8K MILES SOFTWARE SERVICES (FZE)
SAIF ZONE
SHARJAH - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

اس. بي. ايه لتدقيق الحسابات
SPA Auditing
The Professional People
Chartered Accountants

8K MILES SOFTWARE SERVICES (FZE)
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TABLE OF CONTENTS

Ref: SPA/17-18/0020

Date: 30 May 2017

Independent Auditors' Report

To

The Manager,
8K Miles Software Services (FZE)
Sharjah International Airport Free Zone,
Executive Desk,Q1-05-109/C,
P.O. Box: 513211,
Sharjah - United Arab Emirates

We have audited the accompanying financial statements of **8K Miles Software Services (FZE),** which comprise the balance sheet as at **31 March 2017** and the statement of income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

تليفون: ٦١٧ ٢٣٤٩ ٤ ٩٧١+ فاكس: ٦١٨ ٢٣٤٩ ٤ ٩٧١+، ص.ب: ١٨٥٨٧٩، دبي - ا.ع.م
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Independent Auditors' Report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above, in our opinion, the financial statements present fairly, in all material respects, the financial position of **8K Miles Software Services (FZE), SAIF Zone, Sharjah – United Arab Emirates** as of **31 March 2017,** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Also, in our opinion, there were no contraventions during the year of the pursuant to Emiri Decree No. 2 of 1995 as applicable for business entities in SAIF Zone, Sharjah, which might have materially affected the financial position of the Establishment or the result of its operations for the year.

P Sriganesh
(Reg No.601)
Managing Partner

ABDALLAH AL QAYDI S P A AUDITING
CHARTERED ACCOUNTANTS
DUBAI – UNITED ARAB EMIRATES

عبدالله القايدي اس بي ايه لتدقيق الحسابات
P.O. Box: 185879
Dubai - U. A. E
Abdallah Al Qaydi S P A Auditing

Statement of Comprehensive Income
For the year ended 31st March 2017

	Notes	31-Mar-17	31-Mar-16
		AED	AED
Revenue	12	**36,998,935**	13,297,894
Direct Expenses	13	**(18,530,547)**	(6,297,351)
Gross Profit		**18,468,388**	7,000,543
Administrative expenses	14	**(3,697,233)**	(2,065,295)
Amortization expenses	15	**(744,187)**	(744,187)
Net Profit for the year		**14,026,968**	4,191,061

The accompanying notes form an integral part of these Financial statements.
The Report of the Auditors is set out on pages 1 and 2.

The financial statements on pages 3 to 15 were approved and signed on 30 May 2017.

Manager
8K Miles Software Services (FZE)

Statement of Financial Position
As on 31st March 2017

	Note	31-Mar-17	31-Mar-16
Assets		AED	AED
Current assets			
Cash on hand and at bank	6	456,442	389,458
Trade receivables	7	9,875,626	4,038,148
Other receivables and prepayments	8	5,675,435	3,386,750
Total Current assets		16,007,503	7,814,356
Non-Current Assets			
Capital Work – in - Progress		1,942,125	3,473,478
Intangible Assets	15	10,228,689	3,472,876
Total Assets		28,178,317	14,760,710
Liabilities and Proprietor's Equity			
Trade Payables	9	250,120	1,066,645
Accrued expenses & Other payables	10	725,450	518,286
		975,570	1,584,931
Total Liabilities		975,570	1,584,931
Equity			
Capital		150,000	150,000
Retained Earnings	11	27,052,747	13,025,779
Total Equity		27,202,747	13,175,779
Total Liabilities and Proprietor's Equity		28,178,317	14,760,710

The accompanying notes form an integral part of these Financial statements
The Report of the Auditors is set out on pages 1 and 2.
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Manager
8K Miles Software Services (FZE)

Statement of Changes in Shareholder's Equity
For the year ended 31st March 2017

	Share Capital AED	Retained Earnings AED	Total AED
As at 1 April 2015	150,000	8,834,718	8,984,718
<u>Changes in Shareholders' Equity:</u>			
Net Profit for the year	-	4,191,061	4,191,061
As at 31 March 2016	**150,000**	**13,025,779**	**13,175,779**
<u>Changes in Shareholders' Equity:</u>			
Net Profit for the year	-	**14,026,968**	**14,026,968**
As at 31 March 2017	**150,000**	**27,052,747**	**27,202,747**

The accompanying notes form an integral part of these Financial statements
The Report of the Auditors is set out on pages 1 and 2.

Statement of Cash flows
For the year ended 31st March 2017

	31-Mar-17	31-Mar-16
	AED	AED
Cash flows from operating activities:		
Net Profit for the year	14,026,968	4,191,061
Amortization	744,187	744,187
Operating profit before changes in Operating assets and liabilities	14,771,155	4,935,248
Increase/(Decrease) in trade payables	(816,525)	191,867
Increase/(Decrease) in Other payables & Accrued expenses	207,164	197,086
(Increase)/decrease in Trade Receivables	(5,837,478)	(1,078,713)
(Increase)/decrease in Other Receivables & Prepayments	(2,288,685)	(3,366,125)
Cash from operating activities	6,035,631	879,363
Cash flows in investing activities:		
Capital Work In Progress	1,531,353	(655,030)
Increase in Intangible assets	(7,500,000)	-
Net cash (used in) from investing activities	(5,968,647)	(655,030)
Net increase in cash and cash equivalents	66,984	224,333
Cash and cash equivalents, beginning of the year	389,458	165,125
Cash and cash equivalents, end of the year	456,442	389,458
Represented by:		
Cash at Bank	456,442	389,458
NOTE 6	456,442	389,458

The accompanying notes form an integral part of these Financial statements
The Report of the Auditors is set out on pages 1 and 2.

Notes to the Financial Statements
For the year ended 31st March 2017.

1 Legal status and business activity:

1.1 **8K Miles Software Services (FZE),** Sharjah – United Arab Emirates ("the Establishment") was incorporated on March 14, 2011 and operates as a Free Zone Establishment with Limited Liability in the United Arab Emirates, under a service license issued by the Sharjah Airport International Free Zone, Sharjah.

1.2 The main activities of the Establishment are providing IT Services & Solutions.

1.3 The registered office of the Establishment is located at Executive Desk Q1-05-109/C, P O Box 513211, SAIF Zone, Sharjah, UAE.

1.4 The management and control of the establishment is vested with Mr. Ramani Rama Subramani.

1.5 These financial statements incorporate the operating results of Service license No.09147.

2 Capital:

The authorized, issued and paid up share capital of the Establishment is AED 150,000 divided into 150 shares of AED 1,000 each. The shares are entirely held by M/s.8K Miles Software Services Ltd, India

3 Summary of significant accounting policies

3.1 Statement of Compliance

The financial statements of the Establishment have been prepared in accordance with International Financial Reporting Standards (IFRS).

3.2 Basis of Preparation

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised standards including amendments thereto 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.

Notes to the Financial Statements
For the year ended 31st March 2017.

IAS 27: Consolidated and Separate Financial Statements
IAS 32: Financial Instruments: Presentation - Classification of Rights Issues
IAS 39: Financial Instruments
IFRS 1: First Time Adoption of IFRS
IFRS 2: Share Based Payment - Group Cash settled Share Based Payment Transactions
IFRS 3: Business Combinations
IFRS 5: Non Current Assets held for Sale and Discontinued Operations
IFRIC 17: Distribution of Non-cash Assets to Owners
IFRIC 18: Transfer Assets from customers

The Establishment has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual years beginning on or after**
Amendments to IFRS 1 relating to *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*	1 July 2010
Amendments to IFRS 7 *Financial Instruments:* Disclosures, relating to Disclosures on Transfers of financial Assets	1 July 2012
Amendments to IFRIC 14 relating to Prepayments of a Minimum Funding Requirements	1 January 2012
IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
Improvements to IFRSs issued in 2010 covering except IFRS 3	1 January 2012,
Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 34 and IAS 27 which are effective And IFRIC 13	1 July 2010
IAS 12 *Income Taxes*	
Amendments to IFRS 1: Removal of Fixed Dates for First -Time Adopters	1 July 2012
Amendments to IFRS 1: Severe Hyperinflation	1 July 2012

Management anticipates that these amendments will be adopted in the establishment's financial statements for the initial year when they become effective. It is anticipated that their adoption in the relevant accounting years will have impact only on disclosures within the financial statements.

Notes to the Financial Statements
For the year ended 31st March 2017.

3.4 Financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets and financial liabilities are recognized on the Establishment's statement of financial position when the establishment 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 favourable 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 unfavourable.

3.5 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.

3.6 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 is 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.

3.7 Trade payables

Trade payables are recognized initially at the transaction price for the goods and services received, whether billed by the customers or not.

3.8 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 for 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.

Notes to the Financial Statements
For the year ended 31st March 2017.

3.9 Provisions

A provision is recognized if, as a result of a past event, the establishment 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.

3.10 Revenue recognition

Income is recognised 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

3.11 Intangible Assets

IAS 38 requires an entity to recognise 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 from 1 to 20 years. Refer to Note16.

4 Critical accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 recognised in the year in which the estimates are revised and in any future years affected.

Notes to the Financial Statements
For the year ended 31st March 2017.

5 Financial risk management

5.1. Financial risk management objectives

The Establishment's management observes domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Establishment 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 establishment seeks to minimize the effects of risks related to financial instruments. The establishment policies in this regards are set and approved by the management on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

5.2. Market risk

The establishment activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Establishment is not exposed to any significant interest rate risks.

5.3. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the establishment. The establishment 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 management based on prior experience and prevailing economic condition.

5.4 Foreign Currency Management

The establishment undertakes certain transactions denominated in foreign currencies. Hence exposures to the exchange rate fluctuations arise.

Currently the establishment 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.

Notes to the Financial Statements
For the year ended 31st March 2017.

6 Cash on hand and at bank

	31-Mar-17 AED	31-Mar-16 AED
Cash in hand	109,150	51,250
Bank balances	347,292	338,208
	456,442	389,458

7 Trade receivables

	31-Mar-17 AED	31-Mar-16 AED
Accounts Receivables	9,875,626	4,038,148
	9,875,626	4,038,148

8 Other receivables and prepayments

	31-Mar-17 AED	31-Mar-16 AED
Other receivables & Prepayments	1,013,221	3,386,750
Un-billed amounts spent	4,662,214	-
	5,675,435	3,386,750

9 Trade payables

	31-Mar-17 AED	31-Mar-16 AED
Trade payables	250,120	1,066,645
	250,120	1,066,645

10 Provisions and accrued expenses

	31-Mar-17 AED	31-Mar-16 AED
Other payables & Accrued expenses	725,450	518,286
	725,450	518,286

Notes to the Financial Statements
For the year ended 31st March 2017.

11 Retained Earning

	31-Mar-17	31-Mar-16
	AED	AED
Opening Balance	13,025,779	8,834,718
Net Profit for the year	14,026,968	4,191,061
Closing Balance	27,052,747	13,025,779

12 Revenue

	31-Mar-17	31-Mar-16
	AED	AED
Revenue	36,998,935	13,297,894
	36,998,935	13,297,894

13 Direct Cost

	AED	AED
	18,530,547	6,297,351
	18,530,547	6,297,351

14 Administrative expenses

	31-Mar-17	31-Mar-16
	AED	AED
Rent, Rates & Utilities	102,500	59,500
Sales and Marketing Costs	778,350	495,905
Research and Development Costs	981,091	401,785
Cloud Hosting and Communication	725,105	398,450
Travelling and Logistics	615,240	365,890
Professional and Consultancy	390,450	277,500
Other Administration Expenses	104,497	66,265
	3,697,233	2,065,295

Notes to the Financial Statements
For the year ended 31st March 2017

15 Intangible Assets

	Intangible Assets	Total
Cost	**AED**	**AED**
As at 1 April 2016	4,961,250	4,961,250
Additions during the year	7,500,000	7,500,000
As at 31 March 2017	**12,461,250**	**8,461,250**
Accumulated Amortization		
As at 1 April 2016	1,488,374	1,488,374
Amortization for the year	744,187	744,187
As at 31 March 2017	**2,232,561**	**2,232,561**
Net book value		
As at 31 March 2017	**10,228,689**	**10,228,689**
As at 31 March 2016	3,472,876	3,472,876

16 Contingent Liabilities and Capital Commitments

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Establishment's account as of balance sheet date.

17 Comparative Figures

Previous year figure has been reflected in the financials for comparison purpose and the same has been regrouped wherever necessary.