



8K Miles Software Services Limited

Ref:8K/CHN/2018-19/E032

October 24, 2018

Mr. Subhash Purohit  
Assistant Manager,  
BSE Limited, 24th Floor, P J Towers,  
Dalal Street, Mumbai – 400001

Scrip Code: 512161 - ISIN NO-INE650K01021

Dear Sir,

**Sub: Clarification to News article appearing on www.bloomberquint.com - October 22, 2018 Involving 8K Miles"**

We would like to clarify the following with reference to the article you have attached in your email dated 23<sup>rd</sup> October 2018.

**Delay in Disclosing Allegedly Fraudulent Sale of Shares**

There were two brokerage firms, Quantum Global Securities and Kumar Share Brokers, which sold shares held in Mr.Suresh Venkatachari's DP account with them without his consent or knowledge. This was conspired and executed before he was able to pinpoint the unauthorized transaction. Initially, when he discovered, he needed to investigate the matter privately to better understand the situation and establish with evidence that the selling was indeed illegal and fraudulent before informing the regulatory authorities. Immediately after his finding, he filed with SEBI and Exchanges on 12<sup>th</sup> October 2018 and handed over the case to concerned authorities to investigate further. His action shows our willingness to be transparent and placed our shareholder's interest above all. Based on the complaint filed by Mr.Suresh Venkatachari, the police had already launched the investigation including a Forensic Audit of the forgery committed.

**Auditor Allegation against 8K Media**

8K Miles Software Services Limited and 8K Miles Media Private Limited are two different entities and 8K Media is neither a Subsidiary nor an Associate Concern. (refer Page 35 of Annual Report 2017-18 of 8K Miles Software Services Limited – Attached as Annexure with this letter) The Annual Report 2017-18 of the company was shared with the exchanges on 12<sup>th</sup> October 2018 (Ref: 8K/CHN/2018-19/E026)

We have already given a clarification to the exchange vide letter (Ref: 8K/CHN/2018-19/E022) dated 25<sup>th</sup> September, 2018 informing that the principal promoter and CMD & CEO, Mr. Suresh Venkatachari of 8K Miles Software Services Limited owns less than 1% (actual holding 0.18%) in 8K Miles Media Private Limited.

This allegation was discussed on the 28<sup>th</sup> of September 2018 by the Board of Directors of 8K Miles Software Services Limited. During the Board meeting R S Ramani who is the principal shareholder of 8K Miles Media Pvt. Limited expressed that such allegations are absolutely baseless. Mr Ramani also expressed his desire to step-down from his role as CFO of 8K Miles Software Services



Ltd to enable him to have the necessary time to clear all the baseless and unsubstantiated allegations against 8K Miles Media. Also, Mr Ramani has informed the Company that 8K Miles Media has sufficient documentary evidences to prove that the allegations are false and baseless and has initiated legal action and inform relevant institute/authorities.

### **No Relationship between GHG Associates & 8K Miles Software**

8K Miles Software Services Limited appointed M/s Deloitte Haskins & Sells LLP as the auditors for the financial period 1st April 2017 to 31st March 2022 and a circular dated 28<sup>th</sup> August, 2017 (Ref: 8K/CHN/2017-18/E010) was uploaded on the exchange site. Hence, GHG Associates is clearly not related to 8K Miles Software Services Limited.

### **Ramani's Sale of Shares**

Mr Ramani has sold certain portion of his shareholding in 8K Miles Software over the period of last one year and the same has been disclosed to the exchanges as required by SEBI (SAST Regulations, 2011)

### **Material Impact of this article on the Company**

As of now there is no material impact on the Business of the Company and the business and operations are running smooth.

We have been growing at 100% CAGR over the last five years and we see huge potential in Healthcare and FinTech sectors going forward while continuing our success in Pharma sector. We have several Fortune 500 companies in healthcare and Life Sciences as our customers.

The good news is that our employees and the management team remain focused on executing our business strategy, deepening our relationship with our existing customers and delivering strong performance for our clients and working hard to enhance our prime position in the cloud transformation business and ensuring rapid business & revenue growth.

Our strategy of automating continuous compliance and security on the public cloud for the Pharma sector is on a good foundation for stronger growth.

In Healthcare sector, we have over 120 hospitals in the US and are on our way to becoming a dominant player in offering Cloud transformation services to them. We are also working on a groundbreaking strategy of moving EHR (Electronics Health Records) to the cloud and offer it as EHR as a service which ensures long term recurring revenue. We have made some good early initiatives by adopting blockchain technology for patient record management which will become a potential game changer. We are expanding in to UK through strategic sales and marketing partnership where we foresee a lot of new opportunities for our cloud services in Healthcare market.

Thanking You,

Yours Truly,  
For 8K Miles Software Services Limited

  
Ashwin.J  
Company Secretary



## ANNEXURE 1

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

### INDEPENDENT DIRECTORS

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

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

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on 30<sup>th</sup> March 2018. The Independent Directors actively participated and provided guidance to the Company in all its spheres.

### NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Company reviews the composition of board to ensure that there is appropriate mix of talent, qualification, experience and diversity in the Board. Pursuant to Section 178 of the Companies Act, 2013, the Remuneration policy has been formulated to govern the terms of appointment and remuneration of Directors of the Company. The policy ensures that the remuneration paid is sufficient to retain and motivate the Directors of the company. The Remuneration policy is available in the website of the Company.

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

### SUBSIDIARY COMPANIES

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

- 4) Mentor Minds Solutions and Services Inc. USA
- 5) Mentor Minds Solutions and Services (P) Ltd. India (Till 28<sup>th</sup> February 2018)

### CONSOLIDATED ACCOUNTS

The accounts of the subsidiary companies are consolidated with the accounts of the company in accordance with the provisions of section 129 of the Companies Act, 2013 and regulation 33 of SEBI (LODR) Regulations, 2015. The consolidated financial information forms part of the Annual Report.

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

### CONSERVATION OF ENERGY

- a) Company ensures that the operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

### TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS

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

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

- Developed Patient-centric Health Exchange platform targeting to have Patient as the central and primary focus on the Blockchain technology. This will enable the platform to represent Patient's medical history effectively, which is the foundation for Healthcare and Health Information Exchange. Such Exchange can be integrated with any EHR/EMR solutions such as EPIC, Cerner and Meditech thus not impacting the way hospitals run today,

