

TOMORROW'S TECHNOLOGY **TODAY**



SUSTAINED INNOVATIONS | STABLE PARTNERSHIPS | SECURE CLOUDS



What's inside

CORPORATE OVERVIEW

- 2 Introducing 8K Miles
- 4 Financial highlights summary
- 6 Letter to shareholders
- 8 FY18 operational highlights
- 11 Enablers of our success
- 20 A day in the life of clients in Cloud Journey 2.0
- 22 Strategic outlook
- 24 Board of Directors
- 27 Strategic Advisory Board
- 29 Management Team
- 31 Glossary of critical terms
- 32 Financial Highlights - 5 years at a glance

STATUTORY REPORTS

- 34 Directors' Report
- 41 Report on Corporate Governance
- 53 Management Discussion and Analysis

FINANCIAL STATEMENTS Standalone

- 78 Independent Auditor's Report
- 84 Balance Sheet
- 85 Statement of Profit and Loss
- 86 Cash Flow Statement
- 88 Statement of Changes in Equity
- 89 Notes

Consolidated

- 132 Consolidated Independent Auditor's Report
- 136 Consolidated Balance Sheet
- 137 Consolidated Statement of Profit and Loss
- 138 Consolidated Cash Flow Statement
- 140 Consolidated Statement of Changes in Equity
- 142 Consolidated Notes
- 189 Subsidiary Financial Information
- 190 Subsidiary companies' Legal Status and Accounting Policies
- 197 Notice to the Shareholders



Register online

To learn more about
8K Miles Software Services Limited
Visit us at www.8kmiles.com

FY18 Key Highlights

Gross revenue

₹ in Lakhs

84,924

 **60.74%**

Earnings Per Share (EPS)

₹

56.24

 **63.35%**

Net profit

₹ in Lakhs

20,552


 **59.11%**

Market capitalization*

₹ in Lakhs

2,06,589

 **11.47%**

 Growth over FY17

*as on 31st March, 2018

We are 8K Miles Software Services Limited (8K Miles), a global Cloud and security solutions provider and Next Generation Cloud Managed Services Provider.

We are a technology company, born on Cloud, a decade ago. As a thought leader in the security and Cloud transformation domain, we have helped the market develop and at the same time evolved ourselves in step with the changing times.

Our remarkable growth trajectory is driven by **SUSTAINABLE** innovations and strategic acquisitions. These acquisitions have enabled us to gain multi-domain expertise in ahead-of-the-curve technology ecosystems. However, our story is not just about technology; it is about understanding how technology effectively drives businesses.

We are the go-to partners for both the providers and consumers of Cloud. Our diverse competencies, agile innovations and highly skilled teams enable us to foster **STRONG** partnerships and create sustainable business value.

Our ultimate objective is to help enterprises protect very sensitive data and adhere to numerous complex government security and compliance regulations. To this end we offer **SECURE** Cloud solutions across diverse industries such as healthcare, life science and financial services, among others.

As you read this Report, our teams are in the process of empowering clients to remain future-ready in the realms of Big Data, Artificial Intelligence (AI), Machine Learning (ML), Internet of Things (IoT), Bots, Identity Access Management (IAM) and so on.

AT 8K MILES,
TOMORROW HAPPENS
TODAY.

INTRODUCING 8K MILES

At 8K Miles, we provide Cloud transformation advisory and implementation services; DevOps and ongoing upgrades; managed services; Big Data analytics; digital transformation and maintenance; and Cloud solutions for business issues and infrastructure management.

We offer specialized services that are both industry- and client-specific, such as pharmaceutical and biotechnology platforms that assist in research and trials, and healthcare Electronic Medical Record (EMR) implementation and management. We help our clients adhere to the requirements of the US' Health Insurance Portability and Accountability Act (HIPAA),

Payment Card Industry (PCI) and Sarbanes-Oxley Act (SOX), Gramm-Leach-Bliley Act (GLB) and 'good practice' quality guidelines and regulations (GxP).

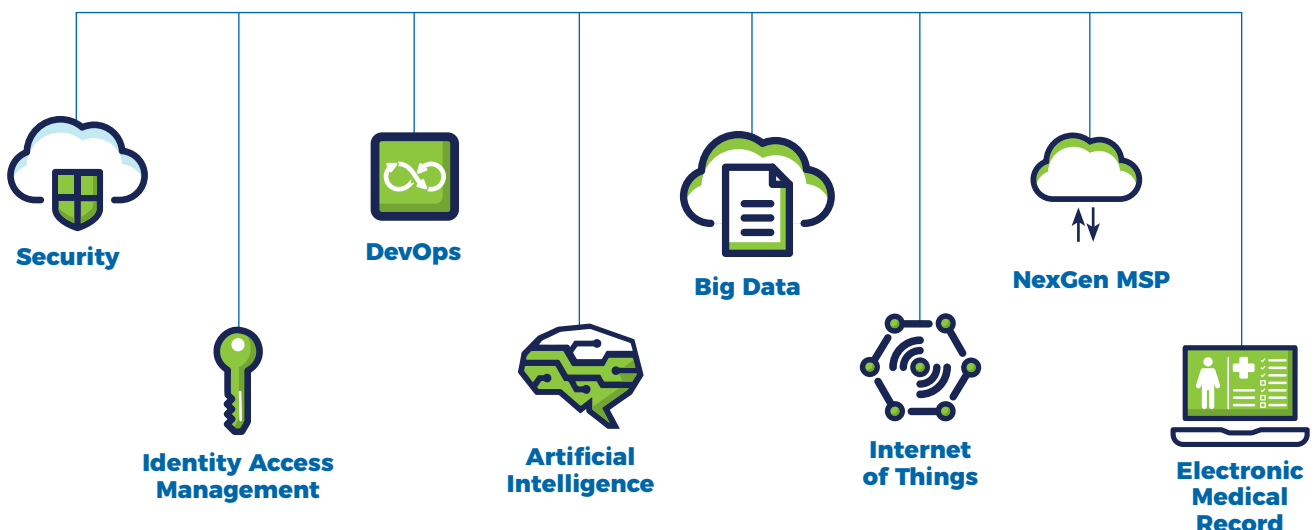
Our products, tools and accelerators not only lower the risk of non-compliance, but also save costs and time-to-market for our clients. Additionally, we

continue to be the preferred partner for most Public Cloud providers.

Headquartered in the San Francisco Bay Area, our Company is listed on India's major stock exchanges.

We assist the Top 10 pharmaceutical companies across the US and Europe, as well as more than 60 US healthcare providers, navigate compliance challenges and industry-accepted definition of best practices.

Our competencies



Our portfolio

Key verticals



Healthcare



Pharmaceutical



FinTech



Manufacturing



Retail



Media

Key solutions



eziAM™



ezRx™



**Access
Governance as a
Service (AGaaS)**



**Cassandra as a
Service (Caas)**



**Validation as a
Service (Vaas)**



**Clinical
Research
Organization**

Key platforms



 Read more on **Page 13**



 Read more on **Page 13**



 Read more on **Page 14**



 Read more on **Page 15**



 Read more on **Page 15**

Public Clouds



**Amazon Web
Services**



Microsoft Azure



Google Cloud

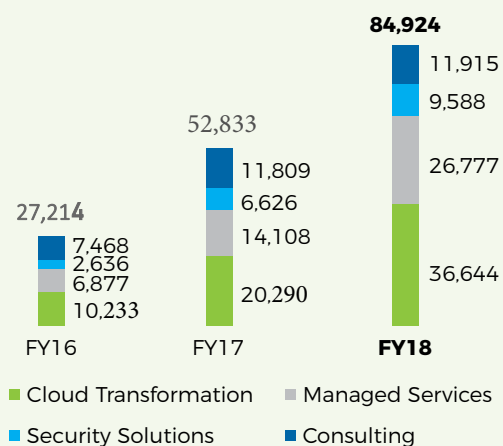


Oracle Cloud

FINANCIAL HIGHLIGHTS SUMMARY

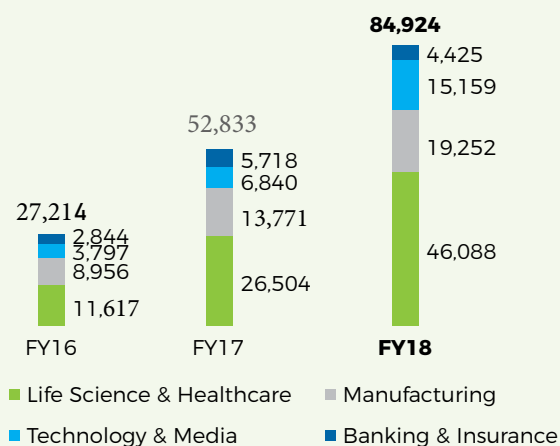
Growth in revenue (by service)

₹ in Lakhs



Growth in revenue (by domain)

₹ in Lakhs

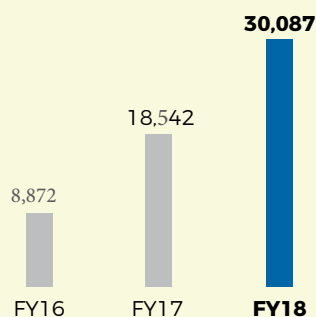


Manifold growth in revenue

While total revenue tripled, revenue from managed services – the recurring revenue component – increased four-fold.

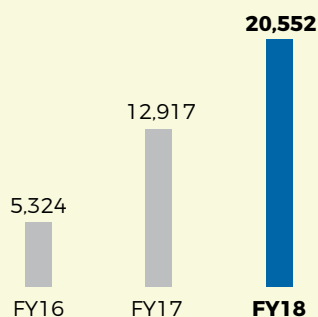
EBITDA

₹ in Lakhs



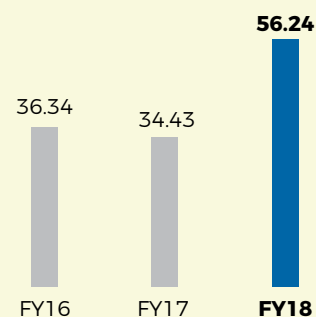
PAT

₹ in Lakhs



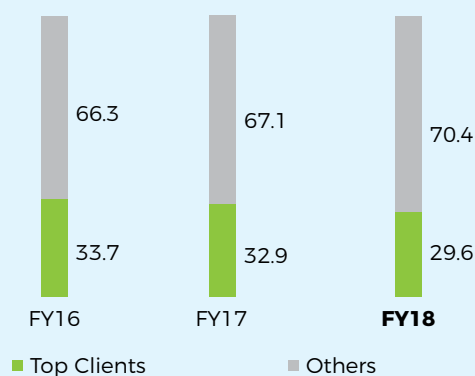
EPS

₹

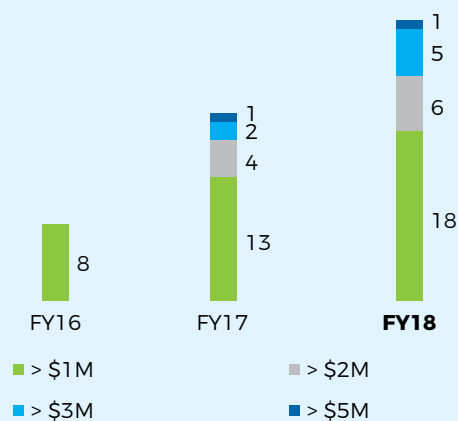


Client metrics

%



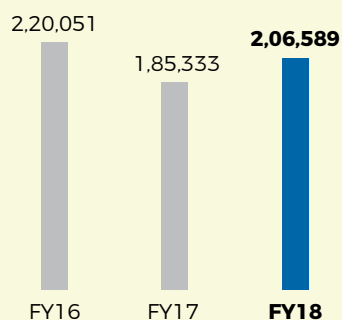
Number of clients (by account size)



New and old accounts add revenues at par*

10 new accounts produced more than \$1 million each. Two existing accounts delivered more than \$2 million in revenue each. Three existing accounts delivered more than \$3 million in revenue each.

Market capitalization# ₹ in Lakhs



Did you know?

8K Miles has raised ₹60 crores in capital since its inception but generated more than ₹858 crores in revenue in FY18.

*Comparison between FY16 and FY18
#as on 31st March

LETTER TO SHAREHOLDERS



"FY18 was a remarkable year for us as we delivered exceptional results and exceeded the \$100 million revenue milestone."

Dear Friends,

It is my privilege to write to you as we finish another remarkable year of growth, setting a strong pace for the period ahead. 'Born in Cloud' in 2008, 8K Miles embraced Cloud ahead of everyone else and after a decade, still remains the global leader of enterprise Cloud transformation. And as we celebrate our 10th anniversary in 2018, we continue to have unwavering focus on offering best-in-class services and innovative solutions.

Continuous innovation, security and governance automation are crucial since with advanced technology comes a sophisticated variety of risks and exposures ranging from internet-based hacks to non-compliance to government mandates and so on. Our primary aim, across healthcare, life science, pharmaceutical and financial services industries, is to protect highly-sensitive data and adhere to numerous complex government security and compliance regulations like HIPAA, GxP, SOX and so on. Compliance with such regulations require years of industry experience, along with knowledge of specific clients and niche technologies. Having worked closely with these industries, we cater to their requirements faster than even large service providers with multi-industry exposure.

FINANCIAL RESULTS

FY18 was a remarkable year for us as we delivered exceptional results and exceeded the \$100 million revenue milestone. At ₹849.24 crores, our annual revenue during the reporting period grew 60.74% y-o-y over ₹534 crores in FY17. This was possible mostly owing to two key factors: first, we drove more than one-third of our revenue from our Top 10 clients; and second, we nearly doubled our recurring revenue component (served by Next Generation Cloud Managed Services) vis-à-vis the previous year. Moreover, we claimed an additional 10 clients under our new accounts, each generating over \$1 million in revenue this year.

As intended in FY17, we successfully acquired Cornerstone Advisors during the reporting period. This allowed us to engage a new set of clients of more than 60 US hospitals and healthcare providers. The move also helped us further grow our accounts with our Cloud offerings, ensuring sustainable revenue for years to come.

WAY FORWARD

Our future priorities are aligned with the trends unfolding globally. Cloud is poised to become 'smarter' with AI/ML and deep learning techniques. We estimate that clients' Cloud budget will rise from 15-20% of total IT infrastructure budget in 2017 to

"We estimate that clients' Cloud budget will rise from 15-20% of total IT infrastructure budget in 2017 to 50-60% of the same in 2021. This is likely to yield a CAGR of over 40%."

Our 2021 revenue growth target

2x

Projected world Cloud spending in 2020 (\$ in billion)

162

 **19%** 5-year CAGR

50-60% of the same in 2021. This is likely to yield a CAGR of over 40%. Research projections suggest that spending on Cloud Infrastructure as a Service (IaaS) will reach \$84 billion by 2021, from \$4 billion in 2018, at a CAGR of 27%; and the shift to Cloud will generate more than \$1 trillion in IT spending by 2020 (Source: Gartner). Further, overall Cloud spending is expected to grow from \$67 billion in 2015 to \$162 billion by 2020, at a CAGR of 19% (Source: International Data Corporation). Similarly, global blockchain healthcare market is projected to reach the value of \$5.61 billion by 2025, from \$176.8 million in 2018, growing at a CAGR of 63.85%. Health data exchange using blockchain will contribute the single largest market share of \$1.89 billion (Source: BIS Research).

Against this backdrop, we will continue to lead with Next Generation Cloud Managed Services (such as DevOps as a Service), intelligent platforms (like CloudEz and 8K Miles Health Edge) and advanced technologies (such as Bots). We are committed to doubling our revenue by 2021 and realizing our aspiration of becoming the go-to partner for the world's Top 25 healthcare and life science enterprises.

As we look ahead, a pool of highly experienced and talented resources with in-context domain expertise remain at the heart of our optimism. In closing, I would like to convey my deepest gratitude to the wide stakeholder community, including members of the Board of Directors, Strategic Advisory Board and Management Team, customers, partners, associates, colleagues and shareholders for their enduring trust, guidance and support. It is your sustained belief in us that makes us work harder and go the extra mile every day.

Yours sincerely,

Suresh Venkatachari



Managing Director & CEO

FY18 OPERATIONAL HIGHLIGHTS

We began FY18 with a clear set of objectives in line with our strategy to sustainably grow the business. And we are pleased to announce that we made significant progress across all these initiatives.

We emerged as a trusted partner for top pharmaceutical companies. During the year under review, our clients in the pharmaceutical and life science vertical doubled their Cloud consumption, compared to FY17, across Amazon Web Services (AWS), Microsoft Azure (Azure) and Google Cloud.

Our accomplishments

Objective	Why?	What did we achieve?
1 ACQUIRE NEW ENTERPRISE CUSTOMERS 	This effectively mitigates the risks due to dependence on less number of customers and improves the predictability of sustainable revenue	<ul style="list-style-type: none">> Added ten new accounts, each producing revenue over \$1 million
2 INCREASE THE RECURRING INCOME COMPONENT (THE REVENUE FROM MANAGED SERVICES) AND GROW EXISTING ACCOUNTS 	Deeper relationships with our clients are in line with our target of doubling our revenue – receiving about \$10-15 million from Top 20 customers – by 2021	<ul style="list-style-type: none">> Recorded recurring revenue at ₹ 2,678 Lakhs – nearly twice as much as the previous year> Increased the share of our Top 10 clients in the revenue pie, which rose to 34% – accounting for ₹ 2,862 Lakhs – of our income