8K Miles

Annual Report 2019-20

# Digital Transformation Through Innovation for Healthcare & Life Sciences

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# From the Chairman & CEO

Dear Investors,

The financial year 2019-20 has been a year of opportunities and challenges for us as we embarked on a transformational journey with a sharp focus to enhance the depth of relationship with our existing customers, acquire new direct customers while disengaging from intermediaries. I am very pleased to say that this strategy is paying off as your Company is seeing revenue growth from our key customers and new direct customer acquisition gaining momentum.

Global economies are in tailspin and governments are responding in kind by allocating over $10 Trillion. IT industry is expected to have an enormous market potential as IDC estimates world wide ICT spending to reach $5.7 Trillion by 2023. Equally important is that pharma and life sciences industry segments are attracting a lot of investment during this time and their spending in public cloud infrastructure is growing significantly as evidenced in increased business from some of our existing pharma customers this year. Given all this, I am confident that your Company is very well positioned to grow in the coming years.

We are continuing to invest heavily on our platforms and frameworks such as CloudEz, EzIAM, EzMFA and DataEz. We will continue to enhance our platform and frameworks to stay competitive and ensure that the first mover advantage is not only maintained but enhanced through our domain-centric, platform based cloud transformation offering that is sought after by our customers.

In order to provide enhanced focus to Healthcare and Pharma/Life Sciences customers, we launched a fully owned subsidiary Healthcare Triangle Inc., (HTI) that has been welcomed by all our existing customers/prospects.

HTI is established to bring together People, Process and Technology to create transformational business capabilities for our customers.

While the customers have continued to place their confidence in us, there have been some challenges faced by your Company during this year. One of the biggest challenges is the increased number of H-1B visa rejections. There is a significant drop in H-1B visa approvals and the rejections rate stood at 32% in FY 2019 compared to 6% in the year 2015 and that is only increasing rapidly. This immigration issue has directly impacted us in executing several projects, loss of opportunities, increase in staff expenses due to hiring of more contractors and local employees thereby contributing to lesser revenue and margin. However, this is being mitigated through effectively transfering the work to our facilities in Chennai.

Additionally, as part of our transformational strategy, we made a decision to slowly disengage with intermediary customers in order to stay focused on our direct customers to enhance our depth of engagement with these direct customers as we see a huge growth potential in these accounts. While the immediate impact of this strategy is reduced revenue, we believe our overall financials in terms of revenue, profitability and cashflow will improve substantially in the future.

In the first quarter this year, the Board accepted the recommendation from the Audit Committee to revise the accounting policy on intangibles, resulting in a one-time write off Rs 486 Crs in Q1 of FY 2019/20. It has also been decided that future product development expenses shall be classified as R&D expenses and charged to the P&L, ensuring true reflection of profitability without the impact of amortization.

The other major challenge was COVID-19 that started unfolding in the beginning of February 2020. This has resulted in delays in getting new projects as customers/prospects are uncertain of their business at this time. Additionally, customers have started asking for discounts impacting our profitability. On the positive side, we have more companies moving onto the cloud because of issues related to COVID-19, presenting us with opportunities. In short, we assess the short-term impact of COVID-19 to be reduced revenue while on the longer term more and more companies will start moving to cloud thereby ensuring steady growth for your company.

We will continue to stay focused on bringing world class compliance, security, cloud infrastructure provisioning, data governance, data management, advanced analytics and data asset development services and solutions, while at the same time bringing new and simplified services to the market that will help connect the stakeholders in the healthcare and life sciences ecosystem. Our advisory and consulting services will also be available to help connect the ecosystem, including data centric services that extend across traditional boundaries and help fuel interactions between providers and life sciences companies.

While there has been challenges that have immediate impact this year, we are confident that we have a sound and robust strategy in place for the future that will ensure we stay in the forefront of technology and ahead of our competition, enhancing our depth of engagement with our customers, acquire new direct customers and improve our profitability from operations and we have already started seeing the results. Overall, this was a period of transformational journey that will position us to win more customers and grow our business.

Thank you
Yours Sincerely,
Suresh Venkatachari
Chairman & CEO

# Business Highlights

Our accomplishments this year underscores our fundamental objectives of our transformational strategy that we rolled out at the beginning of the fiscal year.

Execution of the strategy has begun to pay off as demonstrated by our increased business from existing customers as well as the acquisition of direct customers in pharma, Healthcare as well as other industry verticals.

## Digital Transformation in Pharma Vertical

- HTI is now providing 24/7 enterprise cloud network support to large global pharma clients. In addition, HTI is their execution partner for AI/ML development on Microsoft Azure platform
- Acquired a California based life sciences client to deliver their enterprise cloud transformation as well as cloud service qualification and compliance
- A large life sciences customer signed a long-term partnership with HTI for their cloud transformation and to build their multi-cloud platform across AWS, Azure and Google
- Won Cloud Security and compliance project along with on-boarding their application, for a major life sciences client
- Leveraging DataEz, our data lake platform-as-a-service as well as AnalyticsEz our data analytics platform-as-a-service offering, HTI was able to increase revenue from two of our major customers in the pharma and life sciences verticals with potential for future growth
- We have signed four SoWs with a new life sciences client on restructuring and building their entire infrastructure on AWS to design and build data lake, DevOps Management migration of IAM to Google FSSO and migration of databases to AWS RDS and implement elastic cache
- Renewed annual contracts with two top global pharma clients and continued delivering cloud DevOps, multi-cloud transformation and operations
- Engaged in building next generation multi-cloud one-click data analytics platform for a leading pharma client
- Engaged on multiple new opportunities with several leading and well-known pharma and life sciences companies across US and Europe

## Delivering Value with Innovation and Expertise in Healthcare Services

**Epic Practice**

- We acquired a healthcare customer to be their exclusive EPIC Community Connect implementation partner in 2020
- Signed a contract with a major hospital to be their exclusive Community Connect implementation partner in 2020
- Extended EPIC advisory services with number of existing hospitals across US

**MEDITECH Practice**

- Executing a signed SOW with a major hospital network of 40 hospitals, to upgrade their MEDITECH servers that has a potential to grow further
- Secured several medium to large go-live support, ambulatory go-live support as well as Meditech implementation projects across several of our Meditech hospital clients
- Selected as Vendor of Choice (VOC) for Kootenai Legacy support to provide various Health IT implementation services over next 2 years

**Cloud**

- Won a MFA (Multi-Factor Authentication) implementation contract on Microsoft Azure for a prominent hospital chain
- Engaged with AWS Workload Migration Program (WMP) and work on a partnership to market backup and DR-as-a-service for MEDITECH. As a result, successfully acquired a backup & DR customer and kicked off implementation
- Began work with two large healthcare companies systems on DocuRoute (a document management system for healthcare industry) Proof of Concept to automate analysis and routing of inbound fax and scanned patient related documents
- Completed Multi-factor Authentication implementation using MS Azure MFA for a MEDITECH EXPANSE hospital
- Executed a security assessment project for a large medical information systems supplier

## Growth from New Industries - Manufacturing, Automobile and Aviation

- 8K Miles extended IT Infrastructure Managed Services and SOC (Security Operations Center) contract, thereby extending over 5 years of our engagement with California based major SaaS/PaaS technology company
- After successful delivery of cloud-native multi-tenant IoT solution, 8K Miles extended the engagement with 24x7 managed services with a leading global innovative systems partner of automotive manufacturer
- Added a digital workplace software company as one of our managed services customers
- Won a cloud DevOps outsourcing contract from a top automobile manufacturer in the world. As part of this win, 8K Miles established cloud CoE (Center of Excellence), cloud DevOps and analytics teams for the client to achieve their cloud transformation objectives
- Won a contract with computer vision and artificial intelligence company, to build highly available and scalable Microsoft Azure cloud infrastructure as well as Azure data analytics services. This engagement has future potential for us to deliver a multi-cloud strategy and beyond

## Partner Highlights

- 8K Miles continue to enhance and grow our existing AWS Premier Partnership across number of competencies
- 8K Miles continue to enhance and grow our existing Microsoft Gold Partnership
- 8K Miles has signed up Google Cloud Partnership in India. We already have partnership in US. This India GCP partnership will explore opportunities in domestic, APAC, ANZ territories
- 8K Miles is entering into a technology and business partnership with one of the subsidiaries of Apple to setup workflow integration for various SaaS applications
- Renewed AWS MSP (Managed Services Provider) competency as well as ISO-27001 Information Security Management certification

# Client Testimony

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

**HTI helped us implement MEDITECH as a beta site.Without their help and organizational skills, I don't think that we could have managed. We have limited staff and the work they did was exceptional and professional. I could not recommend them higher.**

**David A. Travis, DO, FACC**
Chief Medical Information Officer
Grand View Health

**The HTI Team was exceptionally accommodating and flexible with our project needs. The success of our ambulatory build is in large part because of our Cornerstone consultants. Go Live support team was outstanding!**

**Robert Reynolds**
Information Technology Director
Mary Rutan Hospital

**We have been looking for someone to help us with FedRamp certification and 8K Miles was the right team to do this with. The team is very responsive and have helped us analyse our AWS infrastructure in a very methodical manner. Discussions and engagement activities have been to the point and the team is knowledgeable and ready to help with any questions.**

**Atul Ahuja**
Project Manager,
Axero Solutions

**HTI's expertise was extremely important. All of their associates are very knowledgeable and easy to follow as they teach. I am able to write my notes with ease because of their customization. If you get Cornerstone to help with training, you will hit the jackpot.**

**Shehab Saddy, MD**
Geriatric Medical Center of the Monterey

**Working with HTI has been a professional and positive experience. They are budget conscious, knowledgeable, flexible, accountable, highly responsive and above all, they seem genuinely invested in the success of our rural facilities.**

**Tianna Fallgatter, MPH**
Rural Program Manager
Association of Washington Public Hospital Districts

**Very professional and extremely responsive multi skilled team to take on any cloud related project in AWS. The first level team is backed by a strong experienced team.**

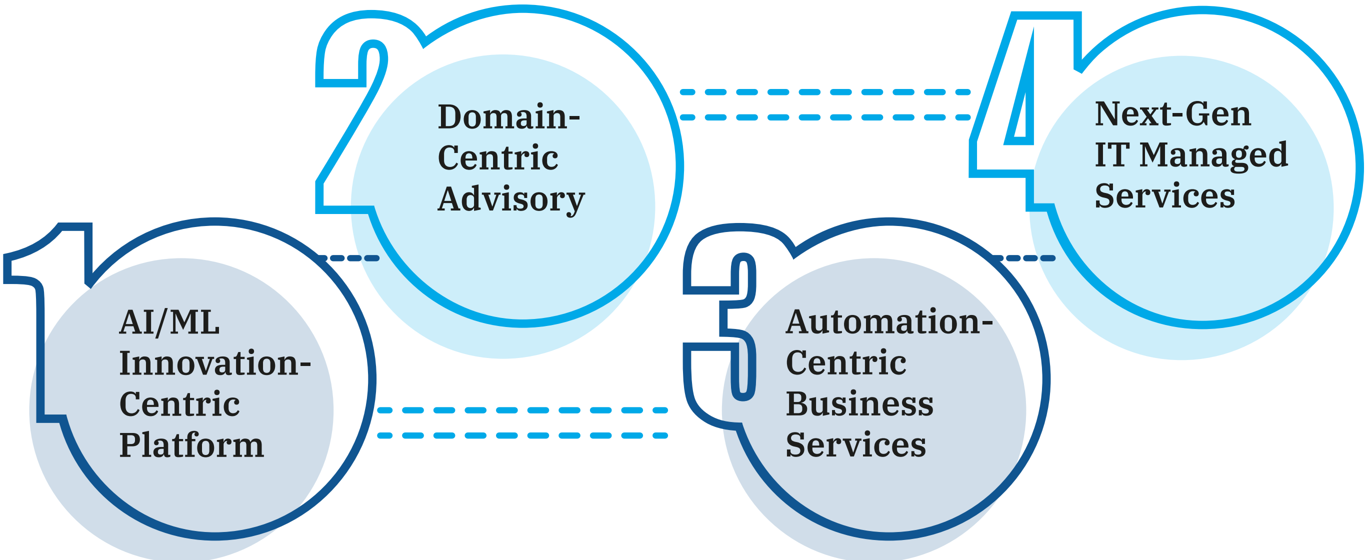
**Swami Nathan**
CEO,
Sustainable Certification Pty Ltd

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

**Richard Chennault**
Former Head of Cloud and Data Services
Life 360

# 8K Miles - Ahead of Competition closer to customers

8K Miles uniqueness comes from our deep expertise in Public cloud combined with the domain knowledge in regulated industries like Pharma and Life Sciences/ Healthcare. Our platform centric approach to cloud transformation makes our solution holistic. This means that our clients can rely on us for end-to-end and all aspects of the Cloud, Data, Identity, Continuous Security and Compliance. This holistic approach, as described in the diagram below, entails four fundamental pillars.




The first pillar is the AI/ML platform that forms the foundation of our solutions ensuring Continuous Security, Compliance and Governance of the underlying infrastructure as well as the data held by the **platform and in transit leveraging Artificial Intelligence/ Machine Learning technology.** This has been the key to 8K Miles being the pioneers of technology over last 12 years.

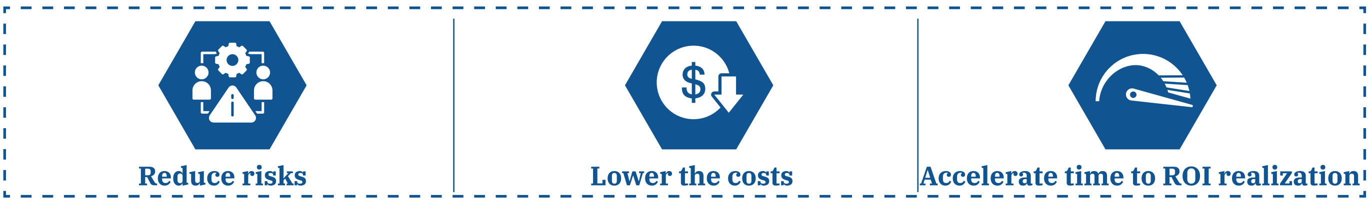
The second pillar, our **Domain-Centric Advisory** - helps enterprise clients adopt proper technology strategy after carefully reviewing and considering different approaches and options available around different cloud providers like AWS, Azure and GCP. 8K Miles is very effective in its advisory services because of two key factors:

- Strong understanding of technology, gained by building and delivering our own IP
- Domain expertise and knowledge

Thirdly, implementation of enterprise solutions enabling **Business Services Automation** leveraging both the advisory as well as our Platforms along with latest development tools and methodologies like DevSecOps.

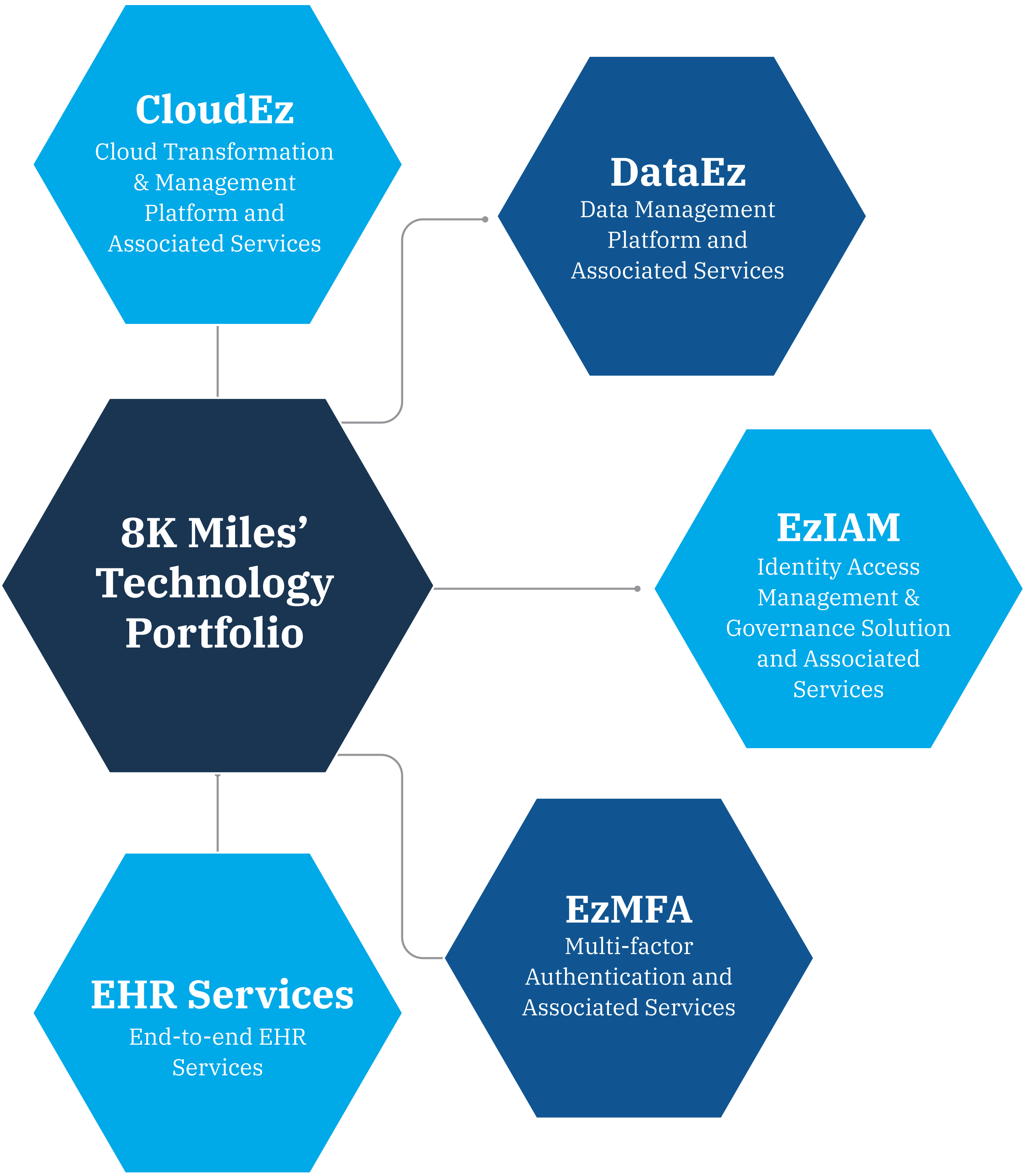
And lastly, upon successful implementation of the solutions, 8K Miles is also able to operate the enterprise IT solutions using our **Next-Gen IT Managed Services** such that our clients can be sure that their applications are continuously running, fully supported and monitored 24x7.

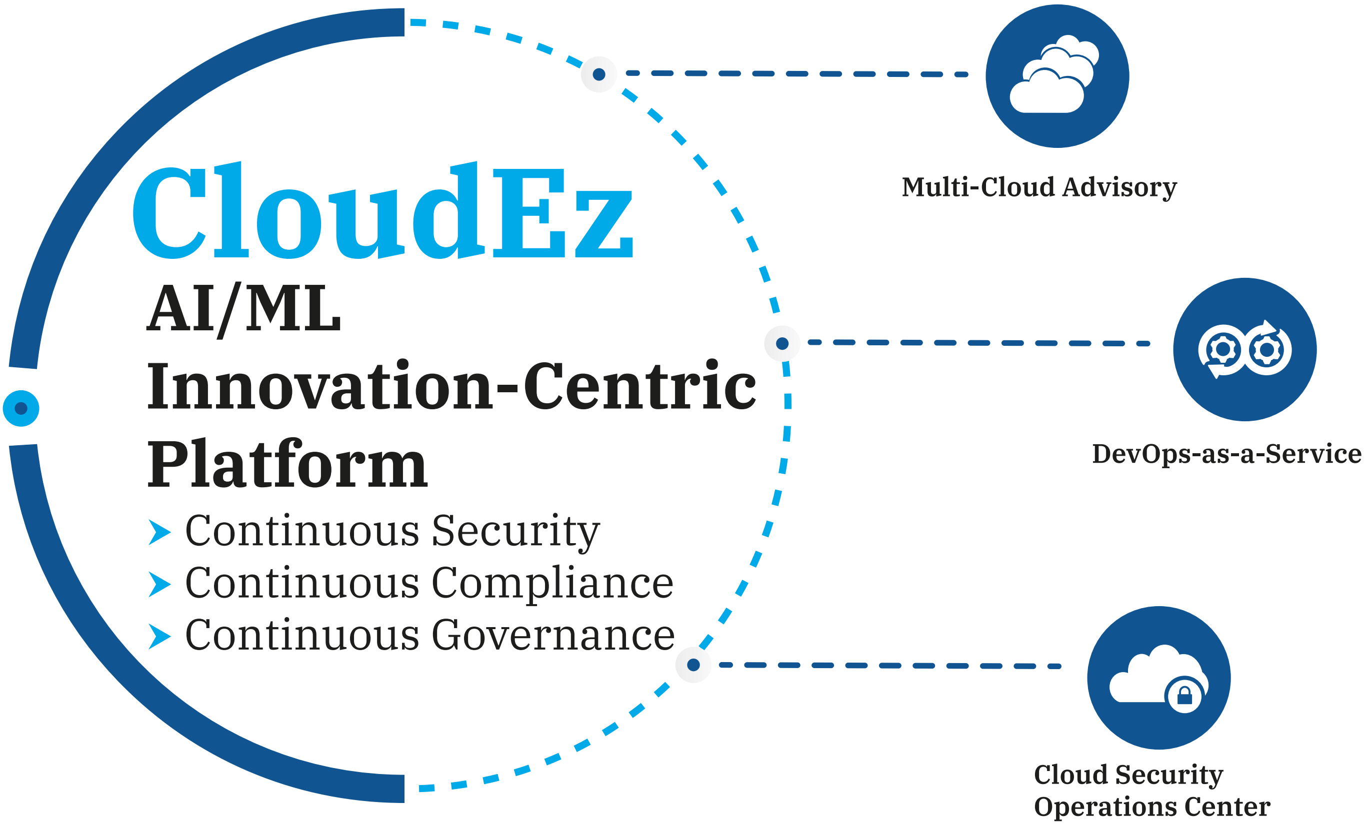
Such an end-to-end approach makes us very unique in the marketplace and sets up high entry-barriers to our competitors



# Advanced Technology Portfolio

8K Miles continues to invest in the key technologies to stay ahead of our competitors



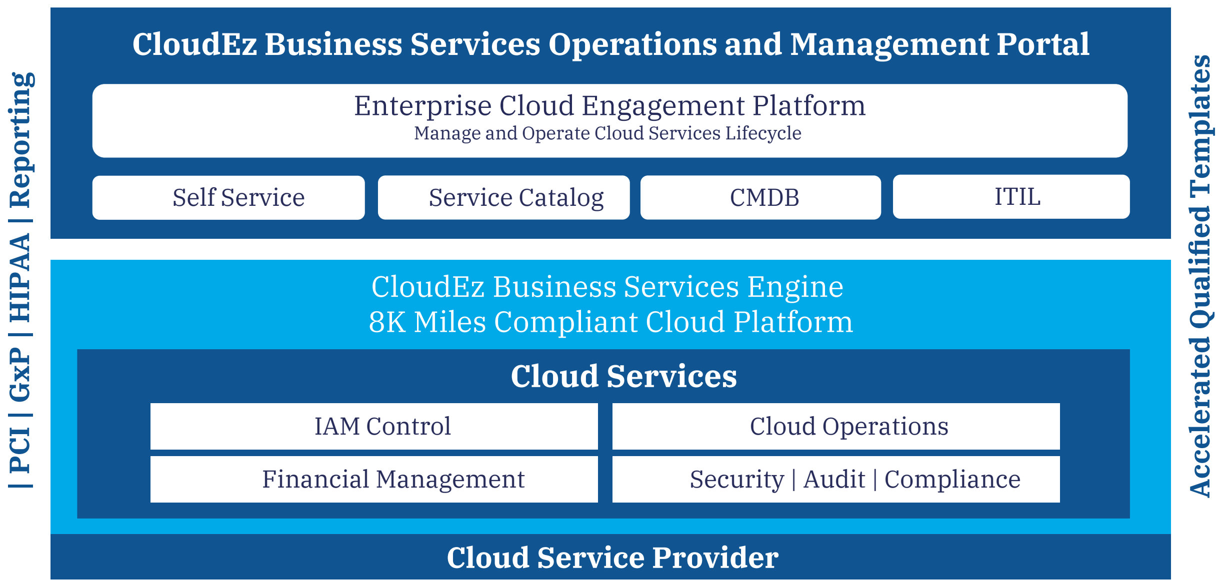



## Platform Overview

CloudEz is an enterprise multi-cloud transformation and management platform that facilitates the enterprises to manage their cloud infrastructure across the public cloud providers such as AWS, Microsoft Azure, Google, etc. CloudEz offers cloud services to highly regulated industries such as healthcare, pharma and life sciences as well as medical device manufacturers in their cloud transformation journey.

The following are some of the key features of CloudEz:

- Continuous Security and Compliance
- Automation and DevOps
- Identity and Access Management (IAM)
- Cost Management
- Cloud Competency Center
- ITSM Integration
- Multi/Hybrid Cloud Environment



## Multi-Cloud Advisory

Our 100+ certified public cloud architects and engineers are highly experienced and successful in providing end-to-end cloud advisory and deployment services. We are a premier partner of AWS, Gold partner of Microsoft and Google Cloud and have a competent team of cloud certified professionals for developing and deploying complex applications onto a public, private and hybrid clouds. In addition, we have a proven track record of migrating various IT infrastructures into cloud technologies, in order to help organization attain their business goals.

**Our approach towards cloud Advisory services:**

We help our customers to analyze and identify the suitable cloud option for their IT enterprise by clearly defining strategies of cloud and the roadmap for its transformation. Also, our experts create secure, scalable, innovative and robust cloud solutions to satisfy their requirements using following steps:

- **Assessment**: We perform a detailed evaluation about our customers' technical compatibility, business objectives and aspects related to the expected return on investment (ROI) and based on that, we will offer appropriate solutions
- **Planning**: We deliver the complete roadmap including the strategical procedures for adopting the best set of cloud services suitable for their organization

## DevOps as a Service

Cloud DevOps, often also referred to as DevSecOps given the criticality of Security of the Cloud, is the IT methodology through which enterprises migrate and manage their platforms and solutions in a continuous fashion on the cloud. 8K Miles' proven methodology and expertise offers this as a Service so that Enterprise IT leadership can rely on 8K Miles' "turn key" managed services to steadily migrate their IT assets to Cloud.

- Achieve Continuous Integration using Jenkins and Bamboo
- Configuration management using Puppet/Chef/Ansible for customer's cloud infrastructure
- Event Driven Automation using Lambda and workflow services for deeper automation
- Containerization using Docker for deployments
- Automated large scale provisioning using Amazon CFT
- Enable "Operations as a Service" using RunDeck and other orchestration tools
- Integrate SysOps and DevOps pipelines with ServiceNow and BMC Remedy
- Experts in custom automation using Python, Java and .Net Cloud SDK APIs

## Cloud Security Operations Center (SOC)

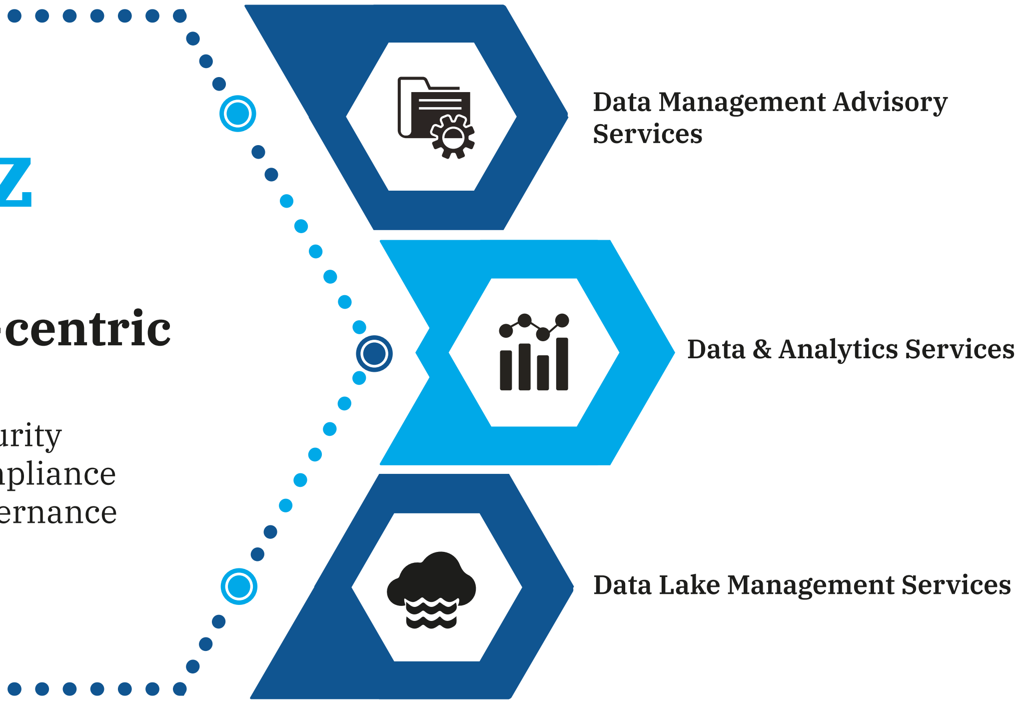
CloudEz comes with advanced AI/ ML enabled alerts and monitoring services over and across the enterprise cloud environment. By implementing automated BOTs, 8K Miles' Operations Center ensures our clients have a de-risked Cloud environment.

- Continuous Security – Data Security while Data at rest and in transit, Network Security as well as Cloud Services specific to security aspects
- Continuous Compliance – Ensuring regulatory compliances such as GxP, HIPAA, HITRUST and PCI

# DataEz

## AI/ML Innovation-centric Platform

- Continuous Security
- Continuous Compliance
- Continuous Governance




## Platform Overview

90% of all data in existence today was created in the past two years. As per some estimates, the global datasphere will grow from about 35 zettabytes from 2018 to over 175 by 2025. This means, today, for every person on earth, at least 1.7 MB of data is created every second.

Managing a Data & Data Analytics Platform is cumbersome, as there are too many moving components and the current best practices are prone to byzantine faults. Either the implemented architecture is not scalable, or it does not allow flexibility in the terms of the possible workloads. Reengineering such massive ecosystems is neither cost effective nor practical if enterprises want to focus on maintaining their market position. Additionally, and more importantly, when Enterprise IT teams want to build their Data Lakes on the cloud, they have to deal with overwhelming complexities from:

- Choosing the right Cloud Provider that address their needs
- Among 1000+ Cloud Services, choosing the cloud services that will meet the requirements, including Hyper-scaling
- Ensuring necessary government regulatory security and compliances are met
- Finally, continuously managing the infrastructure to be cost-effective both in short and long-term

8K Miles' DataEz platform has exactly addressed those complexities such that deploying a Hyperscale Analytics-ready Data Lake Platform on the Cloud on a turn key basis.

## What we bring to the table

### Secure Data Accelerators

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

### Compliant and Futureproof

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

### Cloud Agnostic

- Accelerators for all major cloud providers

## Data Management Advisory Services

Our Data Management Advisory servicea help our customers with strategy and planning ensuring the four building blocks of any data lake:

- Data collection, including maintaining data integrity and quality
- Data management, storage, and security
- Data integration and interoperability
- Business analytics and decision support

Our experts accomplish this by combining domain-specific requirements with data management tools such as data base, AI/ML, NLP and etc.

## Data & Analytics Services

8K Miles offers various services to our customers who want to implement a robust Data Lake and associated Data Management and Analytics Services that will complement our DataEz platform as listed below:

- Ingestion Services
- Classification Services
- Security Services
- Cataloging Services
- Monitoring & Audit Services
- Quality and Lineage Services
- Analytics & Visualization Services
- Archiving Services

## Data Lake Management Services

8K Miles' Data Lake Management Services allows our customers to operate the data lake infrastructure as a managed service where they need not worry about employing cloud and infra engineers and running a 24x7 team. Our services includes:

- 24x7 operations and support of data lakes
- Continuous security & compliance monitoring
- AI/ML bots based alerts & monitoring
- IT optimization


## Platform Overview

EzIAM is an integrated suite of IDAM products that provide Access Management, Multi-factor Authentication, Identity Management and Access Governance. It supports SSO, federated access, multiple factors of authentication for multiple application contexts, full Identity life-cycle management, identity provisioning with connectors for SaaS apps & popular endpoints, and identity & access governance for any business size belonging to any vertical.

EzIAM is an easy-to-use platform that can be deployed relatively easily. It significantly increases ROI by avoiding the expenses associated to data breaches (examination and remediation).

Our EzIAM consultants hold deep knowledge and expertise in identity and access management solutions helping enterprises in creating a new identity and access managed framework as well as improvising the existing context.

## IAM Advisory Services

The following are the IAM advisory services 8K Miles offers:

- Advice on standard security procedures to perform Cloud Migration of existing and new Identities & corresponding Identity Services by using EzIAM infrastructure and services (in public cloud, private cloud, Hybrid Cloud)
- Recommend best strategies for new EzIAM Services Deployment (Infrastructure, Life cycle Management, Identity Workflows, Provisioning Connectors & Identity Governance Strategies)
- Present the gaps in existing Identity Service Infrastructure of the customer and Advice on EzIAM services that can plug those gaps
- Present detailed “What-if” Analysis, projections of ROI and Value Propositions with proposed EzIAM Services & accompanying Cloud Migrations for the immediate future

# IAM Deployment Services

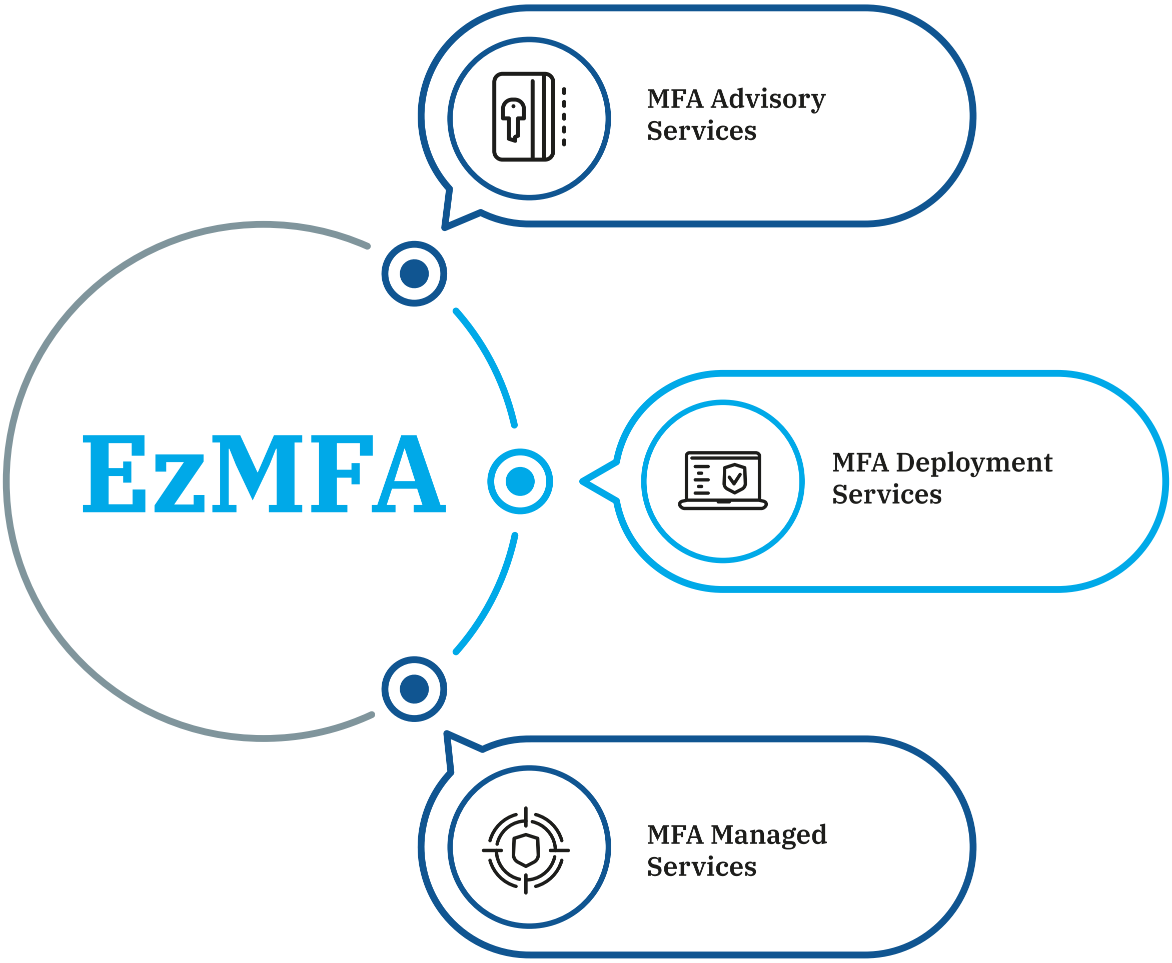
Highlighting some of the IAM deployment services:

- Assess the hardware configuration, deployment configuration, Load Balancing, Disaster Recovery Configuration required for EzIAM Services and present a detailed in-depth analysis of the deployment process to the customer
- Deploy the hardware, virtualization environment and the foundation blocks of EzIAM software and services in a sandbox environment
- Run a Sanity test of the stability of the environment and if successful deploy the full suite of EzIAM services in the sandbox
- Configure Customer's identity use cases relating to identity life cycle processes, identity approval workflows, identity connectors and identity governance campaigns in EzIAM
- Run a complete suite of advanced EzIAM related tests, that include user/application/use cases/functional/connectivity/integration and performance tests.
- Migrate the sandbox environment EzIAM services to production environment and perform necessary tests in production
- Document the deployment process and set-up procedures for each EzIAM service and present to the customer

# IAM Managed Services

8K Miles' IAM managed services involve the following:

- Assess the customer's EzIAM environment for which Managed Services needs to be performed
- Record all the activities needed to be performed by the Managed Services team and prepare documents with detailed policy and procedure steps for each of the EzIAM Managed Service activities
- Install the tools that are needed for troubleshooting and monitoring the EzIAM services and assign the right personnel to operate the tools
- Assign the higher order resources to look after critical services like critical EzIAM infrastructure, High available services, DR/redundancy
- Address typical EzIAM managed service tasks like help desk, password reset, user identity life cycle, identity use cases, application access, advanced authentication and authorization, governance with the right personnel and tools
- Advice each member of the Managed Services team about the SLA requirements (24x7 monitoring with appropriate turn-around times of various categories of issues) and responsibilities of EzIAM, so the Service Levels are seamlessly maintained for the customer

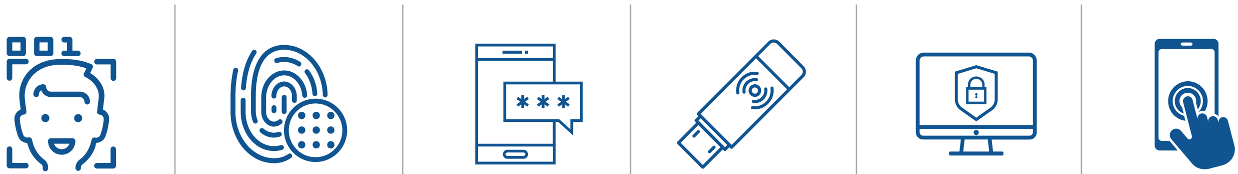



## Platform Overview

EzMFA is specifically built for enterprises to easily set up multi-factor authentications in one click installation for any infrastructure with minimal administrative overhead.
EzMFA secures variety of enterprise applications – 1000+ SaaS applications, internal and external federated applications, VPN services, etc., including integration with AD and LDAP. EzMFA leverages the radius server technology to provide critical security for AWS services that includes,

- AWS WorkMail
- AWS WorkDocs
- AWS WorkSpaces
- AWS Management Console
- AWS Client VPN
- AWS SSO
- Amazon Chime
- Amazon Connect
- Amazon FSx
- Amazon QuickSight
- Amazon RDS Support

Authentications Supported by EzMFA



| AI/ML based Face Recognition | Mobile based Fingerprint Authentication | E-Mail/SMS OTP | YubiKey | Google Authenticator | Mobile Tap |
|---|---|---|---|---|---|

## MFA Advisory Services

The following are the MFA advisory services 8K Miles offers:

- Assess the current Multi-factor Authentication Service Infrastructure of the customer and identify the gaps with respect to implementation of EzMFA deployment in that setup
- Present those gaps to the customer and Advice customer on EzMFA services that can plug those gaps.
- Assess and Recommend best deployment architecture of EzMFA to the customer according to their current and future security and business needs (in public cloud, private cloud, Hybrid Cloud)
- Recommend best strategies for new EzMFA Services Deployment (typically for Biometric Factors, AI/ML based factors, Application protection using EzMFA, Step-up Authentication, Policy based EzMFA)
- Present detailed "What-if" Analysis especially with regards to security, projections of ROI and Value Propositions with proposed EzMFA Services & accompanying Cloud Migrations for the immediate future

## MFA Deployment Services

Highlighting some of the MFA deployment services:

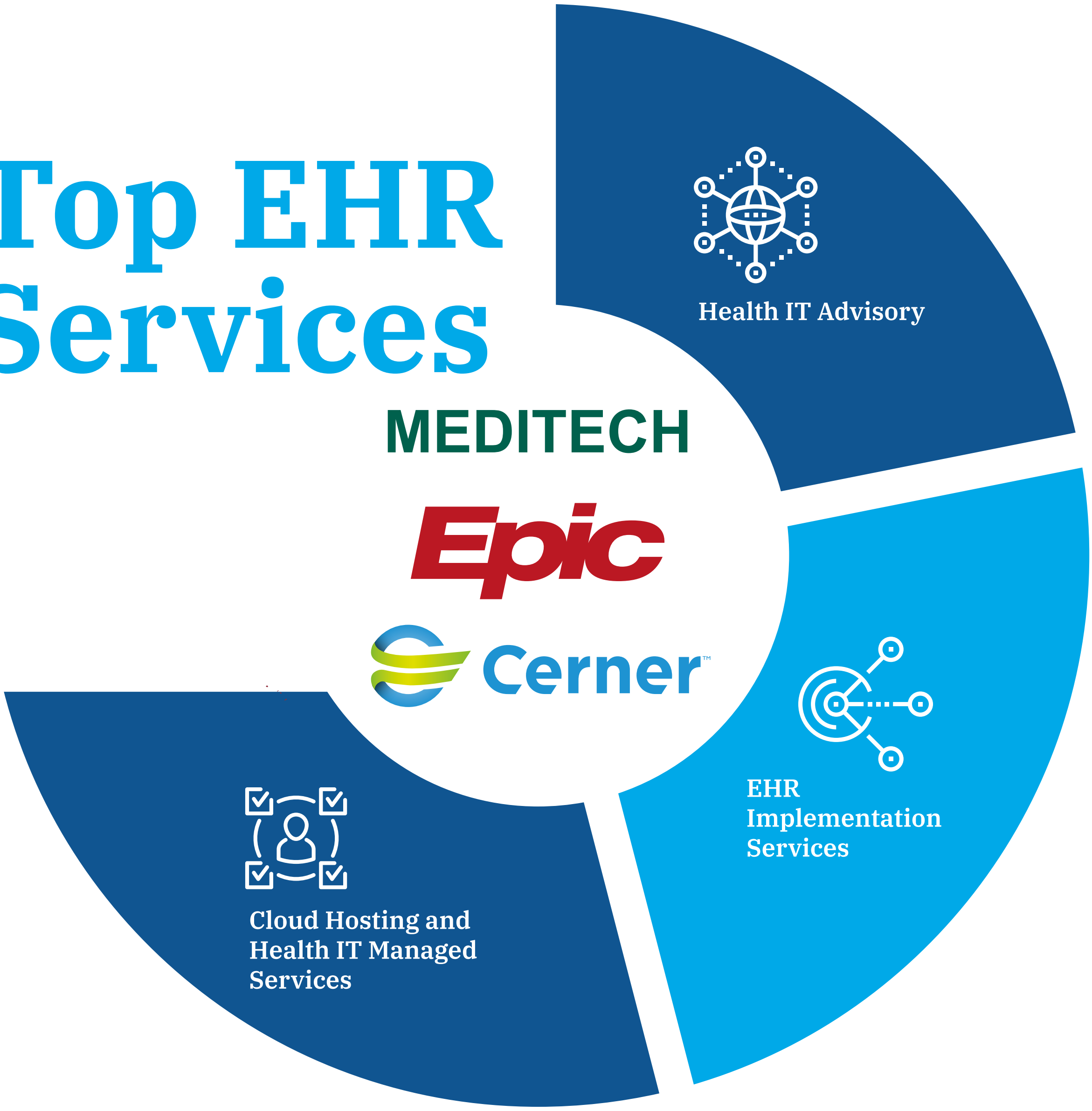
- Assess the hardware configuration, deployment configuration, Load Balancing, Disaster Recovery Configuration required for EzMFA Services and present a detailed in-depth analysis of the deployment process to the customer
- Deploy the hardware, virtualization environment and the foundation blocks of EzMFA software and services in a sandbox environment
- Run a Sanity test of the stability of the environment and if successful deploy the full suite of EzMFA services in the sandbox.
- Configure Customer identity and application based EzMFA use cases relating to application protection, identity federation MFA, API-based MFA and policy-based MFA in EzMFA deployed environment of the customer
- Run a complete suite of advanced EzMFA related tests, that include user/application/Authenticationfactors/usecases/functional/connectivity/integration and performance tests.
- Migrate the sandbox environment EzMFA services to production environment and perform necessary tests in production

## MFA Managed Services

8K Miles' MFA managed services involve the following:

- Assess the customer's EzMFA environment for which Managed Services must be performed
- Record all the activities needed to be performed by the Managed Services team and come up with detailed policy and procedure steps for each of the EzMFA Managed Service activities
- Install the tools that are needed for troubleshooting and monitoring the EzMFA services and assign the right personnel to operate the tools
- Assign the higher order resources to look after critical services like critical EzMFA infrastructure, High available services, DR/redundancy.
- Address typical EzMFA managed service tasks like help desk, first factor reset, second factor reset, self-service, application access, policies, advanced authentication and authorization using EzMFA
- Advice each member of the Managed Services team about the SLA requirements (24x7 monitoring with appropriate turn-around times of various categories of issues) and responsibilities of EzMFA, so the Service Levels are seamlessly maintained for the customer.

# Top EHR Services




## Health IT Advisory

Our health IT advisors provide strategic advisory services to prepare our clients for the unique challenges of today's health information technology environment. As a trusted advisor, we provide outside, independent perspectives, executive education and unbiased advice to help facilitate decision making. Our advisory services include a broad range of selection, assessment, planning, and management offerings to help IT, clinical and executive leadership establish and align around a common roadmap – one that is achievable, cost-effective and finetuned to the specific needs of any healthcare organization.

Our Advisory & Planning Services include:

- Strategic Planning & Visioning
- Physician Engagement & Alignment
- Long-Range Tactical Planning & Investment Forecasting
- System Selection & Contracting
- Governance & Alignment Facilitation
- Physician Practice Integration
- HIE / ACO Planning
- IT Performance / Operational Assessment
- IT Organizational Benchmarking
- Project Management Office Jumpstart
- Insourcing / Outsourcing Feasibility Analysis

## Top EHR Platforms Implementation Services

HTI have in-depth, hands-on experience helping clients implement complex inpatient, outpatient and ambulatory clinical and financial systems. With strong core competencies and experienced implementation specialists on

- MEDITECH
- EPIC
- Cerner

Our approach to implementation fosters a focus on operational alignment, process enhancement and measurable outcomes. Our methodology & e-Methods, addresses the human, workflow and technology components of an IT-enabled initiative, ensuring maximized value from clients' IT investment. Whether implementing or optimizing a single module or performing an enterprise-wide system conversion or implementation, our talented associates and proven methods can help ensure the success that organization expects and deserves.

## Cloud Hosting Services & Health IT Managed Services:

Our in-depth knowledge on data centers as well as physical and virtual machines helps us migrate apps and data from on-premises data centers to public, private and hybrid clouds. We are experts in migrating from Microsoft, Oracle, IBM and CA platforms to public clouds. Our secure cloud framework provides comprehensive security that surpasses even the most stringent security regulations and regulatory requirements (HIPAA, GxP, HiTrust, and PCI).

With our depth and breadth of experience, HTI is an ideal partner for any healthcare organization. We focus on enabling enterprise business transformation through IT innovation. Our Healthcare IT expertise extends into,

**BI/Analytics:**
HTI offers plethora of cutting-edge business intelligence/ analytics spectrum through predictive analytics, clinical data analytics, big data and so on for better business decision making surrounding patient care.

**User Identity Management:**
A healthcare provider must ensure that their staff has the right access to the right system at right time, to avoid unauthorized access to sensitive data. As new employees onboard, ensuring their access is quickly configured is essential for productivity and similarly, terminating access to multiple systems upon employee exit is critical for security. HTI aids healthcare providers to manage the entire user-access lifecycle while optionally providing single sign-on to users to streamline user identity and access management.

**Managed Services:**
Our managed services offerings range from bespoke application management to enterprise wide IT support. Our expertise ranges across on-premise and cloud based infrastructure and applications. Having presence in multiple time zones and our experience with managing large enterprise environments, brings 24×7 highly responsive and effective managed services.

# Directors, Advisors and Management Team

## BOARD OF DIRECTORS

**SURESH VENKATACHARI**
Chairman and CEO
DIN 00365522
Suresh is the Founder, Chief Executive Officer (CEO) of 8K Miles Software Services Limited. Suresh is a serial entrepreneur and founded multiple IT companies over the last 2 decades and successfully taking two of these companies public and selling the two other companies in private M&A. Suresh has more than 30 years of experience in managing the businesses in cloud, ecommerce, IT solutions and consulting services in Healthcare, Life Sciences and Banking businesses.

**LAKSHMANAN "LENA" KANNAPPAN**
Director and COO
DIN 07141427
Lena, as he is known, is the Founder of FuGen Solutions and the Chief Operating Officer (COO) for 8K Miles, US, a visionary leader who leads and directs the business operations for 8K Miles in US. He is a serial entrepreneur with 29+ years of software industry experience and supports investments and M&A activities for 8K Miles.

Lena set up the US operations for 8K Miles enterprise business in early 2013 after acquisition of FuGen by 8K Miles. He manages the operations including corporate strategy, partnerships, business development and marketing aspects.

**RAVICHANDRAN S**
Whole-time Director
DIN 02831039
Prior to joining 8K Miles, Ravi was heading UK and Europe Operations for Ramco Systems and was instrumental in driving new customer acquisitions. Earlier, he has worked as Head of UK and Europe of Keane (Now part of NTT) based out of UK driving business development and synergetic acquisitions and integration across Europe driving significant growth. Working for IBM based out of Australia and Singapore, Ravi was instrumental in driving business in India especially in the newer technology products introduced by IBM during that time. He has close to 40 years of experience in IT Products, Solutions and Services Industry and solid management expertise in Marketing, Sales, Delivery and Operations.

**BABITA SINGARAM**
Independent Director
DIN: 07482106

Babita has completed Post Graduation in Business Administration from SRM University, Chennai after her Bachelor's Degree in Commerce. She had super-specialized in Advanced Marketing and Human Resources Management. She is an ardent marketing professional with over 14 years of experience in Service Industry. She is also well-versed in Strategic management, business promotion, Key accounts management, Market plan execution, Cross and inter department management, Competitor and Market analysis, Brand management and communication.

**DINESH RAJA PUNNIAMURTHY**
Independent Director
DIN: 03622140

Dinesh has completed his Master's Degree after his Bachelors in Visual Communication in 2015. He has expertise in building sustainable businesses and teams, ideating, strategizing, planning and executing innovative ideas, creating optimal workspaces, identifying and honing talents, keeping team morale high. With over 15 years of experience in the service industry predominantly in India and few years in Australia, Dinesh brings a mix of management experience to the table.

**DESIKAN BALAJI**
Independent Director
DIN: 08296716

Desikan is an Advocate and a corporate law consultant. He is a Qualified Cost Accountant and an Associate Member of Chartered Institute of Arbitration, United Kingdom and he has qualified the Advanced Arbitration Course conducted by the Association for International Arbitration. He holds a post- graduation diploma in Intellectual Property Rights from National Law School, Bengaluru. He is the managing partner at DB Law Chambers specializing in Corporate laws. He has been providing advisory and consulting on Corporate laws for more than a decade. He has 11 years of experience in teaching corporate laws at various institutes, various colleges and Corporates in Chennai. He has written several books and articles

# Strategic Advisors

Recognized industry veterans providing advice on strategic direction and goals, technology, solutions and M&A, customer connections.

**REZA NAZEMAN**
CIO – SAP Concur
Former CIO Microsoft EMEA

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

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

**SHIV KRISHNAN**
CEO of KOOLROX
Founded Indus Corp

Shiv is a Technology Leader and a Serial Entrepreneur, who is currently the CEO of KOOLROX, an Investment and Consulting firm. Prior to this, he founded INDUS Corporation in 1993, after several years of public sector and Fortune 500 IT consulting experience. Under Shiv's leadership INDUS grew into a highly successful mid-tier Technology Consulting firm and was acquired by Tetra Tech, a NASDAQ listed (TTEK) global consulting and engineering services firm supporting Government agencies. Mr. Shiv graduated from Clarkson University in Potsdam, NY with a Master's in Chemical Engineering, and has completed executive business management programs at the Tuck School of Business at Dartmouth.

**JAY VIJAYAN**
Founder & CEO
of Tekion Corp
Former CIO at Tesla

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

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

**VIVEK PRAKASH**
Former EVP-Finance at Petrofac

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

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

**JEFF NIGRINY**
Founder & President of CertiPath

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

# 8K Miles Software Services Management Team

**SURESH VENKATACHARI**
Chairman and CEO
View Bio

**LAKSHMANAN “LENA” KANNAPPAN**
Chief Operations Officer
View Bio

**THYAGARAJAN RAMACHANDRAN**
Chief Financial Officer
View Bio

**RAVICHANDRAN S**
Head-Indian Operations & Non US Territory Sales
View Bio

**SIVA KUMAR**
Chief Delivery Officer
View Bio

**RAJ SRINIVAS**
Chief Technology Officer
View Bio

**ANAND KN**
Vice President – HR
View Bio

**ARCHANA RAMESH**
Director - Marketing
View Bio

**SHWETA**
Director – HR
View Bio

**VENKAT KRISHNAN**
VP-Business Development
View Bio

# Healthcare Triangle Inc., Board of Directors

**LAKSHMANAN "LENA" KANNAPPAN**

A visionary leader, Lena leads and directs the business operations for HTI. He founded FuGen Solutions - acquired by HTI (then 8KMiles) - and is a serial entrepreneur with 24 years of software industry experience. He also supports investments and M&A activities for HTI.

Lena is one of the original founders of SAML 2.0 protocol and Federated Identity Management model for the industry while at Orange-France Telecom, which changed the way identity information is shared between service providers and enabled the huge success of SaaS, Cloud and Social Networking. Lena is a regular invited speaker in industry related events.

**SHIBU KIZHAKEVILAYIL**

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

**VIVEK PRAKASH**

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

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

# Healthcare Triangle Inc., Management Team

**SURESH VENKATACHARI**
Chief Executive Officer
View Bio

**SUDISH MOGLI**
Chief Technology Officer
View Bio

**JEFF WEBBER**
Senior Vice President
View Bio

**ANAND KUMAR**
Senior Vice President, Sales
View Bio

**KRISTI LANE**
Vice President, Talent Management
View Bio

**KATY DOWD MUTERT**
Vice President, Marketing
View Bio

**MICHAEL GILL**
Vice President, Finance
View Bio

**ASHLEIGH ROGERS**
VP, Product Development & Innovation
View Bio

# Financial Highlights – 5 years at a glance

(In lakhs)

| Sl No. | Particulars | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 |
|---|---|---|---|---|---|---|
| 1 | **PROFIT & LOSS ACCOUNT** | | | | | |
| | Revenue from operations | 38,208.48 | 84,219.15 | 84,923.87 | 52,833.50 | 27,193.10 |
| | Other Income | 434.97 | 819.42 | 845.23 | 89.80 | 21.29 |
| | **Total Income** | **38,643.45** | **85,038.57** | **85,769.10** | **52,923.30** | **27,214.39** |
| | *Exceptional items | 62,493.95 | - | - | - | - |
| | Earnings before Interest, Depreciation and Tax (EBITDA) | (64,912.00) | 17,765.20 | 30,087.02 | 18,541.64 | 8,872.78 |
| | Depreciation and amortization | 957.45 | 6,959.83 | 2,518.68 | 1,351.63 | 2,022.88 |
| | Profit before Interest and Tax (PBIT) | (65,869.45) | 10,805.37 | 27,568.34 | 17,190.01 | 6,849.90 |
| | Finance cost | 1,302.65 | 1,162.49 | 971.49 | 135.30 | 20.95 |
| | PBT | (67,172.10) | 9,642.88 | 26,596.85 | 17,054.71 | 6,828.95 |
| | Tax Expense | 279.06 | 1,660.39 | 6,055.54 | 4,136.18 | 1,505.34 |
| | **Profit after Tax (PAT)** | **(67,451.16)** | **7,982.49** | **20,541.31** | **12,918.53** | **5,323.61** |
| | Other comprehensive income / (loss) | (1.98) | 6.93 | 10.83 | (1.50) | 0.00 |
| | **Total comprehensive income for the period** | **(67,453.14)** | **7,989.42** | **20,552.14** | **12,917.03** | **5,323.61** |
| 2 | **BALANCE SHEET** | | | | | |
| | Share Capital | 1,525.88 | 1,525.88 | 1,525.88 | 1,525.88 | 1,089.41 |
| | Reserves & Surplus | 1,150.84 | 57,706.55 | 47,583.61 | 30,469.45 | 20,103.16 |
| | **Networth** | **2,676.72** | **59,232.43** | **49,109.49** | **31,995.33** | **21,192.57** |
| | Loan Funds | 9,998.63 | 10,775.92 | 7,599.42 | 3,578.26 | 1,001.77 |
| | **Capital Employed** | **12,675.35** | **70,008.35** | **56,708.91** | **35,573.59** | **22,194.34** |
| | Deferred Tax Liability/( Asset) | 891.14 | 671.02 | 308.40 | 159.35 | -39.67 |
| | **Total** | **13,566.49** | **70,679.37** | **57,017.31** | **35,732.94** | **22,154.67** |
| | **Net Fixed Assets** | **18,156.69** | **63,699.34** | **38,639.82** | **20,812.13** | **18,044.85** |
| | Current Assets | 6,029.08 | 31,511.03 | 38,692.76 | 27,566.39 | 14,460.44 |
| | Current Liability & Provision | 15,472.41 | 17,049.38 | 12,663.89 | 5,875.25 | 4,231.79 |
| | **Net Current Assets** | **(9,443.33)** | **14,461.65** | **26,028.87** | **21,691.14** | **10,228.65** |
| | EPS - Weighted Average number of shares | (164.42) | 22.52 | 56.24 | 34.43 | 36.67 |
| | EPS - Shares at the end of the year | (164.42) | 22.52 | 56.24 | 34.43 | 36.34 |
| | Face value per Equity Share | 5 | 5 | 5 | 5 | 10 |

* The Company carried out evaluation of all internally developed software (tools, frameworks and platforms) and based on the recommendation of technical experts we have written off Rs 52,064.55 Lacs from Intangibles. In addition, an advance of Rs 4,505.80 Lacs made in the financial year 2017-18 towards an acquisition and Rs 5,923.60 Lacs of other receivables have been written off as unrecoverable due to unforeseen economic conditions caused by COVID-19. The profits for year was lower by Rs 62,493.95 Lacs on account of these one-time transactions.

# STATUTORY REPORTS

# REPORT OF THE BOARD OF DIRECTORS

Your Directors have pleasure in presenting the Thirty Fifth Annual Report together with the audited accounts of the Company for the year ended March 31, 2020

**Financial Performance**
The Financial performance of the Company for the year ended 31st March 2020 & 31st March 2019 is summarized below.

(Rs. in Lakhs)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | FY 20 | FY 19 | FY 20 | FY 19 |
| Revenue from Operations | 38,208.48 | 84,219.15 | 4,245.67 | 5,694.44 |
| Earnings Before Interest & Depreciation | (2,418.05) | 17,765.20 | 438.04 | 2,366.76 |
| Interest | 1,302.65 | 1,162.49 | 920.21 | 969.66 |
| Depreciation and Amortization | 957.45 | 6,959.83 | 31.85 | 34.05 |
| Profit Before Tax (PBT) before exceptional item | (4,678.15) | 9,642.88 | (514.02) | 1,363.05 |
| * Exceptional Item | (62,493.95) | - | (18.41) | - |
| Profit Before Tax (PBT) after exceptional item | (67,172.10) | 9,642.88 | (532.43) | 1,363.05 |
| Profit After Tax (PAT) before Minority Interest | (67,451.16) | 7,982.49 | (525.25) | 973.21 |
| Profit After Tax (PAT) after Minority Interest | (50,178.22) | 6,871.77 | (525.25) | 973.23 |

* The Company carried out evaluation of all internally developed software (tools, frameworks and platforms) and based on the recommendation of technical experts we have written off Rs 52,064.55 Lacs from Intangibles. In addition, an advance of Rs 4,505.80 Lacs made in the financial year 2017-18 towards an acquisition and Rs 5,923.60 Lacs of other receivables have been written off as unrecoverable due to unforeseen economic conditions caused by COVID-19. The profits for year was lower by Rs 62,493.95 Lacs on account of these one-time transactions.

**Share Capital:**
Your Company has only one class of share - equity shares of par value Rs.5 each. The authorized share capital as at March 31, 2020 was Rs.3,000 Lakhs divided into 600 Lakhs Equity shares of Rs.5 each. The paid-up share capital as at March 31, 2020 was Rs.1,525.88 lakhs divided into 3,05,17,605 equity shares of Rs.5 each.

**Operations:**
The financial year 2019-20 has been a year of opportunities and challenges for your company as we embarked on a transformational journey with a sharp focus to enhance the depth of relationship with our existing customers, acquire new direct customers while disengaging from intermediaries. While the immediate impact of this strategy is reduced revenue, we believe our overall financials in terms of revenue, profitability and cashflow will improve substantially in the future. This is evidenced by revenue growth in our key customers and new direct customer acquisition gaining momentum.

While the customers have continued to place their confidence in your company, there have been some challenges faced by your company during this year. One of the biggest challenges is the increased number of US H-1B visa rejections. There is a significant drop in US H-1B visa approvals and the rejections rate stood at 32% in FY 2019 compared to 6% in the year 2015 and that is only increasing rapidly. This immigration issue has directly impacted us in executing several projects, loss of opportunities, increase in staff expenses due to hiring of more contractors and local employees thereby contributing to lesser revenue and margin. However, this is being mitigated by effectively transfering the work to our facilities in Chennai. Further, we expect the visa situation to improve in the coming years ensuring accelerated growth.

In order to provide enhanced focus to Healthcare, Pharma/Life Sciences customers, we launched a fully owned subsidiary Healthcare Triangle Inc.,(HTI) that has been welcomed by all our existing customers/ prospects.

HTI is established to bring together People, Process and Technology to create transformational business capabilities for our customers.

**Impact of COVID-19**
The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. In the US, where the majority of 8K Miles's business is from, the slowdown of economy started happening from February 2020 onwards.

This resulted in delays in getting new projects as customers/prospects are uncertain of their business at this time. Additionally, customers have started asking for discounts impacting our profitability. On the positive side, we have more companies moving on to the cloud because of issues related to COVID-19 presenting us with opportunities. In short, we assess the short-term impact of COVID-19 to be reduced revenue while on the longer term more and more companies will start moving to cloud thereby ensuring steady growth for 8K Miles.

On the positive side – Governments have responded with a $10 Trillion economic revival package. IT industry and Cloud Adoption are expected to accelerate in the next five years. Equally important is that pharma and life-science industries are attracting a lot of investment during this time and their spending in public cloud infrastructure is growing significantly as evidenced in increased business from some of our existing pharma customers. Given all this, we are confident that we are well positioned to grow in the coming years.

**Outlook**

While there have been challenges that have immediate impact this year, your company has a sound and robust strategy in place for the future that will ensure we stay in the forefront of technology and ahead of our competition, enhancing our depth of engagement with our customers, acquire new direct customers and improve our profitability from operations and we have already started seeing the results of this strategy.

Your company will see growth and profitability in the coming years for the following reasons:

1. Sharp focus on deepening relationship with existing customers and new customer acquisition.
2. The IT spend in Public cloud infrastructure (the space your company is in) is likely to increase many-fold due to COVID-19 related issues and we are well positioned to be part of the growth
3. Continuous focus on innovation, technology, domain and platform centric approach will continue to differentiate us in the marketplace ensuring we are the partner of choice for our customers
4. Huge investments are happening in pharma/life-science/healthcare industries – the domain focus of your company - due to COVID-19 pandemic
5. Investments by your company in Centre of Excellence to nurture and build solutions on the current technology trend to stay ahead of competition
6. Explosion of data –both structured and unstructured– requiring large cloud usage. Organizations are looking to engage with partners who understand their domain (pharma/life-science/healthcare) have deep technology expertise in Cloud and data related technologies. With DataEz platform, your company is ideally positioned to participate in this growth

Your company will continue to stay focused on bringing world class compliance, security, cloud infrastructure provisioning, data governance, data management, advanced analytics and data asset development services and solutions, while at the same time bringing new and simplified services to the market that will help connect the stakeholders in the healthcare and life sciences ecosystem. Our advisory and consulting services will also be available to help connect the ecosystem, including data centric services that extend across traditional boundaries and help fuel interactions between providers and life sciences companies.

**Dividend**

Your company is exploring new business opportunities therefore it is necessary to conserve the funds to meet these investment opportunities. Thus, your Board has not recommended any dividend for the financial year 2019-20.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

There was no amount required to be transferred to Investor Education and Protection Fund during the year 2019-20.

**Transfer to Reserves**

Your Company does not propose to transfer any amounts to the general reserve during the current financial year.

**Public Deposits**

Your Company has not accepted any deposits within the meaning of provisions of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2020.

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

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

**Particulars of Loans, Guarantees or Investments**

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

**Board and Committee Meetings**

The Board met seven times during the Financial Year

2019-20. The details regarding the board meetings and committee meetings are given separately in the Corporate Governance Report as **Annexure-IV** to this report. The gap intervening between two meetings of the board is within the stipulated time frame prescribed in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**Separate Meeting of Independent Directors**

During the year, a separate meeting of Independent Directors was held on 30th March,2020. The Independent Directors present for the meeting actively participated and provided guidance to the Company in all its spheres.

**Corporate Governance Report**

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

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

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

The Certificate by Chief Executive Officer & Chief Financial officer as required under the SEBI Listing Regulations is attached in **Annexure-V** to this report.

**Subsidiary Companies**

1. 8K Miles Software Services Inc. USA
   (i) Nexage Technologies Inc. USA
   (ii) Cornerstone Advisors Group LLC. USA
   (iii) Healthcare Triangle Inc. USA
   (incorporated on October 29, 2019)
2. 8K Miles Software Services FZE. UAE ceased w.e.f February 29, 2020
3. 8K Miles Health Cloud Inc. USA
   (i) Serj Solutions Inc. USA
4. Mentor Minds Solutions and Services Inc. USA
5. Healthcare Triangle Private Limited
   (incorporated on January 14, 2020)

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

**Consolidated Accounts**

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

The audited consolidated financial statements together with Auditors report form's part of the Annual report.

**Conservation of Energy**

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

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

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

**Technology Absorption:**

a. We are continuing to invest on our platform/ framework such as CloudEz, EzIAM, IAM, MFA, DataEz and DocuRoute for handling Healthcare records received through fax.

b. We will continue to enhance our platform and framework to stay competitive and ensure that the first mover advantage is not only maintained but enhanced through our domain-centric, platform-based cloud transformation offering and is very much sought after by our customers

c. In order to stay aligned with technology trend, your company has invested in AI/ML and NLP technologies and are already executing projects in this domain.

d. Additionally, we have established Centre of Excellence for Blockchain and related technologies to explore opportunities in this rapidly growing technology.

| Particulars | (Rs.in Lakhs) FY 2019-20 |
|---|---|
| Earnings in Foreign Exchange | 2,320.03 |
| Foreign Exchange Outflow | 0.21 |

**Internal Financial Controls**

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has implemented Internal Financial Controls by means of Policies and Procedures which are commensurate with the size and nature of its operations and pertaining to financial reporting. The Audit Committee as part of its roles prescribed in Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, 2015 have evaluated the internal financial controls and risk management systems. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financials Controls are adequate with reference to the financial statements.

**Other Laws:**

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

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

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

**Directors and Key Managerial Personnel**

**Directors**
**Appointments and Resignations/Retirement/ Cessations:**

1. During the year, Mr. Raghunathan Aravamuthan was appointed as an Additional Director under Independent category on September 6, 2019 and
2. During the year, Mr. Desikan Balaji was appointed as and additional director under Independent category subsequently approved by shareholders through postal ballot (results of which were declared on January 31, 2020) appointed him as an Independent Director of the Company with effect from December 20, 2019. The AGM notice includes a proposal for regularization of his appointment as a Non-Executive Independent Director.

**Resignations/Retirements/Cessations:**

1. Mr. Raghunathan Aravamuthan, Additional Director under Independent category ceased to act as Director of the Company from November 30, 2019 since his regularisation appointment was not approved by the shareholders at the Annual General Meeting.
2. Mr. Gurumurthi Jayaraman, Non-Executive Non-Independent Director of the Company resigned on October 23, 2019 and the same was taken note by Board on November 02, 2019.
3. Mr. R.S. Ramani, Non-Executive Non-Independent Director of the Company resigned on November 02, 2019 and the same was taken note by Board.
4. Mr. Vivek Prakash Director of the Company resigned on December 20, 2019 and the same was taken note by the Board.

**Key Managerial Personnel:**

Pursuant to the provisions of section 203 of the Act read with the rules made there under, the following employees were/are the whole-time key managerial personnel of the company during FY 2019-20

Mr. Suresh Venkatachari, Managing Director
Mr. Swasti Bhowmick, Chief Financial Officer
Ms. Diya Venkatesan, Company Secretary

**Changes after March 31, 2020 until the date of the Report:**

**Resignation:**
Mr. Suresh Venkatachari, Resigned as the Managing Director on August 24, 2020

Mr. Swasti Bhowmick, Chief Financial Officer – Resigned on April 30, 2020

Ms. Diya Venkatesan, Company Secretary – Resigned on July 01, 2020

**Appointments:**

Mr. Suresh Venkatachari appointed as Chief Executive Officer (CEO) of the Company on August 31, 2020

Mr. R. Thyagarajan appointed as the Chief Financial Officer on July 01, 2020

Mr. G. Sri Vignesh appointed as the Company Secretary on July 01, 2020.

Mr. S. Ravichandran appointed as the Additional and Whole-time Director of the Company on July 30, 2020 subject to the approval of the shareholders at the ensuing Annual General Meeting.

**Particulars of Employees**

In accordance with section 136 of the Act, the report and accounts are being sent to the members and others entitled thereto. The statement prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection. If any member is interested in obtaining a copy, such member may send an e-mail to the company secretary in this regard. The information relating to employees and other particulars required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members, excluding the information on employees, particulars of which are available for inspection by the Members at the Registered Office of the Company during the business hours on all working days of the Company upto the date of the forthcoming Annual General Meeting. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

**Statutory Auditors**

During the year Deloitte Haskins & Sells, Chartered Accountants (DHS) resigned effective November 15, 2019. The Audit Committee and the Board of Directors of the Company have recommended the appointment of M/s. K. Gopal Rao & Co., Chartered Accountants (KGR) as the Statutory Auditors of the Company to fill the casual vacancy caused by resignation of DHS at their meeting held on December 6, 2019. The Members through Postal Ballot the results of which were declared on January 31, 2020 approved the appointment of M/s K Gopal Rao & Co (Firm Registration No.000956S), Chartered Accountants as Statutory Auditors of your Company to hold office until the conclusion of ensuing AGM. The Audit Committee and Board of Directors have considered and recommended the appointment of KGR at the ensuing AGM to hold office from the conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting to held in the year 2025. M/s. K Gopal Rao & Co have consented and confirmed to the said appointment, if made would be within the limits mentioned under the provisions of Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Auditors have confirmed that they have subjected themselves to the peer review process of institute of Chartered Accountants of India ('ICAI') and hold valid certificate issued by the Peer Review Board of the ICAI.

The Audit report is forming part of the financial statements and the Management response is as follows for the Qualifications made by the Statutory Auditors

| S.NO | Observations | Response |
|---|---|---|
| 1. | We draw your attention to last year's audit observation on long outstanding receivables from overseas customers amounting to Rs 3,464.01 Lacs (31 March 2019) and corresponding technical services payable to overseas vendor of Rs 1,709.20 Lacs. The receivables amounting to Rs 1,709.20 Lacs has been assigned to the vendor based on the assignment agreement between the Company and the Vendor. The residual balance of Rs 1,754.81 Lacs has been written-off to the Profit & Loss account. The Company has made an intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. The Company is of the opinion that there is no Goods and Service Tax applicability on the above transaction as the services have been availed and rendered outside India. Profits for the current year have been impacted to this extent due to the above. | We have made an intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. We are of the opinion that the Goods and Service Tax is not applicable on the above transaction as the services have been availed and rendered outside India. Further, this is a regulatory issue and the outcome of it cannot be estimated as of date of the signing of this report and the Company doesn't expect any material impact on the financial statements in future. |
| 2. | The Company had Trade and Other Receivables aggregating to Rs 3,309.10 Lacs as at 31 March 2019 due from 8K Software Services Inc., an Overseas Subsidiary. Subsequently, an amount of Rs.1,124.53 Lacs has been collected (Rs.782.27 Lacs till 31st March 2020 and Rs.342.26 Lacs from April 1, 2020 till June 30, 2020. The AD banker has been intimated about the delay in collecting the outstanding beyond 12 months. Further, the Subsidiary Company has confirmed the outstanding balances as of 31st March 2020. The interest burden suffered due to continued delay in realization of receivables is estimated at Rs 288.47 lacs. | We have made an intimation to the AD banker about the delay in collecting invoices that are outstanding beyond 12 months. An amount of Rs 1,124.53 Lacs has been collected from the customer from April 1, 2019 till June 30, 2020. (Rs 782.27 Lacs till 31 March 2020 and Rs 342.26 Lacs from April 1, 2020 till June 30, 2020). The interest burden is due to delay in realization of receivables, also the management has taken steps / measures to ensure the timely realization of receivables from customers and avoid such instances going forward. |

**Secretarial Auditors**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has re-appointed M/s. P Sriram & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020

The Secretarial Audit report forms part of the Annual Report attached as **Annexure-I** to this report and the Management response is as follows for the Qualifications made by the Secretarial Auditors:

| S. No | Observations | Response |
|---|---|---|
| 1 | The Company had delayed in Compliance of Regulation 33 (3) (d) & (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 relating to reporting of Financial Results within 60 days for the Quarter and Year ended March 31, 2019. | The Company has taken appropriate steps and has put in place controls to avoid any such delays.<br><br>The Company has complied with these timelines for the year ended March 31, 2020 |
| 2 | The Company had delayed in Compliance of Regulation 33 (3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to reporting of Financial Results within 45 days for the Quarter ended June 2019. | The Company has taken appropriate steps and has put in place controls to avoid any such delays.<br><br>The Company has complied with these timelines for the year ended 2019-20 |
| 3 | The Company had re-appointed the Managing Director of the Company on September 30, 2017 who is a Non-resident Indian and which requires the approval of the Central Government. During the year under review, the Company had made an application seeking the approval of the Central Government in this regard, however the same was rejected. The company is yet to make a fresh application for the same, thereby has not complied with Section 203 of the Companies Act, 2013. | Mr. Suresh Venkatachari has resigned as the Managing Director on August 24, 2020. Further he was appointed as Chief Executive Office (CEO) on August 31, 2020 in compliance with the Companies Act 2013. |

**Extract of Annual Return**

Pursuant to Section 92(3) of Companies Act, 2013 an extract of Annual Return in form MGT 9 as on 31st March 2020 is attached as **Annexure-II** to this report.

**Related Party Transactions**

During the Financial Year ended 31st March 2020, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arms' length basis and were in compliance with the applicable provisions of the Companies Act 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We hereby affirm that there were no materially significant related party transactions with promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

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

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

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

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

**Corporate Social Responsibility Initiatives**

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

The Company inadvertently determined that the CSR Expenditure is applicable for FY 2018-19, however, based on the computation made under Sec.198 of the Companies, the CSR spending is not applicable for the FY 2018-19 and 2019-20.

**Code of Business Conduct and Ethics**

The Board of Directors has approved a Code of Conduct and Ethics in terms of Schedule IV of Companies Act, 2013 and Listing Regulations. All the Board Members and the Senior Management personnel have confirmed compliance with the Code for the year ended March 31, 2020. The annual report contains a declaration to this effect signed by the CEO.

**Vigil Mechanism / Whistle Blower Policy**

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

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

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

**Details of Significant and Material orders passed by the Regulators or Courts or tribunals.**

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company.

**Cost Records and Cost Audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

**Risk Management**

The Company implemented a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that risks are controlled by the framework.

**Evaluation of Board's Performance**

The performance of the Board was evaluated after seeking inputs from all the directors. The board has carried out an evaluation of its own performance, Committees as a whole, Managing Director of the Board, Independent and Non-Independent Directors and that of its directors individually. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report. A detailed note on the composition of the Board and its committees are provided in the Corporate Governance Report **Annexure IV.**

**Reporting of Fraud**

For the financial year ended March 31, 2020, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

**Directors' Responsibility Statement**

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

i) That in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable accounting standards had been followed and that there were no material departures;
ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2020 and of the profit or loss of the Company for the year under review;
iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
iv) The directors had prepared the annual accounts on a going concern basis.
v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**Secretarial Standards**

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

**Acknowledgment and Appreciation**

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

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

**For and on behalf of the Board of Directors**
**8K Miles Software Services Limited**

**Suresh Venkatachari**
Chairman & CEO
DIN: 00365522

Place : Chennai
Date: August 31, 2020

# Annexure - I

**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**
**FINANCIAL YEAR ENDED MARCH 31, 2020**
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
THE MEMBERS,
8K MILES SOFTWARE SERVICES LIMITED,
#5, CENOTAPH ROAD, II FLOOR SRINIVAS TOWERS,
TEYNAMPET, CHENNAI 600 018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 8KMILES SOFTWARE SERVICES LIMITED, Corporate Identification Number L72300TN1993PLC101852 ("Company"). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions as amended from time to time of:

1. The Companies Act,2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;
3. The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-

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

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

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

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

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that:

1. The Company had delayed in Compliance of Regulation 33 (3) (d) & (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 relating to reporting of Financial results within 60 days for the Quarter and year ended 31st March 2019.
2. The Company had delayed in Compliance of Regulation 33 (3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to reporting of Financial Results within 45 days for the Quarter ended June 2019.

3. The Company had re-appointed the Managing Director of the Company on September 30, 2017 who is a Non-resident Indian and which requires the approval of the Central Government. During the year under review, the Company had made an application seeking the approval of the Central Government in this regard, however the same was rejected. The company is yet to make a fresh application for the same, thereby has not complied with Section 203 of the Companies Act, 2013.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for a shortfall during the period from September 6, 2019 to October 23, 2019. However the Company had realigned the Board with optimum composition as required under Regulation 17(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except few instances above mentioned.

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

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

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

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

For M/s. P. Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No – 3310
Membership No–F 4862
UDIN: F004862B000604868

Place : Chennai
Date : August 21, 2020

To

THE MEMBERS,
8K MILES SOFTWARE SERVICES LIMITED

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

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

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

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis for the period from April 1, 2019 to 31st March, 2020.

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

For M/s. P. Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No – 3310
Membership No–F 4862
UDIN: F004862B000604868

Place : Chennai
Date : August 21, 2020

# Annexure - II

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON**
**THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| 1 | CIN | L72300TN1993PLC101852 |
| 2 | Registration Date | 26/05/1993 |
| 3 | Name of the Company | 8K MILES SOFTWARE SERVICES LIMITED |
| 4 | Category/Sub-Category of the Company | Non-Government– Company limited by Shares- Public |
| 5 | Address of the Registered office and contact details | #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai – 600018, Tamil Nadu |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | Adroit Corporate Services Private Limited Industries Estate, Makwane Road, Naronvaka Andheri (East), Mumbai – 400 059<br>e-mail ID: info@adroitcorporate.com<br>Contact No.: +022- 42270400 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | Address | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|---|
| 1. | 8K Miles Software Services Inc. (USA) | 4309 Hacienda Dr, Suite 150 Pleasanton, CA 94588 | - | Subsidiary | 64.42% | 2 (87) |
| 2. | 8K Miles Software Services FZE. (UAE) (Till February 29, 2020) | Sharjah, International Airport Free Zone, Executive Desk, Q1 - 05 -109/C, P.O Box - 513211, UAE | - | Subsidiary | 100% | 2 (87) |
| 3. | 8K Miles Health Cloud Inc (USA) | 4309 Hacienda Dr, Suite 150 Pleasanton, CA 94588 | - | Subsidiary | 100% | 2 (87) |
| 4. | Mentor Minds Solutions and Services Inc. (USA) | 3525, Quakerbridge Road, Suite 1100, Trenton, NJ 08619 | - | Subsidiary | 100% | 2 (87) |
| 5. | Healthcare Triangle Private Limited | No.5, Cenotaph Road, Second Floor Srinivas Towers, Teynampet, Chennai - 600018 | U72900TN2020PTC133821 | Subsidiary | 100% | 2(87) |
| 6. | Nexage Technologies Inc. (USA) | 2, Tower Centre blvd., 8th floor, East Brunswick , New Jersey, NJ 08816 | - | Step-down Subsidiary | 100% | 2(87) |
| 7. | Cornerstone Advisors Group LLC. USA | 4309 Hacienda Dr, Suite 150 Pleasanton, CA 94588 | - | Step-down Subsidiary | 100% | 2(87) |
| 8. | Serj Solutions Inc. (USA) | 4309 Hacienda Dr, Suite 150 Pleasanton, CA 94588 | - | Step-down Subsidiary | 100% | 2(87) |
| 9. | Healthcare Triangle Inc. (USA) | 4309 Hacienda Drive, Suite 150, Pleasanton, CA 94588 | - | Step-down Subsidiary | 85% | 2(87) |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category wise shareholding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 11533 | 0 | 11533 | 0.04 | 465000 | 0 | 465000 | 1.52 | 1.49 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Directors | 465000 | 0 | 465000 | 1.52 | 0 | 0 | 0 | 0.00 | (1.52) |
| | | | | | | | | | |
| **Sub Total : A(1)** | **476533** | **0** | **476533** | **1.56** | **465000** | **0** | **465000** | **1.52** | **(0.04)** |
| | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRI - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other - Individuals (Promoter / Director) | 11181703 | 0 | 11181703 | 36.64 | 11181703 | 0 | 11181703 | 36.64 | 0.00 |
| c) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Sub Total : A(2)** | **11181703** | **0** | **11181703** | **36.64** | **11181703** | **0** | **11181703** | **36.64** | **0.00** |
| | | | | | | | | | |
| **Total Shareholding of Promoters (A)=(A)(1) + (A)(2)** | **11658236** | **0** | **11658236** | **38.20** | **11646703** | **0** | **11646703** | **38.16** | **(0.04)** |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category wise shareholding (contd)**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 2240 | 0 | 2240 | 0.01 | 14 | 0 | 14 | 0.00 | -0.01 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Any Other (Specify) | | | | | | | | | |
| i-1) Foreign Portfolio Investors | 123800 | 0 | 123800 | 0.41 | 123000 | 0 | 123000 | 0.40 | 0.00 |
| **Sub Total : B(1)** | **126040** | **0** | **126040** | **0.41** | **123014** | **0** | **123014** | **0.40** | **(0.01)** |
| | | | | | | | | | |
| **(2) Non - Institutions** | | | | | | | | | |
| a) Bodies Corporates | | | | | | | | | |
| ai) Indian | 1311652 | 0 | 1311652 | 4.30 | 446305 | 0 | 446305 | 1.46 | (2.84) |
| aii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| bi) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh | 8990659 | 34 | 8990693 | 29.46 | 9078606 | 174 | 9078780 | 29.75 | 0.29 |
| bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh | 6440923 | 0 | 6440923 | 21.11 | 7316260 | 0 | 7316260 | 23.97 | 2.87 |
| c) Any Other (Specify) | | | | | | | | | |
| c-1) Non Resident Indians (Individuals) | 1844349 | 0 | 1844349 | 6.04 | 1898065 | 0 | 1898065 | 6.22 | 0.18 |
| c-2) Trusts | 500 | 0 | 500 | 0.00 | 500 | 0 | 500 | 0.00 | 0.00 |
| c-3) Clearing Member | 145212 | 0 | 145212 | 0.48 | 7978 | 0 | 7978 | 0.03 | (0.45) |
| **Sub Total : B(2)** | **18733295** | **34** | **18733329** | **61.39** | **18747714** | **174** | **18747888** | **61.43** | **0.05** |
| **Total Public Shareholding (B)=(B)(1) + (B)(2)** | **18859335** | **34** | **18859369** | **61.80** | **18870728** | **174** | **18870902** | **61.84** | **0.04** |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category wise shareholding (contd)**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **C. Shares held by Custodian for GDRs & ADRs** | | | | | | | | | |
| a) Promoter & Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Sub Total : (C)(1)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | | | | | | | | | |
| **Total Shareholding of Shares held by Custodian for GDRs & ADRs (C)=(C)(1)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | | | | | | | | | |
| **Grand Total (A + B + C)** | **30517571** | **34** | **30517605** | **100.00** | **30517431** | **174** | **30517605** | **100.00** | **0.00** |

### (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No. of Shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | % of change in shareholding during the year |
| 1 | Suresh Venkatachari | 11181703 | 36.64 | 14.76 | 11181703 | 36.64 | 14.76 | 0.00 |
| 2 | R S Ramani | 465000 | 1.52 | 0.00 | 465000 | 1.52 | 0.00 | 0.00 |
| 3 | M V Bhaskar | 11533 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | (0.04) |
| | **Total** | **11658236** | **38.20** | **14.15** | **11646703** | **38.16** | **14.17** | **(0.04)** |

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Description | Name of the Promoter | As on Date | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | At the beginning of the year | Suresh Venkatachari | 01/04/2019 | 11181703 | 36.64 | 11181703 | 36.64 |
| | Date wise Increase/ Decrease in Promoters holding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 11181703 | 36.64 | 11181703 | 36.64 |
| 2 | At the beginning of the year | R.S.Ramani | 01/04/2019 | 465000 | 1.52 | 465000 | 1.52 |
| | Date wise Increase/ Decrease in Promoters holding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 465000 | 1.52 | 465000 | 1.52 |
| 3 | At the beginning of the year | M V Bhaskar* | 01/04/2019 | 11533 | 0.04 | 11533 | 0.04 |
| | Date wise Increase/ Decrease in Promoters holding during the year | | NIL | | | | |
| | At the end of the year | | 31/03/2020 | 11533 | 0.04 | 11533 | 0.04 |

* Mr. M.V. Bhaskar was re-classified from promoter to public category pursuant to shareholder's approval at the AGM held on September 29, 2018 and the same was approved by the stock exchanges viz., BSE and NSE vide their letters dated September 19, 2019.

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

| Sl. No. | Description | Name of the shareholder | As on Date | No. of Shares | % of total shares of the company | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | | | No. of Shares | % of total shares of the company |
| 1 | At the beginning of the year | Sandeep Tandon | 01/04/2019 | 2088911 | 6.84 | 2088911 | 6.84 |
| | Date wise Increase / Decrease in Shareholding during the year | | 26/07/2019 | (400000) | 1.31 | 1688911 | 5.53 |
| | | | 02/08/2019 | (200000 | 0.66 | 1488911 | 4.88 |
| | | | 30/08/2019 | 36582 | 0.12 | 1525493 | 5.00 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 1525493 | 5.00 |
| 2 | At the beginning of the year | Ashish Nanda | 01/04/2019 | 1110873 | 3.64 | 1110873 | 3.64 |
| | Date wise Increase/ Decrease in Promoters holding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 1110873 | 3.64 |

| Sl. No. | Description | Name of the shareholder | As on Date | No. of Shares | % of total shares of the company | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | | | No. of Shares | % of total shares of the company |
| 3 | At the beginning of the year | Vimal Sagarmal Jain | 01/04/2019 | 848949 | 2.78 | 848949 | 2.78 |
| | Date wise Increase / Decrease in Shareholding during the year | | 07/02/2020 | (127232) | 0.42 | 721717 | 2.36 |
| | | | 21/02/2020 | (42973) | 0.14 | 678744 | 2.22 |
| | | | 28/02/2020 | (109867) | 0.36 | 568877 | 1.86 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 568877 | 1.86 |
| 4 | At the beginning of the year | Puja Aggarwal | 01/04/2019 | 113014 | 0.37 | 113014 | 0.37 |
| | Date wise Increase / Decrease in Shareholding during the year | | 12/04/2019 | 3000 | 0.01 | 116014 | 0.38 |
| | | | 26/04/2019 | 15000 | 0.05 | 131014 | 0.43 |
| | | | 07/06/2019 | 15000 | 0.05 | 146014 | 0.48 |
| | | | 14/06/2019 | 5000 | 0.02 | 151014 | 0.49 |
| | | | 21/06/2019 | 5000 | 0.02 | 156014 | 0.51 |
| | | | 28/06/2019 | 10000 | 0.03 | 166014 | 0.54 |
| | | | 05/07/2019 | 5000 | 0.02 | 171014 | 0.56 |
| | | | 12/07/2019 | 10000 | 0.03 | 181014 | 0.59 |
| | | | 16/08/2019 | (2000) | 0.01 | 179014 | 0.59 |
| | | | 23/08/2019 | (2000) | 0.01 | 177014 | 0.58 |
| | | | 20/09/2019 | 14000 | 0.05 | 191014 | 0.63 |
| | | | 27/09/2019 | 10000 | 0.03 | 201014 | 0.66 |
| | | | 25/10/2019 | 10000 | 0.03 | 211014 | 0.69 |
| | | | 01/11/2019 | 34868 | 0.11 | 245882 | 0.81 |
| | | | 08/11/2019 | 45072 | 0.15 | 290954 | 0.95 |
| | | | 13/12/2019 | 5000 | 0.02 | 295954 | 0.97 |
| | | | 27/12/2019 | 7749 | 0.03 | 303703 | 1.00 |
| | | | 03/01/2020 | 2046 | 0.01 | 305749 | 1.00 |
| | | | 17/01/2020 | 5000 | 0.02 | 310749 | 1.02 |
| | | | 24/01/2020 | 10000 | 0.03 | 320749 | 1.05 |
| | | | 14/02/2020 | 25000 | 0.08 | 345749 | 1.13 |
| | | | 28/02/2020 | 10000 | 0.03 | 355749 | 1.17 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 355749 | 1.17 |
| 5 | At the beginning of the year | Sandeep Tandon HUF | 01/04/2019 | 266666 | 0.87 | 266666 | 0.87 |
| | Date wise Increase / Decrease in Shareholding during the year | | | NIL | NIL | | |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 266666 | 0.87 |
| 6 | At the beginning of the year | Nikesh K Shah HUF | 01/04/2019 | 244908 | 0.80 | 244908 | 0.80 |
| | Date wise Increase / Decrease in Shareholding during the year | | | NIL | NIL | | |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 244908 | 0.80 |
| 7 | At the beginning of the year | Nikesh K Shah | 01/04/2019 | 217599 | 0.71 | 217599 | 0.71 |
| | Date wise Increase / Decrease in Shareholding during the year | | 31/05/2019 | (3600) | 0.01 | 213999 | 0.70 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 213999 | 0.70 |

| Sl. No. | Description | Name of the shareholder | As on Date | No. of Shares | % of total shares of the company | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | | | No. of Shares | % of total shares of the company |
| 8 | At the beginning of the year | Sheela Vimal Jain | 01/04/2019 | 204266 | 0.67 | 204266 | 0.67 |
| | Date wise Increase / Decrease in Shareholding during the year | | 14/02/2020 | (150000) | 0.49 | 54266 | 0.18 |
| | | | 21/02/2020 | (31235) | 0.10 | 23031 | 0.08 |
| | | | 28/02/2020 | (23031) | 0.08 | 0 | 0.00 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 0 | 0.00 |
| 9 | At the beginning of the year | Sanjay Katkar | 01/04/2019 | 50000 | 0.16 | 50000 | 0.16 |
| | Date wise Increase / Decrease in Shareholding during the year | | 18/10/2019 | 110828 | 0.36 | 160828 | 0.53 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 160828 | 0.53 |
| 10 | At the beginning of the year | Sumpoorna Portfolio Limited | 01/04/2019 | 140340 | 0.46 | 140340 | 0.46 |
| | Date wise Increase / Decrease in Shareholding during the year | | 11/10/2019 | (140000) | 0.46 | 340 | 0.00 |
| | At the end of the year | | 31/03/2020 | 0 | 0.00 | 340 | 0.00 |

### v. Shareholding of Directors & Key Managerial Personnel

| Sl. No. | Description | Name of the Promoter | As on Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | At the beginning of the year | Suresh Venkatachari | 01/04/2019 | 11181703 | 36.64 | 11181703 | 36.64 |
| | Date wise Increase / Decrease in Shareholding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 11181703 | 36.64 | 11181703 | 36.64 |
| 2 | At the beginning of the year | R S Ramani *Resigned w.e.f 2nd November 2019 | 01/04/2019 | 465000 | 1.52 | 465000 | 1.52 |
| | Date wise Increase / Decrease in Shareholding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 465000 | 1.52 | 465000 | 1.52 |
| 3 | At the beginning of the year | Swasti Bhowmick *Resigned w.e.f April 30, 2020 | 01/04/2019 | 12531 | 0.04 | 12531 | 0.04 |
| | Date wise Increase / Decrease in Shareholding during the year | | NO CHANGE | | | | |
| | At the end of the year | | 31/03/2020 | 12531 | 0.04 | 12531 | 0.04 |

## V. INDEBTEDNESS

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

(Amount Rs in lakhs)

| Description | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 4,505.13 | 6,270.79 | - | 10,775.92 |
| ii) Interest due but not paid | 7.78 | 101.26 | - | 109.04 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+iii) | 4,512.91 | 6,372.05 | - | 10,884.96 |
| Change in Indebtedness during the financial year | | | | |
| -Addition | 204.29 | - | - | 204.29 |
| -Reduction | - | (717.62) | - | (717.62) |
| Net Change | 204.29 | (717.62) | - | (513.33) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4,717.20 | 5,281.43 | - | 9,998.63 |
| ii) Interest due but not paid | - | 373.00 | - | 373.00 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,717.20 | 5,654.43 | - | 10,371.63 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1 | Gross salary | Nil | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | - | - | - | - |
| | Profits in lieu of salary u/s 17(3) of the Income- taxAct,1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | -as % of profit | - | - | - | - | - |
| | -Others, specify... | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| **6** | **Total(A)** | **-** | **-** | **-** | **-** | **-** |
| | Celing as per the Act | - | - | - | - | - |

### b. Remuneration to other directors:

| Sr. No | Particulars of Remuneration | Fee for attending Board & Committee Meeting | Commission | Others | Total Amount |
|---|---|---|---|---|---|
| | **Independent Directors** | | | | |
| 1 | Mr. Dinesh Raja Punniamurthy | 1,32,500 | - | - | 1,32,500 |
| 2 | Mrs. Babita Singaram | 72,500 | - | - | 72,500 |
| 3 | Mr. Desikan Balaji | 10,000 | - | - | 10,000 |
| 4 | Mr. Raghunathan Aravamuthan | 20,000 | - | - | 20,000 |
| 5 | Mr. Vivek Prakash | 5,000 | - | - | 5,000 |

| Sr. No | Particulars of Remuneration | Fee for attending Board & Committee Meeting | Commission | Others | Total Amount |
|---|---|---|---|---|---|
| | **Non-Executive Directors** | | | | |
| 1 | Mr. R.S. Ramani | 15,000 | - | - | 15,000 |
| 2 | Mr. Gurumurthi Jayaraman | 35,000 | - | - | 35,000 |
| 3 | Mrs. Padmini Ravichandran | 50,000 | - | - | 50,000 |

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

| Sr. No | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Diya Venkatesan Company Secretary* | Swasti Bhowmick CFO* | Total |
| 1 | Gross Salary | | 4,73,900 | 74,60,400 | 79,34,300 |
| | (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income tax Act,1961 | | | | |
| | (c) Profits in lieu of salary undersection 17(3) Income tax Act,1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission As % of profit others, specify | | | | |
| 5 | Others, please specify | | 26,100 | 39,600 | 65,700 |
| **6** | **Total** | | **5,00,000** | **75,00,000** | **80,00,000** |

* Mr. Swasti Bhowmick, Chief Financial Officer (CFO) and Ms. Diya Venkatesan, Company Secrtary (CS) resigned from the services w.e.f. April 30, 2020 and July 1, 2020, respectively

**c. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

There were no penalties/punishment/compounding of offences for the year ended March 31, 2020.

**On behalf of the Board**

**Suresh Venkatachari**
Chairman & CEO
DIN: 00365522

Place : Chennai
Date: August 31, 2020

# ANNEXURE-III

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

| Name of Director / KMP | Designation | % of increase/ Decrease in remuneration in the FY 20 as compared to FY 19 | Ratio of remuneration of each director to median remuneration of employees |
|---|---|---|---|
| Mr. Suresh Venkatachari | Chairman & CEO | NA | NA |
| Mr. Lakshmanan Kannappan | Non – Executive Director | NA | NA |
| Mrs. Padmini Ravichandran | Non – Executive Director | 11% | 0.11:1 |
| Mrs. Babita Singaram | Independent Director | 4.29% | 0.16:1 |
| Mr. Dinesh Raja Punniamurthy | Independent Director | 66% | 0.30:1 |
| Mr. Desikan Balaji[1] | Independent Director | 100% | 0.02:1 |
| Mr. Raghunathan Aravamuthan[2] | Independent Director | 100% | 0.05:1 |
| Mr. Gurumurthi Jayaraman[3] | Non – Executive Director | -65.69% | 0.08:1 |
| Mr. Vivek Prakash[4] | Independent Director | -66.67% | 0.01:1 |
| Mr. R.S. Ramani[5] | Non – Executive Director | 100% | 0.03:1 |
| Mr. Swasti Bhowmick[6] | Chief Financial Officer | 212% | 16.92 |
| Ms. Diya Venkatesan[7] | Company Secretary | 100% | 1.13:1 |

1 Appointed w.e.f December 20, 2019
2 Ceased to be Director on November 30, 2019
3 Resigned w.e.f October 23, 2019
4 Resigned w.e.f December 20, 2019
5 Resigned w.e.f November 02, 2019
6 Resigend w.e.f April 30, 2020
7 Resigned w.e.f July 1, 2020

- Percentage increase in median remuneration of employees in the financial year: 25.31%
- Number of permanent employees on the rolls of the Company (as of March 31, 2020): 201
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

| Particulars | Percentile |
|---|---|
| Average percentile increase already made in the salaries of employees other than the managerial personnel i.e. Managing Director in the financial year 2019-20 | 21% |
| Average percentile increase in the managerial remuneration i.e. Managing Director in the financial year 2019-20 | Nil |

- Affirmation that the remuneration is as per the remuneration policy of the company:
  The remuneration is in line with the remuneration policy of the company

# Annexure-IV

**REPORT ON CORPORATE GOVERNANCE**
Pursuant to Regulation 34 read with Schedule V of Securities Exchange Board of India (LODR) Regulations, 2015 ("SEBI (LODR) Regulations")

**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. It aims to enhance the long-term stakeholder value without compromising on ethical standards.

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

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

**MANDATORY REQUIREMENTS**

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

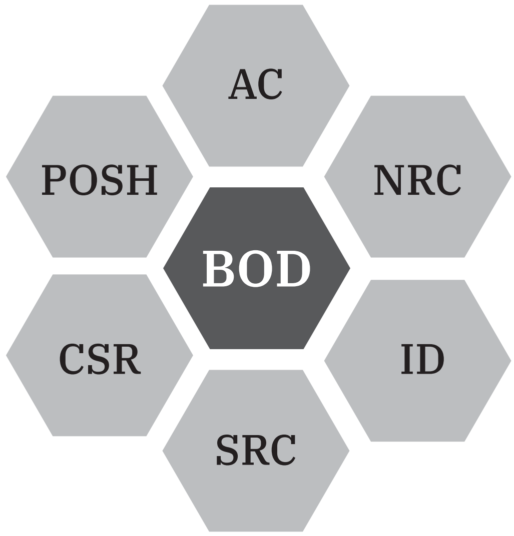
The Directors of the Company possess highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the Stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable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

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

Total strength of the board on the date of this report is (6) Six Directors of which three (3) are Independent Directors, One Non-Executive Non-Independent Director and two executive directors. The Composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with section 149 of the Companies Act, 2013.

During the financial year, the Directors on Board met at regular intervals for discussing and finalizing on key issues and those required under Companies Act, 2013 read with SEBI LODR 2015. Also, the Board has duly complied with the norms laid down by the guidelines in connection with the meeting of Board of Directors.

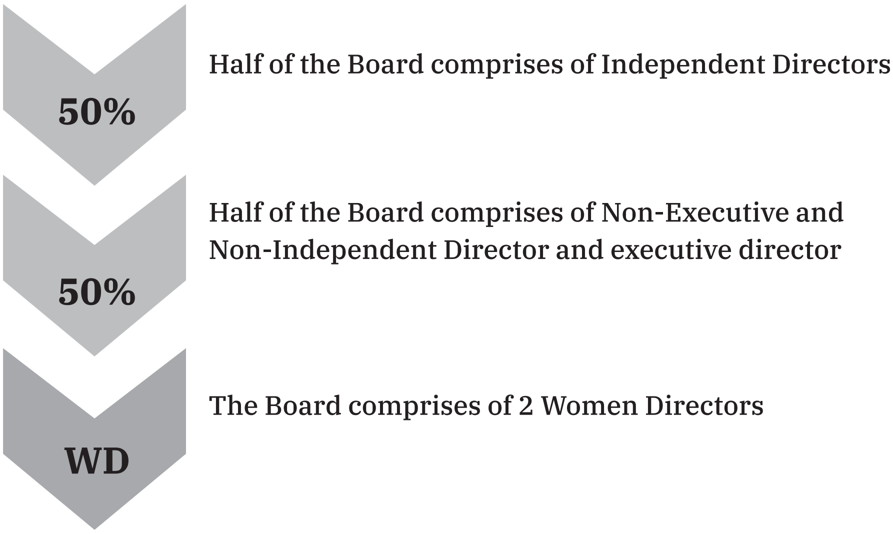
**GOVERNANCE STRUCTURE:**




| BOD - BOARD OF DIRECTORS |
|---|
| **AC** – Audit Committee |
| **NRC** – Nomination & Remuneration Committee |
| **ID** – Committee of Independent Directors |
| **SRC** – Stakeholders Relationship Committee |
| **CSR** – Corporate Social Responsibility Committee |
| **POSH** – Internal Committee on Prevention of Sexual Harassment at Workplace |

The Board is comprised of optimum number of Executive and Non-Executive Directors, including two women directors. The Board consists of an Executive Chairman-Managing Director, two non-executive directors and three independent directors as at the year ended March 31, 2020.

**THE COMPOSITION OF THE BOARD AS ON MARCH 31, 2020**




**MATRIX OF SKILL/ EXPERTISE/ COMPETENCIES OF THE BOARD OF DIRECTORS:**

In terms of the requirements of the SEBI Regulations, in the opinion of Nomination and Remuneration Committee, the following are the list of skills/expertise and competencies of the Board of Directors.


Given below is a list of core skills, expertise and competencies of individual directors

| Name of Director | SKILLS/EXPERTISE/COMPETENCIES |
|---|---|
| Mr. Suresh Venkatachari | Strategy, planning, governance, technology, management and leadership |
| Mr. Lakshmanan Kannappan | Technology, management and leadership, strategy, planning and marketing |
| Mrs. Padmini Ravichandran | Finance, governance, management and leadership |
| Mr. Dinesh Raja Punniamurthy | Finance, governance, management and leadership |
| Mrs. Babita Singaram | Finance, legal, human resource, strategy, planning and marketing, governance, management and leadership |
| Mr. Desikan Balaji | Corporate law & governance, Finance, management and leadership, strategy, planning and marketing, |
| Mr. Ravichandran S | Technology, management, leadership, strategy, planning and marketing |

**Formal induction and familiarisation programme for independent directors:**

The company's independent directors are eminent professionals with several decades of experience in technology, finance, governance and management areas and are fully conversant and familiar with the business of the company. The company has an ongoing familiarisation programme for all directors with regard to their roles, duties, rights, responsibilities in the company, nature of the industry in which the company operates, the business model of the company, etc. The programme is embedded in the regular meeting agenda where alongside the review of operations, information on the industry, competition and company strategy, enhanced roles and responsibilities of the Board, Committees and the individual directors are presented on a quarterly / half-yearly basis. The details of the familiarisation programme attended by directors are available on the website of the company.

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

At the time of induction of a director on the board of the company, a formal invitation to join the board of the company is sent out along with a brief introduction about the company. A copy of the company's latest annual report and the schedule of the upcoming board / committee meetings for the calendar year are forwarded to the director. The director is explained in detail the compliances required of him / her under the Act, the Listing Regulations and other relevant regulations and his / her affirmation is taken with respect to the same. By way of an introduction the company conducts a familiarisation program covering all the businesses, functions and regulations impacting the company to new directors. Additionally, the company's code of conduct which inter alia explains the values and beliefs of the company, functions, duties and responsibilities as a director of the company, including the duties of independent directors in terms of the Act is given to the director at the time of joining and on an annual basis. Further, there is a detailed quarterly discussion and presentation on review of operations of the company and the regulatory updates impacting the business which helps the director familiarise himself / herself with the company, its business and the regulatory framework in which the company operates.

The details of directors as at 31 March, 2020, including the details of their other board directorship and committee membership reckoned in line with regulation 26 of the Listing Regulations and the Act as well as their shareholdings, are given below:

| Name of the Director | Designation | No. of Directorship excluding 8K Miles (Out of which as chairman) | No. of shares held in the Company (8k Miles) | No. of Committee membership excluding 8K Miles (out of which as chairman) |
|---|---|---|---|---|
| Mr. Suresh Venkatachari | Managing Director/ Chairman/ Promoter | Nil | 1,11,81,703 | Nil |
| Mr. Lakshmanan Kannappan | Non-Executive Director | Nil | 0 | Nil |
| Mrs. Padmini Ravichandran | Non-Executive Director | Nil | 0 | Nil |
| Mr. Dinesh Raja Punniamurthy | Non-Executive / Independent Director | Nil | 0 | Nil |
| Mrs. Babita Singaram | Non-Executive / Independent Director | Nil | 0 | Nil |
| Mr. Desikan Balaji | Non-Executive / Independent Director | Nil | 0 | Nil |

**Independent Director**
All the Independent Directors satisfy the criteria of Independence specified in the Companies Act, 2013, Regulation 16 (1) (b) of SEBI (LODR) Regulations and meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board and are independent of the management of the company.

None of the Independent Director on the Board is an independent director in more than 7 Listed entities as required under Regulation 17(A)(1) of SEBI (LODR) Regulations.

None of the directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the Companies in which he is a Director as required under Regulation 26 (1) of SEBI (LODR) 2015. All the board members, including independent directors, have opportunity and access to interact with the management.

**Separate meeting of independent directors:**
During the year under review, in line with the requirement under section 149(8) and schedule IV of the Act, the independent directors had a separate meeting without the presence of the non-independent directors and management team.

**Board Meetings:**
The board meets at regular intervals with an annual calendar and a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on operations, quarterly financial statements and other matters concerning the company. Besides, information about statutory compliance, minutes of all the subsidiary companies and committees of the board and information as required under the Listing Regulations are also provided to the directors on a quarterly basis. The board at every meeting also reviews the important regulatory changes and correspondence between two meetings. The dates of the board meetings are fixed in advance for the calendar year to enable maximum attendance from directors. During the year, the board met seven (7) times on:

- April 10, 2019
- August 8, 2019
- September 6, 2019
- November 2, 2019
- December 6, 2019
- December 20, 2019
- February 29, 2020

The Act, read with the relevant rules made there under, facilitates the participation of a director in board / committee meetings through video conferencing or other audio-visual means. The board periodically reviews the matters required to be placed before it and inter alia reviews and approves the quarterly financial results and corporate strategies. It monitors the overall performance and reviews other matters which require the board's attention. The board also takes on record the declarations and confirmations made by the CEO, chief financial officer and company secretary, regarding compliances of all laws on a quarterly basis.

**Certificate from Company Secretary in Practice:**
M/s. P Sriram & Associates has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

**COMMITTEES OF THE BOARD**
The board has constituted various committees to support the board in discharging its responsibilities. There are four committees constituted by the board - audit committee, stakeholders' relationship committee, corporate social responsibility committee, nomination and remuneration committee. The board at the time of constitution of each committee fixes the terms of reference, reviews it and delegates powers from time to time. Various recommendations of the committees are submitted to the board for approval. The minutes of the meetings of all the committees are circulated to the board for its information.

**The Names and categories of the Directors on the Board, their attendance at Board Meetings held during 2019-20:**

| Name of the Director | Category | Number of Board Meetings during the year 2019-20 | | | Whether last AGM Attended November 2019 |
|---|---|---|---|---|---|
| | | Held | No. of Meeting eligible to attend | Attended | |
| Mr. Suresh Venkatachari Managing Director & Chairman DIN: 00365522 | Executive/ Non-Independent | 7 | 7 | 5 | Yes |
| [1]Mr.R.S. Ramani Director DIN: 03206751 | Non-Executive/ Non-Independent | 7 | 3 | 3 | NA |
| Mr.Lakshmanan Kannappan Director DIN: 07141427 | Non-Executive/ Non-Independent | 7 | 7 | 1 | No |
| [2]Mrs.Padmini Ravichandran Director DIN: 02831078 | Non-Executive/ Non-Independent | 7 | 7 | 5 | Yes |
| [3]Mr.Gurumurthi Jayaraman Director DIN: 00416850 | Non-Executive/ Non-Independent | 7 | 3 | 3 | NA |
| Mr.Dinesh Raja Punniamoorthy Director DIN:03622140 | Non-Executive/ Independent | 7 | 7 | 7 | Yes |
| Mrs.Babita Singaram Director DIN: 07482106 | Non-Executive/ Independent | 7 | 7 | 4 | Yes |
| [4]Mr.Vivek Prakash Director DIN: 00559925 | Non-Executive/ Independent | 7 | 5 | 1 | No |
| [5]Mr. Raghunathan Aravamuthan Director DIN: 01254052 | Non-Executive/ Independent | 7 | 1 | 1 | Yes |
| [6]Mr. Desikan Balaji Director DIN: 08296716 | Non-Executive/ Independent | 7 | 1 | 1 | NA |

**Notes:**

1. Mr. R.S. Ramani resigned w.e.f November 2, 2019

2. Mrs. Padmini Ravichandran resigned w.e.f July 30, 2020

3. Mr. Gurumurthi Jayaraman resigned w.e.f October 23, 2019 and the same was take note by Board on November 2, 2019

4. Mr. Vivek Prakash resigned w.e.f December 20, 2019 to work as a consultant in US subsidiary in the areas for strengthening corporate finance, governance and mitigating risk control

5. Mr. Raghunathan Aravamuthan vacated his office on November 30, 2019, since his regularisation appointment was not approved by the shareholders.

6. Mr. Desikan Balaji was appointed by the Board w.e.f December 20, 2019

None of the directors are inter-se related to each other.

**Committee Meetings:**

**1. Audit Committee**

Terms of Reference:

- The committee acts as a link between the board, the statutory auditors and the internal auditors.
- The role of the audit committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial controls and risk management systems, review and approval of transactions with related parties, findings of internal audits / investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, review the financial statements.
- The committee also verifies the adequacy in the systems for internal controls, to grant approvals for related party transactions which are in the ordinary course of business and on an arm's length basis, scrutiny of inter-corporate loans and investments, besides recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.

**Composition & Meetings:**
As at March 31, 2020 the committee comprised three non-executive - independent directors. The committee comprised of Mr. Dinesh Raja Punmiamurthy, as the chairperson, Mrs. Babita Singaram and Mr. Desikan Balaji as its members. The company secretary acts as the secretary to the committee. During the year, the committee met eight (8) times on the following dates:

- April 10, 2019
- July 18, 2019
- September 6, 2019
- November 2, 2019
- November 6, 2019
- December 6, 2019
- December 20, 2019
- February 29, 2020

The Attendance details of the meeting are as follows:

| Name of the Member | Status | Number of Meetings | | |
|---|---|---|---|---|
| | | Held during the tenure | No. of Meeting eligible to attend | Attended |
| *Mr. Gurumurthi Jayaraman | Non-Executive Director | 8 | 3 | 3 |
| Mr. Dinesh Raja Punniamurthy, Chairperson | Non- Executive Independent Director | 8 | 8 | 8 |
| Mrs.Babita Singaram, Member | Non- Executive Independent Director | 8 | 8 | 7 |
| @Mr. Raghunathan Aravamuthan | Non- Executive Independent Director | 8 | 2 | 2 |
| #Mr.Desikan Balaji, Member | Non- Executive Independent Director | 8 | 1 | 1 |

**Notes:**
*Mr. Gurumurthi Jayaraman submitted his resignation on October 23, 2019

@Mr. Raghunathan Aravamuthan vacated his office on November 30, 2019

# Mr. Desikan Balaji, was appointed on December 20, 2019

The Audit Committee met and reported key issues to the Board of Directors and also duly complied with the statutory requirements. All members of audit committee are financially literate who are able to read and understand the financial statement, of which a member has accounting or related financial management expertise. The Committee's constitution and terms of reference are in compliance of the Companies Act, 2013, read with Regulation 18 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The chairperson of the Audit Committee was present at the last Annual General Meeting held on November 30, 2019.

## 2. Stakeholder Relationship Committee

**Terms of Reference:**

- The role of the committee includes formulation of shareholders' servicing plans and policies, consideration of valid share transfer requests with folios beyond 5000 shares, share transmissions, issue of duplicate share certificates, issue of share certificates for split, rematerialisation, consolidation of shares, etc.

- The committee also monitors and reviews the mechanism of share transfers, dematerialisation of shares and payment of dividends, adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent, measures taken for effective exercise of voting rights by shareholders, approve transfer of shares to the Investors Education and Protection Fund.

- It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non-receipt of declared dividends and determining, monitoring and reviewing the standards for resolution of shareholders' grievances. During the year, the company had received three complaints from the shareholder which have been resolved. There were no investor complaints pending as at March 31, 2020.

**Composition & Meetings:**

The Stakeholder Relationship Committee comprised of following directors as on March 31, 2020:
Mrs. Padmini Ravichandran, Chairperson,
Mr. Suresh Venkatachari, Member
Mr. Lakshmanan Kannappan, Member
Mr. Desikan Balaji, Member
Ms. Diya Venkatesan, Company Secretary of the Company was the Grievance redressal officer of the Company. However, she resigned w.e.f July 01, 2020. Mr. G. Sri Vignesh was appointed as the Company Secretary w.e.f July 01, 2020.

Stakeholder Relationship Committee met twice during the year on

1. September 6, 2019
2. December 20, 2019

The Attendance details of the meeting are as follows:

| Name of the Member | Status | Number of Meetings | | |
|---|---|---|---|---|
| | | Held during the member tenure | No. of Meeting eligible to attend | Attended |
| Mrs. Padmini Ravichandran, Chairperson | Non- Executive Director- Non-Independent | 2 | 2 | 2 |
| Mr. Suresh Venkatachari, Member | Executive Director-Non-Independent | 2 | 2 | 2 |
| Mr. Lakshmanan Kannappan, Member | Non-Executive Director-Non-Independent | 2 | 2 | - |
| *Mr. Desikan Balaji, Member | Non-Executive Director-Independent | - | - | - |

**Notes:**

* Mr. Desikan Balaji was appointed on December 20, 2019 as additional director under Independent category of the Company.

**Details of the complaints/requests received, resolved and pending during the year 2019 -2020**

| | |
|---|---|
| Number of shareholders' complaints received so far | 3 |
| Number resolved to the satisfaction of shareholders | 3 |
| Number pending complaints | 0 |

Pursuant to the resignation of Mrs. Padmini Ravichandran, the Committee was re-constituted as follows pursuant to Board approval on change in directors at its meeting held on July 30, 2020

**Stakeholders Relationship Committee:**

| S. No | Name of the Member | Designation |
|---|---|---|
| 1 | Mr. Dinesh Raja Punniamurthy | Chairperson, Non-Executive and Independent Director |
| 2 | Mr. Suresh Venkatachari | Member, Executive Director |
| 3 | Mr. Lakshmanan Kannappan | Member, Non-Executive and Non-Independent Director |
| 4 | Mr. Desikan Balaji | Member, Non-Executive and Independent Director |

## 3. NOMINATION AND REMUNERATION COMMITTEE

**Terms of Reference:**

- The role of the committee is to determine the company's policy on remuneration to executive directors and senior management, including periodic increments in salary.
- The committee is also empowered to determine the annual commission / incentives of the executive directors and the minimum remuneration of the executive directors in the event of inadequacy of profits besides implementing, remuneration including commission payable to non-executive directors, administering and monitoring the employee stock option plan / schemes of the company.
- The terms of reference inter alia includes the role of the committee to further consider and recommend persons who are qualified for board positions, evaluate directors performance prior to recommendation for re-appointments, identify persons who are qualified to be in senior management and recommend their appointments, remuneration payable and removal, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity, determine whether to extend or continue the terms of appointment of independent director on the basis of the report of performance evaluation.
- Decisions for selecting a director is based on the merit, qualification, competency and the company's business needs. Such candidates shall be free of conflict of interest that would interfere with their ability to discharge their duties. The recommendations of the committee are placed before the board for its approval.

**Remuneration Policy:**

The success of any organisation in achieving good performance and governance depends on its ability to attract quality individuals on the board. The company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act.

The non-executive directors are paid sitting fees subject to the statutory ceiling for all board and committee meetings attended by them.

**Criteria for Board Nomination:**

The nomination and remuneration committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The committee has formulated a charter in terms of the provisions of the Act, regulation 19(4) of the Listing Regulations, which inter alia, deals with the personal traits, competencies, experience, background and other fit and proper criteria. These attributes shall be considered for nominating candidates for board positions / re-appointment of directors.

**Criteria for appointment in senior management:**

The nomination and remuneration committee is responsible for identifying and recommending persons who are qualified to be appointed in senior management including recommending their remuneration. The committee has formulated the charter in terms of the provisions of the Act and the Listing Regulations, which inter alia, deals with the criteria for identifying persons who are qualified to be appointed in senior management. These attributes shall be considered for nominating candidates for senior management position.

**Performance Evaluation:**

In terms of the provisions of the Act and the Listing Regulations, the board carries out an annual performance evaluation of its own performance, the directors individually including the Executive Director and Independent Directors carry out a self as well as a peer evaluation and the individual committees carries out an evaluation of the working of the committees. The performance evaluation of the independent directors is carried out by the entire board. The performance of the chairman and the non-independent directors are carried out by the independent directors. Chairman anchors the sessions on self, peer, committee and board effectiveness evaluations. Chairman of the nomination and remuneration committee anchors the session on chairman evaluation.

**Policy on Board diversity:**

The nomination and remuneration committee has devised a policy on board diversity which sets out the approach to diversity on the board of the company. The policy provides for having a truly diverse board, comprising of appropriately qualified people with a broad range of experience relevant to the business of the company.

**Composition & Meetings:**

As at March 31, 2020, the committee comprised of Mr. Dinesh Raja Punniamurthy, Independent director as the chairperson, Mrs. Babita Singaram, Independent director and Mrs. Padmini Ravichandran, Non-Executive Non-Independent Director as its members. The majority of the members of this committee are independent directors. The committee had five meetings during the year ended 31 March, 2020.

- April 10, 2019
- September 6, 2019
- November 2, 2019
- December 20, 2019
- February 29, 2020

The Attendance details of the meeting are as follows:

| Name of the Member | Status | Number of Meetings | | |
|---|---|---|---|---|
| | | Held | No. of Meeting eligible to attend | Attended |
| Mr.Dinesh Raja Punniamurthy, Chairperson | Non-Executive Director- Independent | 5 | 5 | 5 |
| Mrs. Padmini Ravichandran, Member | Non-Executive Director- Non-Independent | 5 | 5 | 5 |
| Mrs.Babita Singaram, Member | Non-Executive Director- Independent | 5 | 5 | 4 |

**Remuneration (Sitting Fees) to Non-Executive Directors**

| Name | Amount (in Rs.) |
|---|---|
| Mr.Gurumurthi Jayaraman | 35,000 |
| Mrs. Padmini Ravichandran | 50,000 |
| Mrs.Babita Singaram | 72,500 |
| Mr.Dinesh Raja Punniamurthy | 1,32,500 |
| Mr.Vivek Prakash | 5,000 |
| Mr. R.S. Ramani | 15,000 |
| Mr. Raghunathan Aravamuthan | 20,000 |
| Mr. Desikan Balaji | 10,000 |

Pursuant to the resignation of Mrs. Padmini Ravichandran, the Committee was re-constituted as follows pursuant to Board approval on change in directors at its meeting held on July 30, 2020.

**Nomination and Remuneration Committee:**

| S. No | Name of the Member | Designation |
|---|---|---|
| 1 | Mr. Dinesh Raja Punniamurthy | Chairperson, Non-Executive and Independent Director |
| 2 | Mrs. Babita Singaram | Member, Non-Executive and Independent Director |
| 3 | Mr. Lakshmanan Kannappan | Member, Non-Executive and Non-Independent Director |

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Terms of Reference:**
The role of the committee includes formulation and recommendation of a corporate social responsibility (CSR) policy for the company, recommend the amount of expenditure to be incurred on the CSR activities, monitor the CSR policy of the company from time to time and institute a transparent monitoring mechanism for implementing the CSR activities and carry out any other function or activity as may be required to ensure that the CSR objectives are met.

The Corporate Social Responsibility Committee (CSR) Comprised of following directors as on March 31, 2020:

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

The Committee met twice during the year on
- November 2, 2019
- February 29, 2020

The Attendance details of the meeting are as follows:

| Name of the Member | Status | Number of Meetings | | |
|---|---|---|---|---|
| | | Held as per members tenure | No. of Meeting eligible to attend | Attended |
| Mrs. Babita Singaram, Chairperson | Non-Executive Director- Independent | 2 | 2 | 1 |
| Mr. Dinesh Raja Punniamurthy, Member | Non-Executive Director- Independent | 2 | 2 | 2 |
| Mrs. Padmini Ravichandran, Member | Non-Executive Director- Non-Independent | 2 | 1 | 1 |

Pursuant to the resignation of Mrs. Padmini Ravichandran, the Committee was re-constituted as follows pursuant to Board approval on change in directors at its meeting held on July 30, 2020

**Corporate Social Responsibility Committee:**

| S. No | Name of the Member | Designation |
|---|---|---|
| 1 | Mrs. Babita Singaram | Chairperson, Non-Executive and Independent Director |
| 2 | Mr. Dinesh Raja Punniamurthy | Member, Non-Executive and Independent Director |
| 3 | Mr. Lakshmanan Kannappan | Member, Non-Executive Non-Independent Director |

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

**General Meetings**

**1. Annual General Meetings:**
Date, location and time for last three (3) Annual General Meetings –

| Date | Venue | Time |
|---|---|---|
| 30th November 2019 Saturday | The Raintree, St Mary's Road, Alwarpet, Chennai 600 018 | 10:30 AM |
| 29th September 2018 Saturday | Aloft Chennai OMR- IT Expressway<br>102, Rajiv Gandhi Salai, Sholinganallur, Chennai – 600 119 | 08.59 AM |
| 30th September 2017 Saturday | The Raintree, St. Mary's Road, Alwarpet, Chennai – 600 018 | 11.00 AM |

**Details of Special Resolution passed in last years:**

| Date | Venue |
|---|---|
| 30th November 2019 (Saturday) | Not Applicable |
| 29th September 2018 (Saturday) | Issuance of equity shares including Convertible Bonds / Debentures |
| 30th September 2017 (Saturday) | 1. Approval to raise funds through issue of equity shares /convertible bonds through Qualified Institutional Placement [QIP] and/or Depository receipts or any other modes, an amount not exceeding 500 crores.<br>2. Approval of Employee Stock Option Scheme to the employees of the company not more than 5,00,000 equity shares of the company.<br>3. Approval of Employee Stock Option Scheme to the employees of the subsidiary companies not exceeding 5,00,000 equity shares of the Company. |

**2. Postal Ballot**
During the year, the company passed the following resolutions through postal ballots:

a. Approval of Appointment of K Gopal Rao & Co., Chartered Accountants (Firm Regn. No. 000956S) as Statutory Auditors to fill Casual Vacancy.

b. Appointment of Mr. Desikan Balaji (DIN: 08296716) as an Independent Director of the Company.

The postal ballots were conducted in accordance with the procedure laid down under section 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules, 2014. Mr. P. Sriram of M/s. P. Sriram & Associates, company secretaries acted as the scrutinizer for postal ballots. All the resolutions were passed with requisite majority by the shareholders and results of the same were declared on January 31, 2020.

**CEO/CFO Certification:**
The CEO and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial results / statements, internal controls of the Company as required under the Regulation 17(8) of SEBI LODR.

**COMPLIANCE REPORT:**
A detailed compliance report is placed before the board every quarter and highlights of the report is circulated to the board along with the agenda every quarter. The company secretary submits a compliance certificate to the board on a quarterly basis. The board reviews the compliance of all applicable laws every quarter and gives appropriate directions, wherever necessary.

**SECRETARIAL AUDIT:**
The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended March 31, 2020, M/s. P. Sriram & Associates, Company Secretaries, have conducted the secretarial audit and the certificate was placed before the board and attached to this report

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

**CODE OF CONDUCT:**
The board has laid down a "Code of Conduct" for all the board members and the senior management of the company and the Code of Conduct has been posted on the website of the company. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. Suresh Venkatachari, Chairman & CEO is annexed to this report.

**CODE FOR PREVENTION OF INSIDER TRADING:**
The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code inter alia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the company.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:**
The certificate on compliance of corporate governance norms from a practicing company secretary is annexed to the report.

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

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

**Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Schedule V (C)(10)(l)of the SEBI LODR**
The Company has in place a Policy on Prevention of Sexual Harassment (POSH) to ensure safety of women and prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done in assimilation programs and at regular intervals.

Pursuant to Rule 8(5) (x) of Companies Act (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) at its work place to redress the complaints of women employees.

Number of complaints received during the financial year - **Nil**
Number of complaints disposed off during the financial year - **Nil**
Number of complaints pending as of end of the financial year - **Nil**

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

**Subsidiary Companies**
The Company has appointed an Independent Director on the board of directors of M/s. 8K Miles Software Services Inc., USA, which is an unlisted material subsidiary, in compliance with Regulation 24 of SEBI LODR and the Company does not have any material unlisted Indian subsidiary company within the definition given in SEBI LODR. The Audit Committee reviews the financial statements, particularly, the investments made by the Company's non-listed subsidiary companies. The minutes of the unlisted subsidiary companies are placed before the Board for their attention and major transactions and decisions of the subsidiaries, such as inter-corporate loan / investments are effected with prior approval by the Board of Directors of the Company.

The financial statements of all the subsidiaries are placed before the Directors of the Company on a quarterly basis and the attention of the Directors is drawn to all significant transactions and arrangements entered by the subsidiary companies.

**DISCLOSURES**

**Related party transactions**

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.

Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in financial statements in the annual report. The board has put in place a policy on related party transactions and the same has been uploaded on the company's website.

**Fee disclosures as required by clause 10(k), Part C, Schedule V of the Listing Regulations:**

Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells, Chartered Accountants (resigned effective November 15, 2019) and M/s. K Gopal Rao & Co., Chartered Accountants (appointed w.e.f December 6, 2019) as statutory auditors of the company and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the company for the year ended March 31, 2020.

| Particulars | Amount (Rs. In lakhs) |
|---|---|
| Deloitte Haskins & Sells LLP – Statutory Audit Fees and professional fees | 43.94 |
| K Gopal Rao & Co (Current Auditors) | 5.4 |
| **Total** | **49.34** |

**Penalties:**

- The Company's Securities were suspended from trading in Stock Exchanges on November 04, 2019 due to delay in Compliance with Regulation 33(a), (d) & (e) of the Listing Regulations.
- Company has Complied in full satisfactorily on the revocation process by submitting the requisite documents within time.
- The Company has paid all the fees as per the statutory requirement.
- Both BSE and NSE granted trading approval on August 28, 2020 w.e.f September 07, 2020.

**COMPLIANCE WITH CORPORATE GOVERNANCE NORMS:**

The company has complied with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 of the Listing Regulations and clauses (b) to (i) of the sub-regulation (2) of regulation 46 to the extent applicable to the company have been complied with as disclosed in this report.

**Means of Communication:**

Your Company makes prompt communication to all its stakeholders through multiple channels of communication.

1. **Announcement of Financial Results:** The Financial Results of the Company (standalone and consolidated) are submitted to the BSE Limited and National Stock Exchange of India Limited through the portals. As stipulated under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the quarterly results are published in English national (Business Standard) newspaper and in one Tamil newspaper (Makkal Kural) within 48 hours of the conclusion of the Board Meeting at which the results are approved. the above results are also hosted on the Company website http://www.8kmiles.com/

2. **Website:** The Company contains a separate section "INVESTORS" where Investor related details are available at http://www.8kmiles.com/

3. The shareholding pattern and presentations made to analysts and investors from time to time are also displayed on the website of the company.

**MANAGEMENT DISCUSSION & ANALYSIS:**

A management discussion & analysis forms part of the annual report as **Annexure VIII**.

**GENERAL SHAREHOLDER INFORMATION:**

A separate section on the above has been included in the annual report.

**On behalf of the Board**

**Suresh Venkatachari**
Chairman & CEO
DIN: 00365522

Place : Chennai
Date: August 31, 2020

**Declaration on Code of Conduct**

This is to confirm that the board has laid down a Code of Conduct for all board members and senior management of the company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all 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, 2020, as envisaged in schedule V under regulation 34 (3) of the Listing Regulations.

**On behalf of the Board**

**Suresh Venkatachari**
Chairman & CEO
DIN: 00365522

Place : Chennai
Date: August 31, 2020

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**Independent Certificate on Compliance with the Conditions of Corporate Governance as per provisions of Chapter IV read with Regulation 34 (3) SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015**

**To The Members of 8K MILES SOFTWARE SERVICES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by M/s. 8K MILES SOFTWARE SERVICES LIMITED, for the year ended on March 31, 2020, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period April 1, 2019 to March 31, 2020, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

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

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

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

For M/s. P. Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862
UDIN: F004862B000604879

Place : Chennai
Date: August 21, 2020

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,**
**The Members of**
**8K MILES SOFTWARE SERVICES LIMITED**
**#5, CENOTAPH ROAD,**
**"SRINIVAS" TOWERS, II FLOOR,**
**TEYNAMPET,**
**CHENNAI – 600 018.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. 8K MILES SOFTWARE SERVICES LIMITED having CIN: L72300TN1993PLC101852 and having registered office at #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai – 600018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| SR. NO. | Name of the Director | DIN | DATE OF APPOINTMENT IN THE COMPANY |
|---|---|---|---|
| 1. | Mr.Suresh Venkatachari | 00365522 | 31/08/2010 |
| 2. | Mrs.Padmini Ravichandran | 02831078 | 31/08/2010 |
| 3. | Mr.Lakshmanan Kannappan | 07141427 | 18/09/2015 |
| 4. | Mrs.Babita Singaram | 07482106 | 31/03/2016 |
| 5. | Mr.Dinesh Raja Punniamurthy | 03622140 | 31/03/2016 |
| 6. | Mr.Desikan | 08296716 | 20/12/2019 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. P. Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862
UDIN: F004862B000488488

Place : Chennai
Date: July 22, 2020

**General Information for Shareholders:**

Registered Office:
#5, Cenotaph Road, II Floor Srinivas Towers, Teynampet, Chennai – 600018.
CORPORATE IDENTITY NUMBER (CIN): L72300TN1993PLC101852

**Annual General Meeting**

| Date | Time | Mode |
|---|---|---|
| 30 September 2020 | 9.30 A.M (I.S.T) | The annual general meeting (AGM) will be held through video conference in compliance with general circular numbers 14, 17 and 20/2020 and all other applicable laws and circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). |

Financial Year: 1st April to 31st March.

**LISTING ON STOCK EXCHANGES**
Equity Shares:

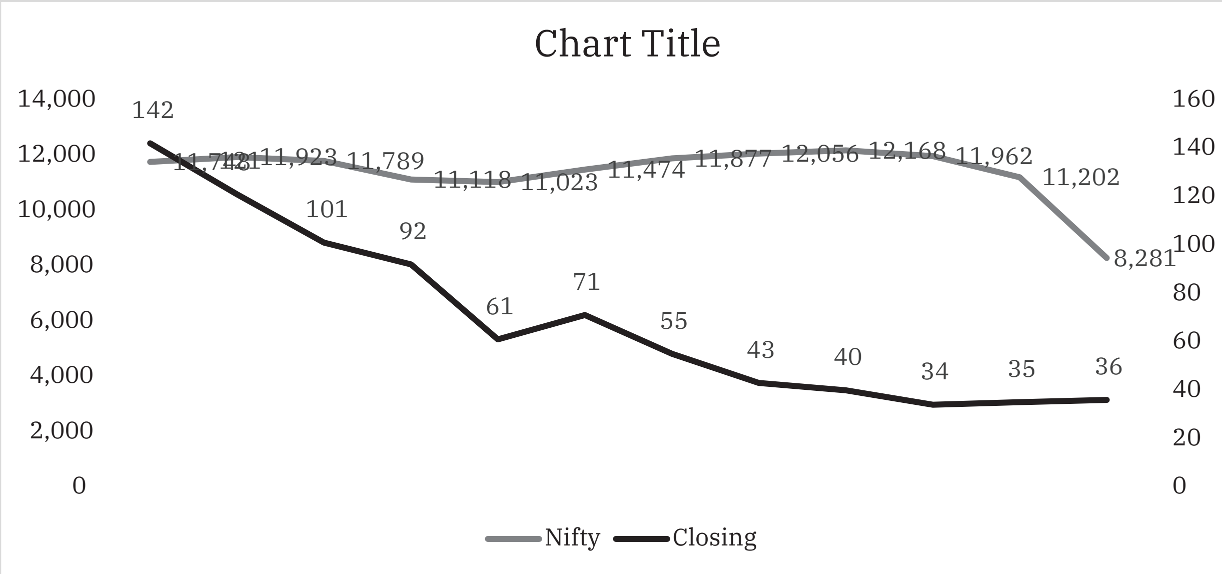
| | |
|---|---|
| **BSE Limited**<br>Floor 25, Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort, Mumbai - 400 001<br>Stock Code: 512161 | **National Stock Exchange of India Limited**<br>Exchange Plaza, Plot No.C-1, G Block, Bandra Kurla Complex<br>Bandra (E), Mumbai - 400 051<br>Stock Code: 8KMILES |

Annual Listing Fees have been paid to the above Stock Exchanges, for the financial year 2019-2020.

**Market Price Data**
High, Low (based on closing prices) and number of shares traded during each month in the financial year 2019-20 on BSE Limited and National Stock Exchange of India Limited:

| Month | Bombay Stock Exchange Limited | | National Stock Exchange of India Limited | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2019 | 142.15 | 95.50 | 142.30 | 91.80 |
| May, 2019 | 120.25 | 97.90 | 120.65 | 97.35 |
| June, 2019 | 101.35 | 66.45 | 101.40 | 66.30 |
| July, 2019 | 92.25 | 56.90 | 92.45 | 56.95 |
| August, 2019 | 60.40 | 49.15 | 60.60 | 49.05 |
| September, 2019 | 71.45 | 49.70 | 71.20 | 49.60 |
| October, 2019 | 53.05 | 32.60 | 54.65 | 32.45 |
| November, 2019 | 43.50 | 41.35 | 43.35 | 41.20 |
| December, 2019 | 39.40 | 33.25 | 39.60 | 33.15 |
| January, 2020 | 34.00 | 27.40 | 34.15 | 27.95 |
| February, 2020 | 34.65 | 30.15 | 34.55 | 29.40 |
| March, 2020 | 35.00 | 26.60 | 36.00 | 27.55 |

**8K Miles Share Price Comparison with Nifty**




**Share Transfer System**

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

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

**Distribution of Shareholding as on March 31, 2020**

| Sl. No. | Share or Debentures holding of nominal Value | Share Folios | | | Share/Debenture Amount | |
|---|---|---|---|---|---|---|
| | | Number | % to Total | No.of Shares | Amount Rs. | % to Total |
| 1 | Upto - 5000 | 32146 | 94.69 | 4049375 | 20246875 | 13.27 |
| 2 | 5001 - 10000 | 865 | 2.55 | 1271170 | 6355850 | 4.17 |
| 3 | 10001 - 20000 | 441 | 1.3 | 1266216 | 6331080 | 4.15 |
| 4 | 20001 - 30000 | 169 | 0.5 | 839165 | 4195825 | 2.75 |
| 5 | 30001 - 40000 | 64 | 0.19 | 445344 | 2226720 | 1.46 |
| 6 | 40001 - 50000 | 59 | 0.17 | 544063 | 2720315 | 1.78 |
| 7 | 50001 - 100000 | 99 | 0.29 | 1423923 | 7119615 | 4.67 |
| 8 | 100001 and above | 104 | 0.31 | 20678349 | 103391745 | 67.76 |
| | **Total** | **33,947** | **100** | **3,05,71,605** | **15,25,88,025** | **100** |

**Shareholding Pattern as on March 31, 2020**

| Category | Number of Holders | Shares | % |
|---|---|---|---|
| Promoter and Promoter Group | 2 | 1,16,46,703 | 38.16 |
| Foreign Portfolio Investors | 4 | 1,23,000 | 0.40 |
| Financial Institutions/Banks | 1 | 14 | 0.00 |
| Resident Individuals | 32,212 | 1,63,95,040 | 53.72 |
| Corporate Bodies | 168 | 4,46,305 | 1.46 |
| Clearing Member | 12 | 7,978 | 0.03 |
| NRI | 553 | 18,98,065 | 6.22 |
| Trusts | 1 | 500 | 0.00 |
| **Grand Total** | **32,953** | **30,517,605** | **100.00** |

**Details of Shares**

| Mode | Number of Shares | % to paid up Capital | Number of holders |
|---|---|---|---|
| Physical | 174 | 0.00 | 5 |
| Electronic | | | |
| NSDL | 154,53,191 | 50.64 | 16,574 |
| CDSL | 150,64,240 | 49.36 | 17,368 |

**Dematerialisation of Shares:**

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

**Nomination facility:**

The company is accepting nomination forms from shareholders in the prescribed form. All those who are desirous of making a nomination are requested to contact the RTA. The shareholders holding shares in dematerialised form are requested to forward their nomination instructions to the concerned depository participants. Nomination is optional and can be cancelled or varied by a shareholder at any time.

**Any query on Annual Report:**

The Secretarial Department
8K Miles Software Services Limited
"Srinivas" Towers, II Floor,
Cenotaph Road, Teynampet,
Chennai-600 018

Email: - cs@8kmiles.com
contactus@8kmilessoftwareservices.com

**Address for Investor's Correspondence:**

Adroit Corporate Services Private Limited
Unit: 8K Miles Software Services Limited
Industries Estate, Makwane Road, Noranvaka,
Andheri (East), Mumbai – 59

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

**Request to Investors**

Investors holding shares in electronic form are requested to deal only with their Depository Participant (DP) in respect of change of address, bank account details, etc.

**Green initiative in corporate governance**

Green Initiative- as permitted under rules 11 of the Companies (Accounts) Rules, 2014, Companies can circulate the Annual Report through electronic means to those members with the registered email IDs with NSDL or CDSL or with the Company. Members are requested to support this initiative and register their e-mail ids promptly with DPs in case of electronic shares or with the STA, in case of physical shares.

**Details of complaints received and redressed:**

During the year, the company received three investor complaints. No investor complaints were pending as at 31 March 2020.

**Contact details of the designated official for assisting and handling investor grievances:**

In terms of regulation 46(2)(k) of the Listing Regulations, the contact details of the designated official for assisting and handling investor grievances are as below:

Mr. G. Sri Vignesh, Company Secretary
8K Miles Software Services Limited
"Srinivas" Towers, II Floor,
Cenotaph Road, Teynampet,
Chennai-600 018
Email: - cs@8kmiles.com

**Payment of unclaimed / unpaid dividend:**

In respect of unclaimed dividends, the company sends periodical reminders to the shareholders before transferring the unclaimed dividends to the investor education and protection fund (IEPF) established by the central government. The Outstanding balance of unclaimed / unpaid dividend is Rs. 70,848.

We further confirm that, during the year there are no requirement for transferring any unclaimed / unpaid dividend to IEPF.

**Suspension of Securities:**

- The Company's Securities were suspended from trading in Stock Exchanges on November 04, 2019 due to delay in Compliance with Regulation 33(a), (d) & (e) of the Listing Regulations.
- Company has Complied in full satisfactorily on the revocation process by submitting the requisite documents within time.
- Both BSE and NSE granted trading approval on August 28, 2020 w.e.f September 07, 2020.

**Credit Rating**

| Name of the Agency | Facilities | Amount (Rs. crore) | Rating |
|---|---|---|---|
| CARE Rating | Long-term Bank Facilities | 10.00 | CARE C; Stable; |
| | Long-term/Short term Bank Facilities | 10.00 | CARE C; Stable; |
| | **Total Facilities** | **20.00** | |

**Outstanding GDRs/ADRs:**
The company has not issued any GDR / ADR or any convertible instruments that is likely to impact the equity share capital of the company.

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

# Annexure-V

### CERTIFICATION BY CEO & CFO TO THE BOARD REPORT PURUSANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Suresh Venkatachari, Managing Director and R Thyagarajan, Chief financial Officer of 8K Miles Software Services Limited, to the best of our knowledge, information and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020
   a. These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. These financial statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.

2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent,illegal or which violate the Company's code of conduct.

3. We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
   a. Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries is made known to us by others;
   b. Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Indian Accounting Standards (Ind AS) in India; and
   c. Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

4. We have indicated to the Auditors and to the Audit Committee:
   a. That there are no significant changes in internal control over financial reporting during the year;
   b. That there are no significant changes in accounting policies during the year;
   c. That there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

5. We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.

Place : Chennai
Date: August 18, 2020

**Suresh Venkatachari**
Managing Director

**R Thyagarajan**
Chief Financial Officer

# Annexure-VI

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

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

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

8K Miles Software Services Limited (the Company) has not entered into any contract/ arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during financial year 2019-20.

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

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

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

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

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

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

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

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

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

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

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

Place : Chennai
Date: August 18, 2020

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

# ANNEXURE VII

Form AOC-1

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

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

**Part-A**

(Amount Rs. in Lakhs)

| S. No | Name of the Subsidiary | Reporting Period | Reporting Currency | Exchange Rate | | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | % of share holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Closing | Average | | | | | | | | | | |
| 1 | 8K Miles Software Services Inc. USA | 31-Mar-20 | US Dollar | 1 USD =74.74 | 1 USD =70.78 | 24.05 | 1,140.69 | 15,705 | 14,540.40 | - | 33,427.62 | (48,547.14) | - | (48,547.14) | 64.42 |
| 2 | 8K Miles Software Services FZE - UAE *(Ceased operations effective February 29, 2020)* | 31-Mar-20 | AED | 1 AED =20.34 | 1 AED =19.27 | 30.51 | (55.51) | 0.22 | 25.22 | - | - | (12,653) | - | (12,652.87) | 100.00 |
| 3 | 8K Miles Health Cloud Inc. USA | 31-Mar-20 | US Dollar | 1 USD =74.74 | 1 USD =70.78 | 1.94 | 480.94 | 1,505.11 | 1,022.22 | - | 2,242.06 | (11,529.42) | - | (11,529.42) | 100.00 |
| 4 | Mentor Minds Solutions and Services Inc. USA | 31-Mar-20 | US Dollar | 1 USD =74.74 | 1 USD =70.78 | 0.75 | (0.75) | - | - | - | - | (4,234.80) | - | (4,234.80) | 100.00 |
| 5 | Healthcare Triangle Private Limited | 31-Mar-20 | Rupees | | | 1.00 | (0.19) | 1.00 | 0.19 | - | - | (0.19) | - | - | 100.00 |

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

Place : Chennai
Date: August 18, 2020

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

# Annexure-VIII

## Management Discussion and Analysis

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

## Industry Overview

In just a few months, COVID-19 pandemic has tremendously accelerated digital transformation trends. The new norm of living with a global pandemic and the threat of future ones, have added new urgency, and dimensions to familiar themes which are here to stay. Global economies are in tailspin and governments are responding in kind by allocating more than $10 trillion. IT industry is expected to have an enormous market boom as IDC estimates world wide ICT spending to reach $5.7 trillion by 2023.

The main reason for this is the increased demand for cloud infrastructure, SaaS applications and online platforms. This means migrations to the cloud are expected to accelerate significantly and 8K Miles is well positioned to participate in this growth. Organizations have focused on virtualization of servers, storage, and networks and now there is an opportunity to bring virtualization to the end-user device which will make IoT/ mobile device management more critical.

**Cloud Computing**

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

According to recent Gartner survey, more than a third of the organizations see cloud investments as a top three investing priorities. Gartner said that in 2019, more than 30 percent of technology providers' new software investments will shift from cloud first to cloud only. This means that SaaS and subscription-based cloud consumption models continue their rise and perpetual license based software consumption may further decrease significantly.

**Worldwide Public Cloud Service Revenue Forecast (Millions of U.S. Dollars)**

| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Cloud Business Process Services (BPaaS) | 45,212 | 43,438 | 46,287 | 49,509 |
| Cloud Application Infrastructure Services (PaaS) | 37,512 | 43,498 | 57,337 | 72,022 |
| Cloud Application Services (SaaS) | 102,064 | 104,672 | 120,990 | 140,629 |
| Cloud Management and Security Services | 12,836 | 14,663 | 16,089 | 18,387 |
| Cloud System Infrastructure Services (IaaS) | 44,457 | 50,393 | 64,294 | 80,980 |
| Desktop as a Service (DaaS) | 616 | 1,203 | 1,951 | 2,535 |
| **Total Market** | **242,697** | **257,867** | **306,948** | **364,062** |

Source: Gartner (July 2020) Note: Totals may not add up due to rounding.
BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service

As per the above forecast, the fastest-growing market segment will be cloud system infrastructure services, or infrastructure as a service (IaaS), which is forecast to grow in 2020 to reach $50.4 billion, up from $44.5 billion in 2019 (see table above). This is reinforcing our business strategy as this is our major focus area as our customers continue to work to grow their cloud-based infrastructure. Additionally, Cloud Management and Security Services market segment, which is another 8K Miles focus area, is also showing strong growth projections with estimated additional $1.7B increased spending.

**Healthcare Cloud Solutions**

Changing regulatory requirements for improving the quality of healthcare and increasing patient safety and rising healthcare expenditures are some key factors driving the growth of the healthcare

IT market in North America and Europe. Highly regulated industries like healthcare and life sciences face major compliance challenges while embracing cloud transformation. It is primarily due to the large amount of sensitive data at stake. Organizations face many regulatary requirements like Health Insurance Portability and Accountability Act (HIPAA; 1966) when it comes to cloud as not all solutions can meet the needs required for health data and Protected Health Information (PHI). Thus, there is a constant need to establish the right equilibrium across security, privacy and performance, within a limited IT budget. At the same time, healthcare cloud solutions need to strike a balance between being HIPAA- compliant and secure, as well as flexible and adaptive to technological advancements. Clients are keen on taking advantage of Software as a Service (SaaS) offerings such as Electronic Health Record (EHR) solutions and service desk assistance.

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

Equally important is that pharma and life-science companies are attracting a lot of investment during this time and their spending in public cloud infrastructure is growing significantly as evidenced in increased business from some of our existing pharma customers during this year.

## 8K Miles Positioning

**Opportunity Space**

8K Miles is well positioned with the industry focus for cloud transformation services with built in continuous security and compliance to participate in this growth.

## Key Enablers

8K Miles' uniqueness to our clients can be summarized in one word – holistic. In other words, 8K Miles is often a one-stop shop for our clients in offering:

- AI/ML Innovation-Centric Portfolio of Platforms and Solutions
  - Built with Continuous Security, Compliance and Governance for highly regulated industries
- Domain-Centric Technology Advisory
  - Cloud, Data, Identity and Access Management and etc.
- Automation-Centric Business Services
- Next-Gen IT Managed Services

Such a holistic approach means our clients enjoy the key benefits of low risks, reduced costs and accelerated time to ROI.

**AI/ML Innovation-Centric Portfolio of Platforms and Solutions**

- **CloudEz for Continuous Security, Compliance and Governance**

  Cloud transformation and management platform that facilitates enterprises to transform and manage the public clouds – AWS, Azure, Google and Oracle as well as private clouds. This platform ensures continuous security and compliance while ensuring continuous governance across cloud Infrastructure platforms.

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

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

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

  CloudEz platform is built upon a suite of frameworks to securely manage the lifecycle of cloud services for healthcare/life sciences company:

  - Application Automation Framework – Business Services Engine
  - Security Framework
  - Portability Framework

- Operations Automation Framework
- Enterprise Integration Framework
- Governance Framework

- **DataEz- Future-Proof Data Lake and Data Analytics Pipeline**
  Managing a Data lake is cumbersome as there are a lot of moving components, and the current best practices are prone to byzantine faults. Either the implemented architecture is not scalable, or it is not flexible in terms of possible workloads. Reengineering such massive ecosystems is neither cost effective nor practical.

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

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

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

- **Multi-Domain Identity Services Platform (MISP™) and EzIAM**
  Enterprises need to manage access to information and applications scattered across internal and external application systems. Moreover, they must provide this access for a growing number of identities, both inside and outside the organization, without compromising security or exposing sensitive information.

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

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

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

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

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

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

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

**Domain-centric Technology Advisory**
Cloud, Data, Identity and Access Management and etc.

As the Cloud technology is rapidly evolving and Organizations embark on their transformational journey onto Cloud, one of the areas that requires most attention is the strategic decisions that can be crucial to the very survival of the business. 8K Miles' consulting and Advisory teams will help eliminate the guess work behind these decisions with a combination of technology and domain expertise combined with robust processes and frameworks that have evolved over many man years of experience. Our advisory team works closely with our clients to –

- Assess the client current IT infrastructure
- Develop the right strategy in alignment with the business objectives
- Work closely to develop a comprehensive architecture that is built to scale and adapt to rapidly changing business requirements

**Automation-centric Business Services**

As organizations grow at breakneck speed, it becomes imperative for business services to scale in parallel and unless the right automated tools and infrastructure are in place, it becomes humanly impossible to support this growth. Our tech enabled automation eliminates manual and repetitive processes with rule based systems, ensuring higher efficiency and lower costs. Add to this, the complexity of public Cloud providers coming with multiple changes every day, it is not possible to track and implement these changes manually and automation is the only way.

**Next-Gen IT Managed Services**

The traditional managed service model has given way Next Gen IT Managed Services that is mainly driven by automation for predictive analysis for problem identification, anomaly detection and is designed to cater to organizations belonging to every band of the spectrum – right from smaller organizations with a focus on being agile and nimble, looking to offload the burden on operational staff and focus only on the core business to the larger global organizations running mission critical applications that require to be up and running 24x7, to organizations looking to partner for specific needs. Our CoE has years of experience across a full spectrum of software applications and solutions to seamlessly manage any environment.

## Strategic Partnerships

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

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

## Stellar Advisory Panel

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

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

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

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

## Our Strength

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

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

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

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

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

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

## Our Strategy

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

Additionally, our company implemented a transformational strategy at the beginning of this fiscal year - a decision to slowly disengage with intermediary customers. This has allowed us to enhance the depth of our engagement with our existing customers while increasing our direct customer acquisition where we see a huge growth potential for long-term growth.

We continue to invest in our IPs and Platforms to stay competitive and ensure that the first mover advantage is not only maintained but enhanced through our domain-centric, platform based cloud transformation offering and is very much sought after by our customers.

We also maintain relentless focus on Healthcare and Life Sciences (HCLS) strategy of cloud transformation, DevOps, automation, next generation managed cloud infrastructure services, data analytics, managed data pipeline, Artificial Intelligence/Machine Learning (AI/ML), and advanced technologies for modernizing HCLS IT. To further enhance this, we launched a fully owned subsidiary Healthcare Triangle Inc., that has been welcomed by all our existing customers/prospects.

## Financial Performance:

| Financial Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | Rupee in lakhs | % of Revenue | Rupee in lakhs | % of Revenue |
| **Income** | | | | |
| Revenue from Operations | 38,208.48 | 100.00% | 84,219.15 | 100.0% |
| Other Income | 434.97 | 1.14% | 819.42 | 1.0% |
| **Expenditure** | | | | |
| Employee benefits expenses | 21,158.40 | 55.38% | 29,052.51 | 34.5% |
| Finance Costs | 1,302.65 | 3.41% | 1,162.49 | 1.4% |
| Depreciation and amortization expenses | 957.45 | 2.51% | 6,959.83 | 8.3% |
| Other expenses | 19,903.10 | 52.09% | 38,220.86 | 45.4% |
| **Total** | **43,321.60** | **113.38%** | **75,395.69** | **89.5%** |
| Exceptional item | 62,493.95 | 163.56% | - | 0.0% |
| Profit before tax | (67,172.10) | -175.80% | 9,642.88 | 11.4% |
| Tax expenses | 279.06 | 0.73% | 1,660.39 | 2.0% |
| Profit after tax | (67,451.16) | -176.53% | 7,982.49 | 9.5% |

The Company reported consolidated revenues of Rs 38,208.48 Lacs. The revenue drop was due to our decision to reduce the dependence on short term 3rd party pass through revenue. Employee benefit expenses were lower in the current year at Rs 21,158.40 Lacs compared to Rs 29,052.51 Lacs in FY 19. Employee benefit expenses as a % of revenue increased in the current year from 34.50% to 55.38%. Finance costs increased from Rs 1,162.49 Lacs to Rs 1,302.65 Lacs in the current year; Finance expenses were 3.41% of revenue in the current year as compared to 1.40% in FY 19. Depreciation and Amortisation expenses were lower at Rs 957.45 Lacs in the current year as compared to Rs 6,959.83 Lacs in FY 19. Depreciation and Amortisation expenses as a % of revenue dropped from 8.30% to 2.51% in FY 20. Other expenses for the current year were at Rs 19,903.10 Lacs compared to Rs 38,220.86 Lacs in FY 19. Other expenses as a % of revenue increased from 45.40% to 52.09%.

(Amount Rs. in Lakhs)

| Particulars | Under IND AS | | | | Under US/Indian GAAP | | | |
|---|---|---|---|---|---|---|---|---|
| | 31-Mar-20 | | 31-Mar-19 | | 31-Mar-20 | | 31-Mar-19 | |
| | Cost | NBV | Cost | NBV | Cost | NBV | Cost | NBV |
| ***Capitalized Software*** | | | | | | | | |
| Cloud Ez | 34,421.92 | - | 34,421.92 | 29,466.60 | 34,421.92 | - | 34,421.92 | 29,466.60 |
| EzIAM | 6,283.77 | - | 6,283.77 | 4,045.33 | 6,283.77 | - | 6,283.77 | 4,045.33 |
| BREMA | 9,379.00 | - | 9,379.00 | 8,170.40 | 9,379.00 | - | 9,379.00 | 8,170.40 |
| Automation | 5,338.10 | - | 5,338.10 | 5,114.54 | 5,338.10 | - | 5,338.10 | 5,114.54 |
| ***Total*** | ***55,422.79*** | ***-*** | ***55,422.79*** | ***46,796.87*** | ***55,422.79*** | ***-*** | ***55,422.79*** | ***46,796.87*** |
| | | | | | | | | |
| ***Patents / Trademark*** | ***486.33*** | ***-*** | ***486.33*** | ***206.93*** | ***486.33*** | ***-*** | ***486.33*** | ***206.93*** |
| | | | | | | | | |
| ***Intangibles Due to Acquisitions*** | | | | | | | | |
| FuGen Technologies Inc | 4,932.42 | 4,932.42 | 4,932.42 | 4,932.42 | 5,318.07 | 4,121.86 | 4,932.42 | 3,822.95 |
| Serj Solutions Inc | 1,733.00 | 1,733.00 | 1,733.00 | 1,733.00 | 1,868.50 | 1,492.43 | 1,733.00 | 1,384.20 |
| Cintel Systems Inc | 2,495.52 | 2,495.52 | 2,495.52 | 2,495.52 | 2,690.64 | 2,152.69 | 2,495.52 | 1,996.58 |
| Mindprint Inc | 242.62 | 242.62 | 242.62 | 242.62 | 261.59 | 209.29 | 242.62 | 194.11 |
| Corner Stone Advisors Inc | 4,753.58 | 3,318.19 | 4,753.58 | 3,835.65 | 5,125.25 | 4,064.38 | 4,753.58 | 3,835.65 |
| 8K Miles Inc | 740.00 | - | 740.00 | - | 740.00 | - | 740.00 | - |
| ***Total*** | ***14,897.14*** | ***12,721.75*** | ***14,897.14*** | ***13,239.21*** | ***16,004.05*** | ***12,040.65*** | ***14,897.14*** | ***11,233.50*** |
| | | | | | | | | |
| ***Goodwill*** | | | | | | | | |
| FuGen Technologies Inc | 346.60 | 346.60 | 346.60 | 346.60 | 373.70 | 373.70 | 346.60 | 346.60 |
| Serj Solutions Inc | 105.49 | 105.49 | 105.49 | 105.49 | 113.74 | 113.74 | 105.49 | 105.49 |
| Cintel Systems Inc | 103.98 | 103.98 | 103.98 | 103.98 | 112.11 | 112.11 | 103.98 | 103.98 |
| Mindprint Inc | 34.66 | 34.66 | 34.66 | 34.66 | 37.37 | 37.37 | 34.66 | 34.66 |
| NexAge Technologies Inc., USA | 1,040.13 | 1,040.13 | 1,040.13 | 1,040.13 | 1,121.45 | 1,121.45 | 1,040.13 | 1,040.13 |
| Corner Stone Advisors Inc | 926.25 | 926.25 | 926.25 | 926.25 | 998.67 | 998.67 | 926.25 | 926.25 |
| ***Total*** | ***2,557.11*** | ***2,557.11*** | ***2,557.11*** | ***2,557.11*** | ***2,757.04*** | ***2,757.04*** | ***2,557.11*** | ***2,557.11*** |
| **Grand Total** | **73,363.37** | **15,278.86** | **73,363.37** | **62,800.11** | **74,670.21** | **14,797.70** | **73,363.37** | **60,794.41** |

**Note:**

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

## Risk and Risk Mitigation

1. **H-1B Related Risks:** While the customers have continued to place their confidence in us, there have been some challenges faced by 8K Miles during this period. One of the biggest challenges is the increased number of US H-1B visa rejections. There is a significant drop in US H-1B visa approvals and the rejections rate stood at 32% in FY 2019 compared to 6% in the year 2015 and that is only increasing rapidly. This immigration issue has directly impacted 8K Miles in executing several projects, loss of opportunities, increase in staff expenses due to hiring of more contractors and local employees thereby contributing to lesser revenue and margin. However, this is being mitigated through effectively transfering the work to our facilities in Chennai but with a reduction in revenue.

2. **COVID-19 Related Risks:** The other major challenge was COVID-19 that started unfolding in the beginning of March 2020. This resulted in delays in getting new projects as customers/prospects are uncertain of their business at this time. Additionally, customers have started asking for discounts impacting our profitability. On the positive side, we have more companies moving onto the cloud because of issues related to COVID-19 presenting us with opportunities. In short, we asses the short-term impact of COVID-19 to be reduced revenue while on the longer term more and more companies will start moving to cloud thereby ensuring steady growth for 8K Miles.

3. **Execution Risk:** While fixed price contracts offer an opportunity to add better margins in IP/ non-linear execution model, they also expose us to execution risk in remote scenarios of any inability to adhere to delivery or quality SLA.

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

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

6. **Investment Risk:** The strength of your company is IP developed over years of research and development. We expense the costs that is unlikely to yield significant results in future, in the year of accrual. We conduct regular impairment test of all intangible assets created either by way of internal Research and Development (R&D) and/ or assets acquired through acquisitions.

## Human Resources

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

We recruit the best talent from top institutions like NIT and best engineering and business schools. We have hired over 170% of our last year recruits through campus to nurture and grow leaders internally. As an equal opportunity employer, our women employees form 18% of our strength.

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

**First Mile**

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

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

**TRAINING**

All employees undergo a 3-month online project and training program. Further, employees are encouraged to get more professional certifications in areas like AWS, Azure, IAM, Big-Data Analytics where they specialize. We are proud to state that significant number of our technical staff hold professional certification.

One key aspect of ensuring continuous learning at 8K Miles is the weekly meetings called WWW2 -

What Worked Well and What Went Wrong. This one-hour interactive knowledge-sharing session ensures that project experiences are shared by cross-function teams.

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

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

We have the following rewards:

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

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

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

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

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

## Internal Control Systems and Adequacy of Internal Financial Controls

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

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

# FINANCIAL STATEMENTS

# Independent Auditor's Report

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

**Qualified Opinion**

We have audited the accompanying standalone financial statements of 8K Miles Software Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the ***Basis for Qualified Opinion*** section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020 and its profit/loss, *(changes in Equity)* and its cash flows for the year ended on that date.

**Basis for Qualified opinion**

We conducted our audit of the standalone financial statements in accordance with the Auditing Standards (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

i) We have formed our opinion on the basis of evidence obtained by performing the following alternate procedures during our audit in the light of modified report (disclaimers) by the previous auditor.

- Opening balances: Did not rely on the previous year financial statements due to disclaimers;
- Closing balance of receivables were verified through external confirmations received directly from the respective parties, subsequent realisations up to July 15, 2020 and old and doubtful receivables were adequately provided for/written off to the profit and loss account in the current year.
- Closing balance of payables were verified through external confirmations received directly from the respective parties.
- Closing balance of Assets/Liabilities:
  - Relied on the company's procedures for physical verification of fixed assets during the year;
  - Verified the liabilities through test checks and correspondence with the respective third parties;
- Relied on the findings of special audit report against the complaint made u/s 143(12) of The Companies Act 2013 and its impact on the opening balances for the current year.

ii) We draw your attention to last year's audit observation on long outstanding receivables from overseas customers amounting to Rs 3,464.01 Lacs (31 March 2019) and corresponding technical services payable to overseas vendor of Rs 1,709.20 Lacs. The receivables amounting to Rs 1,709.20 Lacs has been assigned to the vendor based on the assignment agreement between the Company and the Vendor. The residual balance of Rs 1,754.81 Lacs has been written-off to the Profit & Loss account. The Company has made an intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. The company is of the opinion that there is no Goods and Service Tax applicability on the above transaction as the services have been availed and rendered outside India. **In our opinion, the profit for the current year has been adversely impacted due to the above write-off of Rs 1,754.81 Lacs.**

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were the most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Revenue recognition | |
| Revenue from Services: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. (Refer to Note 21 to the stand-alone Financial Statements) | i. Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.<br>ii. Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.<br>iii. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.<br>iv. Selected a sample of continuing and new contracts and performed the following procedures:<br>• Read, analyzed and identified the distinct performance obligations in these contracts.<br>• Compared these performance obligations with that identified and recorded by the Company.<br>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.<br>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.<br>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.<br>• In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.<br>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.<br>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.<br>• We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates. Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. (Refer Note 21 to the Stand-alone Financial Statements) | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>i. Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.<br>ii. Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.<br>iii. Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.<br>iv. Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.<br>v. Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.<br>vi. Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. |

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with audit standards, we exercise professional judgment and maintain professional scepticism throughout the audit We also:

a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Emphasis of matter paragraph**

We draw your attention to the following items which have an impact on the financial statements during the year. Our opinion has been formed after taking into account the following.

a) The report of the special auditor dated January 04, 2020 under section 143(12) have dealt with 21 inconsistencies observed by the previous auditor. The special auditor scrutinised the financials and records and cleared 19 observations except the following:

   (i) Non-availability of timesheets for revenue recognition from specific customers &

   (ii) capitalisation of resource cost for internally generated software.

We observed during our audit that there have been no transactions with respect to these customers and there was no capitalisation of resource cost during the financial year ended 31 March 2020 and hence has no impact on the financials of the current year. Further, internally generated software costs (intangibles) till 31 March 2019 have been fully charged to the Profit & Loss.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit we report that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) the Company does not have any pending litigations.

b) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary in India.

**For K Gopal Rao & Co**
**Chartered Accountants**
**Firm Registration No. 000956S.**

**Bashyakar Mattapalli**
**Partner**
**Membership No. 015932**
**UDIN: 20015932AAAAAK1575**

Place : Chennai
Date: August 18, 2020

# Annexure "A"
# to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of 8K Miles Software Services Limited of even date)

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

We have audited the internal financial controls over financial reporting of 8K Miles Software Services Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K Gopal Rao & Co**
**Chartered Accountants**
**Firm Registration No. 000956S.**

**Bashyakar Mattapalli**
**Partner**
**Membership No. 015932**
**UDIN: 20015932AAAAAK1575**

Place : Chennai
Date: August 18, 2020

# Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of 8K Miles Software Services Limited of even date)

a) In respect of the Company's fixed assets:

i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

ii. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

iii. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

b) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

According to the information and explanations given to us, the Company has not granted any unsecured loans to bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013. However, there is a continued delay in realisation of export receivables from 8K Miles Software Services Inc, a subsidiary of the Company.

c) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

d) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

e) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

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

i. There have been delays with regard to depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

| Nature of Statutory Due | Delays from the due date |
|---|---|
| PF | 1 to 9 days |
| ESI | 1 to 12 days |
| Goods and Service Tax | 53 to 154 days |
| Tax deducted at source | 3 to 138 days |

ii) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

g) The Company has raised money by way of working capital loans from banks and the loans have been applied for the purpose for which they were raised.

h) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

i) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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

k) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

l) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

m) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

n) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

**For K Gopal Rao & Co**
**Chartered Accountants**
**Firm Registration No. 000956S.**

**Bashyakar Mattapalli**
**Partner**
**Membership No. 015932**
**UDIN: 20015932AAAAAK1575**

Place : Chennai
Date: August 18, 2020

# STANDALONE FINANCIAL STATEMENTS

# Standalone Balance Sheet

as on 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| A | **ASSETS** | | | |
| | | | | |
| I | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 5A | 57.44 | 61.65 |
| | (b) Financial assets | | | |
| | (i) Investments | 6 | 11,982.68 | 12,000.09 |
| | (ii) Loans | 8 | 73.31 | 46.51 |
| | (c) Deferred tax assets (Net) | 34 | 68.07 | 60.89 |
| | (d) Other non-current assets | 10 | - | 2.60 |
| | **Total non-current assets** | | **12,181.50** | **12,171.74** |
| | | | | |
| II | **Current assets** | | | |
| | (a) Financial assets | | | |
| | (i) Trade receivables | 7 | 4,996.08 | 6,835.01 |
| | (ii) Cash and cash equivalents | 11 | 6.60 | 85.20 |
| | (iii) Bank balances other than (ii) above | 12 | - | - |
| | (iv) Other financial assets | 9 | - | 489.18 |
| | (b) Other current assets | 10 | 66.91 | 30.13 |
| | **Total current assets** | | **5,069.59** | **7,439.52** |
| | | | | |
| | **Total Assets (I+II)** | | **17,251.09** | **19,611.26** |
| | | | | |
| B | **EQUITY AND LIABILITIES** | | | |
| | | | | |
| III | **Equity** | | | |
| | (a) Equity share capital | 13 | 1,525.88 | 1,525.88 |
| | (b) Other equity | 14 | 6,746.55 | 7,274.55 |
| | **Total equity** | | **8,272.43** | **8,800.43** |
| | | | | |
| IV | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 15 | 6,405.35 | 5,476.27 |
| | (b) Provisions | 18 | 70.90 | 65.46 |
| | (c) Other non-current liabilities | 19 | - | 4.39 |
| | **Total non-current liabilities** | | **6,476.25** | **5,546.12** |

# Standalone Balance Sheet (Cont.)

as on 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| V | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 15 | 1,539.95 | 1,804.40 |
| | (ii) Trade payables | 16 | | |
| | (b) Total outstanding dues of micro enterprises and small enterprises | | 6.97 | 2.92 |
| | (c) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 168.03 | 1,964.05 |
| | (iii) Other financial liabilities | 17 | 444.54 | 1,174.28 |
| | (d) Other current liabilities | 19 | 283.95 | 119.06 |
| | (e) Provisions | 18 | 58.97 | 57.86 |
| | (f) Current tax liabilities (Net) | 20 | - | 142.14 |
| | **Total Current Liabilities** | | **2,502.41** | **5,264.71** |
| | | | | |
| | **Total Equity and Liabilities (III+IV+V)** | | **17,251.09** | **19,611.26** |

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Standalone Statement of Profit and Loss

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| I | Revenue from operations | 21 | 4,245.67 | 5,694.44 |
| II | Other income | 22 | 303.17 | 686.98 |
| **III** | **Total income (I+II)** | | **4,548.84** | **6,381.42** |
| | | | | |
| **IV** | **Expenses** | | | |
| | Employee benefits expense | 23 | 1,833.73 | 1,732.87 |
| | Finance costs | 25 | 920.21 | 969.66 |
| | Depreciation and amortisation expense | 5 | 31.85 | 34.05 |
| | Other expenses | 24 | 2,277.07 | 2,281.79 |
| | **Total expenses** | | **5,062.86** | **5,018.37** |
| | | | | |
| V | Profit before tax (III-IV) | | (514.01) | 1,363.05 |
| | | | | |
| VI | Exceptional item | 6 | 18.41 | |
| | | | | |
| **VII** | **Profit before tax (V-VI)** | | **(532.42)** | **1,363.05** |
| **VI** | **Tax expense** | | | |
| | (a) Current tax (including prior years) | 34 | - | 219.90 |
| | (b) Deferred tax | 34 | (7.18) | 169.92 |
| | | | **(7.18)** | **389.82** |
| | | | | |
| **VII** | **Profit for the year (V-VI)** | | **(525.24)** | **973.22** |

# Standalone Statement of Profit and Loss (Cont.)

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| **VIII** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to profit or loss: | | | |
| | (a) Remeasurements of the defined benefit plans | 29 | (2.78) | 9.74 |
| | (b) Income tax relating to items that will not be reclassified to profit or loss | 34 | - | (2.81) |
| | **Total other comprehensive income** | | **(2.78)** | **6.93** |
| | | | | |
| **IX** | **Total comprehensive income for the year (VII+VIII)** | | **(528.02)** | **980.15** |
| | | | | |
| **X** | **Earnings per equity share (Face value of Rs. 5 each)** | | | |
| | (a) Basic (in Rs.) | 26 | (1.72) | 3.19 |
| | (b) Diluted (in Rs.) | 26 | (1.72) | 3.19 |

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Standalone Cash Flow Statement

as on 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| I. | **Cash Flow From Operating Activities** | | | |
| | Profit/(Loss) for the year | | (525.24) | 973.22 |
| | *Adjustments for:* | | | |
| | Tax expenses | 34 | (7.18) | 389.82 |
| | Finance costs | 25 | 920.21 | 969.66 |
| | Depreciation and Amortisation Expense | 5 | 31.85 | 34.05 |
| | Gains on Sale of Other intangibles assets | 22 | - | - |
| | Loss on Sale of Property, Plant and Equipment (Net) | 24 | - | 0.36 |
| | Impairment of Investment in subsiday | 6 | 18.41 | - |
| | Income on deposits and loans | 22 | (2.82) | (243.16) |
| | Gain on sale of investments | 22 | - | - |
| | Allowance for Expected Credit Losses (written back) | 22 | - | (23.74) |
| | Net Unrealised Exchange Gain | 22 | (263.85) | (282.76) |
| | **Operating Profit before Working Capital and Other Changes** | | **171.37** | **1,817.45** |
| | | | | |
| | *Adjustments for (increase)/decrease in operating assets:* | | | |
| | Trade receivables | 7, 22 | 2,139.30 | (3,027.37) |
| | Other non current financial assets | 8 | (23.98) | 7.27 |
| | Other non current assets | 10 | 2.60 | 39.33 |
| | Other current financial assets | 8 | 489.18 | - |
| | Other current assets | 10 | (36.78) | 41.92 |
| | | | | |
| | *Adjustments for increase/(decrease) in operating liabilities:* | | | |
| | Trade payables | 16, 22 | (1,833.25) | 1,013.73 |
| | Provisions (non-current) | 18, 29 | 5.43 | 2.37 |
| | Other non current liabilities | 19 | (4.39) | (6.22) |
| | Provisions (current) | 18 | 1.11 | 35.43 |
| | Other current financial liabilities | 17 | - | 6.37 |
| | Other current liabilities | 19 | 164.90 | (6.01) |
| | **Cash Generated from / (used in) Operations** | | **1,075.49** | **(75.73)** |
| | Net income tax paid (including interest paid there on) | | (185.88) | (205.51) |
| | **Net Cash Flow used in Operating Activities (A)** | | **889.61** | **(281.24)** |

# Standalone Cash Flow Statement (Cont.)

as on 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| **II.** | **II. Cash Flow From Investing Activities** | | | |
| | Capital Expenditure on Property, Plant and Equipment | 5, 10 | (27.63) | (118.36) |
| | Proceeds from Sale of Property, Plant and Equipment | 5, 22, 24 | - | 0.02 |
| | Investment made during the year | 6 | (1.00) | - |
| | Proceeds from sale of investments during the year | 6, 22 | - | - |
| | Bank balances not considered as Cash and cash equivalents | 12 | - | 76.00 |
| | Loans repaid / (granted) to Subsidiary | | - | - |
| | Interest Received on Fixed Deposits | | - | 7.37 |
| | **Net Cash Flow used in Investing Activities (B)** | | **(28.63)** | **(34.97)** |
| | | | | |
| **III.** | **III. Cash Flow Used in Financing Activities** | | | |
| | Dividend paid (including tax thereon) | 14, 17 | - | - |
| | Borrowings taken during the year | 15, 17 | 170.00 | 6,938.45 |
| | Borrowings repaid during the year | 15, 17 | (491.67) | (5,471.00) |
| | Finance costs paid | 25 | (617.91) | (1,080.41) |
| | **Net Cash Flow from Financing Activities (C)** | | **(939.58)** | **387.04** |
| | | | | |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)** | | **(78.60)** | **70.83** |
| | | | | |
| | Cash and Cash Equivalents at the Beginning of the Year (Refer Note 11) | 11 | 85.20 | 14.37 |
| | | | | |
| | **Cash and Cash Equivalents at the End of the Year (Refer Note 11)** | | **6.60** | **85.20** |

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**For and on behalf of the Board of Directors**

**CA Bashyakar Mattapalli**
Partner

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

Place : Chennai
Date: August 18, 2020

# Statement of Changes in Equity

for the year ended 31st March 2020

## A. Equity Share Capital

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balance as at beginning of the year | 1,525.88 | 1,525.88 |
| Changes in equity share capital during the year | - | - |
| **Closing Balance** | **1,525.88** | **1,525.88** |

## B. Other Equity

(Amount Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | Total Other Equity |
|---|---|---|---|---|---|
| | Securities premium | General Reserve | Subsidy Reserve | Retained earnings | |
| **Balance as at April 1, 2018** | **6,119.68** | **195.80** | **14.23** | **(35.32)** | **6,294.39** |
| | | | | | |
| Profit for the year | - | - | - | 973.22 | 973.22 |
| Other Comprehensive Income: Remeasurements of the defined benefit plans (net of taxes) (Refer Note 14.1) | - | - | - | 6.93 | 6.93 |
| Dividend Distribution | - | - | - | - | - |
| Dividend Distribution tax on equity shares | - | - | - | - | - |
| | | | | | |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **980.15** | **980.15** |
| | | | | | |
| **Balance as at 31 March 2019** | **6,119.68** | **195.80** | **14.23** | **944.83** | **7,274.54** |
| | | | | | |
| Profit for the year | - | - | - | (525.24) | (525.24) |
| Other Comprehensive Income: Remeasurements of the defined benefit plans (net of taxes) (Refer Note 14.1) | - | - | - | (2.78) | (2.78) |
| Dividend Distribution | - | - | - | - | - |
| Dividend Distribution tax on equity shares | - | - | - | - | - |
| | | | | | - |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **(528.03)** | **(528.03)** |
| | | | | | |
| **Balance as at 31 March 2020** | **6,119.68** | **195.80** | **14.23** | **416.80** | **6,746.51** |

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

## 1 CORPORATE INFORMATION

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

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

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

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

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

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

### 2.2 Basis of Preparation and Presentation

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

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

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

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3 Use of estimates

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

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ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

**2.4 Cash and cash equivalents** (for purposes of cash flow statement)

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

**2.5 Cash flow statement**

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

**2.6 (i) Property, Plant and Equipment (“PPE”)**

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

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

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

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

<u>Depreciation and Amortisation:</u>

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

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

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

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

<u>Derecognition of Property, Plant and Equipment:</u>

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

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**(ii) Intangible Assets**

**Intangible assets acquired separately:**

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

**Internally-generated intangible assets - research and development expenditure:**

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

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

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

**Intangible assets acquired in a business combination**

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

**Derecognition of intangible assets**

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

**2.7 Impairment of Tangible and Intangible Assets**

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

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

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

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

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

**2.8 Revenue recognition**

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

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

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

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

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

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

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

**2.9 Foreign currency Transactions**

Initial recognition:

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

Subsequent recognition:

As at the reporting date, non monetary items which are carried in terms of historical cost denominated

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in a foreign currency are reported using the exchange rate on the date of the transaction.

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

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

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

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

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

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

**2.11.1 Financial Assets**
(a) Recognition and initial measurement

(i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

**(b) Classification of financial assets**
On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.11.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses,

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FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

All other financial assets are subsequently measured at fair value.

**(c) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

**(d) Financial assets at fair value through profit or loss (FVTPL)**

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**(e) Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

**(f) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**(g) Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

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- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

**2.11.2 Financial Liabilities and Equity Instruments**

**(a) Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**(c) Financial Liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**(d) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other

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comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

**(e) Other financial liabilities**
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and capital expenditure. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months (for raw materials) and up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

**(f) Financial guarantee contracts**
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

**(g) Foreign exchange gains and losses**
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**(h) Derecognition of financial liabilities**
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**2.12 Employee Benefits**
**Retirement benefit costs and termination benefits:**

**Defined Benefit Plans:**
Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

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Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement"

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

**Defined Contribution Plans**

Employee defined contribution plans include provident fund and Employee state insurance.

**Social Security Plan:**

The Company has no further obligations beyond its contributions. Employer Contributions made to a social security plan, e.g., Provident Fund and Pension Funds, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

**2.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

**The Company as a lessee:**

**Finance lease:**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognises immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (Refer Note 3.20 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

**2.14 Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.15 Taxation**

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**2.16 Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

Contingent Liability:
Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

**2.17 Segment reporting**

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's. The Company considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the Senior Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

**2.18 Goods and Service Tax Input Credit**

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

**2.19 Insurance claims**

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

**2.20 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.21 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

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Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

- Useful lives of Property, plant and equipment and intangible assets (Refer Note 2.6)
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation (Refer Note 2.15)
- Provision for disputed matters
- Provision for employee benefits (Refer Note 2.12)
- Allowance for Expected Credit Loss (Refer Note 2.11.1 (e))

Determination of functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (Rs.), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

## 5A. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| | | |
| **Carrying amounts of :** | | |
| Furniture and Fixtures | 19.19 | 25.81 |
| Computers and accessories | 21.39 | 18.71 |
| Office Equipment | 6.28 | 1.72 |
| Vehicles | 10.58 | 15.41 |
| | | |
| **Total** | **57.44** | **61.65** |

### 5A.1 Details of movement in the carrying amounts of property, plant and equipment

(Amount Rs. in Lakhs)

| Description of Assets | Furniture and Fixtures | Computers and accessories | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|
| **I. Gross carrying value** | | | | | |
| **As at 1 April 2018** | 60.88 | 54.90 | 9.01 | 47.19 | 171.98 |
| Additions | 1.04 | 11.65 | 0.14 | - | 12.83 |
| (Disposals) / Adjustments during the year | - | (7.50) | - | - | (7.50) |
| **As at 31 March 2019** | **61.92** | **59.05** | **9.15** | **47.19** | **177.31** |
| | | | | | |
| **As at 1 April 2019** | 61.92 | 59.05 | 9.15 | 47.19 | 177.31 |
| Additions | 0.10 | 20.98 | 6.54 | - | 27.63 |
| Disposals / Adjustments during the year | - | - | - | - | - |
| **As at 31 March 2020** | **62.02** | **80.03** | **15.69** | **47.19** | **204.94** |
| | | | | | |
| **II. Accumulated depreciation and impairment** | | | | | |
| | | | | | |
| **As at 1 April 2018** | 27.24 | 30.45 | 6.27 | 24.77 | 88.73 |
| Charge for the year | 8.87 | 17.01 | 1.16 | 7.01 | 34.05 |
| (Disposals) / Adjustments during the year | - | (7.12) | - | - | (7.12) |
| **As at 31 March 2019** | **36.11** | **40.34** | **7.43** | **31.78** | **115.66** |
| | | | | | |
| **As at 1 April 2019** | 36.11 | 40.34 | 7.43 | 31.78 | 115.65 |
| Charge for the year | 6.72 | 18.31 | 1.99 | 4.83 | 31.85 |
| Disposals / Adjustments during the year | - | - | - | - | - |
| **As at 31 March 2020** | **42.83** | **58.64** | **9.42** | **36.61** | **147.50** |
| | | | | | |
| **Net carrying value as at 31 March 2020** | **19.19** | **21.39** | **6.28** | **10.58** | **57.44** |
| **Net carrying value as at 31 March 2019** | **25.81** | **18.71** | **1.72** | **15.41** | **61.65** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 6 Investments

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | | As at 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | Quantity (Nos.) | Current | Non-Current | Quantity (Nos.) | Current | Non-Current |
| **A. COST**<br>Unquoted Investments (all fully paid) | | | | | | |
| | | | | | | |
| Investments in Equity Instruments of Subsidiaries | | | | | | |
| (a) 8K Miles Health Cloud Inc. USA (Face Value per share: USD 0.001) | 26,00,000 | - | 1,014.91 | 26,00,000 | - | 1,014.91 |
| | | | | | | |
| (b) 8K Miles Software Services FZE UAE (Face Value per share: AED 150,000) | 1 | - | - | 1 | - | 18.41 |
| | | | | | | |
| (c) 8K Miles Software Services Inc. USA (Refer Note 8.1(i)) (Face Value per share: USD 0.001) | 2,07,31,250 | - | 9,816.65 | 2,07,31,250 | - | 9,816.65 |
| | | | | | | |
| (d) Mentor Minds Solutions & Services Inc. - USA (Face Value per share: USD 0.001) | 10,00,000 | - | 1,150.12 | 10,00,000 | - | 1,150.12 |
| | | | | | | |
| ( e) Healthcare Triangle Pvt Ltd (Face Value per share: Rs.10.00) | 10,000 | - | 1.00 | - | - | - |
| **Total Unquoted Investments** | | **-** | **11,982.68** | | **-** | **12,000.09** |
| | | | | | | |
| **TOTAL INVESTMENTS** | | **-** | **11,982.68** | | **-** | **12,000.09** |
| | | | | | | |
| Aggregate Carrying value of Investments | | - | 11,982.68 | | - | 12,000.09 |
| | | | | | | |
| Aggregate amount of impairment in the value of investments | | | 18.41 | | | - |

During the current financial year the company has impaired the investment in its subsiday 8K Miles Software Services FZE UAE amounting to Rs 18.41 lacs

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 7 Trade receivables

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| | | | | |
| (a) Receivables considered good, Secured | - | - | - | - |
| (b) Receivables considered good, Unsecured | 4,996.08 | - | 6,835.01 | - |
| (c) Doubtful | - | - | - | - |
| **Sub-total** | **4,996.08** | **-** | **6,835.01** | **-** |
| | | | | |
| | | | | |
| Less: Allowance for doubtful debts (expected credit loss allowance) | - | - | - | - |
| | | | | |
| **Total** | **4,996.08** | **-** | **6,835.01** | **-** |

### 7.1 The above includes amount receivable from related parties

(Refer Note 31)

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| | | | | |
| 8K Miles Software Services Inc. ("the Subsidiary") | | | | |
| | | | | |
| (a) For services rendered on a direct contract | 4,350.21 | - | 2,819.92 | - |
| (b) For collections to be made from the Company's customers on behalf of the Company | - | - | - | - |
| **Total** | **4,350.21** | **-** | **2,819.92** | **-** |

### 7.2 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms of upto 90 days. (Previous year - 90 days)

(b) Trade receivables (International & Related Party) are non-interest bearing and are generally on terms of upto 90 days. (Previous year - 3 to 9 months)

No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

### 7.3 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**Age of receivables**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Domestic Customers:** | | |
| | | |
| (i) Within Credit period | 379.91 | 362.16 |
| (ii) 0 - 1 year | 265.43 | 182.38 |
| (iii) More than 1 year | - | 0.30 |
| | | |
| **Sub-total (A)** | **645.34** | **544.84** |
| | | |
| **International Customers:** | | |
| | | |
| (i) Within Credit period | 482.71 | 1,013.96 |
| (ii) 0 - 1 year | 2,537.47 | 4,960.10 |
| (iii) More than 1 year | 1,334.32 | 316.11 |
| | | |
| **Sub-total (B)** | **4,354.50** | **6,290.17** |
| | | |
| **Grand Total (A + B)** | **4,999.84** | **6,835.01** |

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions have been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are mostly done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

**7.4 Movement in the allowance for doubtful receivables (including expected credit loss allowance)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balance at beginning of the year | - | 657.47 |
| | | |
| Add: Allowance towards Expected credit loss provided / (written back) during the year | - | (23.74) |
| | | |
| Less: Allowances written off during the year | - | (633.73) |
| | | |
| **Balance at end of the year** | **-** | **-** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

## 8 Loans

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **Financial assets at amortised cost** | | | | |
| **(a) Security deposits** | | | | |
| - Unsecured, considered good | - | 73.31 | - | 46.51 |
| - Doubtful | | | | |
| **Sub-total** | **-** | **73.31** | **-** | **46.51** |
| | | | | |
| **(b) Loans to related parties (Refer Note 8.1 below)** | | | | |
| - Unsecured, considered good | - | - | - | - |
| - Doubtful | - | - | - | - |
| **Sub-total** | **-** | **-** | **-** | **-** |
| | | | | |
| **Total** | **-** | **73.31** | **-** | **46.51** |

## 9 Other financial assets

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **Financial assets at amortised cost** | | | | |
| (a) Interest income accrued, not due | - | - | - | - |
| (b) Interest income accrued and due from subsidiary | - | - | 287.29 | - |
| (c) Interest income accrued, not due from subsidiary | - | - | 201.89 | - |
| | | | | |
| (d) Other Receivables | | | | |
| - Secured, considered good | | | | |
| - Unsecured, considered good | - | | | |
| - Doubtful | | | | |
| Less: Allowance for Credit Losses | | | | |
| TOTAL | - | - | - | - |
| | | | | |
| **Total** | **-** | **-** | **489.18** | **-** |

## 10 Other assets

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Prepaid expenses | 23.01 | - | 11.52 | 2.60 |
| (b) Other non-financial advances | - | - | - | - |
| (c) Balances with government authorities | | | | |
| - Goods & Service tax receivables | 0.15 | - | 18.61 | - |
| (d) Capital Advances | - | - | - | - |
| **(E) Advance Tax** | 43.75 | - | - | - |
| | | | | |
| **Total** | **66.91** | **-** | **30.13** | **2.60** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 11 Cash and cash equivalents

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Cash on hand | 0.28 | 0.03 |
| (b) Balances with Bank | | |
| (i) In Current Accounts | 5.61 | 84.46 |
| (ii) In EEFC Accounts | - | - |
| (iii) In Earmarked Accounts* | 0.71 | 0.71 |
| | | |
| **Total** | **6.60** | **85.20** |

* Earmarked balances are in respect of unpaid dividends / dividend payable

### 12 Other Bank balances

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Term Deposits (between 3 to 12 months maturity) | - | - |
| **Total** | **-** | **-** |

### 13 Equity share capital

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. In Lakhs | No. of shares | Rs. In Lakhs |
| **Authorised:** | | | | |
| Fully paid equity shares of Rs. 5/- each | 600,00,000 | 3,000.00 | 6,00,00,000 | 3,000.00 |
| | | | | |
| **Issued, subscribed and fully paid:** | | | | |
| Fully paid equity shares of Rs. 5/- each | 3,05,17,605 | 1,525.88 | 3,05,17,605 | 1,525.88 |
| **Total** | **3,05,17,605** | **1,525.88** | **3,05,17,605** | **1,525.88** |

### (i) Reconciliation of number of shares

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. In Lakhs | No. of shares | Rs. In Lakhs |
| **Equity shares** | | | | |
| Add: Issued during the year | 3,05,17,605 | 1,525.88 | 3,05,17,605 | 1,525.88 |
| Upon conversion of warrants | - | - | - | - |
| Upon Split of Face Value of Share | - | - | - | - |
| Upon Bonus issue of Shares | - | - | - | - |
| | | | | |
| **Balance as at end of the year** | **3,05,17,605** | **1,525.88** | **3,05,17,605** | **1,525.88** |

#### (ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Suresh Venkatachari | 1,11,81,703 | 36.64% | 1,11,81,703 | 36.64% |
| Sandeep Tandon | 15,25,493 | 4.99% | 20,88,911 | 6.84% |

### (iv) There are no shares which are reserved for issuance and there are no securities issued / outstanding which are convertible into equity shares.

### (v) Issue of Bonus Shares during immediately preceding 5 years

| Particulars | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| No. of Bonus Equity Shares issued | - | - | - | 76,29,401 | - |

### 14 Other equity

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| | | |
| **(a) Securities Premium (Refer Note 14.2 below)** | | |
| Opening balance | 6,119.68 | 6,119.68 |
| Add : Premium on shares issued during the year | - | - |
| Less : Issue of Bonus shares during the period | - | - |
| **Closing balance** | 6,119.68 | 6,119.68 |
| | | |
| **(b) General Reserve (Refer Note 14.3 below)** | | |
| Opening balance | 195.80 | 195.80 |
| Add : Transferred from Surplus in the statement of Profit & Loss | - | - |
| **Add: Transferred from Subsidy reserve** | 14.23 | |
| **Closing balance** | 210.03 | 195.80 |
| | | |
| (c) Subsidy Reserve | | |
| Opening balance | 14.23 | 14.23 |
| **Add : Movements during the year** | - | - |
| Less: Transferred to General Reserve | -14.23 | |
| **Closing balance** | - | 14.23 |
| | | |
| (d) Retained Earnings (Refer Note 14.4 below) | | |
| Opening balance | 944.83 | (35.32) |
| Add : Total Comprehensive Income for the period (Refer Note 14.1 below) | (528.02) | 980.15 |
| **Less : Apportionment for Dividend** | - | - |
| **Less : Dividend Distribution tax** | - | - |
| **Closing balance** | **416.81** | **944.83** |
| | | |
| **Total** | **6,746.55** | **7,274.55** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**Note:**

14.1 In accordance with Notification G.S.R 404(E), dated April 6, 2016, remeasurement of defined benefit plans is recognized as a part of retained earnings.

14.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

14.3 This represents appropriation of profit by the Company.

14.4 Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

### 15 Borrowings

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Non-current:** (Refer Note (15.1) below) | | |
| **Borrowings measured at amortized cost:** | | |
| Secured borrowings : | | |
| (a) Term Loans | | |
| - From Banks | 136.56 | 205.48 |
| - From Other Parties (including Financial institutions) | - | - |
| (b) Loans from Related Parties | 6,268.79 | 5,270.79 |
| | | |
| **Total** | **6,405.35** | **5,476.27** |
| **Current:** (Refer Note (15.1) below) | | |
| Secured Borrowings: | | |
| (a) Loans Repayable on Demand (Refer Note (i) below) | 1,539.95 | 1,804.40 |
| **Total** | **1,539.95** | **1,804.40** |

### 15.1 Details of Term Loan from Banks / Others

The details of tenor, interest rate, repayment terms of the same are given below:

| **I - Term Loans from Indian Bank (Refer Note (i) below) - Secured** | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Original Tenor** | **Interest Rate** | **No. of Instalments outstanding as at 31 March 2020** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | 84 | 11.75% | 50 | Principal Monthly, Interest Monthly | 207.38 | 258.90 |
| | | | **Sub-Total** | | **207.38** | **258.90** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

| II - Vehicle Loans from HDFC Bank, (Refer Note (ii) below) - Secured | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Original Tenor** | **Interest Rate** | **No. of Instalments outstanding as at 31 March 2020** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | 48 | 9.71% | 0 | Principal Monthly, Interest Monthly | - | 4.73 |
| | | | **Sub-Total** | | **-** | **4.73** |
| | **Total of borrowings from Banks** | | | | **207.38** | **263.63** |
| | Less : Current Maturities of long-term borrowings (Refer Note 17) | | | | 70.82 | 75.55 |
| | **Long-term Borrowings from Banks** | | | | **136.56** | **188.08** |

| IV - Term Loans from Related Parties (Refer Note (iii) and (iv) below) - Unsecured | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Original Tenor** | **Interest Rate** | **No. of Instalments outstanding as at 31 March 2020** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | "6 (Refer Note (v) below)" | 10.00% | 6 | Principal Half yearly, Interest Monthly | 5,258.97 | 5,258.97 |
| 2 | 6 | 10.00% | 6 | Principal Quarterly, Interest Monthly | 1,009.82 | 1,011.82 |
| | | | **Sub-Total** | | **6,268.79** | **6,270.79** |
| | **Total of borrowings from Related Parties** | | | | **6,268.79** | **6,270.79** |
| | Less : Current Maturities of long-term borrowings (Refer Note 17) | | | | - | - |
| | **Long Term Borrowings from Related Parties** | | | | **6,268.79** | **6,270.79** |

| V - Loans Repayable on Demand - Secured | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Name of the bank** | **Interest Rate** | **Security Terms** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | Indian Bank | MCLR (1Y)+3.65%-0.5% | Refer Note (i) below | Loans Repayable on Demand | 1,539.95 | 1,504.40 |
| 2 | Indian Bank | MCLR (1Y)+3.65%-0.5% | Refer Note (i) below | Loans Repayable on Demand | - | 300.00 |
| | | | **Sub-Total** | | **1,539.95** | **1,804.40** |

**Notes:**

(i) The details of Security provided against the Term Loans & Short term borrowings are as follows:

(a) Indian Bank Sanctioned Term Loan of Rs. 300 lakhs and Open Cash Credit (OCC) of Rs. 1,500 lakhs ,these loans are secured against Hypothecation of Book Debts (Accounts receivable), Fixed Assets and personal guarantee of the Director.

(b) The Property situated at 68, Eldams Road held by Mr. Suresh Venkatachari, has been provided as Collateral for the Indian Bank Loan

(c) The loan is also further secured by pledge of 2,791,837 shares of 8K Miles Software Services Limited held by Mr. Suresh Venkatachari, KMP.

(ii) The loans are secured by hypothecation of respective vehicles financed by the Banks.

(iii) As at March 31, 2020, the Company has obtained an unsecured loan of Rs. 5,258.97 lakhs and Rs.1,009.82 lakhs from R.S. Ramani, KMP and Suresh Venkatachari, KMP respectively. The Company has obtained a declaration from the Directors that the loan has not been given out of funds borrowed or deposits accepted from others.

(iv) The audit committee vide its meeting dated April 10, 2019 has approved the revision of the repayment of installments , with the first installment commencing from June 30, 2022 on account borrowings obtained from Suresh Venkatachari as per the terms of the addendum to the orginal agreement.

(v) The audit committee vide its meeting dated February 29, 2020 has approved the revision of the repayment of installments, with the first installment commencing from June 30, 2022 on account borrowings obtained from R S Ramani (Promoter) as per the terms of the addendum to the orginal agreement.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 16 Trade payables

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Dues of Micro and small enterprises (MSME) (Refer Note 33.1) | 6.97 | - | 2.92 | - |
| (b) Others | 168.03 | - | 1,964.05 | - |
| **TOTAL** | **175.00** | **-** | **1,966.97** | **-** |

### 17 Other financial liabilities

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| | | | | |
| (a) Current maturities of long term borrowings (Refer Note 15.1) | 70.82 | - | 1,058.16 | - |
| (b) Dividend Payable | 0.71 | - | 0.71 | - |
| (c) Interest accrued and due on borrowings | - | - | - | - |
| (d) Advances taken from Related Parties | - | - | - | - |
| - from Banks | - | - | 7.77 | - |
| - from Related Parties (Refer Note 31) | 373.01 | - | 101.27 | - |
| (e) Unearned Revenue | - | - | 6.37 | - |
| **TOTAL** | **444.54** | **-** | **1,174.28** | **-** |

### 18 Provisions

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Provision for Employee Benefits | | | | |
| - Provision for Gratuity (Refer Note 29) | 24.19 | 70.90 | 24.40 | 65.46 |
| - Provision for Compensated Absences (Refer Note 29) | 34.78 | - | 33.46 | - |
| | | | | |
| **TOTAL** | **58.97** | **70.90** | **57.86** | **65.46** |

### 19 Other liabilities

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Statutory Payables | 279.56 | - | 112.83 | - |
| (b) Rent Equalisation Reserve | 4.39 | - | 6.23 | 4.39 |
| | | | | |
| **TOTAL** | **283.95** | **-** | **119.06** | **4.39** |

### 20 Current tax liabilities (Net)

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Provision for Income Taxes (Net of Advance tax) | - | 142.14 |
| | | |
| **TOTAL** | **-** | **142.14** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 21 Revenue from operations

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| Revenue from Information Technology Enabled Services | | |
| (a) International | 2,320.03 | 4,556.38 |
| (b) Domestic | 1,925.64 | 1,101.55 |
| Royalty income | - | 36.51 |
| | | |
| **Total** | **4,245.67** | **5,694.44** |

**Notes:**

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts and Time and material contracts. The contracts with customers requiring monthly invoicing, being significantly in line with the efforts during that period, have been categorised as time and material contracts.

### Revenue by contract type

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| (a) Fixed-price (Domestic) | 169.69 | 27.65 |
| (b) Royalty Income | - | 36.51 |
| (c) Time and materials (Domestic) | 1,755.95 | 1,073.90 |
| (d) Time and materials (International) | 2,320.03 | 4,556.38 |
| | | |
| **Total** | **4,245.67** | **5,694.44** |

### 22 Other income

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| (a) Interest Income | | |
| - On Term Deposits | - | 2.23 |
| - On Loans | - | 231.03 |
| (b) Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss | 2.82 | 9.90 |
| (c) Gains on Foreign Exchange Fluctuations (Net) | 300.35 | 420.08 |
| (d) Allowance for Expected Credit Losses reversed (Refer Note 7) | - | 23.74 |
| | | |
| **Total** | **303.17** | **686.98** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 23 Employee benefits expense

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| | | | |
| (a) | Salaries and wages, including bonus | 1,712.48 | 1,617.19 |
| (b) | Gratuity Expenses (Refer Note 29) | 24.18 | 35.19 |
| (c) | Contribution to Provident and other funds (Refer Note 29) | 44.62 | 43.75 |
| (d) | Staff welfare expenses | 52.45 | 36.74 |
| | | | |
| | **Total** | **1,833.73** | **1,732.87** |

### 24 Other expenses

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| | | | |
| (a) | Professional and Consultancy Charges | 207.30 | 1,845.50 |
| (b) | Traveling and logistics expenses | 20.33 | 37.53 |
| (c) | Power and Fuel | 22.46 | 20.86 |
| (d) | Rent (Refer Note 27 and 28) | 115.00 | 219.22 |
| (e) | Repair and maintenance | 20.31 | 16.79 |
| (f) | Insurance expenses | 1.19 | 1.41 |
| (g) | Fees, Rates and taxes | 18.23 | 18.22 |
| (h) | Sales and Marketing Expenses | 2.33 | 6.31 |
| (i) | Cloud Hosting and Communication Charges | 23.12 | 20.93 |
| (j) | Business Promotion Expenses | 13.09 | 10.62 |
| (k) | Audit Fees | | |
| | (a) Statutory Audit | 35.50 | 35.00 |
| | (b) Tax Audit | 2.00 | - |
| | (c) Limited Review | 4.50 | 4.50 |
| | (d) Other Services | - | 16.00 |
| | (e) Reimbursement of out of pocket expenses | 3.73 | 0.82 |
| (l) | Bank Charges | 7.51 | 2.90 |
| (m) | Directors' Sitting Fees (Refer Note 31) | 3.40 | 3.20 |
| (n) | Bad Receivables Written off* | 1,754.81 | 633.73 |
| | Less: Release of allowance for expected credit losses | - | (633.73) |
| | | **1,754.81** | **-** |
| (o) | Loss on Sale of Asset | - | 0.36 |
| (p) | Loss on foreign currency transactions (net) | - | - |
| (q) | Miscellaneous expenses | 22.26 | 21.62 |
| | | | |
| | **Total** | **2,277.07** | **2,281.79** |

* Note: The company has evaluated an expected credit loss pertaining to overseas doubtful outstanding and written off in the current year in compliance with Ind-AS 109.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 25 Finance costs

(Amount Rs. in Lakhs)

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| (a) | Interest cost:- | | |
| | (i) Interest on bank overdrafts, open cash credits and loans (other than those from related parties) | 273.31 | 312.94 |
| | (ii) Interest on loans from related parties | 638.69 | 563.08 |
| | (iii) Others | - | 9.56 |
| (b) | Processing fee | 0.15 | 40.74 |
| (c) | Interest on delayed remittance of income tax | 8.06 | 43.34 |
| | **Total** | **920.21** | **969.66** |

### 26 Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Profit for the year attributable to equity shareholders of the Company | (525.24) | 973.22 |
| Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS | 3,05,17,605 | 3,05,17,605 |
| Nominal value of equity shares (in Rs.) | 5.00 | 5.00 |
| | | |
| Basic EPS (in Rs.) | (1.72) | 3.19 |
| Diluted EPS (in Rs.) | (1.72) | 3.19 |

### 27 Lease Arrangements

### 27 (a) Operating Leases

The Company has entered into operating lease agreements primarily for Office premises. An amount of Rs. 115.00 lakhs (Previous Year - Rs. 219.22 lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The lease is non cancellable for a period of 2 years and may be renewed based on mutual agreement of the parties.
The future minimum lease payments for office premises under operating lease contracted are as follows:

(Amount Rs. in Lakhs)

| Lease Obligation | Expected Minimum Lease Commitment | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| | | |
| Payable - Not later than one year | 75.00 | 68.34 |
| Payable - Later than one year but not later than five years | 52.00 | 47.80 |
| Payable - Later than five years | - | - |
| **Total** | **127.00** | **116.14** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**28 Commitments and Contingencies**

(Amount Rs. in Lakhs)

| Particulars | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **A.** | **Contingent Liabilities** | | |
| | (a) Claims against the company not acknowledged as debts | - | - |
| | (b) Income tax - Disputed (Refer Note (i) below) | 94.98 | 94.98 |
| | | | |
| | **Total (A)** | **94.98** | **94.98** |
| | | | |
| **B.** | **Commitments** | | |
| | (a) Estimated amount of contracts remaining to be executed on capital account & not provided for (Refer Note (ii) below) | - | - |
| | (b) Others | - | - |
| | | | |
| | **Total (B)** | **-** | **-** |

**Note:**

(i) The amounts shown above as Contingent Liabilities and other disputed claims represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Company expects a favourable decision with respect to all the above disputed demands / claims based on professional advice and, accordingly, believes that no specific adjustment/provision is required in respect of these matters at this stage.

**29 Employee benefits**

**(I) Defined Contribution Plan**

The Company makes contribution to a defined contribution plan, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the plan by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Included under 'Contributions to Provident and other Funds' (Refer Note 23 (c) )** | | |
| Contributions to Employee state insurance | 2.39 | 7.96 |
| Contributions to provident funds | 42.23 | 35.79 |

**(II) Defined Benefit Plans:**

The Company offers 'Gratuity' (Refer Note 23 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**Description of Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**A) Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**B) Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**C) Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**D) Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020 by Mithras Consultants, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

**(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Components of defined benefit cost for the year ended recognised in the total comprehensive income under employee benefit expense is as follows** | | |
| Service Cost | | |
| - Current Service Cost | 18.38 | 29.68 |
| - Past service cost and (gains)/losses from settlements | - | - |
| Net interest expense | 5.81 | 5.51 |
| | | |
| **Components of defined benefit costs recognised in profit or loss** | **24.19** | **35.19** |
| | | |
| Remeasurement on the net defined benefit liability: | | |
| | | |
| Return on plan assets (excluding amount included in net interest expense) | - | - |
| Actuarial gains and loss arising form changes in financial assumptions | 6.77 | (1.46) |
| Actuarial gains and loss arising form experience adjustments | (1.24) | (4.42) |
| Actuarial gains and loss arising form changes in demographic assumptions | (2.76) | (3.86) |
| | | |
| **Components of defined benefit costs recognised in other comprehensive income** | **2.78** | **(9.74)** |
| | | |
| **Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income** | **26.97** | **25.45** |

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Gratuity Expenses".

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### (b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **I. Net Asset/(Liability) recognised in the Balance Sheet** | | |
| 1. Present value of defined benefit obligation | 108.74 | 89.86 |
| 2. Fair value of plan assets | - | - |
| 3. Surplus/(Deficit) | (108.74) | (89.86) |
| 4. Current portion of the above | (30.57) | (24.40) |
| 5. Non current portion of the above | (78.17) | (65.46) |

### (c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Change in the obligation** | | |
| Present value of defined benefit obligation at the beginning of the year | 89.84 | 69.92 |
| Expenses Recognised in Statement of Profit and Loss: | | |
| - Current Service Cost | 18.38 | 29.68 |
| - Past Service Cost and (gains)/losses from settlements | - | - |
| - Interest Expense (Income) | 5.81 | 5.51 |
| Recognised in Other Comprehensive Income: | | |
| Remeasurement gains / (losses) | | |
| - Actuarial Gain (Loss) arising from: | | |
| i. Demographic Assumptions | (2.76) | (3.86) |
| ii. Financial Assumptions | 6.77 | (1.46) |
| iii. Experience Adjustments | (1.24) | (4.42) |
| Benefit payments | (8.09) | (5.51) |
| Liabilities assumed / (settled) | | |
| **Present value of defined benefit obligation at the end of the year** | **108.73** | **89.84** |

### (d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Change in fair value of assets** | | |
| Fair value of plan assets at the beginning of the year | - | - |
| Expenses Recognised in Statement of Profit and Loss: | | |
| - Expected return on plan assets | - | - |
| Recognised in Other Comprehensive Income: | | |
| Remeasurement gains / (losses) | | |
| - Actuarial gains and loss arising form changes in financial assumptions | - | - |
| - Return on plan assets (excluding amount included in net interest expense) | - | - |
| Contributions by employer | 5.51 | 0.70 |
| Benefit payments | (5.51) | (0.70) |
| **Fair value of plan assets at the end of the year** | **-** | **-** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**(e) The principal assumptions used for the purpose of actuarial valuation were as follows :**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Discount rate | 6.60% | 7.62% |
| Expected rate of salary increase | Refer Table below | Refer Table below |
| Withdrawal Rate | Refer Table below | Refer Table below |
| Expected return on plan assets | NA | NA |
| Expected average remaining working life (in years) | 35.49 | 35.36 |
| Mortality | 100% of IALM 2012-14* | 100% of IALM 2006-08* |

* Based on India's standard mortality table (100% of industry mortality table IALM 2012-14 & 100% of industry mortality table IALM 2006-08 for FY.2019-20 & FY.2018-19 respectively

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Above Year 5 |
|---|---|---|---|---|---|---|
| **For the Year Ended 31 March 2020** | | | | | | |
| Expected rate of salary increase | 9.50% | 10.02% | 10.15% | 11.66% | 9.00% | 7.86% |
| Withdrawal Rate | 27.00% | 23.00% | 15.00% | 12.00% | 10.00% | 10.00% |
| **For the Year Ended 31 March 2019** | | | | | | |
| Expected rate of salary increase | 8.25% | 10.02% | 10.15% | 11.66% | 9.00% | 7.86% |
| Withdrawal Rate | 23.00% | 20.00% | 15.00% | 12.00% | 10.00% | 10.00% |

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected rate of salary increase and Withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Amount of Impact** | | |
| Discount Rate | | |
| - 0.5% Increase | (2.78) | (2.31) |
| - 0.5% Decrease | 2.99 | 2.48 |
| Salary Growth Rate | | |
| - 1% Increase | 5.02 | 4.27 |
| - 1% Decrease | (4.60) | (4.01) |
| Withdrawal Rate | | |
| - 1% Increase | (1.08) | (0.69) |
| - 1% Decrease | 1.13 | 0.68 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(III) Compensated Absences**

Provision for Short Term Compensated Absences is made at current encashable salary rates for the unavailed leave balance standing to the credit of the employees as at the date of the Balance Sheet in accordance with the rules of the Company.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

## 30 Financial Instruments

### (I) Capital Management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance. The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company ensures that it will be able to continue as a going concern while maximising its returns to its shareholders by managing its capital by optimisation of the debt and equity balance. The following table summarises the capital of the Company:

**Gearing Ratio :**

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Debt (includes Borrowings and interest accrued and due/not due on borrowings) | 8,389.13 | 8,447.87 |
| Cash and Bank Balances (includes Cash and Cash equivalents and Other Bank Balances) | (6.60) | (85.20) |
| **Net Debt** | **8,382.53** | **8,362.67** |
| | | |
| Total Equity | 8,272.43 | 8,800.43 |
| **Net Debt to equity ratio** | **1.01** | **0.95** |

### (II) Categories of Financial Instruments

The carrying value of financial instruments by categories as at 31 March 2020, and 31 March 2019 is as follows:

(Amount Rs. in Lakhs)

| Particulars | Carrying Value | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| **(a) Financial Assets** | | |
| **Measured at cost** | | |
| - Investment in subsidiaries | 11,982.68 | 12,000.09 |
| | | |
| Measured at amortised cost | | |
| - Cash and Bank balances | 6.60 | 85.20 |
| - Trade receivables | 4,996.08 | 6,835.01 |
| - Loans | 73.31 | 46.51 |
| - Other financial assets | - | 489.18 |
| **Total assets** | **17,058.67** | **19,455.99** |
| **(b) Financial Liabilities :** | | |
| **Measured at amortised cost** | | |
| - Borrowings | 7,945.30 | 7,280.67 |
| - Trade Payables | 175.00 | 1,966.97 |
| - Other financial liabilities | 444.54 | 1,174.28 |
| **Total liabilities** | **8,564.84** | **10,421.92** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and labilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value/ amortised cost:

a) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

b) Fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2019 was assessed to be insignificant.

**(III) Financial Risk Management Framework**

The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including currency, interest rate and other market related risks). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Chief Financial Officer is responsible for overseeing the Company's risk assessment and management policies and processes.

**(a) Liquidity Risk Management :**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and the maturity periods of its financial assets. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**Liquidity exposure as at :**
**Maturity table of financial liabilities**

(Amount Rs. in Lakhs)

| Particulars | Within 1 year | 1 to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **31 March 2020** | | | | |
| **Non-derivative financial liabilities:** | | | | |
| **Variable Interest rate instruments:** | | | | |
| (i) Borrowings | 1,539.95 | 6,405.35 | - | **7,945.29** |
| **Non-Interest bearing:** | | | | |
| (ii) Trade payables | 175.00 | - | - | **175.00** |
| (iii) Other financial liabilities | 444.54 | - | - | **444.54** |
| **Total** | **2,159.48** | **6,405.35** | **-** | **8,564.83** |
| **31 March 2019** | | | | |
| **Non-derivative financial liabilities:** | | | | |
| **Variable Interest rate instruments:** | | | | |
| (i) Borrowings | 1,804.40 | 5,476.27 | - | **7,280.68** |
| **Non-Interest bearing:** | | | | |
| (ii) Trade payables | 1,966.97 | - | - | **1,966.97** |
| (iii) Other financial liabilities | 1,174.28 | - | - | **1,174.28** |
| **Total** | **4,945.65** | **5,476.27** | **-** | **10,421.93** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**Maturity table of financial assets**

(Amount Rs. in Lakhs)

| Particulars | Within 1 year | 1 to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **As at 31 March 2020** | | | | |
| **Non derivative assets:** | | | | |
| **Non-interest bearing :** | | | | |
| (i) Investments | 1.00 | 2,648.05 | 9,333.63 | 11,982.68 |
| (ii) Trade receivables | 4,996.08 | - | - | 4,996.08 |
| (iii) Cash and cash equivalents | 6.60 | | - | 6.60 |
| (iv) Loans | - | 49.31 | - | 49.31 |
| (v) Other financial assets | - | - | - | - |
| **Total** | **5,003.66** | **2,697.36** | **9,333.63** | **17,034.67** |
| | | | | |
| **As at 31 March 2019** | | | | |
| **Non derivative assets** | | | | |
| **Interest bearing:** | | | | |
| (i) Loans | - | - | - | - |
| (ii) Other Bank Balances | - | - | - | - |
| | | | | |
| **Non-interest bearing :** | | | | |
| (i) Investments | - | - | 12,000.09 | 12,000.09 |
| (ii) Trade receivables | 6,835.01 | - | - | 6,835.01 |
| (iii) Cash and cash equivalents | 85.20 | - | - | 85.20 |
| (iv) Loans | - | 46.51 | - | 46.51 |
| (v) Other financial assets | 489.18 | | | 489.18 |
| **Total** | **7,409.40** | **46.51** | **12,000.09** | **19,455.99** |

**(b) Credit Risk :**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

**Trade receivables**: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**(c) Market Risk :**

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term debt. The Company is exposed to market risk primarily related to foreign exchange currency risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**i. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages this by considering only short-term borrowings.

**ii. Foreign exchange rate risk:**

The Company's foreign currency risk arises from its foreign currency revenues and expenses, (primarily in USD). A significant portion of the Company's revenues is in USD, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Company's revenues measured in Indian rupees may decrease and vice versa. The exchange rate between the Indian rupee and US Dollar has not been subjected to significant changes in recent periods. The Company has a forex policy in place whose objective is to reduce foreign exchange risk by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

| Particulars | Currency | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | Amount in Foreign Currency (In Lakhs) | Reporting Currency Rs. in Lakhs | Amount in Foreign Currency (In Lakhs) | Reporting Currency Rs. in Lakhs |
| Loans and Advance to Related Parties | USD | - | - | - | - |
| Trade Payables | USD | - | - | 24.66 | 1,709.16 |
| Borrowings | USD | - | - | - | - |
| Foreign Currency in Hand & In Bank | USD | - | - | 0.00 | 0.01 |
| | EUR | - | - | - | - |
| Unearned Revenue | USD | - | - | 0.09 | 6.37 |
| Trade Receivables | USD | 58.21 | 4,350.73 | 90.74 | 6,290.17 |
| Interest Receivable for Loan to Related Parties | USD | - | - | 7.06 | 489.18 |

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by derivative instruments or otherwise.

**Foreign Currency sensitivity analysis:**

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

# Notes

Forming Part of the Standalone Financial Statements for the year ended March 31, 2020

The Company is mainly exposed to the following foreign currencies.

### (i) Impact on Statement of the Profit and loss for the year

(Amount Rs. in Lakhs)

| Particulars | 2019-20 | 2019-20 | 2018-19 | 2018-19 |
|---|---|---|---|---|
| **Profit/(loss) for the year** | **Increase by 5%** | **Decrease by 5%** | **Increase by 5%** | **Decrease by 5%** |
| USD | 217.54 | (217.54) | 253.83 | (253.83) |
| EUR | - | - | - | - |

### (ii) Impact on total equity as at the end of the reporting period

(Amount Rs. in Lakhs)

| Particulars | 2019-20 | 2019-20 | 2018-19 | 2018-19 |
|---|---|---|---|---|
| **Profit/(loss) for the year** | **Increase by 5%** | **Decrease by 5%** | **Increase by 5%** | **Decrease by 5%** |
| USD | 217.54 | (217.54) | 253.83 | (253.83) |
| EUR | - | - | - | - |

**Note:**
This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

### 31 Related Party Disclosures
### a.Names of Related Parties and Nature of Relationship

| Nature of Relationship* | For the Year Ended 31 March 2020 | For the Year Ended 31 March 2019 |
|---|---|---|
| Subsidiaries | 8K Miles Software Services Inc. | 8K Miles Software Services Inc. |
| | 8K Miles Software Services FZE (Ceased operations w.e.f February 29, 2020) | 8K Miles Software Services FZE |
| | 8K Miles Health Cloud Inc. | 8K Miles Health Cloud Inc. |
| | Mentor Minds Solutions & Services Inc. | Mentor Minds Solutions & Services Inc. |
| | NexAge Technologies USA Inc. | NexAge Technologies USA Inc. |
| | Serj Solutions Inc. | Serj Solutions Inc. |
| | Cornerstone Advisors Group LLC | Cornerstone Advisors Group LLC |
| | Healthcare Triangle Inc | |
| | Healthcare Triangle Private Limited | |
| Enterprises significantly influenced by Key Managerial Personnel or their relative ## | South Asian Digital Media & Entertainment Private Limited (Formerly known as '8K Miles Media Private Limited') | 8K Miles Media Private Limited |
| Close member of the family of a Key Managerial Personnel# | Ravichandran Srinivasan | Ravichandran Srinivasan |
| Entity which is controlled or jointly controlled by Close member of the family of a Key Managerial Personnel# | Sustainable Certification (India) Private Limited | Sustainable Certification (India) Private Limited |

* Related Party relationships are as identified by the Management.
# The Company had in the previous year missed disclosing particulars of Related Party Transactions and has made the necessary disclosures in the current year for the comparable period.
## Particulars of related parties disclosed to the extent there were transactions with such parties during the year.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### b.Key Management Personnel

| Particulars | For the Year Ended 31 March 2020 | For the Year Ended 31 March 2019 |
|---|---|---|
| Key Management Personnel of the Company and the Holding Company | Suresh Venkatachari, Managing Director | Suresh Venkatachari, Managing Director |
| | Ravichandran S (w.e.f July 30, 2020) | |
| | Swasti Sovan Bhowmick, Chief Finanical Officer (Till April 30, 2020) | R.S.Ramani, Director (till November 2, 2019) |
| | R.Thyagarajan, Chief Financial Officer (w.e.f. July 1, 2020) | Gurumurthi Jayaraman, Director (till October 23, 2019) |
| | Padmini Ravichandran, Director (Till July 30, 2020) | Padmini Ravichandran, Director |
| | Babita Singaram, Director | Babita Singaram, Director |
| | Dinesh Raja Punniamurthy, Director | Dinesh Raja Punniamurthy, Director |
| | Lakshmanan Kannappan, Director | Lakshmanan Kannappan, Director |
| | Raghunathan Aravamuthan (Till November 30, 2019) | Vivek Prakash, Director (w.e.f. July 17, 2018) |
| | Desikan, Additional Director (w.e.f. December 20, 2019) | |
| | Vivek Prakash (Till December 20, 2019) | |
| | G Sri Vignesh (w.e.f July 1, 2020) | |
| | Diya Venkatesan, Company Secretary (Till July 1, 2020) | |

### c. Particulars of Material Transactions and Balances with Related Parties:

(Amount Rs. in Lakhs)

| Transaction during the year | Related Party | Year Ended 31 March 2020 | Year Ended 31 March 2019 |
|---|---|---|---|
| Revenue from operations | 8K Miles Software Services Inc. | 2,307.84 | 2,127.69 |
| Interest Income | 8K Miles Software Services Inc. | - | 231.02 |
| Sale of Intangibles | 8K Miles Software Services Inc. | - | - |
| Interest on loans | R S Ramani | 526.47 | 504.82 |
| Interest on loans | Suresh Venkatachari | 112.21 | 58.26 |
| Rent | Suresh Venkatachari | - | 142.38 |
| Adjustment of cost incurred towards capital work-in-progress and advances paid with loans (Refer Note 5C) | Suresh Venkatachari | - | 243.20 |
| Adjustment of security deposits (rent) paid with loans (Refer Note 5C) | Suresh Venkatachari | - | 140.00 |
| Consultancy Fees | Sustainable Certification (India) Private Limited | - | 3.64 |
| Loan taken (Refer Note 15.1) | Suresh Venkatachari | - | 1,395.02 |
| Loan taken (Refer Note 15.1) | R S Ramani | 170.00 | 1,509.00 |
| Investment in subsidiary | Healthcare Triangle Pvt Ltd., | 1.00 | - |
| Conversion of loan into Investments (equity) (Refer Note 8.1) | 8K Miles Software Services Inc. | - | 2,648.05 |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### Compensation of key management personnel

| Transaction | Related Party | Year Ended 31 March 2020 | Year Ended 31 March 2019 |
|---|---|---|---|
| **Transactions during the Year** | | | |
| **Short-term employee benefits** | | | |
| Remuneration | R S Ramani (Refer Note (ii) & (iii) below) | - | 26.67 |
| | Ravichandran Srinivasan (Refer Note (ii) below) | 44.10 | 43.70 |
| | Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below) | 75.00 | 24.01 |
| | Jayashree Jagannathan (Refer Note (ii) & (iii) below) | - | 0.50 |
| | Ashwin Jayagopal (Refer Note (ii) & (iii) below) | - | 7.07 |
| | Diya Venkatesan | 5.00 | - |
| **Others** | | | |
| Directors' sitting fees | Gurumurthi Jayaraman | 0.35 | 1.02 |
| | Padmini Ravichandran | 0.50 | 0.45 |
| | Babita Singaram | 0.73 | 0.70 |
| | Raghunathan Aravamuthan | 0.20 | - |
| | Vivek Prakash | 0.05 | 0.15 |
| | R S Ramani | 0.15 | 0.08 |
| | Desikan Balaji | 0.10 | - |
| | Dinesh Raja Punniamurthy | 1.33 | 0.80 |

| | | | |
|---|---|---|---|
| **Balances at the Year End (Refer Note (iv) below)** | | | |
| Investment in Subsidiary (Refer Note 6) | 8K Miles Software Services Inc. | 9,816.65 | 9,816.65 |
| | 8K Miles Software Services FZE (Ceased operations w.e.f February 29, 2020) | - | 18.41 |
| | 8K Miles Health Cloud Inc. | 1,014.91 | 1,014.91 |
| | Mentor Minds Solutions & Services Inc. | 1,150.12 | 1,150.12 |
| | Heathcare Triangle Private Limited | | |
| Loan to Subsidiary (Refer Note 8.1) | 8K Miles Software Services Inc. | - | - |
| Trade Receivable | 8K Miles Software Services Inc. | 4,350.21 | 2,819.92 |
| Interest Receivable | 8K Miles Software Services Inc. | - | 489.18 |
| Other liabilities as at the Year End (Net) | Suresh Venkatachari | - | 10.30 |
| | Suresh Venkatachari | 0.17 | 31.28 |
| | R S Ramani | 372.84 | 69.99 |
| Security Deposits (Rent) (Refer Note 5C) | Suresh Venkatachari | - | - |
| Loans (Refer Note 5C and 15.1) | R S Ramani | 5,258.97 | 5,258.97 |
| | Suresh Venkatachari | 1,009.82 | 1,011.82 |
| Remuneration Payable (Short term benefit) | R S Ramani - Salary Payable (Refer Note (ii) & (iii) below) | | |
| | Ravichandran Srinivasan (Refer Note (ii) below) | - | - |
| | Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below) | - | 2.12 |
| | Jayashree Jagannathan (Refer Note (ii) & (iii) below) | - | 4.98 |
| | Ashwin Jayagopal (Refer Note (ii) & (iii) below) | - | - |
| | Diya Vekatesan | - | 0.42 |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**Notes:**

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2020 and 31 March 2019, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Excludes gratuity and compensated absences which cannot be separately identifiable from the composite amount advised by the actuary.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

(v) The Company has provided Corporate Guarantee amounting to USD 5 million during the year ended 31 March 2020 to Columbia Bank for loans taken by 8K Miles Software Services Inc., a subsidiary and NexAge Technologies Inc., USA a step down subsidiary of the Company.

(vi) Also Refer Note 5C, 6, 8.1 and 15.1

**32 Segment Reporting**

The Company is engaged in Information and Technology Services. Based on the “”management approach”” as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by the overall business / operating segment.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

**32.1 Geographical Information:**

The Company has operations within India as well as in other countries. The operations in United States of America constitute the major part of the operations. Management has reviewed the geographical areas vis-à-vis the risks and returns that encompass them. While arriving at this, management has reviewed the similarity of the economic and political conditions, relationships between operations in these geographical areas, proximity of operations, and special risks if any associated with operations in these areas.

(Amount Rs. in Lakhs)

| Particulars | Revenue from operations | |
|---|---|---|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| USA | 2,320.03 | 3,981.01 |
| UAE | - | 575.37 |
| India | 1,925.64 | 1,138.06 |
| **Total** | **4,245.67** | **5,694.44** |

(Amount Rs. in Lakhs)

| Particulars | Non - Current Assets * | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| USA | - | - |
| UAE | - | - |
| India | 57.44 | 64.25 |
| Unallocated | - | - |

* Non-current assets exclude those relating to Investments, Deferred tax assets and Non-current financial assets.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

## 33 Additional Information to the Financial Statements

### 33.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which has been relied upon by the Auditors, the relevant particulars are furnished below.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| (i) Principal amount remaining unpaid to MSME suppliers as on | 6.97 | 2.92 |
| (ii) Interest due on unpaid principal amount to MSME suppliers as on | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act) | - | - |
| (v) The amount of interest accrued and remaining unpaid as at the Balance sheet date | - | - |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | - |

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 34 Taxation

### 34.1 Income tax expense

#### 34.1.1 Recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Current Tax:** | | |
| In respect of the current year | - | 219.90 |
| Adjustments in respect of prior years | - | - |
| | **-** | **219.90** |
| **Deferred Tax** | | |
| In respect of the current year | (7.18) | 169.92 |
| | | |
| | **(7.18)** | **169.92** |
| **Total income tax expense recognised in statement of profit and loss** | **(7.18)** | **389.82** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

### 34.1.2 Recognised in Other Comprehensive Income

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Deferred Tax** | | |
| Remeasurements of the defined benefit liabilities/ (asset) | - | (2.81) |
| | | |
| **Total income tax recognised in other comprehensive income** | **-** | **(2.81)** |
| | | |
| Bifurcation of the income tax recognised in other comprehensive income into:- | | |
| Items that will not be reclassified to profit or loss | - | (2.81) |
| Items that may be reclassified to profit or loss | | |

### 34.1.3 Reconciliation of income tax

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit before tax | (514.01) | 1,363.05 |
| Enacted income tax rate in India | 27.82% | 27.82% |
| **Computed expected tax expense** | **(143.00)** | **379.20** |
| Adjustments : | | |
| | | |
| | | |
| - Prior period Tax | - | - |
| - Impact of differential tax rate for capital gains | - | - |
| - On account of permanent disallowance in accordance with Income Tax Act, 1961 | - | 13.10 |
| - On account of tax rate changes and others | - | (2.48) |
| | | |
| **Total income tax expense recognised in the statement of profit and loss** | **(143.00)** | **389.82** |

The actual tax rates under Indian Income Tax Act, for the tax years ended 31 March 2020 and 31 March 2019 are 27.82% and 27.82% respectively.

### 34.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Deferred tax assets | 68.07 | 60.89 |
| Less: Deferred tax liabilities | - | - |
| **Deferred tax asset (net)** | **68.07** | **60.89** |

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**Movement in the deferred tax balance :**

(Amount Rs. in Lakhs)

| Particulars | For the year 2019-2020 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Depreciation on Property, Plant and Equipment & Others | 23.48 | 3.40 | - | 26.88 |
| Employee Benefit Expenses | 34.31 | 5.61 | - | 39.92 |
| Provision for Expected Credit Loss on Financial Assets | (0.00) | - | - | - |
| Amortised Cost adjustments - Financial Assets | 0.15 | (0.07) | - | 0.08 |
| Amortised Cost adjustments - Financial Liabilities | (0.01) | - | - | 0.00 |
| Rent Equalisation | 2.95 | (1.76) | - | 1.19 |
| | | | | |
| **Deferred Tax Asset /(Liabilities)** | **60.88** | **7.18** | **-** | **68.07** |

(Amount Rs. in Lakhs)

| Particulars | For the year 2018-2019 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Depreciation on Property, Plant and Equipment & Others | 24.81 | (1.33) | - | 23.48 |
| Employee Benefit Expenses | 26.25 | 10.87 | (2.81) | 34.31 |
| Provision for Expected Credit Loss on Financial Assets | 181.15 | (181.15) | - | (0.00) |
| Amortised Cost adjustments - Financial Assets | 0.61 | (0.46) | - | 0.15 |
| Amortised Cost adjustments - Financial Liabilities | (2.63) | 2.63 | - | Nil |
| Rent Equalisation | 3.43 | (0.48) | - | 2.95 |
| | | | | |
| **Deferred Tax Asset /(Liabilities)** | **233.62** | **(169.92)** | **(2.81)** | **60.89** |

**35 Corporate Social Responsibility**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Gross amount required to be spent by the Company during the year | - | - |
| Amount spent during the year | - | - |
| Amounts pending to be spent | - | - |

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company is in the process of spending the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

# Notes

Forming Part of the Standalone Financial Statements for the year ended 31st March 2020

**36 Approval of Financial Statements**

In connection with the preparation of the standalone financial statements for the year ended 31 March 2020, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on August 18, 2020 in accordance with the provisions of Companies Act, 2013.

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Independent Auditor's Report

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

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of 8K Miles Software Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Basis for Qualified opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under these Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Except for the effects of the matter described in the ***Basis for Qualified Opinion*** section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2020 and its profit/loss, and its cash flows for the year ended on that date.

a) We have formed our opinion on the basis of evidence obtained by performing the following alternate procedures during our audit in the light of modified report (disclaimers) by the previous auditor.:

- Closing balance of all receivables and payables were verified through external confirmations received directly from the respective parties.
- Confirmation of closing Bank balances received directly.
- Write off of old and doubtful receivables to the extent required.
- Relied on the findings of the special audit report against the complaint made u/s 143(12) of The Companies Act 2013 and its impact on the opening balances for the current year.
- Relied on the written confirmation of audit procedures performed by the auditor of the US subsidiaries.
- Access to the books of accounts of subsidiaries facilitated our independent verification of the records on test basis.

b) We had a detailed discussion with the auditor of the US subsidiaries through video conference and obtained detailed note on the audit coverage.

We draw your attention to the previous year's audit observation on long outstanding receivables from overseas customers amounting to Rs 3,464.01 Lacs (31 March 2019) and corresponding technical services payable to overseas vendor of Rs 1,709.20 Lacs. This amount has been assigned to the vendor based on the assignment agreement between the Company and the Vendor. The residual balance of Rs 1,754.81 Lacs has been written-off to the Profit & Loss account. The Company made a written intimation to the AD banker as required by RBI master circular and is subject to the approval of the RBI. The company is of the opinion that there is no Goods and Service Tax applicability on the above transaction as the services have been availed and rendered outside India. **In our opinion, the profit for the current year has been adversely impacted due to the above write-off of Rs 1,754.81 Lacs.**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were the most significant in our audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included performing procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition** | |
| Revenue from Services: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. (Refer to Note 20 to the Consolidated Financial Statements) | i. Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.<br>ii. Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.<br>iii. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.<br>iv. Selected a sample of continuing and new contracts and performed the following procedures:<br>• Read, analyzed and identified the distinct performance obligations in these contracts.<br>• Compared these performance obligations with that identified and recorded by the Company.<br>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.<br>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.<br>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.<br>• In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.<br>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.<br>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.<br>• We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates. Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. (Refer Note 20 to the Consolidated Financial Statements) | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>i. Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.<br>ii. Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.<br>iii. Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.<br>iv. Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.<br>v. Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.<br>vi. Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. |

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid. In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of audit in accordance with (SAs), we exercise professional judgment and maintain professional scepticism throughout the audit we also::

a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which companies are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

g) Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

h) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

i) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Emphasis of matter paragraph**

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

a) The Company's management on the recommendation of technical experts, evaluated the expected foreseeable economic benefits from the internally developed / generated Intangibles (tools, framework and platforms) and fully amortized as an exceptional item during the year. With this change in the accounting treatment, these Intangibles have been amortized earlier than the original schedule.

b) The Company had made an advance of Rs 4,505.80 Lacs in the financial year 2017-18 towards a target acquisition and entered into a Share Purchase Agreement for acquiring entire shares of the target company. The Company has written-off this advance as unrecoverable due to unforeseen economic conditions.

**Other matter**

We did not audit the financial statements and other financial information, in respect of four overseas subsidiaries, whose Ind AS financial statements included in the Group reflect total assets Rs 18,323.82 Lacs as at 31 March 2020, whose results reflect total liabilities of Rs 11,348.15 Lacs and total revenue of Rs 35,669.67 Lacs for the year ended 31 March 2020.

The independent auditors' reports on financial statements / financial results of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated on the basis of our opinion.

**COVID-19 Impact**

The lockdown and restrictions imposed have posed challenges to the Company's operations. The employees have been asked to work from home to mitigate the impact of the lock-down and to comply with the guidelines. We have not noticed any adverse impact on collection of receivables as evidenced by the cash flows during the period April 1, 2020 to June 30, 2020.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors of the Company as on 31 March 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us,

j. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended 31 March 2020.

**For K Gopal Rao & Co**
**Chartered Accountants**
**Firm Registration No. 000956S.**

**Bashyakar Mattapalli**
**Partner**
**Membership No. 015932**
**UDIN: 20015932AAAAAL4822**

Place : Chennai
Date: August 18, 2020

# Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of 8K Miles Software Services Limited of even date)

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

In conjunction with our audit of the consolidated Ind-AS financial statements for the year ended 31 March 31 2020, we have audited the internal financial controls over financial reporting of 8K Miles Software Services Limited (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, the Company, its subsidiary company which is incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K Gopal Rao & Co**
**Chartered Accountants**
**Firm Registration No. 000956S.**

**Bashyakar Mattapalli**
**Partner**
**Membership No. 015932**
**UDIN: 20015932AAAAAL4822**

Place : Chennai
Date: August 18, 2020

# CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated Balance Sheet

as at 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| A | **ASSETS** | | | |
| | | | | |
| I | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 5A | 469.92 | 899.23 |
| | (b) Goodwill | 5B | 13,830.09 | 12,827.16 |
| | (c) Other intangible assets | 5C | 3,499.82 | 49,972.95 |
| | (d) Intangibles assets under development | | 356.85 | - |
| | (e) Financial assets | | | |
| | (i) Loans | 7 | 73.31 | 81.19 |
| | (f) Other non-current assets | 9 | 23.01 | 4,508.40 |
| | **Total Non-Current assets** | | **18,253.00** | **68,288.93** |
| | | | | |
| II | **Current Assets** | | | |
| | (a) Financial assets | | | |
| | (i) Trade receivables | 6 | 5,056.74 | 23,768.30 |
| | (ii) Cash and cash equivalents | 10 | 793.44 | 815.45 |
| | (iii) Loans | 7 | - | 1.84 |
| | (iv) Other financial assets | 8 | - | 1,704.89 |
| | (b) Current Tax Assets (Net) | | - | 3,155.17 |
| | (c) Other current assets | 9 | 178.90 | 2,065.38 |
| | **Total Current Assets** | | **6,029.08** | **31,511.03** |
| | | | | |
| | **Total Assets (I+II)** | | **24,282.08** | **99,799.96** |
| | | | | |
| B | **EQUITY AND LIABILITIES** | | | |
| | | | | |
| III | **Equity** | | | |
| | (a) Equity share capital | 12 | 1,525.88 | 1,525.88 |
| | (b) Other equity | 13 | 1,150.84 | 57,706.55 |
| | **Equity attributable to owners of the company** | | **2,676.72** | **59,232.43** |
| | Non-Controlling Interest | 13(g) | 449.33 | 17,301.01 |
| | **Total Equity** | | **3,126.05** | **76,533.44** |
| | | | | |
| IV | **Non-Current Liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 14 | 4,717.20 | 5,476.27 |
| | (b) Provisions | 17 | 70.89 | 65.46 |
| | (c) Deferred Tax Liabilities | 33 | 891.14 | 671.02 |
| | (d) Other non-current liabilities | 18 | 4.39 | 4.39 |
| | **Total Non-Current Liabilities** | | **5,683.62** | **6,217.14** |

# Consolidated Balance Sheet (Cont.)

as at 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| V | **Current Liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 14 | 5,281.43 | 5,299.65 |
| | (ii) Trade payables | 15 | | |
| | (a) Total outstanding dues of micro enterprises and small enterprises | | 6.97 | 2.92 |
| | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 6,109.62 | 8,318.66 |
| | (iii) Other financial liabilities | 16 | 3,168.80 | 2,253.84 |
| | (b) Other current liabilities | 18 | 846.66 | 974.31 |
| | (c) Provisions | 17 | 58.93 | 57.86 |
| | (d) Current tax liabilities (Net) | 19 | - | 142.14 |
| | **Total Current Liabilities** | | **15,472.41** | **17,049.38** |
| | | | | |
| | **Total Equity and Liabilities (III+IV+V)** | | **24,282.08** | **99,799.96** |

See accompanying notes forming part of the Consoilidated Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

Place : Chennai
Date: August 18, 2020

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| I | Revenue from operations | 20 | 38,208.48 | 84,219.15 |
| II | Other income | 21 | 434.97 | 819.42 |
| **III** | **Total income (I+II)** | | **38,643.45** | **85,038.57** |
| | | | | |
| **IV** | **Expenses** | | | |
| | Employee benefits expense | 22 | 21,158.40 | 29,052.51 |
| | Finance costs | 24 | 1,302.65 | 1,162.49 |
| | Depreciation and amortisation expense | 5 | 957.45 | 6,959.83 |
| | Other expenses | 23 | 19,903.10 | 38,220.86 |
| | **Total expenses** | | **43,321.60** | **75,395.69** |
| | | | | |
| **V** | **Profit before exceptional item and tax (III-IV)** | | **(4,678.15)** | **9,642.88** |
| | | | | |
| VI | Exceptional item | 25 A | 62,493.95 | - |
| | | | | |
| **VII** | **Profit before tax (V-VI)** | | **(67,172.10)** | **9,642.88** |
| | | | | |
| **VIII** | **Tax expense** | | | |
| | (a) Current tax | 33 | - | 1,300.58 |
| | (b) Deferred tax | 33 | 279.06 | 359.81 |
| | | | 279.06 | 1,660.39 |
| | | | | |
| **IX** | **Profit for the year (V-VI)** | | **(67,451.16)** | **7,982.49** |
| | | | | |
| **X** | **Other comprehensive income / (loss)** | | | |
| | (i) Items that will not be reclassified to profit or loss: | | | |
| | (a) Remeasurements of the defined benefit plans | 28 | (2.78) | 9.74 |
| | (b) Income tax relating to items that will not be reclassified | 33 | | |
| | to profit or loss | | 0.80 | (2.81) |
| | | | | |
| | (ii) Items that will be reclassified to profit and loss: | | | |
| | (a) Foreign currency translation differences (Refer Note 32.2) | | (2,543.10) | 3,246.43 |
| | | | | |
| | **Total other comprehensive income** | | **(2,545.08)** | **3,253.36** |

# Consolidated Statement of Profit and Loss (Cont.)

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| **XI** | **Total comprehensive income for the period (VII+VIII)** | | **(69,996.24)** | **11,235.85** |
| | | | | |
| | **Profit attributable to:** | | | |
| | Owners of the company | | (50,178.22) | 6,871.77 |
| | Non controlling Interest | | (17,272.94) | 1,110.72 |
| | | | | |
| | **Other comprehensive income attributable to:** | | | |
| | Owners of the company | | (2,545.08) | 3,253.36 |
| | Non controlling Interest | | | - |
| | | | | |
| | **Total comprehensive income attributable to:** | | | |
| | Owners of the company | | (52,723.30) | 10,125.13 |
| | Non controlling Interest | | (17,272.94) | 1,110.72 |
| | | | | |
| **XII** | **Earnings per equity share [Face value of Rs. 5 each]** | | | |
| | (a) Basic | 25 | (164.42) | 22.52 |
| | (b) Diluted | 25 | (164.42) | 22.52 |

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Consolidated Cash Flow Statement

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| **I.** | **I. Cash Flow From Operating Activities** | | | |
| | | | | |
| | (Loss) / Profit for the year | | (67,451.16) | 7,982.49 |
| | | | | |
| | *Adjustments for:* | | | |
| | | | | |
| | Income tax expense recognised in the statement of profit and loss | 33 | 279.06 | 1,660.39 |
| | Finance cost recognised in statement of profit and loss | 24 | 1,302.65 | 1,162.49 |
| | Exceptional Item - Impairment of Assets | 25 A | 53,772.89 | - |
| | Income on deposits and loans | 21 | - | (347.94) |
| | Depreciation and amortisation Expense | 5 | 957.45 | 6,959.83 |
| | Net loss/ (gain) on Sale of Property, Plant and Equipment (Net) | 21, 23 | 102.83 | 0.36 |
| | Allowance for Expected Credit Losses | 6 | - | (23.74) |
| | Bad Receivables Written off | 23 | 1,673.50 | 120.98 |
| | Net Unrealised Exchange Gain | | (225.26) | (98.86) |
| | | | | |
| | **Operating (Loss) / Profit before Working Capital and Other Changes** | | **(9,588.04)** | **17,416.00** |
| | | | | |
| | *Adjustments for (increase)/decrease in operating assets:* | | | |
| | | | | |
| | Trade Receivables | 6 | 12,067.75 | 1,490.88 |
| | Other Non Current Financial Assets | 8 | 7.88 | 5.01 |
| | Other Non Current Assets | 9 | (20.41) | 39.30 |
| | Other Current Financial Assets | 8 | 1,706.73 | 864.44 |
| | Other Current Assets | 9 | 5,041.65 | 211.81 |
| | | | | |
| | *Adjustments for increase/(decrease) in operating liabilities:* | | | |
| | | | | |
| | Trade Payables | 15 | (2,204.99) | 4,179.96 |
| | Other Non Current Liabilities | 18 | - | (6.22) |
| | Provisions (Non-current) | 17 | 5.43 | 2.36 |
| | Provisions (Current) | 17 | 1.07 | 25.69 |
| | Other Current Financial Liabilities | 16 | 914.96 | 6.37 |
| | Other Current Liabilities | 18 | 704.52 | 223.96 |
| | | | | |
| | **Cash Generated from Operations** | | **8,636.55** | **24,459.56** |
| | | | | |
| | Net Income Tax paid (including interest paid there on) | | - | (6,053.83) |
| | | | | |
| | **Net Cash Flow From Operating Activities (A)** | | **8,636.55** | **18,405.73** |

# Consolidated Cash Flow Statement (Cont.)

for the year ended 31st March 2020

(Amount Rs. in Lakhs)

| | Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| **II.** | **II. Cash Flow From Investing Activities** | | | |
| | | | | |
| | Capital Expenditure on Property, Plant and Equipment | 5, 9 | (28.83) | (29,750.80) |
| | Proceeds from Sale of Property, Plant and Equipment | 5 | - | 0.02 |
| | Investment made during the year | 9 | - | (98.04) |
| | Movement in Loans given to Related Parties (Net) | 7 | - | 5,808.44 |
| | Movement in Loans given to Non Related Parties (Net) | 7 | - | 708.25 |
| | Bank balances not considered as Cash and cash equivalents | 11 | - | 76.00 |
| | Interest Received | 8, 21 | - | 1,074.95 |
| | Contingent Consideration Paid during the year | | - | (1,062.45) |
| | | | | |
| | **Net Cash Flow Used in Investing Activities (B)** | | **(28.83)** | **(23,243.63)** |
| | | | | |
| **III.** | **Cash Flow From Financing Activities** | | | |
| | | | | |
| | Borrowings taken during the year | 14, 16 | (777.29) | 10,444.58 |
| | Borrowings repaid during the year | 14, 16 | - | (6,857.27) |
| | Finance Costs | 16, 24 | (1,302.65) | (1,274.37) |
| | | | | |
| | **Net Cash Flow From Financing Activities (C)** | | **(2,079.94)** | **2,312.94** |
| | | | | |
| | **Effect of foreign currency translation adjustment (D)** | | **(6,549.79)** | **2,317.28** |
| | | | | |
| | **Net (Decrease) in Cash and Cash Equivalents (A) + (B) + (C) + (D)** | | **(22.01)** | **(207.68)** |
| | Cash and Cash Equivalents at the Beginning of the Year | 10 | 815.45 | 1,023.13 |
| | | | | |
| | **Cash and Cash Equivalents at the End of the Year** | **10** | **793.44** | **815.45** |

See accompanying notes forming part of the Consolidate Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Statement of Changes in Equity

for the year ended 31st March 2020

### A. Equity Share Capital

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balance as at beginning of the Year | 1,525.88 | 1,525.88 |
| Changes in equity share capital during the year: | - | - |
| **Closing Balance** | **1,525.88** | **1,525.88** |

# Statement of Changes in Equity

for the year ended 31st March 2020

**B. Other Equity**

(Amount Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | | | Total Other Equity | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Securities Premium | General Reserve | Subsidy Reserve | Retained Earnings | Foreign Currency Translation Reserve | Capital Reserve | | | |
| **Balance as at 1 April 2018** | **6,119.68** | **195.80** | **14.23** | **35,610.66** | **196.74** | **5,446.50** | **47,583.61** | **14,723.63** | **62,307.24** |
| Profit for the year | | | | 6,871.77 | - | | 6,871.77 | 1,110.72 | 7,982.49 |
| Other Comprehensive Income (Refer Note 13) | | | | 6.93 | 3,246.43 | | 3,253.36 | - | 3,253.36 |
| Changes in shareholding pattern | | | | 299.27 | | | 299.27 | 449.62 | 748.89 |
| Adjustments during the year | | | | | | (301.46) | (301.46) | 1,017.04 | 715.58 |
| **Movement during the year** | **-** | **-** | **-** | **7,177.97** | **3,246.43** | **(301.46)** | **10,122.94** | **2,577.38** | **12,700.32** |
| **Balance as at 31 March 2019** | **6,119.68** | **195.80** | **14.23** | **42,788.63** | **3,443.17** | **5,145.04** | **57,706.55** | **17,301.01** | **75,007.56** |
| Profit for the year | | | | (50,178.22) | | | (50,178.22) | (17,272.94) | (67,451.16) |
| Other Comprehensive Income (Refer Note 13) | | | | (2.78) | (2,543.10) | | (2,545.88) | - | (2,545.88) |
| Exchange differences on translation of foreign operations | | | | | | | - | 421.26 | 421.26 |
| Adjustments during the year | | | | | | (3,831.61) | (3,831.61) | - | (3,831.61) |
| **Movement during the year** | **-** | **-** | **-** | **(50,181.00)** | **(2,543.10)** | **(3,831.61)** | **(56,555.71)** | **(16,851.68)** | **(73,407.39)** |
| **Balance as at 31 March 2020** | **6,119.68** | **195.80** | **14.23** | **(7,392.37)** | **900.07** | **1,313.43** | **1,150.84** | **449.33** | **1,600.17** |

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

## 1 CORPORATE INFORMATION

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

### 2.1 Application of new and revised Ind AS

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

**Recent Accounting Pronouncements:**

**Amendments to Ind AS 12 - Income Taxes:**

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

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

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

**New Accounting Standard : Ind AS 116 - Leases:**

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

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

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line by line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group. The details of subsisidiaries considered in the preparation of the consolidated financial statements are given below:

| S. No. | Name of the Subsidiary | Country of Incorporation | Relationship | Effective Ownership Interest as at Balance Sheet Date | |
|---|---|---|---|---|---|
| | | | | 2019-20 | 2018-19 |
| 1 | 8K Miles Software Services Inc. | USA | Subsidiary | 64.42% | 64.42% |
| 2 | 8K Miles Software Services FZE (till February 29, 2020) | UAE | Subsidiary | 100% | 100% |
| 3 | 8K Miles Health Cloud Inc. | USA | Subsidiary | 100% | 100% |
| 4 | Mentor Minds Solutions & Services Inc. | USA | Subsidiary | 100% | 100% |
| 5 | Healthcare Triangle Pvt Ltd | India | Subsidiary | 100% | - |
| 6 | Nexage Technologies Inc. | USA | Step down Subsidiary | 100% Subsidiary of 8K Miles Software Services Inc. | 100% Subsidiary of 8K Miles Software Services Inc. |
| 7 | Cornerstone Advisors Group LLC | USA | Step down Subsidiary | 100% Subsidiary of 8K Miles Software Services Inc. | 100% Subsidiary of 8K Miles Software Services Inc. |
| 8 | Healthcare Triangle Inc | USA | Step down Subsidiary | 85% Subsidiary of 8K Miles Software Services Inc. | - |
| 9 | Serj Solutions Inc. | USA | Step down Subsidiary | 100% Subsidiary of 8K Miles Health Cloud Inc. | 100% Subsidiary of 8K Miles Health Cloud Inc. |

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of Compliance

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

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

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

**3.2 Basis of Preparation and Presentation**

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

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

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

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability."

**3.3 Use of estimates**

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

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

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

**3.5 Cash flow statement**

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

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

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

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

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

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

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

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

| Asset category | Useful Lives |
|---|---|
| Furniture & Fixtures | 10 Years |
| Computers & Accessories | 3 Years |
| Office Equipment | 5 Years |
| Motor Vehicles | 8 Years |
| Computer Software | 5 Years |
| Tradename | 10 Years |
| Non-Compete Agreement | 5 Years |
| Customers Relationships | 10 Years |

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

Depreciation is accelerated on fixed assets, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

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

**(ii) Intangible Assets**
Intangible assets acquired separately:

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

Internally-generated intangible assets - research and development expenditure:
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

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

Intangible assets acquired in a business combination

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

Derecognition of intangible assets

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

**3.7 Impairment of Tangible and Intangible Assets**

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

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

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

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

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

**3.8 Revenue recognition**

Revenue from Operations primarily comprises of income from Information Technology Enabled Services which is measured at the fair value of the consideration received or receivable. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the group expects to receive in exchange for those services. Service income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

Effective from April 1, 2018, the Group adopted Ind AS 115, Revenue from Contracts with Customers. Arrangements with customers for information technology enabled services are either on a fixed price, fixed-timeframe contracts or on a time and material basis.

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

In arrangements for information technology enabled services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from Contracts with customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering information technology and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

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

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

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

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

**3.9 Foreign currency Transactions**

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

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

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

**3.10 Government grants**

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

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

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future

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related costs are recognized in statement of profit or loss in the period in which they become receivable.

### 3.11 Financial Instruments

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

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

### 3.11.1 Financial Assets

**(a) Recognition and initial measurement**

(i) The Group initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) The Group has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

**(b) Classification of financial assets**

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 3.11.e

All other financial assets are subsequently measured at fair value.

**(c) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a

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shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item."

**(d) Financial assets at fair value through profit or loss (FVTPL)**

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**(e) Impairment of financial assets**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss

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allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

**(f) Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**(g) Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### 3.11.2 Financial Liabilities and Equity Instruments

**(a) Classification as debt or equity**

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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**(c) Financial Liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**(d) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

**(e) Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of materials, services and capital expenditure. The banks and financial institutions are subsequently repaid by the Group at a later date. These are normally settled up to 3 months (for materials and services) and up to 3 months (for capital expenditure). These arrangements for materials and services are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

**(f) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a

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specified parties fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18..

**(g) Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**(h) Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

**3.12 Employee Benefits**

**Retirement benefit costs and termination benefits:**

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-

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term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

**Defined Contribution Plans**

Employee defined contribution plans include provident fund and Employee state insurance.

**Social Security Plan:**

The Group has no further obligations beyond its contributions. Employer Contributions made to a social security plan, e.g., Provident Fund and Pension Funds, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

**3.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as a lessee:**

**Finance lease:**

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognises immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Refer Note 3.20 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

**Operating lease:**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**3.14 Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**3.15 Taxation**

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and

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items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:
Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year :
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**3.16 Provisions and Contingencies**

Provisions are recognized when the Group has a present obligation (legal/ constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent Liability:
Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**3.17 Segment reporting**

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the

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internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

**3.18 Goods and Service Tax Input Credit**

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

**3.19 Insurance claims**

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

**3.20 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3.21 Operating cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets (Refer Note 3.6)
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation (Refer Note 3.15)
- Provision for disputed matters (Refer Note 3.16)
- Allowance for Expected Credit Loss (Refer Note 3.11.1(e))
- Provision for employee benefits (Refer Note 3.12)

<u>Determination of functional currency:</u>
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (Rs.), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

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## 5A. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| | | |
| **Carrying amounts of :** | | |
| Furniture and Fixtures | 337.58 | 600.23 |
| Computers & accessories | 57.37 | 164.75 |
| Office Equipment | 64.39 | 118.83 |
| Vehicles | 10.58 | 15.42 |
| | | |
| **Total** | **469.92** | **899.23** |

### 5A.1 Details of movement in the carrying amounts of property, plant and equipment

(Amount Rs. in Lakhs)

| Description of Assets | Furniture and Fixtures | Computers and accessories | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|
| **I. Gross carrying value** | | | | | |
| **As at 1 April 2018** | **1,284.72** | **406.31** | **234.80** | **47.19** | **1,973.02** |
| Additions | 35.35 | 11.65 | 0.14 | - | 47.14 |
| Disposals | - | (7.49) | - | - | (7.49) |
| Effect of foreign currency exchange difference | 88.47 | 31.99 | 17.70 | 0.63 | 138.79 |
| **As at 31 March 2019** | **1,408.54** | **442.46** | **252.64** | **47.82** | **2,151.46** |
| | | | | | |
| As at 1 April 2019 | 1,408.54 | 442.46 | 252.64 | 47.82 | 2,151.46 |
| Additions | 0.10 | 22.10 | 6.54 | - | 28.74 |
| Disposals | (44.95) | (129.18) | (34.81) | - | (208.94) |
| Effect of foreign currency exchange difference | 134.04 | 187.69 | 48.51 | (0.63) | 369.61 |
| **As at 31 March 2020** | **1,497.73** | **523.07** | **272.88** | **47.19** | **2,340.87** |
| | | | | | |
| **II. Accumulated depreciation and impairment** | | | | | |
| **As at 1 April 2018** | **478.05** | **149.58** | **71.57** | **24.77** | **723.97** |
| Charge for the year | 297.06 | 120.04 | 56.03 | 7.00 | 480.13 |
| Disposals | - | (7.11) | - | - | (7.11) |
| Effect of foreign currency exchange difference | 33.20 | 15.20 | 6.21 | 0.63 | 55.24 |
| **Balance as at 31 March 2019** | **808.31** | **277.71** | **133.81** | **32.40** | **1,252.23** |
| | | | | | |
| As at 1 April 2019 | 808.31 | 277.71 | 133.81 | 32.40 | 1,252.23 |
| Charge for the year | 274.74 | 95.65 | 49.54 | 4.83 | 424.76 |
| Disposals | (44.95) | (80.21) | (18.67) | - | (143.83) |
| Effect of foreign currency exchange difference | 122.05 | 172.54 | 43.81 | (0.62) | 337.79 |
| **Balance as at 31 March 2020** | **1,160.15** | **465.69** | **208.49** | **36.61** | **1,870.95** |
| | | | | | |
| **Net carrying value as at 31 March 2020** | **337.58** | **57.37** | **64.39** | **10.58** | **469.92** |
| **Net carrying value as at 31 March 2019** | **600.23** | **164.75** | **118.83** | **15.42** | **899.23** |

# Notes
forming part of the Consolidated Financial Statements for the year ended 31 March 2020

## 5B Goodwill

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Carrying amounts of :** | | |
| Goodwill | 13,830.09 | 12,827.16 |
| | | |
| **Total** | **13,830.09** | **12,827.16** |

## 5B.1 Details of movement in the carrying amounts of Goodwill

(Amount Rs. in Lakhs)

| | Description of Assets | Goodwill | Total |
|---|---|---|---|
| **I.** | **Gross carrying value** | | |
| | | | |
| | As at 1 April 2018 | 11,994.47 | 11,994.47 |
| | Additions | - | - |
| | Disposal | - | - |
| | Effect of foreign currency exchange difference | 832.69 | 832.69 |
| | **As at 31 March 2019** | **12,827.16** | **12,827.16** |
| | | | |
| | As at 1 April 2019 | 12,827.16 | 12,827.16 |
| | Additions | | |
| | Disposal | | |
| | Effect of foreign currency exchange difference | 1,002.93 | 1,002.93 |
| | **As at 31 March 2020** | **13,830.09** | **13,830.09** |
| | | | |
| | | | |
| | **Net carrying value as at 31 March 2020** | **13,830.09** | **13,830.09** |
| | **Net carrying value as at 31 March 2019** | **12,827.16** | **12,827.16** |

## 5.C Other intangible assets

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Carrying amounts of :** | | |
| Software | - | 46,005.79 |
| Patents | 167.57 | 206.94 |
| Tradename | 610.21 | 645.86 |
| Non-Compete Agreement | 174.46 | 239.50 |
| Customers Relationships | 2,547.56 | 2,874.86 |
| | | |
| **Total** | **3,499.82** | **49,972.95** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 5C.1 Details of movement in the carrying amounts of Other intangible assets

(Amount Rs. in Lakhs)

| | Description of Assets | Software | Patents | Tradename | Non-Compete Agreement | Customers Relationships | Total |
|---|---|---|---|---|---|---|---|
| **I.** | **Gross carrying value** | | | | | | |
| | | | | | | | |
| | As at 1 April 2018 | 19,816.01 | 392.22 | 747.12 | 363.19 | 3,327.38 | 24,645.92 |
| | Additions | 32,393.80 | - | - | - | - | 32,393.80 |
| | Disposals | - | - | - | - | - | - |
| | Effect of foreign currency exchange difference | 1,301.56 | 31.57 | 51.87 | 25.21 | 231.00 | 1,641.21 |
| | **As at 31 March 2019** | **53,511.37** | **423.79** | **798.99** | **388.40** | **3,558.38** | **58,680.93** |
| | | | | | | | |
| | As at 1 April 2019 | 53,511.37 | 423.79 | 798.99 | 388.40 | 3,558.38 | 58,680.93 |
| | Additions | | | | | | |
| | Disposals / Adjustments during the year | (54,042.61) | - | - | - | - | (54,042.61) |
| | Effect of foreign currency exchange difference | 990.98 | 38.03 | 62.47 | 30.37 | 286.04 | 1,407.89 |
| | **As at 31 March 2020** | **459.74** | **461.82** | **861.46** | **418.77** | **3,844.42** | **6,046.21** |
| | | | | | | | |
| **II.** | **Accumulated depreciation and impairment** | | | | | | |
| | | | | | | | |
| | As at 1 April 2018 | 1,464.81 | 150.34 | 68.47 | 66.60 | 305.68 | 2,055.90 |
| | Charge for the year | 5,910.18 | 52.06 | 80.41 | 78.17 | 358.88 | 6,479.70 |
| | Disposals / Adjustments during the year | - | - | - | - | - | - |
| | Effect of foreign currency exchange difference | 130.59 | 14.45 | 4.25 | 4.13 | 18.96 | 172.38 |
| | **Balance as at 31 March 2019** | **7,505.58** | **216.85** | **153.13** | **148.90** | **683.52** | **8,707.98** |
| | | | | | | | |
| | As at 1 April 2019 | 7,505.58 | 216.85 | 153.13 | 148.90 | 683.52 | 8,707.98 |
| | Charge for the year | - | 42.82 | 71.58 | 69.32 | 349.13 | 532.85 |
| | Disposals / Adjustments during the year | -7,374.14 | - | - | - | - | (7,374.14) |
| | Effect of foreign currency exchange difference | 328.30 | 34.57 | 26.54 | 26.08 | 264.21 | 679.69 |
| | **Balance as at 31 March 2020** | **459.74** | **294.24** | **251.25** | **244.29** | **1,296.86** | **2,546.39** |
| | | | | | | | |
| | **Net carrying value as at 31 March 2020** | **-** | **167.57** | **610.21** | **174.47** | **2,547.56** | **3,499.82** |
| | **Net carrying value as at 31 March 2019** | **46,005.79** | **206.94** | **645.86** | **239.50** | **2,874.86** | **49,972.95** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 6 Trade receivables

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| | | | | |
| Trade receivables | | | | |
| (a) Secured, considered good | - | - | - | - |
| (b) Unsecured, considered good | 5,056.74 | - | 23,768.30 | - |
| (c) Doubtful | - | - | - | - |
| | | | | |
| **Sub-total** | **5,056.74** | **-** | **23,768.30** | **-** |
| | | | | |
| Less: Allowance for expected credit losses | - | - | - | - |
| | | | | |
| **Total** | **5,056.74** | **-** | **23,768.30** | **-** |

### 6.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (India) are non-interest bearing and are generally on terms of upto 90 days (Previous year - 30 days).

(b) Trade receivables (International) are non-interest bearing and are generally on terms of upto 5 months (Previous year - 3 - 9 months)

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

### 6.2 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

### Age of receivables

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Domestic Customers:** | | |
| (i) Within Credit period | 379.91 | 362.16 |
| (ii) 0 - 1 year | 265.43 | 182.38 |
| (iii) More than 1 year | - | 0.30 |
| **Sub-total (A)** | **645.34** | **544.84** |
| **International Customers:** | | |
| (i) Within Credit period | 4,350.69 | 9,410.05 |
| (ii) 0 - 1 year | 60.71 | 13,360.66 |
| (iii) More than 1 year | - | 452.75 |
| **Sub-total (B)** | **4,411.40** | **23,223.46** |
| **Grand Total (A + B)** | **5,056.74** | **23,768.30** |

Based on the assessment of the Company using past experience, wherein collections are done within a year of it being due and expectation in the future credit loss, necessary provisions have been recorded.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 6.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance):

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balance at beginning of the year | - | 657.47 |
| | | |
| Add: Allowance towards Expected credit loss provided / (written back) during the year | - | (23.74) |
| | | |
| Less: Allowances written off during the year | - | (633.73) |
| | | |
| **Balance at end of the year** | **-** | **-** |

### 7 Loans

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| **Financial assets at amortised cost** | | | | |
| **(a) Security deposits** | | | | |
| - Unsecured, considered good (Refer Note 5D) | - | 73.31 | 1.84 | 81.19 |
| - Doubtful | - | - | - | - |
| **Sub-total** | **-** | **73.31** | **1.84** | **81.19** |
| | | | | |
| **(b) Loans / Advances to related parties** | | | | |
| - Unsecured, considered good | - | - | - | - |
| - Doubtful | - | - | - | - |
| **Sub-total** | - | - | - | - |
| | | | | |
| **(c) Loans to others** | | | | |
| - Unsecured, considered good | - | - | - | - |
| - Doubtful | - | - | - | - |
| **Sub-total** | - | - | - | - |
| | | | | |
| **Total** | **-** | **73.31** | **1.84** | **81.19** |

### 8 Other financial assets

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Interest income accrued not due | - | - | - | - |
| (b) Interest receivable on Loan to Related parties | - | - | - | - |
| (c) Unbilled Revenue* | - | - | 1,704.89 | - |
| | | | | |
| Total | - | - | 1,704.89 | - |

* Classified as financial asset as right to consideration is unconditional upon passage of time

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

## 9 Other assets

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Prepaid expenses | 151.16 | 23.01 | 379.43 | 2.60 |
| (b) Advance for Acquisition | - | - | - | 4,505.80 |
| (c) Other non-financial advances | - | - | - | - |
| (d) Balances with government authorities | - | - | | |
| - GST receivables | 0.15 | - | 18.61 | - |
| (e) Capital Advances (Refer Note 5D) | - | - | - | - |
| (f) Advances to Suppliers | - | - | 1,645.34 | - |
| (g) Staff Advances | 27.59 | - | 22.00 | - |
| | | | | |
| **Total** | **178.90** | **23.01** | **2,065.38** | **4,508.40** |

## 10 Cash and cash equivalents

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Cash in hand | 0.28 | 2.29 |
| (b) Balances with Bank | | |
| (i) In Current Accounts | 793.16 | 812.45 |
| (ii) In EEFC Accounts | - | - |
| (iii) In Earmarked Accounts* | - | 0.71 |
| | | |
| **Total** | **793.44** | **815.45** |

* Earmarked balances are in respect of unpaid dividends / dividend payable

## 11 Other Bank balances

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (a) Term Deposits (between 3 to 12 months maturity) | - | - |
| **Total** | **-** | **-** |

## 12 Equity share capital

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. In Lakhs | No. of shares | Rs. In Lakhs |
| **Authorised:** | | | | |
| Fully paid equity shares of Rs. 5/- each | 6,00,00,000 | 3,000.00 | 6,00,00,000 | 3,000.00 |
| | | | | |
| **Issued, subscribed and fully paid:** | | | | |
| Fully paid equity shares of Rs. 5/- each | 3,05,17,605 | 1,525.88 | 3,05,17,605 | 1,525.88 |
| **Total** | **3,05,17,605** | **1,525.88** | **3,05,17,605** | **1,525.88** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### (i) Reconciliation of number of shares

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of shares | Rs. In Lakhs | No. of shares | Rs. In Lakhs |
| **Equity shares** | | | | |
| Balance as at beginning of the year | 3,05,17,605 | 1,525.88 | 3,05,17,605 | 1,525.88 |
| Add: Issued during the year | | | | |
| | | | | |
| **Balance as at end of the year** | **3,05,17,605** | **1,525.88** | **3,05,17,605** | **1,525.88** |

### (ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Suresh Venkatachari | 11,181,703 | 36.64% | 11,181,703 | 36.64% |
| Sandeep Tandon | 1,525,493 | 4.99% | 2,088,911 | 6.84% |

### (iv)There are no shares which are reserved for issuance and there are no securities issued / outstanding which are convertible into equity shares.

### (v) Issue of Bonus Shares during immediately preceding 5 years

| Particulars | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| No. of Bonus Equity Shares issued | - | - | - | 7,629,401 | - |

### 13 Other equity

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **(a) Securities Premium (Refer Note 13.2 below)** | | |
| Opening balance | 6,119.68 | 6,119.68 |
| Add : Premium on shares issued during the year | | - |
| Less : Issue of Bonus shares during the year | | - |
| **Closing balance** | **6,119.68** | **6,119.68** |
| | | |
| **(b) General Reserve (Refer Note 13.3 below)** | | |
| Opening balance | 195.80 | 195.80 |
| Add/Less: Current Year Movements | 14.23 | - |
| **Closing balance** | **210.03** | **195.80** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **(c) Subsidy Reserve** | | |
| Opening balance | 14.23 | 14.23 |
| Add/Less: Current Year Movements | (14.23) | - |
| **Closing balance** | **-** | **14.23** |
| | | |
| **(d) Retained Earnings (Refer Note 13.4 below)** | | |
| Opening balance | 42,788.63 | 35,610.66 |
| Add : Total Comprehensive Income for the period (Refer Note 13.1 below) | (50,181.00) | 6,878.70 |
| Less : Changes in shareholding pattern in subsidiaries | - | 299.27 |
| Less : Apportionment for Dividend | - | - |
| **Less : Dividend Distribution tax** | - | - |
| **Closing balance** | **(7,392.37)** | **42,788.63** |
| | | |
| **(e) Foreign currency translation reserve (Refer Note 13.5 below)** | | |
| Opening balance | 3,443.17 | 196.74 |
| Add: Movement during the year | (2,543.10) | 3,246.43 |
| **Closing balance** | **900.07** | **3,443.17** |
| | | |
| **(f) Capital reserve** | | |
| Opening balance | 5,145.04 | 5,446.50 |
| Add/Less: Movement during the year | (3,831.61) | (301.46) |
| **Closing balance** | **1,313.43** | **5,145.04** |
| | | |
| **Total of Other equity** | **1,150.84** | **57,706.55** |
| | | |
| **(g) Non-controlling Interest** | | |
| Opening balance | 17,301.01 | 14,723.63 |
| Add: Total Comprehensive Income for the period | (17,272.94) | 1,110.72 |
| Add: Changes in shareholding pattern | - | 449.62 |
| Add: Foreign exchange fluctuation | 421.26 | 1,017.04 |
| **Total of Non-controlling Interest** | **449.33** | **17,301.01** |

**Note:**

13.1 In accordance with Notification G.S.R 404(E), dated April 6, 2016, remeasurement of defined benefit plans is recognized as a part of retained earnings.

13.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

13.3 This represents appropriation of profit by the Company.

13.4 Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

13.5 Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 14 Borrowings

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Non-Current** (Refer Note (14.1) below) | | |
| **Borrowings measured at amortized cost:** | | |
| Secured borrowings : | | |
| (a) Term Loans | | |
| - From Banks | 207.38 | 205.48 |
| - From Other Parties (including Financial institutions) | | - |
| Unsecured borrowings: | | |
| (a) Loans from Related Parties | 4,509.82 | 5,270.79 |
| | | |
| **Total** | **4,717.20** | **5,476.27** |
| **Current** (Refer Note (14.1) below) | | |
| Secured Borrowings: | | |
| (a) Loans Repayable on Demand - From Banks | 5,281.43 | 1,804.40 |
| (b) Loan from Bank | - | 3,466.00 |
| Unsecured borrowings: | | |
| (a) Loans from Related Parties | - | 29.25 |
| **Total** | **5,281.43** | **5,299.65** |

### 14.1 Details of Term Loan from Banks / Others

The details of tenor, interest rate, repayment terms of the same are given below:

| **I - Term Loans from Indian Bank (Refer Note (i) below) - Secured** | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Original Tenor** | **Interest Rate** | **No. of Instalments outstanding as at 31 March 2020** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | 84 | 11.75% | 50 | Principal Monthly, Interest Monthly | 207.38 | 258.90 |
| | | | **Sub-Total** | | **207.38** | **258.90** |

| **II - Vehicle Loans from HDFC Bank, (Refer Note (ii) below) - Secured** | | | | | | |
|---|---|---|---|---|---|---|
| **S.No** | **Original Tenor** | **Interest Rate** | **No. of Instalments outstanding as at 31 March 2020** | **Repayment Terms** | **As at 31 March 2020** | **As at 31 March 2019** |
| 1 | 48 | 9.71% | 0 | Principal Monthly, Interest Monthly | - | 4.73 |
| | | | **Sub-Total** | | **-** | **4.73** |
| | **Total of borrowings from Banks** | | | | **207.39** | **263.63** |
| | Less : Current Maturities of long-term borrowings (Refer Note 16) | | | | - | 58.16 |
| | **Long-term Borrowings from Banks** | | | | **207.39** | **205.48** |

# Notes
forming part of the Consolidated Financial Statements for the year ended 31 March 2020

**III - Term Loans from Related Parties (Unsecured) (Refer Note (iv) below)**

| S. No | Original Tenor | Interest Rate | No. of Instalments outstanding as at 31 March 2020 | Repayment Terms | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|---|
| 1 | 6 (Refer Note (vi) below) | 10.00% | 6 | Principal Half yearly, Interest Monthly | 5,258.97 | 5,258.97 |
| 1 | 6 | 10.00% | 6 | Principal Quarterly, Interest Monthly | 1,009.82 | 1,011.82 |
| | | | **Sub-Total** | | **6,268.79** | **6,270.79** |
| | **Total of borrowings from Related Parties** | | | | **6,268.79** | **6,270.79** |
| | Less : Current Maturities of long-term borrowings (Refer Note 16) | | | | 1,758.97 | 1,000.00 |
| | **Long Term Borrowings from Related Parties** | | | | **4,509.82** | **5,270.79** |

**IV - Loans Repayable on Demand - Secured**

| S. No | Name of the bank | Interest Rate | Security Terms | Repayment Terms | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|---|
| 1 | Indian Bank | MCLR (1Y)+3.65%-0.5% | Refer Note (i) below | Loans Repayable on Demand | 1,539.95 | 1,504.40 |
| 2 | Indian Bank | Card Rate | Refer Note (i) below | Loans Repayable on Demand | - | - |
| 3 | Indian Bank | MCLR (1Y)+3.65%-0.5% | Refer Note (i) below | Loans Repayable on Demand | - | 300.00 |
| | | | **Sub-Total** | | **1,539.95** | **1,804.40** |

**V - Loans from Banks - Secured**

| S. No | Name of the bank | Interest Rate | Security Terms | Repayment Terms | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|---|
| 1 | Columbia Bank | Card Rate | Refer Note (vi) below | Loan Repayable on Demand | 3,741.48 | 3,466.00 |

**VI - Loans from Related Parties (Unsecured) (Refer Note (iv) below)**

| S. No | Name of the Related Party | Interest Rate | Repayment Terms | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|
| 1 | Suresh Ventakachari | Nil | Loans Repayable on Demand | - | 29.25 |
| | | | | **-** | **29.25** |

Notes:

(i) The details of Security provided against the Term Loans & Short term borrowings are as follows:
   (a) Indian Bank Sanctioned Term Loan of Rs. 300 lakhs and Open Cash Credit (OCC) of Rs. 1,500 lakhs ,these loans are secured against Hypothecation of Book Debts (Accounts receivable), Fixed Assets and personal guarantee of the Director.
   (b) The Property situated at 68, Eldams Road held by Mr. Suresh Venkatachari, has been provided as Collateral for the Indian Bank Loan
   (c) The loan is also further secured by pledge of 2,791,837 shares of 8K Miles Software Services Limited held by Mr. Suresh Venkatachari, KMP.

(ii) The loans are secured by hypothecation of respective vehicles financed by the Banks.

(iii) As at 31 March 2020, the Company has obtained an unsecured loan of Rs. 5,258.97 lakhs and Rs.1,009.82 lakhs from R.S. Ramani, KMP and Suresh Venkatachari, KMP respectively. The Company has obtained a declaration from the Directors that the loan has not been given out of funds borrowed or deposits accepted from others.

(iv) The audit committee vide its meeting dated April 10, 2019 has approved the revision of the repayment of installments , with the first installment commencing from June 30, 2022 on account borrowings obtained from Suresh Venkatachari as per the terms of the addendum to the orginal agreement.

(v) The audit committee vide its meeting dated February 29, 2020 has approved the revision of the repayment of installments , with the first installment commencing from June 30, 2022 on account borrowings obtained from R S Ramani (Promoter) as per the terms of the addendum to the orginal agreement.

(vi) The Line of Credit taken from Columbia Bank is secured by the following:
   (a) Accounts receivable, Equipment, General Intangibles, Fixtures of 8K Miles Software Services Inc. and NexAge Technologies USA Inc.
   (b) Commercial Guarantee provided by Suresh Venkatachari, KMP for full and punctual payment and discharge of all obligations under the Promissory Note.
   (c) Commercial Guarantee provided by 8K Miles Software Services Limited for full and punctual payment and discharge of all obligations under the Promissory Note.

# Notes

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### 15 Trade payables

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Dues of Micro and small enterprises (MSME) (Refer Note 32) | 6.97 | - | 2.92 | - |
| (b) Dues to Others | 6,109.62 | - | 8,318.66 | - |
| **Total** | **6,116.59** | **-** | **8,321.58** | **-** |

### 16 Other financial liabilities

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Current maturities of long term borrowings (Refer Note 14.1) | 1,758.97 | - | 1,058.16 | - |
| (b) Dividend Payable | 0.71 | - | 0.71 | - |
| (c) Interest accrued and due on borrowings | | | | - |
| - From Banks | - | - | 7.77 | |
| - From Related Parties (Refer Note 30) | 373.00 | - | 101.27 | |
| (d) Contingent Consideration due on Acquisition | 1,036.12 | - | 1,079.56 | - |
| (e) Unearned Revenue | - | - | 6.37 | - |
| **Total** | **3,168.80** | **-** | **2,253.84** | **-** |

### 17 Provisions

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Provision for Employee Benefits | | | | |
| - Provision for Gratuity (Refer Note 28) | 24.19 | 70.89 | 24.40 | 65.46 |
| - Provision for Compensated Absences (Refer Note 28) | 34.74 | - | 33.46 | - |
| **Total** | **58.93** | **70.89** | **57.86** | **65.46** |

### 18 Other liabilities

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non Current | Current | Non Current |
| (a) Statutory Payables | 433.19 | - | 407.31 | - |
| (b) Rent Equalisation Reserve | - | 4.39 | 6.23 | 4.39 |
| (c) Advances from Customers | 413.47 | - | 560.77 | - |
| **Total** | **846.66** | **4.39** | **974.31** | **4.39** |

### 19 Current tax liabilities (Net)

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Provision for Income Taxes (Net of Advance tax) | - | 142.14 |
| | | |
| **Total** | **-** | **142.14** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 20 Revenue from operations

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| Revenue from Information Technology Enabled Services | | |
| (a) International | 36,282.84 | 83,081.09 |
| (b) Domestic | 1,925.64 | 1,101.55 |
| Royalty income | - | 36.51 |
| | | |
| **Total** | **38,208.48** | **84,219.15** |

**Notes:**

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts and Time and material contracts. The contracts with customers requiring monthly invoicing, being significantly in line with the efforts during that period, have been categorised as time and material contracts.

### Revenue by contract type

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| (a) Fixed-price (Domestic) | 12.55 | 27.65 |
| (b) Time and materials (Domestic) | 487.42 | 1,073.90 |
| (c) Time and materials (International) | 37,708.51 | 83,081.09 |
| **Total** | **38,208.48** | **84,182.64** |

(i) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in IND AS - 115, the Company has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

### 21 Other income

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | |
| (a) Interest Income | | |
| - On Term Deposits | - | 2.23 |
| - On Loans | - | 335.81 |
| (b) Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss | - | 9.90 |
| (c) Gains on Foreign Exchange Fluctuations (Net) | 300.35 | 420.08 |
| (d) Allowances for Expected Credit Loss reversed (Refer Note 6) | - | 23.74 |
| (e) Miscellaneous Income | 134.62 | 27.66 |
| **Total** | **434.97** | **819.42** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

## 22 Employee benefits expense

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| | | | |
| (a) | Salaries and wages, including bonus | 20,561.77 | 28,309.26 |
| (b) | Gratuity Expenses (Refer Note 28) | 24.21 | 35.19 |
| (c) | Contribution to Provident Fund (Refer Note 28) | 44.62 | 43.75 |
| (d) | Staff welfare expenses | 527.80 | 664.31 |
| | | | |
| | **Total** | **21,158.40** | **29,052.51** |

## 23 Other expenses

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| | | | |
| (a) | Professional and Consultancy Charges | 10,112.43 | 27,474.24 |
| (b) | Traveling and logistics expenses | 645.46 | 1,267.61 |
| (c) | Power and Fuel | 25.85 | 29.79 |
| (d) | Rent (Refer Note 26 and 27) | 487.68 | 657.06 |
| (e) | Repairs and maintenance | 25.90 | 61.31 |
| (f) | Insurance expenses | 66.87 | 75.44 |
| (g) | Fees, Rates and taxes | 24.26 | 27.16 |
| (h) | Sales and Marketing Expenses | 58.09 | 249.35 |
| (i) | Cloud Hosting and Communication Charges | 3,322.35 | 3,559.55 |
| (j) | Business Promotion Expenses | 2,782.31 | 4,110.10 |
| (k) | Audit Fees | | |
| | Payments to statutory auditors towards: | | |
| | (a) Statutory Audit | 35.00 | 35.00 |
| | (b) Tax Audit | - | - |
| | (c) Limited Review | 4.50 | 4.50 |
| | (d) Other Services | 16.00 | 16.00 |
| | (e) Reimbursement of out of pocket expenses | 0.82 | 0.82 |
| | Payments to other auditors towards: | | |
| | (a) Audit of financial statements | 22.26 | 39.90 |
| (l) | Bank Charges | 154.26 | 132.78 |
| (m) | Directors' Sitting Fees (Refer Note 30) | 3.31 | 3.20 |
| (n) | Bad Receivables Written off | 1,673.50 | 754.71 |
| | Less: Release of allowance for expected credit losses | - | (633.73) |
| | | 1,673.50 | 120.98 |
| (o) | Recruitment Expenses | 62.15 | 105.55 |
| (p) | Loss on Sale of Assets | - | 0.36 |
| (q) | Miscellaneous expenses | 380.01 | 250.16 |
| | | | |
| | **Total** | **19,903.10** | **38,220.86** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

## 24 Finance costs

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| (a) | Interest cost:- | | |
| | (i) Interest on bank overdrafts, open cash credits and loans (other than those from related parties) | 664.26 | 490.72 |
| | (ii) Interest on loans from related parties | 638.39 | 563.08 |
| | (iii) Others | - | 15.80 |
| (b) | Processing fee | - | 49.55 |
| (c) | Interest on delayed remittance of income tax | - | 43.34 |
| | **Total** | **1,302.65** | **1,162.49** |

## 25 Earnings Per Share

The earnings and weighted average number of ordinary equity shares used in the calculation of basic and diluted earnings per share are as follows:

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit for the year attributable to equity shareholders of the Company (Amount Rs. in Lakhs) | (50,178.22) | 6,871.77 |
| Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS | 30,517,605 | 30,517,605 |
| Nominal value of equity shares (in Rs.) | 5.00 | 5.00 |
| | | |
| Basic EPS (in Rs.) | (164.42) | 22.52 |
| Diluted EPS (in Rs.) | (164.42) | 22.52 |

## 25 A Exceptional Item

Exceptional items include the following:

a) Based on recommendation of techinical experts and after evaluation of the expected foreseeable economic benefits, written off internally generated software amounting to Rs 52,064.55 Lacs.

b) An advance amounting to Rs 4,505.80 Lacs made towards a target acquisition and other receivables amounting to Rs 5,923.60 Lacs have been written off as unrecoverable due to unforeseen economic conditions caused by COVID-19.

## 26 Lease Arrangements

### Operating Leases

The Group has entered into operating lease agreements primarily for Office premises. An amount of Rs. 487.68 lakhs (Previous Year - Rs. 657.06 lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The leases are non cancellable for periods of 1 to 5 years and may be renewed based on mutual agreement of the parties.

The future minimum lease payments for office premises under operating lease contracted are as follows:

(Amount Rs. in Lakhs)

| Lease Obligation | Expected Minimum Lease Commitment | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| | | |
| Payable - Not later than one year | 274.95 | 371.12 |
| Payable - Later than one year but not later than five years | 427.59 | 629.59 |
| Payable - Later than five years | - | - |
| **Total** | **702.54** | **1,000.71** |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 27 Commitments and Contingencies

(Amount Rs. in Lakhs)

| | Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **A.** | **Contingent Liabilities** | | |
| | (a) Claims against the company not acknowledged as debts | - | - |
| | (b) Income tax - Disputed (Refer Note (i) below) | 94.98 | 94.98 |
| | | | |
| | **Total (A)** | **94.98** | **94.98** |
| | | | |
| **B.** | **Commitments** | | |
| | (a) Estimated amount of contracts remaining to be executed on capital account & not provided for (Refer Note (ii) below) | - | 129.81 |
| | (b) Others | - | - |
| | | | |
| | **Total (B)** | **-** | **129.81** |

**Note:**

(i) The amounts shown above as Contingent Liabilities and other disputed claims represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Company expects a favorable decision with respect to all the above disputed demands / claims based on professional advice and, accordingly, believes that no specific adjustment/provision is required in respect of these matters at this stage.

### 28 Employee benefits

#### (I) Defined Contribution Plan

The Company makes contribution to a defined contribution plan, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the plan by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Included under 'Contributions to Provident and other Funds' (Refer Note 23 (c) )** | | |
| Contributions to Employee state insurance | 2.39 | 7.96 |
| Contributions to provident funds | 42.23 | 35.79 |

#### (II) Defined Benefit Plans:

The Company offers ‘Gratuity’ (Refer Note 22 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company’s obligation towards its gratuity liability is a defined benefit plan.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

**Description of Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**A) Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**B) Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**C) Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**D) Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020 by Mithras Consultants, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

**(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Components of defined benefit cost for the year ended recognised in the total comprehensive income under employee benefit expense is as follows** | | |
| | | |
| Service Cost | | |
| - Current Service Cost | 18.38 | 29.68 |
| - Past service cost and (gains)/losses from settlements | | - |
| Net interest expense | 5.81 | 5.51 |
| | | |
| **Components of defined benefit costs recognised in profit or loss** | **24.19** | **35.19** |
| | | |
| Remeasurement on the net defined benefit liability: | | |
| | | |
| Return on plan assets (excluding amount included in net interest expense) | | - |
| Actuarial gains and loss arising form changes in financial assumptions | 6.77 | (1.46) |
| Actuarial gains and loss arising form experience adjustments | (1.24) | (4.42) |
| Actuarial gains and loss arising form changes in demographic assumptions | (2.76) | (3.86) |
| | | |
| **Components of defined benefit costs recognised in other comprehensive income** | **2.78** | **(9.76)** |
| | | |
| **Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income** | **26.97** | **25.43** |

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Gratuity Expenses".

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

# Notes

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**(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :**

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **I. Net Asset/(Liability) recognised in the Balance Sheet** | | |
| 1. Present value of defined benefit obligation | 108.74 | 89.86 |
| 2. Fair value of plan assets | | - |
| 3. Surplus/(Deficit) | (108.74) | (89.86) |
| 4. Current portion of the above | (30.57) | (24.40) |
| 5. Non current portion of the above | (78.17) | (65.46) |

**(c) Movement in the present value of the defined benefit obligation are as follows :**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Change in the obligation** | | |
| Present value of defined benefit obligation at the beginning of the year | 89.84 | 69.92 |
| Expenses Recognised in Statement of Profit and Loss: | | |
| - Current Service Cost | 18.38 | 29.68 |
| - Past Service Cost and (gains)/losses from settlements | | - |
| - Interest Expense (Income) | 5.81 | 5.51 |
| Recognised in Other Comprehensive Income: | | |
| Remeasurement gains / (losses) | | |
| - Actuarial Gain (Loss) arising from: | | |
| i. Demographic Assumptions | (2.76) | (3.86) |
| ii. Financial Assumptions | 6.77 | (1.46) |
| iii. Experience Adjustments | (1.24) | (4.42) |
| Benefit payments | (8.09) | (5.51) |
| Liabilities assumed / (settled) | | |
| **Present value of defined benefit obligation at the end of the year** | **108.73** | **89.86** |

**(d) Movement in fair value of plan assets are as follows :**

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Change in fair value of assets** | | |
| Fair value of plan assets at the beginning of the year | - | - |
| Expenses Recognised in Statement of Profit and Loss: | | |
| - Expected return on plan assets | - | - |
| Recognised in Other Comprehensive Income: | | |
| Remeasurement gains / (losses) | | |
| - Actuarial gains and loss arising form changes in financial assumptions | - | - |
| - Return on plan assets (excluding amount included in net interest expense) | - | - |
| Contributions by employer | 5.51 | 5.51 |
| Benefit payments | (5.51) | (5.51) |
| **Fair value of plan assets at the end of the year** | **-** | **-** |

# Notes

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**(e) The principal assumptions used for the purpose of actuarial valuation were as follows :**

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Discount rate | 6.60% | 7.62% |
| Expected rate of salary increase | Refer Table below | Refer Table below |
| Withdrawal Rate | Refer Table below | Refer Table below |
| Expected return on plan assets | NA | NA |
| Expected average remaining working life (in years) | 35.49 | 35.36 |
| Mortality | 100% of IALM 2012-14* | 100% of IALM 2006-08* |

* Based on India's standard mortality table (100% of industry mortality table IALM 2012-14 & 100% of industry mortality table IALM 2006-08 for FY.2019-20 & FY.2018-19 respectively

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Above Year 5 |
|---|---|---|---|---|---|---|
| **For the Year Ended 31 March 2020** | | | | | | |
| Expected rate of salary increase | 9.50% | 10.02% | 10.15% | 11.66% | 9.00% | 7.86% |
| Withdrawal Rate | 27.00% | 23.00% | 15.00% | 12.00% | 10.00% | 10.00% |
| **For the Year Ended 31 March 2019** | | | | | | |
| Expected rate of salary increase | 8.25% | 10.02% | 10.15% | 11.66% | 9.00% | 7.86% |
| Withdrawal Rate | 23.00% | 20.00% | 15.00% | 12.00% | 10.00% | 10.00% |

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected rate of salary increase and Withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Amount of Impact** | | |
| Discount Rate | | |
| - 0.5% Increase | (2.78) | (2.31) |
| - 0.5% Decrease | 2.99 | 2.48 |
| Salary Growth Rate | | |
| - 1% Increase | 5.02 | 4.27 |
| - 1% Decrease | (4.60) | (4.01) |
| Withdrawal Rate | | |
| - 1% Increase | (1.08) | (0.69) |
| - 1% Decrease | 1.13 | 0.68 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(III) Compensated Absences**

Provision for Short Term Compensated Absences is made at current encashable salary rates for the unavailed leave balance standing to the credit of the employees as at the date of the Balance Sheet in accordance with the rules of the Group.

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**29 Financial Instruments**

**(I) Capital Management**

The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance. The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The Group ensures that it will be able to continue as a going concern while maximising its returns to its shareholders by managing its capital by optimisation of the debt and equity balance. The following table summarises the capital of the Group:

**Gearing Ratio :**

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Debt (includes Borrowings and interest accrued and due/not due on borrowings) | 12,130.60 | 11,943.12 |
| Cash and Bank Balances (includes Cash and Cash equivalents and Other Bank Balances) | (793.44) | (815.45) |
| **Net Debt** | **11,337.16** | **11,127.67** |
| Total Equity | 2,676.72 | 59,232.43 |
| **Net Debt to Equity ratio** | **4.23** | **0.18** |

**(II) Categories of Financial Instruments**

The carrying value of financial instruments by categories as at 31 March 2020, and 31 March 2019 is as follows:

(Amount Rs. in Lakhs)

| Particulars | Carrying Value | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| **(a) Financial Assets** | | |
| **Measured at amortised cost** | | |
| - Cash and Cash Equivalents | 793.44 | 815.45 |
| - Other Bank Balances | - | - |
| - Trade receivables | 5,056.74 | 23,768.30 |
| - Loans | 73.31 | 83.03 |
| - Other financial assets | - | 1,704.89 |
| **Total assets** | **5,923.49** | **26,371.67** |
| **(b) Financial Liabilities :** | | |
| **Measured at amortised cost** | | |
| - Borrowings | 9,998.63 | 10,775.92 |
| - Trade Payables | 6,116.59 | 8,321.58 |
| - Other financial liabilities | 3,168.80 | 2,253.84 |
| **Total liabilities** | **19,284.02** | **21,351.34** |

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and labilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value/ amortised cost:

a) Long-term fixed-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

# Notes

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b) Fair values of the Group's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2020 was assessed to be insignificant.

c) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financials instruments recognised at fair value.

**(III) Financial Risk Management Framework**

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including currency, interest rate and other market related risks). The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Chief Financial Officer is responsible for overseeing the Group's risk assessment and management policies and processes.

**(a) Liquidity Risk Management :**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods and the maturity periods of its financial assets. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**Liquidity exposure as at :**
**Maturity table of financial liabilities**

(Amount Rs. in Lakhs)

| Particulars | Within 1 year | 1 to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **31 March 2020** | | | | |
| **Non-derivative financial liabilities:** | | | | |
| **Variable Interest rate instruments:** | | | | |
| (i) Borrowings | 5,281.43 | 4,717.20 | - | **9,998.63** |
| **Non-Interest bearing:** | | | | |
| (i) Trade payables | 6,116.59 | - | - | **6,116.59** |
| (ii) Other financial liabilities | 3,168.80 | - | - | **3,168.80** |
| **Total** | **14,566.82** | **4,717.20** | **-** | **19,284.02** |
| **31 March 2019** | | | | |
| **Non-derivative financial liabilities:** | | | | |
| Variable Interest rate instruments: | | | | |
| (i) Borrowings | 5,299.65 | 5,476.27 | - | 10,775.92 |
| **Non-Interest bearing:** | | | | |
| (i) Trade payables | 8,321.58 | - | - | **8,321.58** |
| (ii) Other financial liabilities | 2,253.84 | - | - | 2,253.84 |
| **Total** | **15,875.07** | **5,476.27** | **-** | **21,351.34** |

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The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**Maturity table of financial assets**

(Amount Rs. in Lakhs)

| Particulars | Within 1 year | 1 to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **As at 31 March 2020** | | | | |
| **Non derivative assets:** | | | | |
| **Non-interest bearing :** | | | | |
| (i) Trade receivables | 5,056.74 | - | - | 5,056.74 |
| (ii) Unbilled Revenue | - | - | - | - |
| (iii) Cash and cash equivalents | 793.44 | - | - | 793.44 |
| (iv) Loans | 73.31 | - | - | 73.31 |
| (v) Other financial assets | - | - | - | - |
| **Total** | **5,923.49** | **-** | **-** | **5,923.49** |
| | | | | |
| **As at 31 March 2019** | | | | |
| **Non derivative assets** | | | | |
| | | | | |
| Non-interest bearing : | | | | |
| (i) Trade receivables | 23,768.30 | - | - | 23,768.30 |
| (ii) Cash and cash equivalents | 815.45 | - | - | 815.45 |
| (iii) Loans | 1.84 | 81.19 | - | 83.03 |
| (iv) Other financial assets | 1,704.89 | - | - | 1,704.89 |
| **Total** | **26,290.48** | **81.19** | **-** | **26,371.67** |

**(b) Credit Risk :**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Trade receivables: The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**(c) Market Risk :**

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term debt. The Group is exposed to market risk primarily related to foreign exchange

# Notes

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currency risk and interest rate risk. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**i. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages this by considering only short-term borrowings.

**ii. Foreign exchange rate risk:**

The Group's foreign currency risk arises from its foreign currency revenues and expenses, (primarily in USD). A significant portion of the Group's revenues is in USD, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Group's revenues measured in Indian rupees may decrease and vice versa. The exchange rate between the Indian rupee and US Dollar has not been subjected to significant changes in recent periods. The Group has a forex policy in place whose objective is to reduce foreign exchange risk by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

| Particulars | Currency | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | Amount in Foreign Currency (In Lakhs) | Reporting Currency Rs. in Lakhs | Amount in Foreign Currency (In Lakhs) | Reporting Currency Rs. in Lakhs |
| Trade Payables | USD | 70.23 | 5,249.04 | 115.57 | 8,011.50 |
| | AED | 1.24 | 25.22 | 3.10 | 58.40 |
| Borrowings | USD | 50.06 | 3,741.48 | 50.42 | 3,495.25 |
| Foreign Currency in Hand & In Bank | USD | 10.51 | 785.62 | 10.50 | 728.04 |
| | AED | 0.01 | 0.22 | 0.12 | 2.21 |
| Trade Receivables | USD | 59.19 | 4,424.09 | 268.00 | 18,577.97 |
| | AED | - | - | 246.18 | 4,645.49 |
| Security Deposits | USD | - | - | 0.53 | 36.51 |
| Staff Advances (net) | USD | 0.50 | 37.41 | 0.41 | 28.13 |
| Unbilled Revenue | USD | - | - | 24.59 | 1,704.89 |
| Contingent Consideration due on Acquisition | USD | - | - | 15.57 | 1,079.56 |

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by derivative instruments or otherwise.

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**Foreign Currency sensitivity analysis:**

The following table details the Group's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

The Group is mainly exposed to the following foreign currencies.

### (i) Impact on Statement of the Profit and loss for the year

(Amount Rs. in Lakhs)

| Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | Increase by 5% | Decrease by 5% | Increase by 5% | Decrease by 5% |
| USD | (187.17) | 187.17 | 442.47 | (442.47) |
| AED | (1.25) | 1.25 | 229.46 | (229.46) |

### (ii) Impact on total equity as at the end of the reporting period

(Amount Rs. in Lakhs)

| Particulars | 2019-20 | | 2018-19 | |
|---|---|---|---|---|
| | Increase by 5% | Decrease by 5% | Increase by 5% | Decrease by 5% |
| USD | (187.17) | 187.17 | 442.47 | (442.47) |
| AED | (1.25) | 1.25 | 229.46 | (229.46) |

**Note:**

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

### 30 Related Party Disclosures

#### a. Names of Related Parties and Nature of Relationship

| Nature of Relationship* | For the Year Ended 31 March 2020 | For the Year Ended 31 March 2019 |
|---|---|---|
| Enterprises significantly influenced by Key Managerial Personnel or their relative ## | 8K Miles Media Group and its subsidiaries (Including South Asian Digital Media & Entertainment Private Limited [Formerly known as '8K Miles Media Private Limited']) | 8K Miles Media Group and its subsidiaries (Including South Asian Digital Media & Entertainment Private Limited [Formerly known as '8K Miles Media Private Limited']) |
| Close member of the family of a Key Managerial Personnel# | Ravichandran Srinivasan | Ravichandran Srinivasan |
| Close member of the family of a Key Managerial Personnel# | Gautham Gurumurthi | Gautham Gurumurthi |
| Entity which is controlled or jointly controlled by Close member of the family of a Key Managerial Personnel | Sustainable Certification (India) Private Limited | Sustainable Certification (India) Private Limited |

* Related Party relationships are as identified by the Management.

# The Company had in the previous year missed disclosing particulars of Related Party Transactions and has made the necessary disclosures in the current year for the comparable period

## Particulars of related parties disclosed to the extent there were transactions with such parties during the year.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### b. Key Management Personnel

| Particulars | For the Year Ended 31 March 2020 | For the Year Ended 31 March 2019 |
|---|---|---|
| Key Management Personnel of the Company and the Holding Company | Suresh Venkatachari, Managing Director | Suresh Venkatachari, Managing Director |
| | R S Ramani, Director (Till November 2, 2019) | R S Ramani (Till September 28, 2018 - Whole Time Director and Chief Financial Officer) (From September 29, 2018 - Non-Executive Director |
| | Gurumurthi Jayaraman, Director (Till October 23, 2019) | Swasti Sovan Bhowmick, Chief Financial Officer (w.e.f. February 13, 2019) |
| | Lakshmanan Kannappan, Director | Gurumurthi Jayaraman, Director |
| | Padmini Ravichandran, Director (Till July 30, 2020) | Padmini Ravichandran, Director |
| | Babita Singaram, Director | Babita Singaram, Director |
| | Dinesh Raja Punniamurthy, Director | Dinesh Raja Punniamurthy, Director |
| | Raghunathan Aravamuthan (Vacated office on November 30, 2019) | Lakshmanan Kannappan, Director |
| | Vivek Prakash, Director (Till December 20, 2020) | Sujatha Chandrasekaran, Director (upto July 17, 2018) |
| | Desikan Balaji (w.e.f December 20, 2019) | Vivek Prakash, Director (w.e.f. July 17, 2018) |
| | Swasti Sovan Bhowmick, Chief Financial Officer (Till April 30, 2020) | Jayashree Jagannathan, Company Secretary (upto May 30, 2018) |
| | Diya Venkatesan (Till July 1, 2020) | Ashwin Jayagopal, Company Secretary (w.e.f May 30, 2018 and upto February 13, 2019) |

### c. Particulars of Material Transactions and Balances with Related Parties:

(Amount Rs. in Lakhs)

| Transaction during the year | Related Party | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---:|---:|
| Interest Income | 8K Miles Media Group and its subsidiaries | - | 335.81 |
| Interest Received | 8K Miles Media Group and its subsidiaries | - | 1,067.58 |
| Interest on Loans | R S Ramani | 526.47 | 504.82 |
| Interest on Loans | Suresh Venkatachari | 112.21 | 58.26 |
| Rent | Suresh Venkatachari | - | 142.38 |
| Adjustment of cost incurred towards capital work-in-progress and advances paid with Loans (Refer note 5D) | Suresh Venkatachari | - | 243.20 |
| Adjustment of security deposits (rent) paid with Loans (Refer note 5D) | Suresh Venkatachari | - | 140.00 |
| Adjustment of interest recoverable from 8K Miles Media Group with Loans | Suresh Venkatachari | | 47.70 |
| Consultancy Charges | Sustainable Certification (India) Private Limited | - | 3.64 |
| Loans (Refer note 14.1) | Suresh Venkatachari | | 1,413.16 |
| Loans (Refer note 14.1) | R S Ramani | - | 1,509.00 |
| Loans / Advance given | 8K Miles Media Private Limited | | - |
| | 8K Miles Media Group and its subsidiaries | | 1,454.79 |

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### Compensation of key management personnel

| Transaction | Related Party | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Transactions during the Year** | | | |
| **Short-term employee benefits** | | | |
| Remuneration | R S Ramani (Refer Note (ii) & (iii) below) | - | 26.67 |
| | Suresh Venkatachari | 175.01 | 167.42 |
| | Lakshmanan Kannappan | | 92.08 |
| | Ravichandran Srinivasan (Refer Note (ii) below) | 44.10 | 43.70 |
| | Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below) | 75.00 | 24.01 |
| | Jayashree Jagannathan (Refer Note (ii) & (iii) below) | - | 0.50 |
| | Ashwin Jayagopal (Refer Note (ii) & (iii) below) | - | 7.07 |
| Directors' sitting fees | Gurumurthi Jayaraman | 0.35 | 1.03 |
| | Padmini Ravichandran | 0.50 | 0.45 |
| | Babita Singaram | 0.73 | 0.70 |
| | Raghunathan | 0.20 | - |
| | Vivek Prakash | 0.05 | 0.15 |
| | R S Ramani | 0.15 | 0.08 |
| | Dinesh Raja Punniamurthy | 1.33 | 0.80 |

### Balances at the Year End

| Balances outstanding | Related Party | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| Other liabilities as at the Year End (Net) | Suresh Venkatachari - Rent Payable | - | 10.30 |
| | Suresh Venkatachari - Interest Payable | 0.17 | 31.28 |
| | R S Ramani - Interest Payable | 372.84 | 69.99 |
| Security Deposits (Rent) (Refer note 5D) | Suresh Venkatachari | - | - |
| Loans (Refer note 5D and 14.1) | R S Ramani | 5,258.97 | 5,258.97 |
| | Suresh Venkatachari | 1,009.82 | 1,041.07 |
| Loans/ Advances | 8K Miles Media Group and its subsidiaries | | - |
| Interest Receivable | 8K Miles Media Group and its subsidiaries | | - |
| Remuneration Payable (Short term benefit) | Suresh Venkatachari - Salary Payable | - | 9.35 |
| | Lakshmanan Kannappan - Salary Payable | - | 1.71 |
| | Ravichandran Srinivasan - Salary Payable (Refer Note (ii) below) | - | 2.12 |
| | Gautham Gurumurthi - Salary Payable | - | 5.03 |
| | R S Ramani - Salary Payable (Refer Note (ii) & (iii) below) | - | - |
| | Swasti Sovan Bhowmick (Refer Note (ii) & (iii) below) | - | 4.98 |
| | Jayashree Jagannathan (Refer Note (ii) & (iii) below) | - | - |
| | Ashwin Jayagopal (Refer Note (ii) & (iii) below) | - | 0.42 |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

**Notes:**

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2020 and 31 March 2019, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Excludes gratuity and compensated absences which cannot be separately identifiable from the composite amount advised by the actuary.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

(v) The Company has provided Corporate Guarantee amounting to USD 5 million during the year ended 31 March 2020 to Columbia Bank for loans taken by 8K Miles Software Services Inc., a subsidiary and NexAge Technologies Inc. USA, a step down subsidiary of the Company.

(vi) Also Refer Note 5D and 14.1

### 31 Segment Reporting

The Group is engaged in Information and Technology Services. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by the overall business / operating segment.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

### 31.1 Geographical Information:

The Group has operations within India as well as in other countries. The operations in United States of America constitute the major part of the operations. Management has reviewed the geographical areas vis-à-vis the risks and returns that encompass them. While arriving at this, management has reviewed the similarity of the economic and political conditions, relationships between operations in these geographical areas, proximity of operations, and special risks if any associated with operations in these areas.

(Amount Rs. in Lakhs)

| Particulars | Revenue from operations | |
|---|---|---|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| USA | 36,282.84 | 74,937.01 |
| Middle East and North America (MENA) | - | 8,135.60 |
| India | 1,919.13 | 1,138.06 |
| Others | 6.51 | 8.48 |
| **Total** | **38,208.48** | **84,219.15** |

(Amount Rs. in Lakhs)

| Particulars | Non - Current Assets * | |
|---|---|---|
| | As at 31 March 2020 | As at 31 March 2019 |
| USA | 18,099.24 | 62,406.20 |
| Middle East and North America (MENA) | - | 5,737.27 |
| India | 153.68 | 64.27 |
| **Total** | **18,252.92** | **68,207.74** |

* Non-current assets exclude those relating to deferred tax assets and Non-current financial assets.

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### 32 Additional Information to the Financial Statements

### 32.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which has been relied upon by the Auditors, the relevant particulars are furnished below.

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| (i) Principal amount remaining unpaid to MSME suppliers as on | 6.97 | 2.92 |
| (ii) Interest due on unpaid principal amount to MSME suppliers as on | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act) | - | - |
| (v) The amount of interest accrued and remaining unpaid as at the Balance sheet date | - | - |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | - |

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 33 Taxation

### 33.1 Income tax expense

### 33.1.1 Recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Current Tax:** | | |
| In respect of the current year | - | 1,300.58 |
| Adjustments in respect of prior years | | - |
| | **-** | **1,300.58** |
| **Deferred Tax** | | |
| In respect of the current year | 279.06 | 359.81 |
| | **279.06** | **359.81** |
| **Total income tax expense recognised in statement of profit and loss** | **279.06** | **1,660.39** |

### 33.1.2 Recognised in Other Comprehensive Income

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Deferred Tax** | | |
| Remeasurements of the defined benefit liabilities/ (asset) | 0.80 | (2.81) |
| **Total income tax recognised in other comprehensive income** | **0.80** | **(2.81)** |
| | | |
| Bifurcation of the income tax recognised in other comprehensive income into:- | | |
| Items that will not be reclassified to profit or loss | 0.80 | (2.81) |
| Items that may be reclassified to profit or loss | - | - |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 33.1.3 Reconciliation of income tax

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit before tax | (67,172.10) | 9,642.88 |
| Enacted income tax rate in India | 27.82% | 27.82% |
| Enacted income tax rate in USA | 21.00% | 21.00% |
| | | |
| **Computed expected tax expense** | **-** | **1,833.72** |
| Adjustments : | | |
| - Prior period Tax | - | - |
| - Impact of differential tax rate for capital gains | - | - |
| - On account of permanent disallowance in accordance with Income Tax Act, 1961 | - | 13.10 |
| - On account of tax rate changes and others | - | (186.43) |
| | | |
| **Total income tax expense recognised in the statement of profit and loss** | **-** | **1,660.39** |

### 33.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

(Amount Rs. in Lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Deferred tax assets | (671.02) | 60.89 |
| Less: Deferred tax liabilities | 220.12 | 731.91 |
| **Deferred tax asset (net)** | **(891.14)** | **(671.02)** |

**Movement in the deferred tax balance :**

(Amount Rs. in Lakhs)

| Particulars | For the year 2019-2020 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Depreciation on Property, Plant and Equipment & Others | 23.48 | 3.40 | | 26.88 |
| Employee Benefit Expenses | 34.31 | 5.61 | (0.80) | 39.12 |
| Allowance for Expected Credit Loss on Financial Assets | - | | | - |
| Amortised Cost adjustments - Financial Assets | 0.16 | (0.07) | | 0.09 |
| Amortised Cost adjustments - Financial Liabilities | - | | | - |
| Rent Equalisation | 2.93 | (1.76) | | 1.17 |
| Amortisation of acquired intangibles reversed | (731.90) | (226.50) | | (958.39) |
| | | | | |
| **Deferred tax (liabilities) (net)** | **(671.02)** | **(219.32)** | **(0.80)** | **(891.14)** |

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**Movement in the deferred tax balance :**

(Amount Rs. in Lakhs)

| Particulars | For the year 2018-2019 | | | |
|---|---|---|---|---|
| | Opening Balance | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Depreciation on Property, Plant and Equipment & Others | 24.81 | (1.33) | - | 23.48 |
| Employee Benefit Expenses | 26.25 | 10.87 | (2.81) | 34.31 |
| Allowance for Expected Credit Loss on Financial Assets | 181.15 | (181.15) | - | - |
| Amortised Cost adjustments - Financial Assets | 0.61 | (0.45) | - | 0.16 |
| Amortised Cost adjustments - Financial Liabilities | (2.63) | 2.63 | - | - |
| Rent Equalisation | 3.43 | (0.50) | - | 2.93 |
| Amortisation of acquired intangibles reversed | (542.02) | (189.88) | - | (731.90) |
| | | | | |
| **Deferred tax (liabilities) (net)** | **(308.40)** | **(359.81)** | **(2.81)** | **(671.02)** |

**35 Additional Information as per Schedule III to the Companies Act, 2013**
**(a) For the year ended 31 March 2020**

| Particulars | Net Assets, i.e., Total Assets Minus Total Liabilities | | Share of Profit or (Loss) for the year ended 31 March 2020 | | Share of Other Comprehensive income for the year ended 31 March 2020 | | Share of Total Comprehensive income / (loss) for the year ended 31 March 2020 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated Net Assets | Amount Rs. in Lakhs | As a % of Consolidated Profit or (Loss) | Amount Rs. in Lakhs | As a % of Consolidated Other Comprehensive income | Amount Rs. in Lakhs | As a % of Consolidated Total Comprehensive income | Amount Rs. in Lakhs |
| Parent: 8K Miles Software Services Limited | (102.82%) | (3,213.85) | (24.84%) | (16,758.33) | 100.00% | (2,547.06) | (29.74%) | (19,305.39) |
| Subsidiaries - Foreign | | | | | | | | |
| (i) 8K Miles Software Services Inc. | 142.64% | 4,458.55 | 74.29% | 50,113.25 | - | - | 77.21% | 50,113.25 |
| (ii) 8K Miles Health Cloud Inc. | 46.58% | 1,455.93 | 16.67% | 11,246.75 | - | - | 17.33% | 11,246.75 |
| (iii) 8K Miles Software Services FZE | (0.80%) | -25.00 | 1.99% | 1,343.73 | - | - | 2.07% | 1,343.73 |
| (iv) Mentor Minds Solutions & Services Inc. | | - | 6.28% | 4,234.80 | - | - | 6.52% | 4,234.80 |
| (v) Healthcare Triangle Pvt ltd | 0.03% | 0.81 | 0.00% | | | | | - |
| Non-Controlling Interest in 8K Miles Software Services Inc. | 14.38% | 449.33 | 25.61% | 17,272.94 | - | - | 26.61% | 17,272.94 |
| | | | | | | | | |
| Total | 100.00% | 3,125.77 | 100.00% | 67,453.32 | 100% | (2,547.06) | 100% | 64,906.07 |

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### (b) For the year ended 31 March 2019

| Particulars | Net Assets, i.e., Total Assets Minus Total Liabilities | | Share of Profit or (Loss) for the year ended 31 March 2019 | | Share of Other Comprehensive income for the year ended 31 March 2019 | | Share of Total Comprehensive income / (loss) for the year ended 31 March 2019 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated Net Assets | Amount Rs. in Lakhs | As a % of Consolidated Profit or (Loss) | Amount Rs. in Lakhs | As a % of Consolidated Other Comprehensive income | Amount Rs. in Lakhs | As a % of Consolidated Total Comprehensive income | Amount Rs. in Lakhs |
| Parent: 8K Miles Software Services Limited | (7.37%) | (5,641.94) | (17.36%) | (1,385.41) | 100.00% | 3,253.36 | 16.62% | 1,867.95 |
| Subsidiaries - Foreign | | | | | | | | |
| (i) 8K Miles Software Services Inc. | 61.76% | 47,267.35 | 68.12% | 5,437.32 | - | - | 48.39% | 5,437.32 |
| (ii) 8K Miles Health Cloud Inc. | 7.87% | 6,029.75 | 25.44% | 2,030.21 | - | - | 18.07% | 2,030.21 |
| (iii) 8K Miles Software Services FZE | 15.13% | 11,577.27 | 9.89% | 789.65 | - | - | 7.03% | 789.65 |
| (iv) Mentor Minds Solutions & Services Inc. | 0.00% | - | 0.00% | - | - | - | 0.00% | - |
| Non-Controlling Interest in 8K Miles Software Services Inc. | 22.61% | 17,301.01 | 13.91% | 1,110.72 | - | - | 9.89% | 1,110.72 |
| | | | | | | | | |
| **Total** | **100.00%** | **76,533.44** | **100.00%** | **7,982.49** | **100%** | **3,253.36** | **100%** | **11,235.85** |

### 36 Corporate Social Responsibility

(Amount Rs. in Lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Gross amount required to be spent by the Company during the year | - | - |
| Amount spent during the year | - | - |
| Amounts pending to be spent | - | - |

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company is in the process of spending the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

# Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2020

### 37 Approval of Financial Statements

In connection with the preparation of the consolidated financial statements for the year ended 31 March 2020, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on August 18, 2020 in accordance with the provisions of Companies Act, 2013.

In terms of our report attached.
For **K Gopal Rao & Co.,**
Chartered Accountants

**CA Bashyakar Mattapalli**
Partner

Place : Chennai
Date: August 18, 2020

**For and on behalf of the Board of Directors**

**Suresh Venkatachari**
Managing Director

**Dinesh Raja Punniamurthy**
Director

**R Thyagarajan**
Chief Financial Officer

**G Sri Vignesh**
Company Secretary

Place : Chennai
Date: August 18, 2020

# Subsidiary Financial Information

Extracted from the individual financial statements of the respective entities compiled under the respective country GAAP

(Amount Rs. in Lakhs)

| Particulars | 8K Miles Software Services Inc. USA | 8K Miles Software Services FZE UAE *ceased operations w.e.f 29 Feb 2020 | 8K Miles Health Cloud Inc. USA | Mentor Minds Solutions & Services Inc. USA | Healthcare Triangle Pvt Ltd |
|---|---|---|---|---|---|
| Reporting Currency | USD | AED | USD | USD | INR |
| Exchange rate at tlast date of Financial Year | 74.74 | 20.34 | 74.74 | 74.74 | 1 |
| Average Exchange Rate | 70.78 | 19.27 | 70.78 | 70.78 | 1 |
| Financial Year ended on | 31 Mar 20 | 31 Mar 20 | 31 Mar 20 | 31 Mar 20 | 31 Mar 20 |
| Share Capital | 24.05 | 30.51 | 1.94 | 0.75 | 1.00 |
| Reserves & Surplus | 5,520.69 | (55.51) | 1,453.99 | (0.75) | - |
| Total Equity | 5,544.74 | (25.00) | 1,455.93 | - | 1.00 |
| Current Liablities | 7,907.86 | - | 684.16 | - | - |
| Accounts Payable | 5,596.42 | 25.22 | 338.06 | - | - |
| Accured expesnes & Payable | 1,036 | - | - | - | - |
| Due to Related parties | - | - | - | - | - |
| Total Liablities | 14,540.40 | 25.22 | 1,022.22 | - | - |
| **Total Liablities & Equity** | **20,085.14** | **0.22** | **2,478.15** | **-** | **1.00** |
| Total Current assets | 4,902.38 | 0.22 | 495.91 | - | 1.00 |
| Cash and Cash equalants | 739.07 | 0.22 | 46.55 | - | 1.00 |
| Accounts Receivable-Trade | 4,026.29 | - | 397.80 | - | - |
| Prepayments and other current assets | 137.02 | - | 51.56 | - | - |
| Due from Related parties | - | - | - | - | - |
| Property , Plant and Equipment | 412.49 | | | | |
| In-tangible Assets | 14,770 .27 | - | 1,982.24 | - | - |
| **Total Assets** | **20,085.14** | **0.22** | **2,478.15** | **-** | **1.00** |
| | | | | | |
| **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020** | | | | | |
| **Particulars** | **8K Miles Software Services Inc. USA** | **8K Miles Software Services FZE UAE** | **8K Miles Health Cloud Inc. USA** | **Mentor Minds Solutions & Services Inc. USA** | **Healthcare Triangle Pvt Ltd** |
| Revenue | 33,427.62 | - | 2,242.06 | - | - |
| Other Income | 100.89 | - | 30.91 | - | - |
| Direct Cost | 10,737.86 | - | 1,644.79 | - | - |
| **Gross Profit** | **22,790.65** | **-** | **628.18** | **-** | **-** |
| Selling ,General and administrative expesnes | 24,058.31 | 47.93 | 411.72 | - | - |
| Earnings/(Loss) Before Interest, Tax, Depreciation and Amortization (EBITDA) | (1,267.66) | (47.93) | 216.47 | - | - |
| Finance Cost | 378.27 | - | 4.17 | - | - |
| Depreciation & Amortization | 897.04 | - | 28.56 | - | - |
| Exceptional Items | 44,682.47 | 1,295.81 | 11,388.91 | 4,234.80 | - |
| **Tax Expenses** | **93.64** | **-** | **41.57** | **-** | **-** |
| Profit/ (Loss ) After Tax ( PAT) | (47,319.08) | (1,343.73) | (11,246.75) | (4,234.80) | - |
| % of Shareholding | 64.42% | 100% | 100% | 100% | 100% |

The Company has written off the investment in 8K Miles Software Services FZE UAE in the Current FY.

# Subsidiary companies' Legal Status and Accounting Policies

**8K Miles Software Services Inc. USA**
**8k Miles Health Cloud Inc. USA**
**Mentor Minds Software & Services Inc. USA**

**Organization and Description of Business**
8K Miles Software Services Inc. ("the Company") was incorporated under the laws of the State of Nevada on February 17, 2011 and is 64.42% as on 31st March 2020 subsidiary of 8K Miles Software Services Limited ("8K Miles"). 8K Miles is a Company organized under the laws of the Republic of India.

The Company is a thought leader in advising companies operating in highly regulated industries in drafting cloud transformation strategy and subsequently, implementing it is a secure, agile and scalable environment. The Company enables this implementation through a series of patented products that have been packaged into a fully integrated platform to provide additional value added services like managed services, big data and analytics, Identity management, validation and other regulatory checks on SaaS basis. The company's cloud solutions help companies integrate cloud computing into IT and Business strategies.

**NexAge Technologies USA Inc.** ("the Subsidiary") which is a 100% subsidiary of 8K Miles Software Services Inc., and was incorporated in the State of New Jersey was acquired on September 4, 2015. The Subsidiary specializes in Regulatory Compliance and proprietary IT solutions for US Life Sciences Industry. The Subsidiary's 16 year track record in the areas of Computer Systems Validation, Quality Review, Vendor Audits, Data Analysis and Migration, Analytics, Change Management, and Governance has earned it expertise, unique insights, wide collaborative partner networks, and industry-wide respect.

Cornerstone Advisors Group LLC. ("the Subsidiary") a Limited Liability Corporation acquired effective 1st May 2017 as 100% subsidiary of 8K Miles Software Services Inc. Cornerstone Advisors Group specializes Advisory, Implementation & Resourcing services to clients in healthcare sector with extensive, real-world experience to understand and appreciate every client's unique challenges & effectively partner to drive change.

**8K Miles Health Cloud Inc.,** "the "Company" was incorporated under the laws of the State of Delaware on November 24, 2014, and is 100% subsidiary of 8K Miles Software Services Limited ("8K Miles") 8K Miles is a company organized under the laws of the Republic of India.

The Company is primarily focused on critical cloud implementation and development of cloud based solutions. Expertise in enterprise cloud and Knowledge base makes the Company unique and it also extends to SaaS, cloud consulting and migration, big data (Hadoop/EMR) services, cloud infrastructures managed services, backup and disaster recovery services to AWS, Azure and also extends its support to various verticals such as Retain, Media, Travel, Pharmaceutical, Healthcare and Financial Services and providing innovative Epic EHR consulting, custom application development and support for the Healthcare market. This move solidifies 8K Miles' goal to offer a unique and differentiated cloud-managed solutions to the Healthcare sector. By leveraging its expertise in cloud solutions, 8K Miles hopes to help hospitals and healthcare providers by providing the industry's first truly end-to-end Software as a Service (SaaS) technology platform.

The Corporate office of the Company is located at Collin County, Texas.

**Serj Solutions Inc.** ("the Subsidiary") which is a 100% subsidiary of the Company was formed in the state of Texas was acquired by the Company on November 26, 2014. The Subsidiary specializes in HER Consulting, Custom Application Development and Support Solutions. The Subsidiary offers innovative solutions for a range of projects spanning any or all of a project lifecycle from initial implementation planning, full implementation management, and post-live support and enhancements.

**Mentor Minds Solutions & Services Inc.** ("the Company") was incorporated in New Jersey, USA. is 100% subsidiary of 8K Miles Software Services Limited ("8K Miles") 8K Miles is a company organized under the laws of the Republic of India.

**Summary of Significant Account Policies**
**Accounting Principles**
The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP")

**Principles of Consolidation**
The consolidated financial statements include the financial statements of 8K Miles Software Services Inc. and its subsidiaries. All significant Intercompany transactions and balances have been eliminated. Previous year's numbers are regrouped wherever necessary.

**Estimates and Assumptions**
Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples of estimates include: loss contingencies; product warranties; the fair value of and/or potential impairment of goodwill and intangible assets for our reporting units; product life cycles; useful lives of our tangible and intangible assets; allowances for doubtful accounts; allowances for product returns; the market value of, and demand for, our inventory; and stock-based compensation forfeiture rates. Examples of assumptions include: the elements comprising a software arrangement, including the distinction between upgrades or enhancements and new products; when technological feasibility is achieved for our products; the potential outcome of future tax consequences of events that have been recognized on our consolidated financial statements or tax returns; and determining when investment impairments are other-than-temporary. Actual results and outcomes may differ from management's estimates and assumptions.

**Revenue recognition**
The Company recognizes revenue in accordance with the Accounting Standard Codification 605 "Revenue Recognition." Revenue is recognized when persuasive evidence of an arrangement exists delivery occurred, when all of the following criteria are met: (1) persuasive evident of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

The Company recognizes revenue from information technology services as the services are provided. Service revenues are recognized based on contracted hourly rates, as services are rendered or upon completion of specified contracted services and acceptances by the customer. Deferred revenue results from customer prepayment of services and maintenance contracts. Occasionally managed services are pre-billed quarterly and income is recognized as services are performed.

**Services**
The company's primary services offerings include information technology (IT), application management services, consulting and systems integration, technology infrastructure, hosting and the design and development of complex IT systems to a client's specifications (design and build). These services are provided on a time-and-material basis, as a fixed-price contract or as a fixed-price per measure of output contract and the contract terms range from less than one year to over 3 years.

Revenue from application management services, technology infrastructure and system maintenance and hosting contracts is recognized on a straight-line basis over the terms of the contracts. Revenue from time-and-material contracts is recognized as labor hours are delivered and direct expenses are incurred.

Revenue from fixed-price design and build contracts is recognized under the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the labor costs incurred to date as a percentage of the total estimated labor costs to fulfill the contract. If circumstances arise that change the original estimates of revenue, costs, or extent of progress toward completion, revision to the estimates are made. These revisions may result in increase or decrease in estimated revenues or costs and such revisions are reflected in income in the period in which the circumstances that gave rise to the revision become known by the company.

The Company performs ongoing profitability analyses of its services contracts accounted for under the POC method in order to determine whether the latest estimates of revenues, costs and profits require updating. For non-POC method services contracts, any losses are recorded as incurred.

Billings usually occur in the month after the company performs the services or in accordance with the specific contractual provisions.

**Cost of Revenue**
Recurring operating costs for services contracts, including costs related to bid and proposal activities, are recognized as incurred. For fixed-price design and built contracts, the costs for external hardware and software accounted for under POC method are deferred and recognized based on the labor costs incurred to date, as a percentage of the total estimated labor costs to fulfill the contract. Certain eligible, non-recurring costs incurred in the initial phases of outsourcing contracts are deferred and subsequently amortized. These costs consist of transition and set up costs related to the installation of systems and processes and are amortized on a straight-line basis over the expected period of benefit, not to exceed the term of the contract.

**Selling, General and Administrative**
Selling, general and administrative (SG&A) expense is charged to income as incurred. Expenses of promoting and selling products and services are classified as selling expense and include such items as compensation, advertising, sales commissions and travel. General and administrative expense includes such items as compensation, legal costs, office supplies, non-income taxes, insurance and office rental. In addition, general and administrative expense includes other operating items such as allowance for credit losses, workforce rebalancing

charges for contractually obligated payments to employees terminated in the ongoing course of business, acquisition costs related to business combinations, amortization of certain intangible assets and environmental remediation costs.

**Research and Development**
Research and development expenses include payroll, employee benefits and other headcount-related expenses associated with product development. Research and development expenses also include third-party development and programming costs, localization costs incurred to translate software for international market. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our tools, plat forms and frame works, is generally shortly before the products are released to production. Once technological feasibility is reached, such costs are capitalized and amortized over the estimated lives of the products.

**Sales and Marketing**
Sales and marketing expenses include payroll, employee benefits, and other headcount-related expenses associated with sales and marketing personnel, and the costs of advertising, promotions, trade shows, seminars, and other programs. Advertising costs are expensed as incurred.

**Depreciation and Amortization**
Property, plant and equipment are carried at cost and depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of all depreciable assets are 5 years as estimated by the management.

Capitalized software costs incurred or acquired after technological feasibility has been established are amortized over period ranging from 5 to 15 years. Capitalized costs for internal use software are amortized on a straight-line basis over periods ranging up to 6 years.

**Cash and cash equivalents**
The Company considers all highly liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents. The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

**Notes and Accounts Receivable – Trade**
The Company extends credit to clients based upon management's assessment of their credit-worthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The Company includes any balances that are determined to be uncollectible in its allowances for doubtful accounts. As of March 31, 2019, there were no allowances for uncollectible accounts. Based on the information available, management believes the Company's accounts receivable, net of allowances for doubtful accounts, are collectible.

**Property and Equipment**
Property and equipment is stated at cost less accumulated depreciation and the Company provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the related assets is 5 years. Leasehold improvements are amortized using the straight-line method over a shorter of the lease terms or the useful lives of the improvements. The Company charges repairs and maintenance cost that do not extend the lives of the assets to expenses as incurred.

**Business Combinations and Intangible Assets Including Goodwill**
The company accounts for business combinations using the acquisition method and accordingly, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquire-e are recorded at their acquisition date fair values. Goodwill represents the excess of the purchase price over the fair value of net assets, including the amount assigned to identifiable intangible assets. The primary drivers that generate goodwill are the value of synergies between the acquired entities and the company and the acquired assembled workforce, neither of which qualifies as a separately identifiable intangible asset. Goodwill recorded in an acquisition is assigned to applicable reporting units based on expected revenues. Identifiable intangible assets with finite lives are amortized over their useful lives. Amortization of completed technology is recorded in Cost, and amortization of all other intangible assets is recorded in SG & A expense. Acquisition related costs, including advisory, legal accounting valuation and other costs are expensed in the period in which the costs are incurred. Goodwill is neither amortizable nor deductible for tax purposes. The results of operations of acquired businesses are included in the Consolidated Financial Statements from the acquisition date.

**Intangible Assets**
All of our intangible assets are subject to amortization and are amortized using the straight-line method over their estimated period of benefit, ranging from 6 to 15 years. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicates the asset may be impaired.

**Goodwill**

In accordance with FASB Accounting Standards Codification ("ASC") 350, the Company performs a goodwill impairment analysis, using the two-step method, on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of goodwill is measured at the reporting unit level, by comparing the reporting unit's carrying amount, including goodwill, to the fair market value of the reporting unit. It consistently determines the fair market value of its reporting units based on a weighting of both the present value of future projected cash flows (the "income approach") and the use of comparative market multiples (the "market approach"). The market approach compares each of the Company's reporting units to other comparable companies based on valuation multiples to arrive at a fair value. The income approach is based on assumptions that are consistent with the Company's estimates of future cash flows. Factors requiring significant judgment include assumptions related to future growth rates, discount factors, and tax rates, among other considerations. Changes in economic or operating conditions that occur after the annual impairment analysis and that impact these assumptions, may result in a future goodwill impairment charge.

**Income taxes**

Income taxes have been provided for using assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available, it is not "more-likely-than-not" that a portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rate and laws.

The Company's effective tax was estimated to be ranging between 28-30% for the year ended March 31, 2019. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

The Company files income tax returns in the U.S. federal jurisdiction, and various State jurisdictions. The Company is generally subject to U.S. Federal, State and local examinations by tax authorities from the three years before 2014.

**Fair value of Financial Instruments**

FASB ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. FASB ASC 820 defines fair value as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash, accounts receivable, accounts payable and accrued expenses and other liabilities.

**Limitations and contingencies**

The Company does not have any knowledge of any involvement in legal proceedings, either of which the Company has initiated or has been brought against it. The Company's liabilities have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

**8K Miles Software Services (FZE) – United Arab Emirates**

**8K Miles Software Services (FZE)**, Sharjah, United Arab Emirates ("the Company") was incorporated on March 14, 2011 and operates as a Free Zone Company in the United Arab Emirates, under a service license issued by the Sharjah Airport International Free Zone, Sharjah.

- The main activities of the Establishment are providing IT Services and Solutions.
- The main activities of the Establishment, is located at Executive Desk Ql-05-109/C, P O Box 513211, SAIF Zone, Sharjah, UAE
- The management and control is vested with 8K Miles Software Services Limited, India.
- These financial statements incorporate the operation results of Service License No.09147

**Capital**

The authorized, issued and paid up share capital of the Company is AED 150,000 divided into 1 share(s) of AED 150,000 each. The shares are entirely held by 8K Miles Software Services Limited.

**Summary of significant accounting policies**

**Statement of Compliance**

The financial statements of the Company have been prepared in accordance with International Financing Reporting Standards (IFRS)

**Basis of Preparation**
The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Adoption of new and revised International Financial Reporting Standards**
The following new and revised standards including amendments there to and interpretations which became effective for the current reporting year have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

**Adoption of new and revised International Financial Reporting Standards (IFRSs)**
The Company has adopted new and amended IFRSs and IFRIC interpretations which became effective on January 1, 2018. The adoption of these standards did not have material impact on the financial position or financial performance of the Company. The new and amended standards and IFRIC interpretations applied during the year are disclosed below:

**IFRS 15 - Revenue from Contracts with Customers**
IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer (owner): A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue, as and when the Company satisfies a performance obligation.

**IFRS 9 - Financial Instruments**
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all the three aspects of the accounting for the financial instrument: classification and measurement; impairment; and hedge accounting. The effect of adopting IFRS 9 is as follows:

**Impairment**
The adoption of IFRS 9 requires the Company to account for impairment loss for the financial assets by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all service charge and other receivables not held at fair value through profit or loss (FVTPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For the service charge and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on the life time expected credit losses. Company has established an approach which is based on the historical credit loss experience, economic factors, and rights of lien to recover the service charges along with Regulator's concerns on service charge receivables.

The Company assessed the expected credit losses as prescribed by the requirements of IFRS 9 against service charge and other receivables and concluded that there was no material impact on the financial statements.

**New standards and interpretations not yet adopted by the Company**
Certain new accounting standards and interpretations have been published that are not mandatory for the Company's accounting period and have not been early adopted by the Company. The standards and interpretations are not likely to have a significant impact on the financial statements of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Financial instruments**
Financial instruments comprise financial assets and financial liabilities.

Financial assets and financial liabilities are recognized on the Company's Statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

**Cash and cash equivalents**
Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

**Trade and other receivables**
Trade and other receivables are measured initially at the transaction cost. They are subsequently stated at net of provisions for impairment, which established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

**Trade Payables**
Trade payables are recognized initially at the transaction price for the goods and services received, whether billed by the customers or not.

**Impairment of non-financial assets other than inventories**
Assets that are subject to depreciation and amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When there is any indication that an asset may be impaired, the carrying value of the asset is tested from impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**Provisions**
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of future economic benefits will be required to settle the obligation.

**Revenue recognition**
Income is recognized when: the amount of revenue can be reliably measured; it is possible that future economic benefits will flow to the entity; and specific criteria have been met.

**Intangible Assets**
IAS 38 requires an entity to recognize an intangible asset, whether purchased or self-created (at cost) if, and only if: [IAS 38.21]

- it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

This requirement applies whether an intangible asset is acquired externally or generated internally. IAS 38 includes additional recognition criteria for internally generated intangible assets.

The probability of future economic benefits must be based on reasonable and supportable assumptions about conditions that will exist over the life of the asset. [IAS 38.22] The probability recognition criterion is always considered to be satisfied for intangible assets that are acquired separately or in a business combination. [IAS 38.33]

Intangible assets that are deemed to have definite lives are amortized, primarily on a straight-line basis, over their useful lives, generally ranging upto 6 years. Refer to Note15.

**Critical accounting judgments, estimates and assumptions**
The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of asset, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

**Financial risk management**
**Financial risk management objectives**
The Company's management observes domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing risks exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of risk related to financial instruments. The company policies in this regard are set and approved by the management on foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**Market risk**
The company activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company is not exposed to any significant interest rate risks.

**Credit risk management**
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company obtains information about counterparty's credit worthiness from publicly available information and its own trading records.

Credit risk is primarily related to the trade and other receivable balance which were presented in the balance sheet net of provision from doubtful debt that was estimated by the management based on prior experience and prevailing economic conditions.

**Foreign Currency Management**
The company undertakes certain transactions denominated in foreign currencies. Hence exposures to the exchange rate fluctuations arise.

Currently the company is mainly exposed to the currency exchange risk related to the transactions denominated in the multi currencies. There is no currency exchange risk related to transactions denominated in the US Dollars or currencies linked with it as the AED rate is fixed to the US Dollar. The management undertakes suitable procedure to minimize risk associated with transactions denominated in currencies other than AED and USD.

# 35th

# Annual General Meeting

**September 30, 2020,**
**09:30 A.M Indian Standard Time (IST)**

## MODE : Video Conferencing (VC) or Other Audio-Visual means (OAVM)

**Commencement of remote E-voting:**
9:00 AM (I.S.T) Sunday, September 27, 2020

**End of remote E-voting:**
5:00 P.M (I.S.T) Tuesday, September 29, 2020

**Cut-off date for determining the eligibility to vote at the AGM:**
Wednesday, September 23, 2020

# 8K MILES SOFTWARE SERVICES LIMITED

CIN : L72300TN1993PLC101852
Registered Office : #5, Cenotaph Road, II Floor, Srinivas Towers, Teynampet, Chennai 600 018.
Website : www.8kmiles.com E-mail : contactus@8kmilessoftwareservices.com
Phone: 044- 6602 8000

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Thirty Fifth Annual General Meeting (e-AGM) of the Members of the 8K MILES SOFTWARE SERVICES LTD. will be held as scheduled below:

DATE : September 30, 2020
DAY : Wednesday
TIME : 09:30 A.M Indian Standard Time (IST)
MODE : Video Conferencing (VC) or Other Audio-Visual means (OAVM)

To transact the following business: -

**ORDINARY BUSINESS:**

1. **Adoption of Standalone Financial Statements and Reports of Board of Directors and Auditors thereto**

   To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** the audited financial statements, including the statement of Profit & loss and the cash flow statement for the year ended 31 March, 2020 and Balance Sheet as at that date of the Company and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. **Adoption of Consolidated Financial Statements and Auditors Report there to**

   To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** the audited consolidated financial statements, including the statement of Profit & loss and the cash flow statement for the year ended 31 March, 2020 and Balance Sheet of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon be and are hereby considered and adopted."

3. **Appointment of Mr. Lakshmanan Kannappan (DIN: 07141427) Director, retiring by rotation**

   To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions (including any statutory modification (s) or re-enactment thereof, for the time being in force), if any, of the Companies Act,2013 and Articles of Association of the Company, Mr. Lakshmanan Kannappan (DIN: 07141427) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation ."

4. **Appointment of Statutory Auditors of the Company**

   To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to provisions of Section 139, 142,141 and 143 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), M/s. K. Gopal Rao & Co., (Firm Registration No. 000956S), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of Thirty Fifth (35th) Annual General Meeting until the conclusion of Fortieth (40th) Annual General Meeting, on a remuneration as determined by the Board of Directors on recommendation by Audit committee and in consultation with the Auditors and including such other applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

**SPECIAL BUSINESS**

5. **Appointment of Mr. Desikan Balaji (DIN: 08296716) as Non-Executive and Independent Director**

   To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** Mr. Desikan Balaji (DIN: 08296716) who was appointed as an Additional & Independent Director on December 20, 2019 by the Board of Directors, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby his office of Directorship is regularised.

Further he shall hold the office as a Non-Executive – Independent Director of the Company, for a term of five consecutive years from December 20, 2019 to December 19, 2024."

**6. Appointment of Mr. Ravichandran S (DIN: 02831039) as Whole Time Director**

To consider and if deemed fit, to pass the following as and **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of sections 149, 152, 161, 196, 197, 198, 203, schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereto (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ravichandran S (DIN: 02831039) who was appointed as an additional director and whole time director of the Company by the Board of Directors from July 30, 2020 , holding the office upto the date of this AGM and in respect of whom the company has received a notice in writing from a member under section 160 of the Act, signifying his intention to propose Mr. Ravichandran S (DIN: 02831039) as a candidate for the office of a director of the Company be and is hereby appointed as the Whole-time Director of the Company for a period of five years from July 30, 2020 to July 29, 2025 (both days inclusive) whose office is subject to retirement by rotation and on terms and conditions specified in the Explanatory statement pursuant to Section 102 (1) of the Act annexed to this Notice and on remuneration, which is as follows:

**Salary**: Rs. 60,00,000 per annum and increments to be decided by the Nomination and Remuneration Committee (NRC), subject to approval of the Board.

**Allowances/Perquisites/Incentives**: As may be determined by the NRC, subject to approval of the Board.

**General**: In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. Ravichandran S as may be determined by the Board or NRC be paid in accordance with section II of part II of Schedule V of the Act and rules made there under or any statutory modification or re-enactment thereof.

**Sitting Fees**: The Whole time Director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or committees thereof.

The aggregate remuneration (including salary, allowances, perquisites, incentives and other benefits) payable to Mr. Ravichandran S for any financial year shall be subject to an overall ceiling of 5% of the net profits of the company for that financial year computed in the manner prescribed under the Act.

Incentives shall be determined by the NRC based on the company's scheme in force from time to time.

**RESOLVED FURTHER THAT** Ravichandran S, appointed as Whole time director whose office is subject to retirement by rotation and on his re-appointment immediately on retirement by rotation, he shall continue to hold office of Whole time Director and such re-appointment as director shall not be deemed to constitute a break in his appointment as Whole time director.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and / or remuneration based on the recommendation of the Board Governance, Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.

**For and on behalf of the Board of Directors**
**For 8K Miles Software Services Limited**

Place : Chennai
Date: August 31, 2020

**G Sri Vignesh**
Company Secretary
Membership No.: A57475

**NOTES**

1. Pursuant to the general circular numbers 14, 17 and 20/2020 issued by the Ministry of Corporate Affairs (MCA) and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) ("the Circulars"), companies are allowed to hold AGM through VC. In compliance with the Circulars, the AGM of the company is being held through VC.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company. Since the AGM is being held through VC, the facility for appointment of proxies by the members will not be available. Hence, proxy form and attendance slip are not attached to this notice

3. Corporate / institutional shareholders are required to upload in the e-voting portal, the scanned certified true copy (PDF Format) of the board resolution / authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s) or alternatively to e-mail, to the scrutiniser at e-mail, srirampcs@gmail.com with a copy marked www.evotingindia.com. The scanned image of the above-mentioned documents should be in the naming format "8K Miles – 35th AGM".

4. Members attending the e-AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The business set out in the notice will be transacted through remote electronic voting system and the company is also providing facility for voting by electronic means in the AGM held through VC. Detailed instructions and other information relating to access and participation in the AGM, voting in the AGM and remote e-voting is given as an annexure to this notice.

6. Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of appointment / re-appointment of directors is furnished and forms a part of the notice.

7. The explanatory statement pursuant to section 102 of the Companies Act, 2013 ("the Act") in respect of businesses set out above in resolution no. 5 & 6 is annexed.

8. All correspondence relating to change of address, e-mail ID, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to info@adroitcorporate.com, the registrar and share transfer agent (RTA). The members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs).

9. As an eco-friendly measure intending to benefit the environment and society at large, we request you to be a part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to RTA. In compliance with the Circulars, the notice of the AGM and annual report for FY 2020 are sent only through electronic mode to all those shareholders whose email addresses are registered with the RTA / (DPs.)

10. Members may note that the notice of the AGM and the annual report will also be available on the company's website, www.8kmiles.com, website of CDSL: www.evotingindia.com and on the websites of stock exchanges: www.bseindia.com and www.nseindia.com. For any communication, the members may send requests to the company's e-mail id: cs@8kmiles.com

11. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form no. SH-13, duly filled into the RTA. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the company's website: www.8kmiles.com.

12. Also pursuant to section 124(2) of the Act, the company has uploaded details of unpaid and unclaimed amounts lying with the company in respect of dividends declared in financial year 2017, on the website of the company.

13. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.

14. Since shares of the company are traded on the stock exchanges compulsorily in demat mode,

members holding shares in physical mode are advised to get their shares dematerialised. Effective April 1, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the company / RTA.

15. Members desirous of obtaining any information / clarification relating to the accounts may submit their query through CDSL video conferencing platform as mentioned in the instructions annexed to this notice to enable the management to keep the information ready.

16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection by the members up to the date of AGM, i.e. September 30, 2020. Members seeking to inspect such documents can send an email to cs@8kmiles.com.

**Annexure to the Notice**

**A. Explanatory Statement under Section 102 of the Companies Act, 2013.**

**Item No.5**

**Appointment of Mr. Desikan Balaji (DIN:08296716) as Independent Director**

Mr. Desikan Balaji (DIN: 08296716) was appointed at its Board meeting held on December 20, 2019 based on the recommendation of the Nomination & Remuneration Committee.

Mr. Desikan Balaji fulfils the conditions specified in Section 149 (6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Mr. Desikan Balaji is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Based on his skills, experience and knowledge, the Nomination and Remuneration Committee and the Board has recommended the appointment of Mr. Desikan Balaji as an Independent Director pursuant to the provisions of sections 149 and 152 of the Companies Act, 2013.

Details of Mr. Desikan Balaji are provided to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The Board considers that the association would be of immense benefit to the Company and it is desirable to avail services of Mr. Desikan Balaji as an Independent Director.

Appointment of Mr. Desikan Balaji as Independent director requires the approval of the shareholders and the board recommends the resolution for approval of members. He does not hold any shares in the Company.

None of the directors or key managerial personnel or their relatives, except Mr. Desikan Balaji to whom this resolution relates is interested or concerned, financial or otherwise, if any, in respect of this resolution, except for their shareholding, if any, in the Company.

**Item No: 6**

**Appointment of Mr. Ravichandran S (DIN: 02831039) as Whole-Time Director**

Mr. Ravichandran S (DIN: 02831039) was appointed as an Additional Director under the category of Whole-Time Director w.e.f July 30, 2020. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Ravichandran S be appointed as a Whole-time Director on the Board of the Company to hold office till the conclusion of 40th Annual General Meeting of the Company.

Mr. Ravichandran S (DIN: 02831039) is a Bachelor of Science in Madras University and Completed his bachelor's in technology in Anna University is the Head of Indian Operations and Non-US Territory Sales for 8K Miles and also a Director in the subsidiary company viz., Healthcare Triangle Private Limited. He has more than 31 years of experience in IT Products, Solutions and Services Industry and solid management expertise in Marketing, Sales, Delivery and Operations. Prior to joining 8K Miles, Ravi was heading UK and Europe Operations for Ramco Systems and instrumental to drive new customer acquisition. Earlier, he has worked as Head of Global Sales and Marketing for RS Software, a company specializing in payment industry and Head of UK and Europe operations for Keane where he was responsible for topline and P&L Managed a team of 800 people (including delivery) between India and Europe and focusing on Telco, BFSI and Retail. Prior to that, he was with Keane APAC, Tecsol and IBM Singapore and Australia.

Details of Mr. Ravichandran S are provided in the Notice pursuant to the Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board considers that the association would be of immense benefit to the Company and it is desirable to avail services of Mr. Ravichandran S as Whole-time Director.

Appointment of Mr. Ravichandran S as director requires the approval of the shareholders and the board recommends the resolution for approval of members. He holds 360 shares in the Company.

None of the directors except Mr. Ravichandran S to whom this resolution relates is interested or concerned in this resolution.

**For and on behalf of the Board of Directors**
**For 8K Miles Software Services Limited**

**G Sri Vignesh**
Company Secretary
Membership No.: A57475

Place : Chennai
Date: August 31, 2020

### B. Details of Director Seeking Appointment/ Re-appointment at the Annual General Meeting

| Name of the Director | Mr. Ravichandran S |
|---|---|
| Father's Name | Srinivasan G |
| Director Identification Number (DIN) | 02831039 |
| Date of Birth | 06/04/1957 |
| Age (in years) | 63 |
| Date of first Appointment | At the board meeting held on July 30, 2020, Mr. Ravichandran S was appointed as the additional and whole-time director for a period of five years with immediate effect. |
| Expertise in specific functional area and expertise | He has more than 31 years of experience in IT Products, Solutions and Services Industry and solid management expertise in Marketing, Sales, Delivery and Operations. |
| Educational Qualification | Bachelor of Science in Madras University and Completed his bachelor's in technology in Anna University |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | As per the resolution and explanatory statement given in the Notice |
| Remuneration last drawn (including sitting fees, if any) | NA |
| Directorship in other Companies as on 31/03/2020 | 1. Sustainable Certification (India) Private Limited<br>2. Sudesi Info Media Private Limited<br>3. Air Lock India Private Limited<br>4. Sreyes Communetwork Private Limited<br>5. Healthcare Triangle Private Limited |
| Membership of Committees in other Public Limited Companies | Nil |
| No. of Shares held in the Company as on 31.03.2020 | 360 |
| Relationship between Directors inter se and Key Managerial Personnel | No |
| Number of meetings of the Board attended during the Financial Year 2019-20 | NA |

| Name of the Director | Mr. Lakshmanan Kannappan |
|---|---|
| Father's Name | Narayanan Lakshmanan |
| Director Identification Number (DIN) | 07141427 |
| Date of Birth | 29/03/1967 |
| Age (in years) | 53 |
| Date of first Appointment | At the Board Meeting held on March 31, 2015, Mr. Lakshmanan Kannappan was appointed as a Director of the Company |
| Expertise in specific functional area and expertise | He is a serial entrepreneur with more than 28 years of experience in the software industry and also supports investments and M&A activities for 8K Miles. He manages the overseas operations for 8K Miles including corporate strategy, partnerships, business development and marketing aspects. As part of his current role, he brings top performing tool vendors on public/private/hybrid clouds into 8K Miles ecosystem of partners. |
| Educational Qualification | Bachelors in Electronics and Instrumentation from Annamalai University India in 1988 and Masters in Electrical Engineering from College of Engineering Guindy, Anna University, Chennai in 1990. |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | NA |
| Remuneration last drawn (including sitting fees, if any) | Nil |
| Directorship in other Companies as on 31/03/2020 | Nil |
| Membership of Committees in other Public Limited Companies | Nil |
| No. of Shares held in the Company as on 31.03.2020 | Nil |
| Relationship between Directors inter se and Key Managerial Personnel | No |
| Number of meetings of the Board attended during the Financial Year 2019-20 | 1 |

| **Name of the Director** | **Mr. Desikan Balaji** |
|---|---|
| Father's Name | Balaji |
| Director Identification Number (DIN) | 08296716 |
| Date of Birth | 27/03/1989 |
| Age (in years) | 31 |
| Date of first Appointment | At the Board Meeting held on December 20, 2019, Mr. Desikan Balaji was appointed as an Additional & Independent Director. |
| Expertise in specific functional area and expertise | He has been providing advisory and consulting on Corporate laws for more than a decade and has equivalent experience in teaching / conducting seminars on corporate laws at various institutes, various colleges and Corporates in Chennai. |
| Educational Qualification | He is an Associate member of Institute of Company Secretaries of India and Chartered Institute of Arbitration, United Kingdom, Qualified Cost Accountant, and Advanced Arbitration Course conducted by the Association for International Arbitration. He also holds a post- graduation diploma in Intellectual Property Rights from National Law School, Bangalore |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | NA |
| Remuneration last drawn (including sitting fees, if any) | 10,000 |
| Directorship in other Companies as on 31/03/2020 | NIL |
| Membership of Committees in other Public Limited Companies | Nil |
| No. of Shares held in the Company as on 31.03.2020 | Nil |
| Relationship between Directors inter se and Key Managerial Personnel | No |
| Number of meetings of the Board attended during the Financial Year 2019-20 | 1 |

**Instructions:**

(i) The voting period will begin at 9.00 A.M (I.S.T) on Sunday, September 27, 2020 to 5.00 P.M (I.S.T) on Tuesday, September 29, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://web.cdslindia.com/myeasi/home/login from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| | For Shareholders holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of 8K Miles Software Services Ltd for voting.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name, Scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a 'speaker' by sending their request. The facility for registration as a speaker will be open from September 24, 2020 at 9 a.m. till September 27, 2020 at 5 p.m. mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries from September 24, 2020 at 9 a.m. till September 27, 2020 at 5 p.m. mentioning their name, demat account number/folio number, email id, mobile number to cs@8kmiles.com These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

5. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@8kmiles.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, (CDSL) A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

# Corporate Information

**BOARD OF DIRECTORS**
Mr. Suresh Venkatachari, Chairman & Chief Executive Officer (CEO)
Mr. Lakshmanan Kannappan, Director
Mr. S Ravichandran, Additional and Whole-time Director
Mr. Dinesh Raja Punniamurthy, Independent Director
Mrs. Babita Singaram, Independent Director
Mr. Desikan Balaji, Independent Director

**AUDIT COMMITTEE**
Mr. Dinesh Raja Punniamurthy, Chairperson
Mrs. Babita Singaram, Member
Mr. Desikan Balaji, Member

**NOMINATION AND REMUNERATION COMMITTEE**
Mr. Dinesh Raja Punniamurthy, Chairperson
Mrs. Babita Singaram, Member
Mr. Lakshmanan Kannappan, Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**
Mr. Dinesh Raja Punniamurthy, Chairperson
Mr. Suresh Venkatachari, Member
Mr. Lakshmanan Kannapan, Member
Mr. Desikan Balaji, Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**
Mrs. Babita Singaram, Chairperson
Mr. Dinesh Raja Punniamurthy, Member
Mr. S Ravichandran, Member

**CHIEF FINANCIAL OFFICER**
Mr. Thyagarajan R

**COMPANY SECRETARY & COMPLIANCE OFFICER**
Mr. G Sri Vignesh

**STATUTORY AUDITORS**
M/s. K. Gopal Rao & Co,
New No.21, Old No.9/1, Moosa Street,
T. Nagar,
Chennai 600 017.

**INTERNAL AUDITORS**
Mr. KV Sudhakar
Chartered Accountant
Room 19, 2nd Floor,
Corporation Shopping Complex
Old No. 77, New No. 36, CP Ramaswamy Road,
Chennai 600 018.

**SECRETARIAL AUDITORS**
P. Sriram & Associates
Practising Company Secretaries
No.10/17, Anandam Colony, South Canal Bank Road,
Mandaveli, Chennai 600 028.

**BANKERS**

| | |
|---|---|
| Indian Bank | HDFC Bank |
| Porur Branch, | 759, ITC Centre, |
| 225, Trunk Road, | Anna Salai, |
| Porur, Chennai 600 116. | Chennai 600 002. |

**INVESTOR CONTACTS**
**REGISTRAR AND SHARE TRANSFER AGENT**
Adroit Corporate Services Pvt. Ltd.
17-20, Jafferbhoy Ind. Estate,
1st Floor, Makhwana Road,
Marol Naka, Andheri ( E )
Mumbai 400 059.
Ph: +91 – 22- 4227-0400
Email ID: info@adroitcorporate.com

**REGISTERED OFFICE OF THE COMPANY**
Secretarial Division
#5, Cenotaph Road,
'Srinivas' Towers, II Floor,
Teynampet, Chennai 600 018
Email ID: cs@8kmiles.com

**WEBSITE**
www.8kmiles.com

**CORPORATE IDENTITY NUMBER**
L72300TN1993PLC101852

**SHARES LISTED AT**
BSE Limited [Scrip code: 512161]
National Stock Exchange of India Limited
[Company Symbol: 8KMiles]

ISIN: INE650K01021

8K Miles

**8K Miles Software Services Limited**

Registered Office:
No. 5, Cenotaph Road,
"Srinivas" Towers, II Floor,
Teynampet, Chennai - 600 018
Tamil Nadu

www.8kmiles.com