

Ref: 8K/CHN/2019-20/E053**3rd November 2019**

The Deputy General Manager, Department of Corporate Services, Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	The General Manager, Listing Department, National Stock Exchange Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Scrip Code: 512161 - ISIN NO-INE650K01021	EQ- 8KMILES – ISIN NO- INE650K01021

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the year ended 31st March 2019

Please find enclosed herewith Annual Secretarial Compliance Report for the year ended March 31, 2019 pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take a note of the above at your end.

Thanking You,

Yours Truly,

For 8K Miles Software Services Limited**Diya Venkatesan
Company Secretary**



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Form No.MR-3

**SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED MARCH 31, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
8K Miles Software Services Limited
#5, Cenotaph Road, II Floor Srinivasa Towers
Teynampet, Chennai 600018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 8KMILES SOFTWARE SERVICES LIMITED, Corporate Identification Number L72300TN1993PLC101852 ("Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, subject to the note on non-compliances as mentioned in this report herein, wherever applicable, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed here under and also that the Company has established Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions as amended from time to time of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;





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- 3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investments.
- 5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;





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(g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered in to by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned with exception to the following observations:

1. The company has entered into certain Related Party Transactions without taking prior approval of the Audit Committee and Board as required under SEBI (Listing Obligations and Disclosure) Requirements (LODR).
2. The Company had granted loans & has made investments to its subsidiary after taking approval of the board of directors as required u/s.179 of the Companies Act, 2013 but the filing of the resolution pursuant to sec.117 of the Companies Act, 2013 has not been complied with. The company is in the process of making an application for the condonation of delay and for filing the aforesaid form with Roc.
3. The consolidated accounts for the year 2017-18 have been approved by the Board of Directors belatedly in the meeting held on 17th July 2018.
4. The company has not spent the CSR amount as required to be spent during the year under review as the committee was formed only on 13th February 2019
5. The company is yet to file IEPF-2 form relating unclaimed dividend declared in the Annual General Meeting held on 30th September 2017





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6. Mr. Gurumurthy Jayraman and Ms. Padmini Ravichandran, who were the Independent Directors, re-designated as Non-Executive Non Independent Directors of the Company during the year under review, consequent to the observations made by the statutory auditors on appointment of their relatives in the company/overseas subsidiary post their appointment as employee/consultant. In the opinion of the management since their appointment as an independent director presupposed the employment of such relatives, they shall not be disqualified to be an Independent Director U/s.149 of the Act and accordingly they have not given a declaration intimating change on criteria of independence under Section 149 (7) of the Companies Act, 2013.
7. The Boards' report was signed by Managing Director of the Company as against the requirement of signing by the Managing Director and other director as contemplated U/s.134 of the Act
8. There were certain lapses in compliance with Secretarial Standards.
9. During the year under review, it was observed that there were certain non-compliance in terms of disclosures to be made to the Committees & Board as contemplated under SEBI [LODR] Regulations, 2015.
10. The company had re-appointed the Managing Director who is a Non-resident Indian on 30th September 2017, which required the approval of the Central Government and during the year under review, the Company had filed the requisite form seeking the approval of the Central Government which was though not resubmitted with clarification within time, the same was submitted afresh on this date of report.
11. The Company had made intimations to Stock Exchanges under SEBI (SAST) Regulation, 2011 and SEBI (PIT) Regulation, 2015 on Pledge and sale of shares of the Promoter belatedly.





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12. The company has not filed form ODI with Reserve Bank of India through its Authorized dealers with respect to guarantees given on behalf of its subsidiary 8k Miles Software Services Inc., to Columbia Bank.

I further report that:

During the Financial year ended 31st March, 2019 and subject to our observation mentioned under **Para 6** above, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

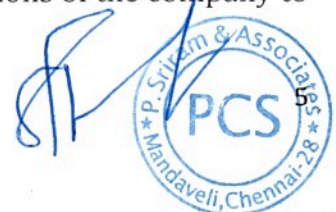
Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with certain delay and a system exists for seeking and obtaining further

Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the minutes made available to us, decisions were carried out with requisite majority of the Board and there was no instance of dissent voting by any Board member that was required to be captured and recorded as part of the minutes.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them subject to exception on specific observations made by the statutory auditors.

I further report that the company is in the process of setting up adequate systems and processes in the company including compliance with Secretarial standards, LODR and other regulations laid down, commensurate with the size and operations of the company to





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monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc., except the following:

1. Corporate Guarantee extended to 8k Miles Software Services Inc, a subsidiary of the Company.
2. Loans given to the overseas subsidiary was converted into shares
3. Sale of shares by the Promoter of the Company there by the promoter shareholding were reduced from 57.40% to 38.20% consequent to sale/invocation of pledge by the lender.
4. Re-designation of two independent directors as non-executive & non-independent directors.

For M/s. P.Sriram & Associates



P. Sriram
Proprietor

Place: Chennai

Date: 2nd November, 2019

Certificate of Practice No- 3310
Membership No-F 4862

UDIN:F004862A000198319



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To

**The Members,
8K Miles Software Services Limited**

My report of event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, its subsidiaries and group companies.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis for the period from 1st April, 2018 to 31st March, 2019.





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6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. P.Sriram & Associates



P. Sriram
Proprietor

Certificate of Practice No - 3310

Place: Chennai

Membership No-F 4862

Date: 2nd November, 2019