

Annexure D

Management Discussion and Analysis

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, a detailed Report on Management Discussions and Analysis is given below:

MACROECONOMIC OVERVIEW

The global economy grew by 3.8% in CY 2017, a 0.6% rise vis-à-vis CY 2016 and this is the highest rate of GDP growth since CY 2011. This growth was fueled by sustained and broad-based improvements in manufacturing activity, private consumption and investment. More than half of the world's economies witnessed an acceleration in output, supported by favorable global market sentiments and a revival in commodity prices.

Advanced nations surpassed expectations with a 0.6% growth in CY 2017 over CY 2016. This increase was driven by higher investment spends, conducive monetary policies and an improved outlook that helped release pent-up demand for capital goods. On the other hand, emerging market and developing economies (EMDEs) witnessed a 0.4% growth in CY 2017 vis-à-vis CY 2016. This was led by the upswing in private consumption and fixed investment. Growth in emerging Asian economies like India and China was owing to a surge in exports. Commodity-exporting countries (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) contributed to global growth as well, following the upturn in commodity prices.

International trade rebounded strongly in CY 2017, stimulated by greater demand and private investments. World merchandise trade volume rose to 4.7% in CY 2017 from 1.8% in CY 2016, driven by rising import demand across regions, most notably Asian economies.

With the increase in fuel prices since September 2017, headline consumer price inflation has picked up again. Core inflation has strengthened in the US and to a small extent in the Euro zone as well. Core inflation in emerging markets has also increased, reflecting pass-through effects from currency depreciation in some cases and second-round effects of higher fuel prices in others.

Source: International Monetary Fund (IMF); World Trade Organization (WTO)

World output growth (in %)

	2017	2018 (P)	2019 (P)
World output	3.7	3.9	3.9
Advanced economies	2.4	2.4	2.2
USA	2.3	2.9	2.7
Euro zone*	2.4	2.2	1.9
Japan	1.7	1.0	0.9
EMDEs	4.7	4.9	5.1
India	6.7	7.3	7.5
China	6.9	6.6	6.4

*Germany, France, Italy and Spain | Source: International Monetary Fund (IMF) | P: Projection

Outlook

Global tailwinds are likely to propel overall GDP growth to rise to 3.9% in CY 2018 and CY 2019. That said, impediments may arise from ongoing geopolitical constraints, protectionist policies of large nations, rising crude oil prices and appreciation of the US dollar.

Advanced economies are projected to grow at 2.5% in CY 2018 on the back of improving domestic demand, industrial activity, moderate inflation and private investment. Long-term growth prospects for advanced nations remain subdued, once the positive cyclical effects of US fiscal policy run their course. Ageing populations and stagnating incomes for the middle class further pose as challenges to growth in the developed economies of USA, Europe and Japan.

In contrast, EMDEs are expected to maintain momentum, growing at a rate of 4.9% in CY 2018, through enhanced capacity utilization for labor and capital. This follows from the projected strong economic performance of India and China and implies improved outlook for commodity exporters as well. In addition, robust and comprehensive structural reforms implemented in India over the last three years augur well for the domestic economy's growth prospects.

Meanwhile, merchandise trade volume growth is estimated to moderate to 4.4% in CY 2018, roughly at par with the 4.7% increase recorded for CY 2017.

Source: International Monetary Fund (IMF); World Trade Organization (WTO)

Industry overview

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

Cloud Computing

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

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

Healthcare cloud solutions

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

need to strike a balance between being HIPAA-compliant and secure, as well as flexible and adaptive to technological advancements.

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

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

Outlook

According to International Data Corporation (IDC) forecasts, worldwide spending on public cloud computing will reach \$162 billion in 2020 from \$67 billion in 2015, growing at a CAGR of 19%. Gartner projects that the shift to cloud will generate more than \$302 billion in revenue by 2020 for global cloud service providers. Of this, cloud Infrastructure as a Service (IaaS) solutions will account for nearly \$84 billion. Another relevant market insight is that 83% of enterprise workloads will be in cloud by 2020, indicative of the widespread ongoing migration to the internet cloud.

Blockchain technology has emerged as a strong candidate for strengthening cloud solutions. IDC estimates that worldwide spending on blockchain solutions will reach \$2.1 billion in 2018, more than twice the \$945 million spent in 2017. Additionally, IDC expects blockchain spending to grow at a robust pace of 81.2% CAGR over the 2016-2021 period and reach \$9.7 billion in 2021.

Global blockchain healthcare market will reach a staggering \$5.61 billion by 2025 from \$176.8 million in 2018, growing at a CAGR of 63.85%. At \$1.89 billion, Health Information Exchange (HIE) using blockchain will contribute to the single largest market share. Insurance providers are likely to save up to \$1 billion every year,

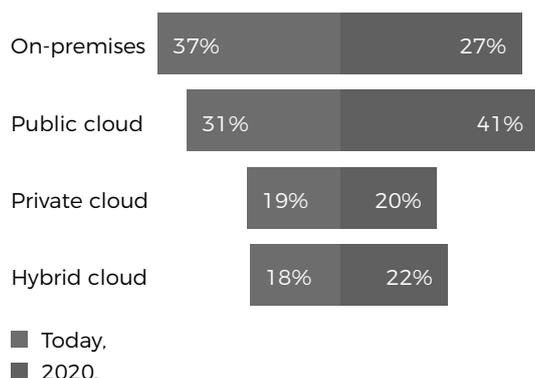
through blockchain-based solutions. As many as 86% of surveyed healthcare executives were keen on backing blockchain applications in at least across nine different categories (Source: BIS Research).

Enterprise workload projection

What percent pf workloads run/will run from the following?

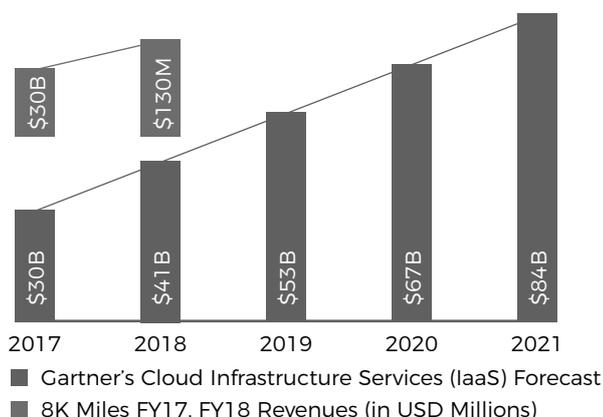
Today vs 2020

(Somewhat/Extremely significant)



Source: Logic Monitor’s Cloud Vision 2020: The Future of The Cloud Study

Cloud IaaS projection



COMPANY OVERVIEW

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

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

Key enablers

Platform-centric solutions

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

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

Next Generation Cloud Managed Services

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

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

Strategic partnerships

8K Miles’ enduring partnerships with public cloud providers is the foundation for its long-term success. The Company primarily engages with its technology partners – who are also its customers – to drive sales.

It provides diverse technology services that leads to shared success.

Value-based acquisitions

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

Stellar advisory panel

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

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

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

1. Market Insights & Needs
2. Industry Expertise
3. Executive Introductions and Business Development
4. Validating Business Directions
5. Strategic Product and Technology Investment Decisions
6. Serve as a Reference for our potential Enterprise Customers
7. Provide Sales Support

Our strength

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

Sector and domain expertise: Our specific industry expertise in healthcare and life science and technology expertise in secure cloud environment enables us to

transform client's business with innovative, secure, reliable and scalable solutions. Our expertise helps our clients enhance their business performance and IT efficiencies, increase agility and flexibility, reduce costs, and achieve measurable business value.

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

Deep client relationships and cloud specialists brand:

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

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

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

Financial Performance:

Financial particulars	2017-18		2016-17		Growth Inc / (Dec)%
	₹ In lakhs	% of Revenue	₹ In lakhs	% of Revenue	
Income					
Revenue from operations	84,923.87	100.00%	52,833.50	100.00%	60.74%
Expenditure					
Employee benefits expense	23,557.56	27.74%	17,636.22	33.38%	33.57%
Finance costs	971.49	1.14%	135.30	0.26%	618.03%
Depreciation and amortization expense	2,518.68	2.97%	1,351.63	2.56%	86.34%
Other expenses	32,124.52	37.83%	16,745.44	31.69%	91.84%
Total	59,172.25	69.68%	35,868.59	67.89%	64.97%
Profit before tax	26,596.85	31.32%	17,054.71	32.28%	55.95%
Tax expense	6,055.54	7.13%	4,136.18	7.83%	46.40%
Profit after tax	20,541.31	24.19%	12,918.53	24.45%	59.01%

On consolidated basis, revenue for the year was ₹ 84,923.87 lakhs signifying a growth of 60.74% in Rupee terms.

EBITDA margins have increased marginally by 0.33% from 35.09% in the previous year to 35.43% in the current year. Total employee benefit expenses have decreased by 5.64%. Employee benefits expense, as a percentage to revenue, is 33.38% in the previous year to 27.74%. The increase was ₹ 5,921.34 lakhs in line with increase in revenue. Other expenses increased due to increase in Professional & Consultancy Charges, subcontractor expenses, Traveling expenses, Cloud hosting & Communication expenses and Other expenses.

Our effective tax rate is at 22.67% when compared to 23.87% in the previous year. PAT has grown by 53.33% and as a percentage of revenue, has decreased from 24.28% to 23.19% in the current year, mainly on account of increase in revenue, other income and foreign exchange gain in the current year as compared to forex loss in the previous year.

On standalone basis, revenue for the year was ₹ 5056.52 Lakhs signifying a growth of 34.97% in Rupee terms. EBITDA margins have increased marginally from 19.68% in the previous year to 30.87%. The growth in revenue (34.97%) was higher than the growth in employee benefits expense (22.62%). Other expenses increased due to Professional & Consultancy Charges, subcontractor expenses, Rent, Traveling expenses, and Other expenses. Our effective tax rate is at 32% when compared to 52% in the previous year. PAT has increased by 198.77% to ₹ 487.74 Lakhs as compared to ₹ 163.28 Lakhs in the previous year mainly on account of increase in revenue, other income and foreign exchange gain in the current year as compared to forex loss in the previous year.

DETAILS OF INTANGIBLE ASSETS:**CloudEz - Cloud Management Platform for Healthcare, Pharma and Lifesciences Enterprises**

CloudEz platform builds a GxP environment for applications such as LIMS, Real World Evidence (RWE), Big Data and Analytics, IoT, etc. and automates the qualification process, ensuring ongoing compliance with FDA and EMEA regulations. Our CloudEz platform balances security, compliance, automation, and cost optimization with self service capabilities.

- CloudEz platform is a Service Automation Platform that integrates ITSM capabilities such as Service Catalog, Service orchestration and ITIL with Cloud Automation. Service Orchestration and Automation is achieved through the integration between the CloudEz Business Services Engine and an ITSM platform such as ServiceNow.
- CloudEz Business Services Operation and Management Portal is an ITSM platform like ServiceNow which manages and enforces the ITIL processes such as incident, change and release management. It also has Service Catalog and Service Orchestration capabilities that allow it to offer Cloud Services in a self-service manner
- CloudEz Business Services Engine orchestrates the execution of automation script and makes API calls in order to deploy the Business Service in the Cloud. It has the capability of integrating with various tools and technologies such as Chef, Puppet, Cloud APIs, Document Management Systems etc.

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

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

MULTI-DOMAIN IDENTITY SERVICES PLATFORM (MISP) AND EZIAM

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

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

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

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

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

MISP is a method and apparatus to provide identity management deployment interoperability and

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

BREMA - A BLOCKCHAIN RECORDS MANAGEMENT PLATFORM OVERVIEW

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

About Blockchain

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

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

Why Blockchain? - Key Strengths

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

How Blockchain Works

The following are the basic aspects of Blockchain transaction management:

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

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

Benefits of Blockchain

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

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

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

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

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

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

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

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

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

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

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

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

AUTOMATON

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

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

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

- **Identifiers:** Background Jobs that checks for loopholes in Best practices, Security, Cost optimization, Compliance in Cloud infrastructure

like Amazon Web Services, Azure and Google Cloud every 15 minutes. Identifiers results will be shown in Dashboard, including Identifiers results and Reports

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

Acquisitions thus far

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

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

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

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

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

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

₹ (in lakhs)

Particulars	Under IND AS				Under US/Indian GAAP			
	31-Mar-18		31-Mar-17		31-Mar-18		31-Mar-17	
	Cost	NBV	Cost	NBV	Cost	NBV	Cost	NBV
Capitalized Software								
Cloud Ez	10,399.92	8,255.73	6,765.51	4,312.94	10,399.92	8,255.73	6,765.51	4,312.94
EzIAM	5,875.85	4,728.40	2,192.27	1,539.09	5,875.85	4,728.40	2,192.27	1,539.09
BREMA	5,367.10	5,367.10	-	-	5,367.10	5,367.10	-	-
Total	21,642.87	18,351.22	8,957.78	5,852.03	21,642.87	18,351.22	8,957.78	5,852.03
Patents / Trademark	454.76	241.87	454.06	317.15	454.76	241.87	454.06	317.15
Intangibles Due to Acquisitions								
FuGen Technologies Inc	4,612.22	4,612.22	4,605.11	4,605.11	4,612.22	3,574.78	4,605.11	3,875.97
Serj Solutions Inc	1,620.50	1,620.50	1,618.00	1,618.00	1,620.50	1,294.35	1,618.00	1,400.11
Cintel Systems Inc	2,333.52	2,333.52	2,329.92	2,329.92	2,333.52	1,866.97	2,329.92	2,019.26
Mindprint Inc	226.87	226.87	226.52	226.87	226.87	181.51	226.52	196.32
8K Miles Inc	740.00	-	740.00	-	740.00	-	740.00	-
Cornerstone Advisory Group LLC	4,437.68	3,996.93	-	-	4,437.68	3,996.93	-	-
Total	13,970.79	12,790.04	9,519.55	8,779.90	13,970.79	10,914.54	9,519.55	7,491.66
Goodwill								
FuGen Technologies Inc	324.10	324.10	323.60	323.60	324.10	324.10	323.60	323.60
Serj Solutions Inc	98.64	98.64	98.49	98.49	98.64	98.64	98.49	98.49
Cintel Systems Inc	97.23	97.23	97.08	97.08	97.23	97.23	97.08	97.08
Mindprint Inc	32.41	32.41	32.36	32.36	32.41	32.41	32.36	32.36
NexAge Technologies Inc., USA	972.61	972.61	971.10	971.10	972.61	972.61	971.10	971.10
Corner Stone Advisors Inc	866.12	866.12	-	-	866.12	866.12	-	-
Mentor Minds - USA	810.25	810.25	809.00	809.00	810.25	810.25	809.00	809.00
Mentor Minds - India	-	-	9.61	9.61	-	-	9.61	9.61
Total	3,201.36	3,201.36	2,341.24	2,341.24	3,201.36	3,201.36	2,341.24	2,341.24
Product Under Development (Not Capitalized yet)	2,795.68	2,785.68	2,072.24	2,072.24	2,795.68	2,785.68	2,072.24	2,072.24

Note:

1. Capitalized Software and Patent/Trademark are amortized over a period of 6 years
2. Intangibles due to Acq. Of Cornerstone are amortized as (a) Trademark - 10 Years (b) Customer Relationship - 10 years (c) Non Compete - 5 years
3. Intangibles Due to Acquisitions are amortized over a period of 15 years per US GAAP and are NOT amortized under IND AS
4. Acquisition of 8K Miles Inc. by Standlone entity are amortized fully
5. Goodwill due to acquisitions of businesses and are not amortized as per Accounting Standards
6. Amortization as stated above are till the year ended 31st March 2018

RISK AND RISK MITIGATION

- 1. Execution risk:** While fixed price contracts offer an opportunity to add better margins in IP/ non-linear execution model, they also expose us to execution risk in remote scenarios of any inability to adhere to delivery or quality SLA. Your Company has made significant investments in its platform (IP).
- 2. Employee related risk:** Employee attrition and/ or constraints in the availability of skilled human resources could pose a challenge for any services company. Your Company has kept its human capital at the centre and has initiated multiple steps for overall development of its employees. We encourage entrepreneurship culture within organization and offer new challenges and opportunities for our employees. We have made significant investments in our recruitment and training procedures.
- 3. M&A execution risk:** Your Company has been acquisitive in past when comes to acquisition of capabilities at right price. We believe in reducing our time to tap opportunity offered in this age of IT transformation but at the same time, we have put in place stringent evaluation criteria, diligence parameters and high standard of corporate governance practices for any target opportunity to cross the line. We have senior management team

and independent board of advisors to monitor the progress of each opportunity pre-and post-closure.

4. **Exchange rate risk:** Given that the Company's revenues are largely denominated in US dollars and fluctuations in foreign currency exchange rates could have an impact on company's earnings.
5. **Investment risk:** The strength of your company is IP developed over years of research and development. We expense the costs that is unlikely to yield significant results in future, in the year of accrual. We conduct regular impairment test of all intangible assets created either by way of internal Research and Development (R&D) and/ or assets acquired through acquisitions.

Our strategy

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

Alliances and Partnerships

Infrastructure: AWS, Azure, Google Cloud Services, IBM Smart Cloud and VMWare

Security: CA, ForgeRock, Sophos, Trend Micro, Gemalto, IBM Security, New Relic

Operations: ServiceNow, Splunk, DataDog, Cloud Checker

HUMAN RESOURCES

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

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

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

First Mile

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

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

STEP

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

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

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

Hackathons

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

Reward and Recognition

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

We have the following rewards:

Miler of the Year

Team of the Quarter

Milestone Awards

Other People Initiatives @ 8K Miles

Technopreneur@8K Miles

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

ComPass

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

SMile

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

Fun@Work

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

The Company has a proper and adequate system of internal controls. Adequate internal controls ensures 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.