

8K Miles Software Services Inc

Consolidated Financial Statements
March 31, 2017

8K Miles Software Services Inc

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
8K Miles Software Services Inc.

We have audited the accompanying consolidated balance sheet of 8K Miles Software Services Inc., and its subsidiary which comprise the consolidated balance sheet as of March 31, 2017 and the related consolidated statement of income, retained earnings, and cash flows for the year then ended, and the related notes to financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.



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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design the 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. Accordingly,, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of 8K Miles Software Services Inc. and its subsidiary as of March 31, 2017 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ram Associates

Ram Associates
Hamilton, NJ

May 05, 2017

Consolidated Statement of Financial Position
8K Miles Software Services Inc and Subsidiary Companies

(in USD Dollars)

At March 31:	Notes	2017	2016
Assets			
Current Assets			
Cash and Cash equivalents	C	\$ 10,413,415	\$ 2,486,509
Accounts Receivable - Trade		12,751,012	6,530,206
Prepayments and other current assets	D	6,438,155	2,754,336
Total Current assets		29,602,582	11,771,051
Property, plant and equipment - Net	E	2,032,098	1,339,615
Intangible assets - Net	F	14,266,827	13,677,808
Goodwill	F	2,200,487	2,200,487
In-Process		1,082,406	791,315
Total Assets		\$ 49,184,400	\$ 29,780,277
Liabilities and Stockholders' equity			
Current liabilities			
Accounts payable		435,125	179,832
Due to related party	G	-	290,602
Other accrued expenses and payable	H	2,735,286	1,980,024
Total Current liabilities		3,170,411	2,450,458
Long-term debt		-	-
Other long term liabilities		-	-
Total liabilities		\$ 3,170,411	\$ 2,450,458
Contingencies and commitments			
Equity			
Preferred stock, par value \$0.0001; 10,000,000 authorized			
Common stock, par value \$0.0001; 200,000,000 authorized			
28,724,878 shares issued and outstanding		30,750	28,725
Share premium/additional paid-in capital		28,562,099	20,464,124
Retained earnings		17,421,140	6,836,970
Total stockholders' equity		46,013,989	27,329,819
Total liabilities and stockholders' equity		\$ 49,184,400	29,780,277

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Amounts may not add due to rounding.
The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Earnings
 8K Miles Software Services Inc and Subsidiary Companies

(in USD Dollars)

	Notes	2017	2016
Revenue			
Sales and Services		\$ 48,636,391	\$ 23,599,042
Other Income		18,715	-
Total Income	I	48,655,106	23,599,042
Cost			
Sales and Services		23,796,636	10,185,322
Total Cost		23,796,636	10,185,322
Gross Profit		24,858,470	13,413,720
Expenses			
Selling, General and administrative expenses	J	8,151,271	6,536,083
Depreciation expenses		437,007	141,813
Amortization expenses		1,441,056	1,294,428
Total expenses		10,029,334	7,972,324
Income from operations before income tax		14,829,136	5,441,397
Provision for income taxes		4,244,966	1,387,556
Income from continuing operations		10,584,170	4,053,841
Loss from discontinued operations		-	-
Net Income		10,584,170	4,053,841

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Consolidated Statement of Cash Flows
BK Miles Software Services Inc and Subsidiary Companies

(in USD Dollars)

For the year ended March 31:	Notes	2017	2016
Cash flows from operating activities			
Net income		\$ 10,584,170	\$ 4,053,841
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation		437,007	141,813
Amortization		1,441,056	1,294,428
<i>Operating profit before changes in assets and liabilities</i>		<i>12,462,233</i>	<i>5,490,081</i>
Changes in operating assets and liabilities			
Accounts receivable		(6,220,806)	(4,465,373)
Prepayments and Other Other assets		(3,683,817)	(2,706,034)
Accounts payable and other payables		719,953	(684,278)
Total adjustments		(9,184,670)	(7,855,685)
Net cash provided by operating activities		3,277,563	(2,365,604)
Cash flows from investing activities			
in Property, plant and equipment		(1,129,490)	(1,322,100)
Developed tools/products		(2,030,075)	(2,224,950)
Goodwill and intangibles due to acquisitions		-	(4,600,000)
In Software/tools/platforms - development (in process)		(291,091)	(662,876)
Net cash used in investing activities		(3,450,656)	(8,809,926)
Cash flows fro financing activities			
Line of credit		-	-
Long-term debt		-	-
Increase in common stock		2,025	11,143
Increase in additional paid-in capital		8,097,975	12,819,357
Net cash provided by financing activities		8,100,000	12,830,500
Net change in cash and cash equivalents		7,926,907	1,654,970
Cash and cash equivalents at the beginning of the year		2,486,509	831,539
Cash and cash equivalents at the end of the year		10,413,416	2,486,509

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Amounts may not add due to rounding
The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes in Equity
8K Miles Software Services Inc and Subsidiary Companies

(in USD Dollars)

	Common stock and additional Paid-in-Capital	Share premium (additional capital)	Retained Earnings	Total Stockholders' Equity
2015				
As at April 1, 2014	17,582	7,644,767	1,115,235	8,777,584
Common stock issued during the year	-	-	-	-
Additional paid-in capital	-	-	-	-
Net income	-	-	1,667,894	1,667,894
Equity, March 31, 2015	\$ 17,582	\$ 7,644,767	\$ 2,783,129	\$ 10,445,478
2016				
As at April 1, 2015	17,582	7,644,767	2,783,129	10,445,478
Issuance of stock during the year	11,143	0	-	11,143
Additional paid-in capital	-	12,819,357	-	12,819,357
Net income	-	-	4,053,841	4,053,841
Equity, March 31, 2016	\$ 28,725	\$ 20,464,124	\$ 6,836,970	\$ 27,329,819
2017				
As at April 1, 2016	28,725	20,464,124	6,836,970	27,329,819
Common stock issued during the year	2,025	-	-	2,025
Additional paid-in capital	-	8,097,975	-	8,097,975
Net income	-	-	10,584,170	10,584,170
Equity, March 31, 2017	\$ 30,750	\$ 28,562,099	\$ 17,421,140	\$ 46,013,989

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Notes to Consolidated Financial Statements
8K Miles Software Services Inc. and Subsidiary Companies

March 31, 2017

1) 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 63.66% as on 31st March 2017 (62.66% as on 31st March 2016) 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 helps companies integrate cloud computing into their IT and Business strategies.

NexAge Technologies USA Inc.

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 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.

2) Summary of Significant Account Policies

Basis of consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its Subsidiary. All significant related party accounts and transactions between the Company and the Subsidiary have been eliminated upon consolidation. Previous year's numbers are regrouped wherever necessary.

Accounting Policies

These financial statements are prepared on the basis of the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when products and services are sold and expenses reflected, when costs are incurred.

Use of Estimates

The preparation of financial statements in conformity with "GAAP" requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income /(loss) (OCI) that are reported in the Consolidated Financial Statements and accompanying disclosures where applicable. These estimates are based on management's best knowledge of current events, historical experience actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances.

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Notes to Consolidated Financial Statements
8K Miles Software Services Inc. and Subsidiary Companies

March 31, 2017

evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such period evaluations.

Revenue recognition

The Company recognizes revenue in accordance with the Accounting Standard Codification 605 "Revenue Recognition." Revenue is recognized when all of the following criteria are met: (1) persuasive evidence 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.

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Notes to Consolidated Financial Statements
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Software

Revenue from perpetual (one-time charge) license software is recognized at the inception of the license term if all revenue recognition criteria have been met. Revenue from term (recurring license charge) license software is recognized on a straight-line basis over a period that the client is entitled to use the license. Revenue from post-contract-support, which may include unspecified upgrades on a when-and-if-available basis, is recognized on a straight-line basis over the period such items are delivered. Revenue from software hosting or software-as-a-service arrangements is recognized as the service is delivered, generally on a straight-line basis, over the longer of the term of the arrangement or the expected period of the customer relationship. In Software hosting arrangements, the rights provided to the customer (e.g., ownership of a license, contract termination provisions and the feasibility of the customer to operate the software) are considered in determining whether the arrangement includes a license. In arrangements, which include a software license, the associated revenue is recognized according to whether the license is perpetual or term, subject to guidance above.

In multiple-deliverable arrangement that include software that is more than incidental to the products or services as a whole (software multiple-deliverable arrangements), software and software-related elements are accounted for in accordance with software revenue recognition guidance. Software-related elements include software products and services for which software deliverable is essential to its functionality. Tangible products containing software components and non-software components that function together to deliver the tangible product's essential functionality are not within the scope of software revenue recognition guidance and are accounted for based on other applicable revenue recognition guidance.

Services Costs

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.

Expense and Other Income

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.

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Research, Development and Engineering

Research, development and engineering (RD&E) costs are expensed as incurred. Software costs that are incurred to produce the finished product after technological feasibility has been established are capitalized as an intangible asset.

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 1-5 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 10 years. Other intangible assets are amortized over period between 1 to 10 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, 2017, 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. 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 acquiree 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

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Notes to Consolidated Financial Statements
8K Miles Software Services Inc. and Subsidiary Companies

March 31, 2017

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.

Impairment

Long-lived assets, other than goodwill and indefinite-lived intangible assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment test is based on undiscounted cash flows and, if impaired, the asset is written down to fair value based on either discounted cash flows or appraised values. Goodwill and indefinite-lived intangible assets are tested annually, in the fourth quarter, for impairment and whenever changes in circumstances indicate impairment may exist. Goodwill is tested at the reporting unit level which is the operating segment, or a business, which is one level below that operating segment (the "component" level) if discrete financial information is prepared and regularly reviewed by management at the segment level. Components are aggregated as a single reporting unit if they have similar economic characteristics.

Income taxes

Income taxes have been provided for using an 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 income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company's effective tax was 19.50% for the year ended March 31, 2017. 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

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Notes to Consolidated Financial Statements
8K Miles Software Services Inc. and Subsidiary Companies

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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, account payable and accrued expenses and other liabilities.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and trade receivables. Credit risks associate with trade receivable is minimal due to the Company's customer base consists or large customer base and ongoing procedures, which monitor the credit worthiness of its customers. For the year ended March 31, 2017, sale to 10 major customers accounted for approximately 30% of total revenue.

New Accounting Pronouncements

1. In August 2014, the Financial Accounting Standards Board ("FASB") issued amended guidance related to disclosure of uncertainties about an entity's ability to continue as a going concern. The new guidance requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, as necessary, to provide related footnote disclosures. The guidance has an effective date of December 31, 2016. The Company believes that the adopted of this new standard will not have a material impact on its consolidated financial statements.
2. In May 2014, the Financial Accounting Standards Board, or ("FASB"), issued Accounting Standard Update, or ASU, 2014-09- *Revenue from Contracts with Customers*, which provides a single, comprehensive revenue recognition model for all contracts with customers. The core principal of this ASU is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty or revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU is effective for annual periods, and interim periods within annual periods, beginning after December 15, 2016. Early adoption is not permitted. The Company has given impact of this ASU on its consolidated financial statements.
3. In January 2015, the Financial Accounting Standard Board, or ("FASB"), issued Accounting Standard Update, or ASU, 2015-01-*Income Statement-Extraordinary and Unusual Items*, which seeks to simplify income statement presentation by eliminating the concept of Extraordinary Items. This Update eliminates from GAAP the concept of extraordinary items. Subtopic 225-20, Income Statement – Extraordinary and Unusual Items, required that an entity separately classify, present, and disclose extraordinary events and transactions. The amendments in this Update are effective for fiscal years and intem periods within those fiscal years, beginning

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Notes to Consolidated Financial Statements
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March 31, 2017

after December 15, 2015. A reporting entity may apply the amendments prospectively. A Reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.

Lease Commitments

The Company has entered into an office leases on expiring through September 2023. The term of the leases vary between 24 and 94 months from commencement date. The future minimum rental payments under the lease agreement are as follows:

For the year ended March 31	
2017	\$ 197,039
2018	\$ 193,833
2019	\$ 193,833
Thereafter	\$ <u>741,232</u>
Total	\$ <u>1,325,937</u>

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.

Subsequent Events

For the year ended March 31, 2017, the Company has evaluated subsequent events through May 8, 2017, the date, which the financial statements were available to be issued. No reportable subsequent events have occurred through May 8, 2017, which would have a significant effect on the financial statements as of March 31, 2017 except as otherwise disclosed.

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Notes to Consolidated Financial Statements
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NOTE C

Cash and Cash equivalents

(in USD Dollars)

At March 31:	2017	2016
Cash in hand	50,964	15,245
Bank Balances	10,362,451	2,471,264
TOTAL	\$ 10,413,415	\$ 2,486,509

NOTE D

Prepaid expenses and other current assets

(in USD Dollars)

At March 31:	2017	2016
Staff advances	44,580	24,300
Prepayments	398,125	484,784
Others	5,995,450	2,245,252
TOTAL	\$ 6,438,155	\$ 2,754,336

NOTE E

Property, plant and equipment

The following table details the company's Property, plant and equipment balances by major class

(in USD Dollars)

Particulars	Period of years	Balance as at April 1, 2016	Additions/ (adjustments)	Balance as at March 31, 2017	Accumulated Depreciation upto March 31, 2016	Depreciated for the year	Accumulated Depreciation upto March 31, 2017	Net carrying amount March 31, 2017
Furniture, fixtures and improvements	5	977,463	815,650	1,793,113	59,328	292,538	351,866	1,441,247
Computer and accessories	5	351,450	145,120	496,570	70,290	109,389	179,679	316,891
Office equipment	5	175,400	168,720	344,120	35,080	35,080	70,160	273,960
Total		\$ 1,504,313	\$ 1,129,490	\$ 2,633,803	\$ 164,698	\$ 437,007	\$ 601,705	\$ 2,032,098

NOTE F

INTANGIBLE ASSETS INCLUDING GOODWILL

Intangible Assets

The following table details the company's intangible asset balances by major asset class

(in USD Dollars)

Particulars	Period of years	Balance as at April 1, 2016	Additions/ (adjustments)	Balance as at March 31, 2017	Accumulated amortization upto March 31, 2016	Amortized for the year	Accumulated Amortization upto March 31, 2017	Net carrying amount March 31, 2017
Capitalized software	6	1,560,950	698,120	2,259,070	196,420	260,158	456,578	1,802,492
Completed Technology	6	2,170,972	1,331,955	3,502,927	614,505	326,273	940,778	2,562,149
Patents/trademarks	6	701,579	-	701,579	94,620	116,930	211,550	490,029
On acquisition of Fugen	15	7,115,432	-	7,115,432	652,247	474,362	1,126,609	5,988,823
On acquisition of Mindprint	15	350,000	-	350,000	23,333	23,333	46,666	303,334
On acquisition of Cintel	15	3,600,000	-	3,600,000	240,000	240,000	480,000	3,120,000
Total		\$ 15,498,933	\$ 2,030,075	\$ 17,529,008	\$ 1,821,125	\$ 1,441,056	\$ 3,262,181	\$ 14,266,827

Goodwill

Goodwill arose due to acquisition of businesses and are neither amortizable nor deductible for tax purposes and are as follows:

Particulars	
Balance at April 1, 2016	
On acquisition of	
Fugen Solutions Inc. USA	500,000
Mindprint Inc., Canada	50,000
Cintel Systems Inc., USA	150,000
NexAge Technologies Inc., USA	1,500,487
At March 31, 2017	\$ 2,200,487

There were no additions in Goodwill during the current year

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Notes to Consolidated Financial Statements
 BK Miles Software Services Inc and Subsidiary Companies

NOTE G

Due to Related Party

(in USD Dollars)

At March 31:	2017	2016
BK Health Cloud Inc.	-	-
BK Miles Software Services Limited, India	-	290,602
TOTAL	\$ -	\$ 290,602

NOTE H

Other accrued expenses and payable

(in USD Dollars)

At March 31:	2017	2016
Accrued expense payable	172,120	114,518
Salary payable	915,245	402,500
Audit Fee payable	75,000	75,450
Taxes payable	1,572,921	1,387,556
TOTAL	\$ 2,735,286	\$ 1,980,024

NOTE I

Revenue

The following tables reflect the results of continuing operations of the Company's revenue consistent with the management and measurement system utilized within the company. Performance measurement is based on pre-tax income from continuing operations. These results are used, in part, by senior management, both in evaluating the performance of, and in allocating resources to, each of segments.

Segment view

(in USD Dollars)

At March 31:	2017	2016
Cloud migration	21,886,376	9,439,617
Managed services	12,159,098	5,191,789
Security solutions	8,268,186	2,831,885
Consulting	6,322,731	6,135,751
TOTAL	\$ 48,636,391	\$ 23,599,042

Domain view

(in USD Dollars)

At March 31:	2017	2016
Life science and healthcare	17,022,737	8,259,665
E-commerce and media	7,295,459	3,539,856
Banking and insurance	5,350,003	2,595,895
Manufacturing	6,322,731	3,067,875
Others	12,645,462	6,135,751
TOTAL	\$ 48,636,391	\$ 23,599,042

NOTE J

Selling, General and Administrative expense

(in USD Dollars)

At March 31:	2017	2016
Rent, Rates and other operational	525,125	424,670
Sales, marketing	2,450,190	2,054,780
Cloud hosting, communication	948,255	468,350
Research and Development expenses	945,123	727,345
Traveling, logistics	879,240	678,901
Business promotion and related	789,125	558,250
Professional, consultancy	612,450	460,245
Immigration	412,402	587,310
Professional consultancy - Mergers & Acquisitions	367,212	439,750
Audit fee	75,000	75,450
Other expense	147,149	61,032
TOTAL	\$ 8,151,271	\$ 6,536,083

Amounts may not add due to rounding
 The accompanying notes form an integral part of the financial statements

RAM ASSOCIATES
CPA
HAMILTON
NJ 08619