<b>353,308,605</b>

Significant Accounting Policies and Notes on Accounts  
As per our report of even date attached

1

For GHG ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
(S.HARESH)  
Partner  
Membership No.205204

Sd/-  
G.P.SURANA  
Director

Sd/-  
M.V.BHASKAR  
Director

Place : Secunderabad  
Date : 31st May 2012

**8K MILES SOFTWARE SERVICES LTD**  
[Formerly Known As P.M.Strips Ltd]

Profit & Loss Account for the year ended 31st March 2012

PARTICULARS		Note	Year ended 31st March 2012	Year ended 31st March 2011
			Rs.P	Rs.P
I.	Revenue from operations	19	210,609,240	163,205,971
II.	Other income	20	636,591	213,064
III.	Total Revenue		<b>211,245,831</b>	<b>163,419,035</b>
IV.	Expenses			
	Employee benefit expenses	21	131,286,324	105,554,918
	Finance costs	22	480,683	235,742
	Depreciation and amortisation expenses	11	8,042,594	6,886,343
	Other expenses	23	29,363,081	25,325,247
	Total expenses		<b>169,172,681</b>	<b>138,002,249</b>
V.	Profit before Exceptional & Extraordinary items and tax(III-IV)		42,073,150	25,416,786
VI.	Exceptional items		-	-
VII.	Profit before Extraordinary items and tax (V-VI)		42,073,150	25,416,786
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII-VIII)		42,073,150	25,416,786
X.	Tax expenses	24		
	(1) Current Tax		7,122,801	5,366,372
	(2) Deferred Tax		(72,126)	867,763
XI.	Profit /(Loss) for the period from Continuing Operations (IX-X)		35,022,475	20,918,177
XII.	Profit /(Loss) for the period from Discontinuing Operations		-	-
XIII.	Tax expenses on Discontinuing Operations		-	-
XIV.	Profit /(Loss) for the period from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV.	Profit(Loss) for the period (XI + XIV)		35,022,475	20,918,177
XVI.	Earnings per equity share :			
	(1) Basic		6.31	3.77
	(2) Diluted		6.31	3.77

The schedules referred to above form an integral part of these consolidated financial statements

As per our report of even date attached  
For GHG ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
S.HARESH  
Partner  
Membership No.205204

Sd/-  
G.P.SURANA  
Director

Sd/-  
M.V.BHASKAR  
Director

Place : Secunderabad  
Date 31st May 2012

2 - SHARE CAPITAL

Particulars	AS at 31 March 2012	As at 31 March 2011
A. Authorised share Capital 15000000 (Previous year 15000000 equity shares of Rs 10.each)	150,000,000	150,000,000
B. Issued &Subscribed Share Capital 5554161 equity shares capital of Rs 10each (Previous year 5554161 equity shares of Rs 10 each)	55,541,610	55,541,610
C.Paid- Up Share Capital 554161 equity shares capital of Rs 10 each fully paidup	55,541,610	55,541,610

D. The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2012 and 31st March, 2011 is set out below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the begining	5,554,161	55,541,610	5,554,161	55,541,610
Add: Bonus Shares issued by capitalisation of reserves	-	-	-	-
Number of shares at the end	5,554,161	55,541,610	5,554,161	55,541,610

E. Shares in the company held by each share holder holding more than 5% share :

S.No.	Name of share holder	2011-12		2010-11	
		Number of share held in the company	Percentage of shares held	Number of share held in the company	Percentage of shares held
1	Mr. V.Suresh	3,561,645	64.13%	3,561,645	64.13%
2	Mr.R.S.Ramani	395,439	7.12%	395,439	7.12%

F. Details of allotments of shares other than cash, bonus shares and share bought back :

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	(Nos.)	(Nos.)	(Nos.)	(Nos.)	(Nos.)
Fully paid up equity shares of Rs.31/- each (Face value Rs.10/- and Premium Rs.21/-)allocated as consideration for purchase of 100% of share capital in Mentor minds Inc, USA to:					
- Mr. Suresh	-	-	-	3,339,043	-
- Mr. R.S.Ramani	-	-	-	371,005	-
Total	-	-	-	3,710,048	-
Fully paid up equity shares of Rs.31/- each (Face value Rs.10/- and Premium Rs.21/-)allocated as consideration for purchase of 100% of share capitalMentorminds solutions and Services Pvt Ltd, India to:					
- Mr. Suresh	-	-	-	222,602	-
- Mr. R. S. Ramani	-	-	-	24,434	-
- Mr. Mr. M.V. Bhaskar	-	-	-	37,077	-
Total	-	-	-	284,113	-

3 - RESERVES AND SURPLUS

Particulars	AS at 31 March 2010	Additions during the year	Deductions during the year	As at 31 March 2011
Capital Reserves				
Capital Redemption Reserve				
Securities Premium Reserve	83,877,381	-	-	83,877,381
Debtenture Redemption Reserve	-	-	-	-
Foreign Currency Translation reserve	-	-	-	-
Share Options Outstanding Account	-	-	-	-
Deferred Employee Compensation expense account	-	-	-	-
General Reserve	59,756,717	-	-	59,756,717
Dividend Equalization Reserve	-	-	-	-
Taxation Reserve	-	-	-	-
Reserve for contingent liabilities	-	-	-	-
Subsidy Reserve	1,423,110	-	-	1,423,110
Surplus (Profit and Loss Account)	(12,052,208)	3,411,816	-	(8,640,392)
Revenue profit on Consolidation	-	-	-	-
- Mentorminds solutions and Services Inc (USA)	-	1,838,725	-	1,838,725
- Mentorminds solutions and Services Pvt Ltd (India)	-	510,603	-	510,604
- 8kmiles Software Services Inc (USA)	-	7,195,730	-	7,195,730
- 8kmiles Software Services (FZE) - UAE	-	5,402,416	-	5,402,416
Total	133,005,000	18,359,290	-	151,364,291
Note :				
Profit for the period		Year ended 2011 20,918,177		Year ended 2010 -
Less: Proposed Dividend on Equity shares	-	-	-	-
Tax on distributed profits on Equity shares	-	-	-	-
Transfer to Reserve		20,918,177		-

## RESERVES AND SURPLUS - Contd

Particulars	AS at 31 March 2011	Additions during the year	Deductions during the year	As at 31 March 2012
Capital Reserves				
Capital Redemption Reserve				
Securities Premium Reserve	83,877,381	-	-	83,877,381
Debenture Redemption Reserve				
Share Options Outstanding Account	-	-	-	-
Deferred Employee Compensation expense account				
General Reserve	59,756,717			59,756,717
Foreign Currency Translation reserve	-	13,530,304	-	13,530,304
Dividend Equalization Reserve	-	-	-	-
Taxation Reserve	-	-	-	-
Reserve for contingent liabilities	-	-	-	-
Subsidy Reserve	1,423,110	-	-	1,423,110
Surplus (Profit and Loss Account)	(8,640,392)	482,361	-	(8,158,031)
Revenue profit on Consolidation				
- Mentorminds solutions and Services Inc (USA)	1,838,725	7,158,053	-	8,996,778
- Mentorminds solutions and Services Pvt Ltd (India)	510,604	127,172	-	637,777
- 8kmiles Software Services Inc (USA)	7,195,730	9,332,771	-	16,528,501
- 8kmiles Software Services (FZE) - UAE	5,402,416	17,624,367	-	23,026,783
<b>Total</b>	<b>151,364,291</b>	<b>48,255,028</b>	<b>-</b>	<b>199,619,320</b>
Note :				
Profit for the period		Year ended 2012		Year ended 2011
Less: Proposed Dividend on Equity shares	-	35,022,475	-	20,918,177
Tax on distributed profits on Equity shares	-	-	-	-
Transfer to Reserve		35,022,475		20,918,177
		-		-

## 4 - LONG TERM BORROWINGS

Particulars	AS at 31 March 2012	As at 31 March 2011
A. Bonds & Debentures		
Secured	-	-
Unsecured	-	-
B. Term loans from Banks		
Secured	317,805	795,089
Unsecured	-	-
C. Term loans from Others		
Secured	-	-
Unsecured	-	-
D. Loans and Advances From Related Parties		
Secured	-	-
Unsecured		
- From Directors	11,857,808	12,153,923
- From Group companies	16,311	(2,288,104)
(E) PUBLIC DEPOSITS (UNSECURED)	-	-
(F) LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS (SECURED BY HYPOTHICATION)	-	-
<b>Total</b>	<b>12,191,924</b>	<b>10,660,908</b>

## 5 - DEFERRED TAX LIABILITIES (NET)

Particulars	AS at 31 March 2012	As at 31 March 2011
Deferred Tax Liabilities	308,755	380,881
Deferred Tax Assets	-	-
<b>Deferred Tax Liabilities (Net)</b>	<b>308,755</b>	<b>380,881</b>

## 6 - OTHER LONG TERM LIABILITIES

Particulars	AS at 31 March 2012	As at 31 March 2011
Outstanding Liabilities	826,945	912,923
Others	73,157,419	87,435,753
<b>Total</b>	<b>73,984,364</b>	<b>88,348,676</b>

## 7 - SHORT TERM BORROWINGS

Particulars	AS at 31 March 2012	As at 31 March 2011
A. LOAN REPAYABLE ON DEMAND		
Secured Bank over draft with banks	16,562,807	-
Unsecured	48,834	-
B. LOANS AND ADVANCES FROM RELATED PARTIES		
Secured	-	-
Unsecured	-	-
C. PUBLIC DEPOSITS (UNSECURED)	-	-
<b>Total</b>	<b>16,611,641</b>	<b>-</b>



## 8 TRADE PAYABLES

Particulars	AS at 31 March 2012	As at 31 March 2011
Trade Payables	5,671,662	19,059,036
Others	-	-
<b>Total</b>	<b>5,671,662</b>	<b>19,059,036</b>

## 9 - OTHER CURRENT LIABILITIES

Particulars	AS at 31 March 2012	As at 31 March 2011
Current maturities of long term debt	477,280	403,404
Current maturities of finance lease obligations	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid / unclaimed dividends	-	-
Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
Salary payable	2,169,663	308,533
Employee dues	320,566	50,500
Rent Payable	40,837	33,750
Consulting fee payable	148,003	-
Service tax payable	64,324	27,663
Profession tax payable	97,750	-
Tds payable	2,140,053	654,314
Advance received from debtors	148,581	-
Audit fee payable	5,000	94,635
Others	66,358,900	24,248,692
<b>Total</b>	<b>71,970,957</b>	<b>25,821,491</b>

## 10 - SHORT TERM PROVISIONS

Particulars	AS at 31 March 2012	As at 31 March 2011
Provision for employee benefits	-	-
- Salary payable	-	-
Provision for dividends (including dividend distribution tax)	-	-
Provision for income tax	8,260,337	2,131,713
Provision for wealth tax	-	-
Other provisions	-	-
<b>Total</b>	<b>8,260,337</b>	<b>2,131,713</b>

## 13 - LONGTERM LOANS AND ADVANCES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
(B) Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	800,591	800,591
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
<b>Total (B)</b>	<b>800,591</b>	<b>800,591</b>
(C) Loans and advances to related parties (1)		
Secured, considered good	-	-
Unsecured, considered good	39,591,786	40,602,331
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
<b>Total (C)</b>	<b>39,591,786</b>	<b>40,602,331</b>
(D) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
<b>Total (D)</b>	<b>-</b>	<b>-</b>
<b>TOTAL [(A) + (B) + (C) + (D)]</b>	<b>40,392,377</b>	<b>41,402,922</b>

## 14 - OTHER NON CURRENT ASSETS

Particulars	AS at 31 March 2012	As at 31 March 2011
A) Long Term Trade Receivable (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
Total (A)	-	-
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	15,490,525	10,939,094
Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
Total (B)	15,490,525	10,939,094
<b>TOTAL [(A) + (B)]</b>	<b>15,490,525</b>	<b>10,939,094</b>
Note: Debts due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
Long Term Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Others		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 15 - TRADE RECEIVABLES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i)Secured, considered good	-	-
(ii)Unsecured, considered good	28,729,424	36,662,305
(iii)Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	28,729,424	36,662,305
(B) Trade Receivables (others)		
(i)Secured, considered good	-	-
(ii)Unsecured, considered good	100,745,134	72,968,446
(iii)Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	100,745,134	72,968,446
<b>Total</b>	<b>129,474,558</b>	<b>109,630,751</b>
Note: Debts due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any directors is a partner or a director or member:		
(A) Trade receivables outstanding for more than six months form the date they became due for payment		
(i)Secured, considered good	-	-
(ii)Unsecured, considered good	-	-
(iii)Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
(B) Trade Receivables (others)		
(i)Secured, considered good	-	-
(ii)Unsecured, considered good	-	-
(iii)Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-

## 16 - CASH AND CASH EQUIVALENTS

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Balance with Banks	3,174,644	54,350
(B) Earmarked Bank balances		
(i) Employees security deposits pursuant to section 417 of the Companies Act, 1956	-	-
(ii) Unpaid dividend bank account	-	-
(iii) Monies raised in public issue kept in schedule bank account pending allotment	-	-
(iv) Monies kept in escrow account for payment of buyback consideration	-	-
(C) Bank balances held as margin money or as security against:		
(i) Borrowings	-	-
(ii) Guarantees	-	-
(iii) Letters of Credit	-	-
(iv) Other commitments	-	-
(D) Other bank balances		
(i) Bank deposits with more than 12 months	-	-
(ii) Others	20,000,000	-
(E) Cheques, drafts in hand		
(i) Cheques on hand	-	-
(ii) Drafts in hand	-	-
(F) Cash on hand	2,143,836	8,313
G) Others	4,413,481	4,311,949
<b>TOTAL</b>	<b>29,731,961</b>	<b>4,374,612</b>

## 17 - SHORT TERM LOANS AND ADVANCES

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Loans and advances to related parties (1)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	24,165	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
Total (A)	24,165	-
(B) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
Total (B)	-	-
(C) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	3,881,822	-
(iii) Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
Total (C)	3,881,822	-
<b>TOTAL [(A) + (B) + (C)]</b>	<b>3,905,987</b>	<b>-</b>

## 18 - OTHER CURRENT ASSETS

Particulars	AS at 31 March 2012	As at 31 March 2011
Tds on Receivables	126,150	50,000
Prepaid expenses	295,691	261,490
Others	684,202	279,720
<b>Total</b>	<b>1,106,043</b>	<b>591,210</b>

## 19 - REVENUE FROM OPERATIONS

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
Project Revenue	210,609,240	163,205,971
	-	-
<b>Total</b>	<b>210,609,240</b>	<b>163,205,971</b>

## 20 - OTHER INCOME

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
(A) Income from non current investments		
Rentals from investment property	-	-
Dividends from subsidiaries	-	-
Interest from Government Securities	-	-
-Dividends from shares of other companies / units of Mutual Funds	-	-
Interest from debentures	-	-
Share of profit / loss from partnership firms	-	-
<b>Total (A)</b>	-	-
(B) Income from current investments		
Interest income from debentures	-	-
Dividends	-	-
<b>Total (B)</b>	-	-
(C) Other Income	636,591	213,064
<b>Total (A+B+C)</b>	<b>636,591</b>	<b>213,064</b>

## 21 - EMPLOYEE BENEFIT EXPENSES

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
EMPLOYEE BENEFIT EXPENSES (The company and its subsidiaries are not covered under the provisions of Provident fund and Employees state Insurance)	131,286,324	105,554,918
<b>Total</b>	<b>131,286,324</b>	<b>105,554,918</b>

## 22 - FINANCE COST

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
Interest expense	313,300	103,129
Bank charges	167,383	9,899
Loss on foreign exchange transaction and translation	-	122,714
Less: Capital Amount included in Capital Work in progress	-	-
<b>Total</b>	<b>480,683</b>	<b>235,742</b>

## 23 - OTHER EXPENSES

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
Professional & consultancy charges	2,884,872	3,348,030
Rent	1,574,204	2,536,386
Auditors Remuneration :		
-Statutory Audit Fees	84,944	60,000
-Tax Audit Fees	21,236	25,000
-Other Services	48,843	38,000
Travelling and Business Promotion Expenses	492,500	774,450
Exchange Fluctuation Account	-	167,327
Communication-Telephones	430,032	346,867
General & Other Administrative expenses	23,826,450	18,029,187
<b>Total</b>	<b>29,363,081</b>	<b>25,325,247</b>

## 24 - TAX EXPENSE

Particulars	AS at 31 March 2012	As at 31 March 2011
	Rs.P	Rs.P
-Current tax	7,122,800.96	5,366,372.00
-MAT credit	-	-
Deferred taxes	(72,126.00)	867,763.00
<b>Total</b>	<b>7,050,674.96</b>	<b>6,234,135.00</b>

## 25 - FOREIGN CURRENCY TRANSACTIONS

Particulars	Year ending 31 March 2012		Year ending 31 March 2011	
	In foreign currency	Amount (inRs.)	In foreign currency	Amount (inRs.)
Amount invoiced for services rendered	3,96,701 US\$	19,598,080	1,45,981 US\$ & 79525 CAN\$	8,394,610
Amount Received from clients	355708 US\$	16,966,142	1,15,370 US\$ & 80,000 CAN\$	8,723,231
Outflow	-	-	-	-

## 26 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	AS at 31 March 2012	As at 31 March 2011
(A) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts	-	-
(b) Guarantees	-	-
(c) Other money for which company is contingently liable	-	-
Bills discounted with banks		
Total (A)	-	-
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(b) Uncalled liability on shares and other investments partly paid		
(c) Others		
The company had provided for Rs.6,53,089/- as Minimum alternate tax for the Ay 2011-12. Notice of Demand under Income Tax Act, 1961 of Rs.11,90,670/- for the AY 2011-12 has been received and the Company has preferred a representation before the incometax Authorities. No provision has been made in the books of account for the difference amount as the Company has brought forward losses available to set off. The Company has not paid any amount of tax relating to AY 2011-12.	537,581	-
Total (B)	537,581	-
TOTAL [(A) + (B)]	537,581	-

## 27 - DUES TO SMALL AND MEDUIM ENTERPRISES

The company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Rs. Nil.





# 8K MILES SOFTWARE SERVICES LIMITED

[Formerly Known As P.M.Strips Ltd]

## Cash Flow Statement for the year ended 31st March 2012

Particulars	Amount
Net Profit before taxes and Extra-ordinary items	594,137
Adjustment For :	
Depreciation and Similar non -Cash Items	126,514
Interest Paid	295,757
<b>Operating Profit before working capital Changes</b>	<b>424,894</b>
<b>Add / Less : Decrease/(Increase) in Current Assets excluding Cash/Cash equivalents</b>	
Deposits & Advances	(3,905,987)
Sundry Debtors	(3,416,475)
Other Current Assets	(76,150)
<b>Increase / (Decrease) in Current Liabilities excluding Cash /Cash Equivalents</b>	
Current Liabilities	35,205,735
Provision	72,753
Share application money pending allotment	20,000,000
<b>Cash Generated from Operations</b>	<b>48,304,770</b>
Less : Cash payments (Refunds) of Income Taxes , Unless they can be specifically identified with Financing and Investing Activities	
<b>Net Cash from Operating Activities</b>	<b>48,304,770</b>
<b><u>Cash Flow from Financing Activity</u></b>	
Reserves & Surplus	57,467
Unsecured Loan	(15,199,845)
DTL	39,023
<b>Total Cash flow from financing activities</b>	<b>(15,103,355)</b>
<b><u>Cash Flow from Investing Activity</u></b>	
Fixed Assets	107,850
Capital wip	8,237,126
Good Will	23,923
Investment	1,805,439
<b>Total Cash flow from investing activities</b>	<b>10,174,338</b>
Closing Balance	23,027,077
Opening Balance of cash as at 31/03/2011	6,890
	23,033,967
<b>Closing Balance of Cash as on 31/03/2012</b>	<b>23,033,967</b>

For GHG ASSOCIATES

For 8kMiles Software Services Limited

Sd/-

S. HARESH

Partner

Membership No. 205204

Sd/-

G.P.SURANA

Director

Sd/-

M.V.BHASKAR

Director

Place: Secunderabad

Date: 31.05.2012



8K MILES SOFTWARE SERVICES LIMITED  
1-7-241/11/D, S.D.ROAD  
SECUNDERABAD - 500003 A.P

Notes forming part of consolidated financial statements

Note: 1 Significant Accounting Policies and Notes on Accounts

### 1. ACCOUNTING CONVENTIONS AND CONCEPTS

Consolidated Financial statements are prepared based on historical cost convention and on the basis of a going concern and comply with Indian GAAP (Generally Accepted Accounting Principle). Accounting standards referred to in Section 211(3C) of the Companies Act, 1956. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The audited financial statements of the subsidiary companies used in consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March 2012.

The accounts of the parent and its Indian subsidiary have been prepared in accordance with the accounting standards issued by The Institute of Chartered Accountants of India, and those of foreign subsidiaries have been prepared in accordance with the local laws and applicable accounting standards and generally accepted accounting principles.

### 3. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the Accounting standard - 21 "Consolidated Financial Statement" issued by The Institute of Chartered Accountants.

The financial statements of the parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra group transactions and unrealized profits.

The excess/deficit of cost to the parent company of its investment over its portion of net worth in consolidated subsidiaries at the respective dates on which the investment in such entities were made have been recognized in the financial statements as goodwill/capital reserve.

Foreign subsidiaries are non-integral in nature. For the purpose of consolidation, monetary items and non-monetary items of assets and liabilities are translated at the exchange rate prevailing at the balance sheet date. The items of revenue income and expenditure reflected in the Profit and Loss Account are translated at the average exchange rate during the period. The resulting exchange differences are classified as foreign currency translation reserve.

As the company has 100% shareholding in all its subsidiaries, there is no need for calculation of minority interest and hence it is not computed and disclosed.

#### 4. GOODWILL AND AMORTISATION

Goodwill reflects the excess of the purchase price over the book value of the net assets acquired. Goodwill arising on consolidation (acquisition of subsidiaries) is shown separately and is not amortized.

#### 5. USE OF ESTIMATES

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires that the management makes prudent and reasonable estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results may differ from those estimates and such differences are accounted in the period in which they arise.

#### 6. REVENUE RECOGNITION

Revenue from software consulting services are recognized as related services are performed.

#### 7. FIXED ASSETS

Fixed assets are stated at the cost of acquisition and the value of acquired business assets less accumulated depreciation.

Capital work in progress consists of expenditure incurred in development of software which are not ready for use or sale to customers as the case may be as on the date of balance sheet.

#### 8. DEPRECIATION

Depreciation on fixed assets of the parent company and its Indian subsidiary are provided on written down value basis at the rates specified in schedule XIV of the Companies act, 1956. Depreciation is charged on pro-rata basis on assets purchased or sold during the year. Individual assets costing less than Rs.5000 are depreciated in full in the year of purchase in the books of parent company and its Indian subsidiary.

Depreciation provided in the books of foreign subsidiaries are not in accordance with Schedule XIV to the companies act, 1956.

## 9. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books by applying the exchange rate as on the date of the transactions, except those relating to consolidation of financial statements. Realized gains and losses on foreign exchange transactions during the year are accounted in the Profit and loss Account. Foreign currency current assets and current liabilities are restated at year-end exchange rates. Gains / Losses arising on such restatement are recognized in the Profit and Loss Account.

Gain arising on account of foreign currency on consolidation of financial statements has been accounted under foreign currency translation reserve account.

## 10. ACCOUNTING FOR TAXES ON INCOME:

Income tax expense of parent company and its Indian subsidiary comprise current tax and deferred tax charges or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date. The foreign subsidiary recognizes deferred tax assets and liabilities in accordance with the local laws and the applicable accounting standards or generally accepted accounting principles.

## 11. CONSOLIDATION OF ACCOUNTS OF SUBSIDIARIES

In accordance with Accounting standard – 21 "Consolidated Financial Statements" issued by The Institute Of Chartered Accountants Of India, the consolidated accounts of 8K Miles Software Services Limited includes the financial statements of all subsidiaries since the parent company has 100% shareholding in all its subsidiaries.

NAME OF THE SUBSIDIARY	COUNTRY OF INCORPORATION	PERCENTAGE OF SHAREHOLDING
Mentor minds Solutions And Services Inc	USA	100%
Mentor minds Solutions And Services Pvt Ltd	INDIA	100%
8K Miles Software Services Inc	USA	100%
8K Miles Software Services (FZE)	UAE	100%

As per our report attached

For GHG ASSOCIATES

For 8KMiles Software Services Limited

Sd/-

S. HARESH  
Partner

Membership No. 205204

Sd/-

G.P.SURANA  
Director

Sd/-

M.V.BHASKAR  
Director

Place: Chennai

Date: 31<sup>st</sup> May 2012

8K MILES SOFTWARE SERVICES LIMITED

Regd. Office: 1-7-241/11/D, S.D.ROAD, SECUNDERABAD – 500 003.

ATTENDANCE SLIP

(27<sup>th</sup> Annual General Meeting – 29<sup>th</sup> September 2012)

DP ID:

Reg Folio No.:

CLIENT ID:

I certify that I am a member/proxy for the member of the Company. I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of 8K Miles Software Services Limited held at Registered Office 1-7-241/11/D, S.D.Road, Secunderabad – 500 003 Andhra Pradesh on Saturday, the 29<sup>th</sup> of September 2012 at 3:00 PM.

Member/Proxy name in BLOCK LETTERS

Member/Proxy Signature

- Note: 1) Member/Proxy must bring the attendance slip to the meeting and hand it over, duly signed at the registration Counter.  
2) The Copy of the Annual Report may please be brought to the meeting hall.  
3) NO GIF WILL BE GIVEN

8K MILES SOFTWARE SERVICES LIMITED

Regd. Office: 1-7-241/11/D, S.D.ROAD, SECUNDERABAD – 500 003.

PROXY FORM

I / we, \_\_\_\_\_ of \_\_\_\_\_, being a Member of 8K Miles Software Services Limited hereby appoint \_\_\_\_\_ as my / our proxy to attend and vote on my / our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held at Registered Office, 1-7-241/11/D, S.D.Road, Secunderabad – 500 003 Andhra Pradesh on Saturday, the 29<sup>th</sup> of September 2012 at 3:00 PM and at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Folio No.	
No. of shares held	
DP ID / Client ID	

Please affix  
1 Rupee  
Revenue  
Stamp

Signature of Proxy

Signature of Member

Note:

1) Proxy needs to be a member

2) The proxy form, complete in all respects, should reach the Company's Registered Office, 1-7-241/11/D, S.D. Road, Secunderabad – 500 003, not later than 48 hours before the commencement of the aforesaid Meeting.

BOOK-POST  
PRINTED MATTER

8K MILES SOFTWARE SERVICES LIMITED  
(formerly P.M.Strips Limited)  
1-7-241/11/D, S.D.ROAD  
Secunderabad - 500 003 A.P.

Some of our Customers...



## Get to the Cloud in 5 Days!

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## Awards & Partners





8K MILES Software Services Limited

(Formerly known as P.M. Strips Limited)

*Regd. Office* : 1-7-241/11D, S.D. Road, Secunderabad-500 003

*Corp. Office* : #7, 3rd Floor, Ganapathy Colony, 3rd Street

Teynampet, Chennai-600 018