

Statement From Managing Director



Mr. SRIKANTH RAMANATHAN,
Managing Director

Dear Shareholders,

The year 2009-10 was the second year of operations after the Company's foray into the IT solutions and consultancy business. In line with the diversified business activities, the Company has changed its name to **Aurum Soft Systems Limited**. On the global front, the year was marred by global financial turbulence which resulted in muted business opportunities and an unprecedented currency fluctuation affecting our profitability.

With the recent resurgence in the global economic condition, a surge is expected in the global technology related spending. Worldwide adoption of outsourcing is also expected to rise significantly in the coming years. This should provide the Company with enough opportunities. The Company has the range of expertise and experience spread across various business models and platforms, to exploit the opportunities presented.

As a major step towards foraying into the global market, the Company acquired Dicetek (Sing) Pte Limited, Singapore and its Subsidiaries Dicetek LLC., Dubai and Dice Technologies Inc., USA. With these acquisitions, the Company aims to provide globally, IT Solutions and IT Consulting / Professional Services across a variety of industries including Banking & Financial Services, Logistics, Supply Chain, Manufacturing, Hospitality, Retail and Healthcare.

Realizing that globalization, rapid market change and regulations have turned the desire for more agile and usable applications, the company, along with its subsidiaries, has created and delivered dynamic business applications, apart from partnering with global vendors like Microsoft, Oracle, SAP and IBM to provide enterprise solutions with focus on cross-functional applications.

Keeping in mind the growing trend of small businesses that are moving into an enterprise level system, the company has invested in the R & D of mid tier ERP systems and strategically acquired the worldwide copyright (except Republic of Maldives) of the Human Resource and Retail software from Intek Systems Private Limited, Republic of Maldives.

AURA HRMS is a comprehensive workforce management solution for the Hospitality industry that enhances employee productivity and provides significant cost savings. AURA RETAIL is an integrated inventory management

system for the Trading & Retail industry that facilitates efficient processing, expense reduction and improved staff performance. The Company and its subsidiaries plan to further enhance and market the Software globally.

The group has experience and expertise in developing complex business systems and is continuously innovating and investing on latest technologies and applications. With the popularity of mobile features and applications, we are developing a variety of wireless & mobile applications and mobile client interfaces to our mid tier ERP systems. We are also developing applications that assist in making business decisions by providing simulation, prediction, optimization and other analytics.

Over the years, the Company has evolved from an application developer to a full-fledged IT Services player providing Web application services, ERP services, CRM services, Infrastructure services, Consulting services and end to end System integration. The Company has also recently ventured into IT Managed Services. The Company would be providing Remote Infrastructure Management (RIM) and cloud computing services that offer our clients access to best-in-class process management at reduced capital expenditure levels.

The Company aims at making its customer's vision a reality by providing high quality technical solutions & services. The Company also upholds the values of Committed, Customer-driven, Quality and Total Solutions to the customer.

The opportunities at hand indicate a strong momentum, supporting a positive outlook. A bright future lies ahead and the Company has much to look forward to, with the potential to surge its revenues significantly over the coming years.

I take this opportunity to thank all the stakeholders for the confidence reposed in us and look forward to your continued support.

SRIKANTH RAMANATHAN

Managing Director

Notice

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AURUM SOFT SYSTEMS LIMITED WILL BE HELD ON FRIDAY, THE 24TH DAY OF SEPTEMBER 2010 AT 11 A.M. AT THE CONFERENCE CENTRE - MINI HALL, NEW NO: 24 (OLD NO: 58), 2ND MAIN ROAD, R.A. PURAM, CHENNAI - 600028, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended 31st March 2010.
3. To appoint a Director in place of Mr. Ganapathi Subramanian, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT the retiring auditor, Mr. R. R. Rajkumar, Chartered Accountant, Chennai (Membership number 209877), be and is hereby re-appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. Alteration of Articles of Association of the Company
 To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the consents, approvals, suggestions, alterations, additions, deletions, amendments and modifications as may be required, instructed by the Stock Exchanges where the shares of the Company are listed and such other approvals, as may be necessary, the articles of association of the Company be altered as under:

The following Clauses shall be inserted as a new clause 72A, 72B and 72C, between the existing Clauses 72 and 73

72A. Capitalisation of Reserves

Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be entitled and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full of any unissued shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, or towards both and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of the Share Premium Account or the Capital Redemption Reserve

Account may, for the purpose of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

72B. Surplus Money

A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

72C. Fractional Certificates

For the purpose of giving effect to any resolution under the two last preceding Articles hereof, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may determine that cash payments shall be made to any members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite a proper contract shall be filled in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalised fund, and such appointment shall be effective.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper to give effect to this resolution and to settle any questions, difficulties, or doubts that may arise in this regard at any stage, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors

S. ARUN KUMAR

Place: Chennai

Date: August 14, 2010

Chief Financial Officer and Company Secretary

NOTES:

1. Appointment of proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the Company not less than forty-eight hours before the scheduled time of the commencement of Annual General Meeting.

2. Appointment of authorised representatives

No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be a true copy by the Chairman of the meeting at which it was passed, is filed with the Company.

3. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business item 5 above is annexed hereto.

4. Information under Clause 49 of the listing agreement(s) regarding appointment/re-appointment of Director(s) is annexed hereto.

5. Closure of register of members

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 17, 2010 to Friday, September 24, 2010 (both days inclusive).

The Dividend, if declared, will be paid to those shareholders whose names appear in the Register of Members at the close of business hours on Thursday, September 16, 2010.

6. Compulsory trading of shares of the company in dematerialised (demat) form

The shares of the Company are compulsorily traded in dematerialized mode. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

7. Inspection of registers and documents

All the documents referred to in the accompanying notice, explanatory statement and the Register of Directors' shareholding and the Register of Contracts maintained under Sections 307 and 301 of the Companies Act, 1956, respectively, are open for inspection at the registered office of the Company up to the date of Annual General Meeting. Register of Directors' shareholding shall be open for inspection up to 3 days after the Annual General Meeting.

8. Shareholders may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.

9. Shareholder queries

In case you have any query relating to the enclosed Annual Accounts or about the operations of the Company, you are requested to send the same to the Chief Financial Officer and Company Secretary at the Registered Office of the Company at least seven days before the date of Annual General Meeting so that the information can be made available at the meeting.

10. Registrar and share transfer agent

Cameo Corporate Services Limited (Cameo) is the Registrar & Share Transfer Agent of the Company. All investor related communication may be sent to the following address:

Cameo Corporate Services Limited

"Subramanian Building"

1, Club House Road, Chennai - 600 002

Contact Person: Mr. R.D. Ramasamy, Director

Tel: 044 – 28460390 / 391 / 392 / 393

Email: cameo@cameoindia.com

11. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate; members are requested to notify:

- (i) the Registrar & Share Transfer Agent of the Company, if shares are held in physical form; and
- (ii) their respective Depository Participant (DP), if shares are held in demat form.

12. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in a single name are advised, in their own interest, to avail of the nomination facility by completing and submitting Form 2B. Blank forms will be supplied by the Company's Registrars & Share Transfer Agents on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their shares.

13. Members/Proxies are requested to kindly take note of the following:

- (i) copies of Annual Report will not be distributed at the venue of the meeting.

- (ii) Attendance Slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
- (iii) entry to the hall will be strictly on the basis of the entrance slip, which shall be provided at the counters at the venue, in exchange of duly completed and signed Attendance Slips.
- (iv) Folio No./ DP & Client ID No. may please be quoted in all correspondence with the Company and/or the Registrar & Share Transfer Agent.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to item no 5 of the accompanying notice:

Item No: 5

The Company has substantial amount of balance in the Securities Premium Accounts. Further, your Directors expect that the profits of the company will grow consistently over the years which would result in substantial increase in the reserves of the Company.

At present, the articles of the Company does not contain any provision for capitalization of its reserves. Your Directors consider it appropriate that the articles of association of the Company should be amended to contain provisions for Capitalisation of Reserves so that, the free reserves and the Securities Premium Account can be utilized for issuing fully paid bonus shares to the members of the Company, at an appropriate time.

As per the provisions of the Companies Act, 1956, any alteration to the Articles of Association of the Company requires approval of Shareholders by means of a Special Resolution. The Special Resolution as setout in the notice is recommended for approval of the shareholders.

None of the Directors of the Company, are in any way interested in the Resolution.

By Order of the Board of Directors

Place: Chennai

Date: August 14, 2010

S. Arun Kumar

Chief Financial Officer and Company Secretary

Brief particulars of Director being appointed/ re-appointed are as under:

Name of the Director	Mr. V. Ganapathi Subramanian
Date of Appointment	December 19, 2008
Age	48 years
Qualification	Chartered Accountant
Brief profile covering experience, achievements, etc.,	Mr. V.Ganapathi Subramanian is a practicing Chartered Accountant specialising in Finance, Taxation and bank audits.
Directorships held in other Companies	Nil
Memberships/ Chairmanships of Committees across other Public Companies	Nil
Shares held in the Company	Nil

Directors' Report

Dear Members,

Your Directors are pleased to present the report on our business and operations of your Company along with the audited accounts for the financial year ended March 31, 2010.

A. RESULTS OF OPERATION

PARTICULARS	31-03-2010 (In Rs.)	31-03-2010 (In Rs.)	31-03-2009 (In Rs.)
	Consolidated	Standalone	
Software and Consulting	480,029,245	20,908,815	9,728,200
Other Income	7,770,694	7,415,503	1,174,947
Total Income	487,799,939	28,324,318	10,903,147
Total Expenditure	491,607,285	35,981,009	7,772,375
Profit / (Loss) before Depreciation	(3,807,346)	(7,656,691)	3,130,772
Less: Depreciation	6,105,430	400,117	12,427
Profit / (Loss) before tax	(9,912,776)	(8,056,808)	3,118,345
Less : Provision for Taxation			
Income Tax	437,278	(10,437)	2,049,671
Deferred Tax	(386,454)	694,379	(677,078)
Profit / (Loss) after Tax	(9,963,600)	(8,740,749)	1,745,752
Less: Transfer to Statutory Reserve	-	-	349,150
	(9,963,600)	(8,740,749)	1,396,602
Add : Balance brought from last year	16,521,929	16,521,929	15,125,327
Balance Available for appropriation	6,558,329	7,781,180	16,521,929
Appropriations:			
Proposed Dividend	4,340,000	4,340,000	-
Tax on Proposed Dividend	720,874	720,874	-
Balance Carried forward to Balance Sheet	1,497,455	2,720,306	16,521,929
Basic and Diluted Earning per share (in Rs.)	(1.15)	(1.01)	0.36

B. CHANGE OF NAME OF THE COMPANY

In line with the new line of Business undertaken by the Company, the name of the Company has been changed from Jaisal Securities Limited to Aurum Soft Systems Limited w.e.f. February 4, 2010.

C. DIVIDEND

Your Directors recommend a dividend of Re. 0.50 per equity share of Rs. 10 each for the year ended March 31, 2010, subject to the approval of the shareholders at the ensuing Annual General Meeting.

D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and developments *

The Indian IT-BPO sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation and value creation, in addition to becoming the global brand ambassador for India. During 2009-10, the industry performance was affected by recessionary headwinds in the global market thereby resulting in muted business opportunities.

The Industry has started working on diversification beyond core offerings and markets through new business and pricing models, specialise to provide end-to-end service offerings with deeper penetration across verticals, transform the process delivery through re-engineering and enabling technology, innovate through research and development and drive inclusive growth in India by developing targeted solutions for the domestic market.

India's technology and business services industry has flourished in the last decade. A bright future lies ahead and the industry has much to look forward to, with the potential to quadruple its revenues over the next decade. Several macro-economic and social trends will support the rise of the IT-BPO sector in the future, in core and emerging markets. India faces serious competition from other global sourcing locations, and to retain its advantage, concerted effort is needed by all stakeholders.

The beginning of 2010 has signaled the revival of outsourcing within core markets, along with the emerging markets increasingly adopting outsourcing for enhanced competitiveness. Key demand indicators in the last two quarters such as increased deal flow, volume growth, stable pricing, and faster decision making has made the industry post good results. Though full recovery is expected in another two quarters, development of new growth levers, improved efficiency and changing demand outlook signifies early signs of recovery.

Opportunities *

The beginning of the new decade heralds the slow, but steady end of the worst recession in the past 60 years. Improving economic conditions signifying return of consumer confidence and renewal of business growth, is expected to drive IT spending going forward. IT services is expected to grow by 2.4 per cent in 2010, and 4.2 per cent in 2011 as companies coming out of recession harness the need for information technology to create competitive advantage.

Organisations now recognise IT's contribution to economic performance extending beyond managing expenditures. They expect IT to play a role in reducing enterprise costs, not merely with cost cutting but by changing business processes, workforce practices and information use.

The surge expected in the global technology related spend provides your Company with enough opportunities to exploit. Your Company together with its Subsidiaries has the experience and the expertise in developing trustworthy and innovative IT solutions.

Segment-wise performance

Your Company has cancelled its registration as a Non-banking finance company and your Company together with its wholly owned subsidiaries is now concentrating entirely on its new line of business viz., IT Solutions and Consulting services.

During the financial year 2009-10, in relation to the NBFC activities, your Company has earned only interest income amounting to Rs. 3.83 lakhs from the unsecured loans lent by the Company, when it was into NBFC business. Also loans and advances to the tune of Rs. 157.08 lakhs have been written-off as the same is found not realisable. Your Company is taking steps to realise the balance financial assets in its books. Apart from that, there has been no activity pertaining to the Financial Services business segment.

Apart from the above, entire revenue (except other income) of your Company and its subsidiaries' is attributable to IT solutions and consulting business.

Future Business Outlook

As a major step towards foraying into the global market, your Company acquired Dicetek (Sing) Pte Limited, Singapore and its Subsidiaries Dicetek LLC., Dubai and Dice Technologies Inc., USA. With these acquisitions, your Company aims to provide globally, IT Solutions and IT Consulting / Professional Services across a variety of industries including Banking & Financial Services, Logistics, Supply Chain, Manufacturing, Hospitality, Retail and Healthcare.

Realizing that globalization, rapid market change and regulations have turned the desire for more agile and usable applications, the company, along with its subsidiaries, has created and delivered dynamic business applications, apart from partnering with global vendors like Microsoft, Oracle, SAP and IBM to provide enterprise solutions with focus on cross-functional applications.

Keeping in mind the growing trend of small businesses that are moving into an enterprise level system, your Company has invested in the R & D of mid tier ERP systems and strategically acquired the worldwide copyright (except Republic of Maldives) of the Human Resource and Retail software from Intek Systems Private Limited, Republic of Maldives. Your Company and its subsidiaries plan to further enhance and market the Software globally.

The group has experience and expertise in developing complex business systems and is continuously innovating and investing on latest technologies and applications. With the popularity of mobile features and applications, the group is developing a variety of wireless & mobile applications and mobile client interfaces to our mid tier ERP systems. The group is also developing applications that assist in making business decisions by providing simulation, prediction, optimization and other analytics.

Over the years, your Company has evolved from an application developer to a full-fledged IT Services player providing Web application services, ERP services, CRM services, Infrastructure services, Consulting services and end to end System integration. Your Company has also recently ventured into IT Managed Services. Your Company would be providing Remote Infrastructure Management (RIM) and cloud computing services that offer our clients access to best-in-class process management at reduced capital expenditure levels.

Your Company aims at making its customer's vision a reality by providing high quality technical solutions & services. Your Company also upholds the values of Committed, Customer-driven, Quality and Total Solutions to the customer.

The opportunities at hand indicate a strong momentum, supporting a positive outlook. A bright future lies ahead and the Company has much to look forward to, with the potential to surge its revenues significantly over the coming years.

Risks and concerns

Your Company's revenues from Information Technology business are derived in US Dollar. The majority of the expenses are in Indian rupees. The prevailing currency fluctuation does bring in an uncertainty on the receivables which may have an adverse impact on your company's revenues and gross margins.

The recessionary headwinds prevailing in the global economy has resulted in cuts in the IT budget of various companies. The resultant reduction in the spend on IT services by various companies may result in muted business opportunities for your company's service thereby affecting your Company's revenues.

The income tax exemption available to your Company under Software Technology Parks of India Scheme and Section 10A of the Income Tax Act would not be available from the Financial year 2011-12, unless the same is extended by the Government. The sunset of this exemption will increase the overall tax payable by your Company in the coming years which would have an adverse impact on the profitability of your Company.

Further, the Indian IT industry is likely to face stiff competition from new outsourcing destination in the world which seek to emulate India's success in a cost effective manner. This would result in a stiff pricing war in the global IT industry. Going forward, this cost competitiveness in the global IT industry might have an adverse impact on the gross margins of your Company.

Internal control systems and their adequacy

The Company adopts strong internal control systems to ensure optimal utilization and protection of assets, timely compliance with the statutory provisions and facilitate accurate and timely compilation of financial statements and other reports to the management. The entire evaluation of internal controls of your company is carried out by the Chief Financial Officer. The Audit Committee then on a periodic basis, reviews the adequacy of Internal Control Systems.

Discussion on financial performance of the Company and the Group

Share Capital and Premium

The Company has a paid-up capital of Rs. 8.68 Crores, as on March 31, 2010. During the financial year 2009-10, there was no increase in the authorized or paid-up share capital of the Company.

The balance in the share premium account as on March 31, 2010 is Rs. 22.72 Crores, which represents the premium on the shares issued on preferential basis during December 2008.

Statutory Reserves

The balance in the statutory reserves as on March 31, 2010 is Rs. 41.68 lakhs. The Company has not transferred any amount to the statutory reserves as the Company has got itself de-registered as a NBFC.

Turnover & Profitability

Your Company has cancelled its registration as a Non-banking finance company and is now concentrating entirely on its new line of business viz., IT Solutions and Consulting services.

During 2009-10, your Company achieved a turnover of Rs. 209.09 lakhs from IT solutions and consulting services compared to Rs. 97.28 lakhs in 2008-09. Other income was Rs. 74.15 lakhs compared to Rs. 11.75 lakhs during the last fiscal. Loss before tax stood at Rs. 80.57 lakhs compared to previous year's Profit before tax of Rs. 31.18 lakhs. Loans to the tune of Rs. 157.08 lakhs, extended by the company when it was a NBFC, have been found to be not realizable and have been written-off as bad debts. This has had an adverse effect on the profitability of the Company for the financial year 2009-10.

The group achieved a turnover of Rs. 4800.29 lakhs during the financial year 2009-10 (taking into account the turnover of the subsidiaries from the date of their acquisition by the Company). The Loss after tax of the group as a whole stood at Rs. 99.64 lakhs. As stated earlier, the write-off of loans amounting to Rs. 157.08 lakhs has had an adverse impact on the profitability of the Group for the financial year 2009-10.

Fixed Assets

Your Company made an addition of Rs. 34.72 lakhs towards fixed assets of which significant amount was incurred on acquisition of IPRs from M/s. Intek Systems Private Limited, Republic of Maldives for Rs. 30.90 lakhs. Other than this, Rs. 2.62 lakhs was spent on purchase of Computers and Rs. 1.10 lakhs on Furnitures and Fixtures. The depreciation in respect of all assets has been provided in accordance with the requirements of Companies Act, 1956.

The total fixed assets of the group stood at Rs. 173.07 lakhs as on March 31, 2010.

Investments

During the financial year 2009-10, your Company acquired 100% stake in M/s. Dicetek Sing Pte Limited, Singapore for Rs. 2205 lakhs. Your Company has also invested the idle funds in Mutual Funds with dividend re-investment option. The value of investment in Mutual Funds together with the dividend re-invested as on March 31, 2010 was Rs. 721.71 lakhs.

Goodwill on consolidation

Your Company had acquired 100% stake in M/s. Dicetek Sing Pte Limited, Singapore for Rs. 2205 lakhs. The goodwill on consolidation as on the date of acquisition (i.e. July 28, 2009) was computed at Rs. 1286.45 lakhs.

Debtors

Sundry Debtors represents amount receivable from one of the Subsidiary Company viz., M/s. Dicetek LLC., Dubai towards license fee. Sundry Debtors stood at Rs. 179.68 lakhs as at March 31, 2010.

The total trade receivables of the group stood at Rs. 1165.05 lakhs.

Cash and Bank Balance

The cash and bank balance represents Cash in hand, Bank Balance and amounts placed in Fixed deposits with Banks. The Cash and bank balances have decreased from Rs. 2866.12 lakhs to Rs. 43.49 lakhs. A significant portion of the funds raised through the preferential issue was expended on acquisition of M/s. Dicetek (Sing) Pte Limited. The balance idle funds have been invested in Mutual Funds. This has led to the decrease in the cash and bank balance available with the Company as on March 31, 2010.

The Group has a Cash and bank balance of Rs. 505.95 lakhs, as at the end of Financial year 2009-10.

Loans and Advances

Loans and advances as at March 31, 2010 have decreased to Rs. 92.98 lakhs from Rs. 438.72 lakhs. This is mainly on account of realization of loans given by the Company when it was a NBFC. Also loans to the tune of Rs. 157.08 lakhs have been written-off as the same have been found to be not realizable. As on March 31, 2010, loans amounting to Rs. 39.57 lakhs, which was extended when the Company was a NBFC, are still remaining to be realized. The balance amount of loans and advances represents Rs. 28.65 lakhs towards advance taxes paid, Rs. 18.28 lakhs of advances given to Mr. Nakthamal Bhagwandas and Rs. 6.48 lakhs of rental and other advances / deposits.

Current Liabilities and Provision

Current liabilities and provisions as at March 31, 2010 stood at Rs. 70.21 lakhs compared to Rs. 67.75 lakhs in the previous year. The Provision on non-performing assets to the tune of Rs. 19.57 lakhs has been reversed as the loans in respect of which the provisions were made have been either realized or fully written-off in the books. Also, sundry creditors and other liabilities have decreased from Rs. 29.90 lakhs to Rs. 0.83 lakhs as the Company has settled all the liabilities due to its favourable cash position.

Material developments in Human Resources / Industrial Relations front, including number of people employed

With the available abundant experience and expertise of our employees, your Company and its subsidiaries believes that Human Resource is the major asset of the Group. The Group has a long term strategy to attract and retain the best talents. Development of human resources will be a key challenge of your Company/group.

Consequent to cancellation of the Business Transfer Agreement with Intek Systems Private Limited, Republic of Maldives (“Intek”), your Company has during the financial year 2009-10, transferred back the employees who were taken over by your Company to Intek.

As at March 31, 2010, your Company and its subsidiaries had 343 employees on its rolls.

E. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ganapathi Subramanian, Director, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

The information to shareholders as per Clause 49 of the Listing agreement pertaining to brief resume, expertise in functional areas, names of Companies in which Mr. Ganapathi Subramanian is a Director etc., is being provided in the Notice of the Annual General Meeting which forms part of this Annual Report.

F. AUDITORS

Mr. R.R.Rajkumar, Chartered Accountant, Chennai retires as Auditor of the Company at the forthcoming Annual General Meeting and is eligible for reappointment. The Directors recommend that Mr. R.R.Rajkumar, be appointed as the Company’s auditor to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that his appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

G. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby confirm in terms of Section 217(2AA) of the Companies Act, 1956 that:

1. In the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards have been followed;
2. The accounting policies listed in Schedule XI to the Notes to Accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on March 31, 2010 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts for the year ended March 31, 2010, have been prepared on a going concern basis.

H. DEPOSITS

During the year, your Company has not accepted any deposits from the public.

I. SUBSIDIARY

On July 28, 2009, your Company acquired 100% stake in M/s. Dicetek Sing Pte Limited, Singapore for US\$ 4.5 million. Consequent to this, M/s. Dicetek Sing Pte. Limited, Singapore and its Subsidiaries namely, M/s. Dice Technologies Inc, U.S.A. and M/s. Dicetek LLC., Dubai, have become subsidiaries of the Company during the financial year 2009-10. All these subsidiaries are engaged in providing IT solutions and consulting business. Your Company has also plans to market its products and services globally through its subsidiaries.

Your Company has vide letter no. 47/472/2010-CL-III dt. July 9, 2010, received the approval from the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, exempting the Company from attaching the Annual Report of subsidiary companies with the Annual Report of the Company and to provide the accounts in the same manner as certified by overseas auditors in the respective countries where the subsidiaries are situated. The statement as required under the above mentioned approval letter and Section 212 is Annexed and forms part of this report.

The consolidated financial statements of the subsidiaries duly audited are presented along with the accounts of your Company. The annual accounts of subsidiary companies are kept at the Company's registered office and also at the respective registered office of the subsidiaries for inspection and shall be made available to the members seeking such information. The same has also been put-up on the Company's website, [www. aurumsoftsystems.com](http://www.aurumsoftsystems.com).

J. CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement with the stock exchanges, a Corporate Governance Report is made part of this Annual report.

A certificate from a practicing Company Secretary regarding compliance of the conditions stipulated for Corporate Governance under Clause 49 of the Listing Agreement is attached to this report.

The declaration by the Managing Director addressed to the members of the Company pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this Report.

K. RISK MANAGEMENT

The Managing Director of the Company is entrusted with the task of identifying, monitoring and taking steps for mitigating various risks which the Company is likely to encounter as part of its business operations. He periodically presents to the Board and the Audit Committee for review, the risks faced by the Company and the steps taken to mitigate the same.

L. PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are set out in the Annexure to the Director's Report.

M. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Your Company's power requirements are very minimal. Your Company however takes every possible step to make optimum utilization of energy and avoid unnecessary wastage of power.

Your Company keeps itself updated with the latest technology available in the market. Your Company constantly strives to enhance state-of-the-art development standards to meet the ever growing challenges of the corporate world. Your company aims at providing future-proof and future adaptable technologies to all its clients.

N. FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the erstwhile Business Transfer Agreement with M/s. Intek Systems Private Limited, your Company was exporting software to Republic of Maldives. This said Business Transfer Agreement has been terminated. The Company has acquired subsidiaries in Singapore, Dubai and United States of America. In order to market its software in some select Middle-east countries, through its subsidiary, your Company has entered into a licensing and technical support agreement with Dicetek LLC., Dubai. During 2010-11, the Company has also entered into technical support agreement with its subsidiaries. All the revenues from these services are realized in US Dollar.

The details of foreign exchange earnings and outgo is given below:

	Year ended 31-03-2010 (in Rs.)	Year ended 31-03-2009 (in Rs.)
Expenditure incurred in Foreign Currency (on accrual basis)		
Rent	1,462,883	179,486
Overseas Allowance	2,539,484	422,857
Bad Debts	1,215,977	-
Repairs & Maintenance - Others	117,654	15,413
Telephone Expenses	435,054	53,508
Travelling, Hotel Boarding and Lodging	140,900	60,104
Electricity Expenses	252,779	35,103
Work Permit	58,284	24,733
Bank Charges	6,910	-
Staff Welfare	721,660	93,154
Total Expenditure in Foreign Currency	6,951,585	884,358
Income earned in Foreign Currency (on accrual basis)		
Income from Software Services and Products	19,662,565	9,728,200

O. APPRECIATION

Your Directors wish to place on record their appreciation to all shareholders, customers, suppliers and bankers for their co-operation and support extended to the Company.

Your Directors also place on record their appreciation of the efforts and contribution during 2009-10 of the Company's employees.

For and on behalf of the Board of Directors

Chennai,
August 14, 2010

A. BALASUBRAMANIAN
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information Pursuant to Section 217(2A) of the Companies Act, 1956

Particulars of Employee

A. Employed throughout the year and in receipt of remuneration aggregating Rs. 24,00,000 or more per annum - NIL

B. Employed for part of the year and in receipt of remuneration aggregating Rs. 2,00,000 or more per month.

Name	Age (Yrs)	Designation	Gross Remuneration	Qualification	Experience in years	Date of Joining	Previous Employer & Position Held
Mr. Srikanth Ramanathan	40	Managing Director	Rs. 23,91,000	B.Com, MBA	16	February 6, 2009	Duke Consulting, Inc., USA, President

Note:

- Gross Remuneration includes salary, house rent allowance, special allowance, contribution to provident fund, Medical reimbursement, Leave Travel allowance and other perquisites and benefits evaluated under the Income Tax Rules.
- Mr. Srikanth Ramanathan was employed with the Company throughout the year and was for part of the year, in receipt of remuneration exceeding Rs. 2,00,000 per month. His present remuneration per month is however less than Rs. 2,00,000.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

The Central Government has vide letter no. 47/472/2010 - CL-III dated July 9, 2010, exempted the company under Section 212(8) of the Companies Act, 1956 from attaching the audited accounts and other statements of the subsidiary companies namely:

M/s. Dicetek Sing Pte Limited, Singapore

M/s. Dicetek LLC., Dubai

M/s. Dice Technologies Inc., USA

Pursuant to the said approval given by the Central Government, the following information is being provided (in Rs.)

S. No	Particulars	M/s. Dicetek Sing Pte Limited, Singapore For the year ended 31-Mar-10	M/s. Dicetek LLC., Dubai For the year ended 31-Mar-10	M/s. Dice Technologies Inc., USA For the year ended 31-Mar-10
	Holding Company's Interest	100%	100% Subsidiary of Dicetek Sing Pte Ltd, Singapore	100% Subsidiary of Dicetek Sing Pte Ltd, Singapore
	Exchange Rate as at March 31, 2010	32.1525	12.2790	45.1035
1	Capital	144,686,250	3,683,700	22,155,741
2	Reserves	(1,145,494)	13,918,695	4,139,462
3	Total Assets	177,774,741	107,687,997	54,011,126
4	Total Liabilities	177,774,741	107,687,997	54,011,126
5	Details of investment (except in case of investment in subsidiaries)	-	-	-
6	Turnover	99,238,842	244,568,793	135,451,818
7	Profit /(Loss) before Taxation	(2,226,327)	13,918,695	4,587,177
8	Provision for Taxation	1,080,833	-	(447,715)
9	Profit /(Loss) after Taxation	(1,145,494)	13,918,695	4,139,462
10	Proposed Dividend, if any	Nil	Nil	Nil
11	Material Changes between the end of the financial year of the subsidiary company and the company's financial year ended March 31, 2010			
	a) Fixed Assets	Nil	Nil	Nil
	b) Investments	Nil	Nil	Nil
	c) Money lent	Nil	Nil	Nil
	d) Money borrowed other than those for meeting current liabilities	Nil	Nil	Nil
12	Net aggregate profits / (losses) of the Subsidiary for the current period so far as it concerns the members of the holding company:			
	a) Dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
	b) Not dealt with or provided for in the accounts of the holding company	(1,145,494)	13,918,695	4,139,462
13	Net aggregate profits / (losses) of the Subsidiary for the previous financial years so far as it concerns the members of the holding company:			
	a) Dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
	b) Not dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil

1. The Company undertakes that the audited annual accounts and other related information of the subsidiaries, where applicable, would be made available to the shareholders upon request. The annual accounts of the subsidiaries are also available for inspection at the registered office of the company during business hours. The same has also been put-up on our website, www.aurumsoftsystems.com

SRIKANTH RAMANATHAN
Managing Director

For and on Behalf of the Board
A. BALASUBRAMANIAN
Director

Place : Chennai
Date : August 14, 2010

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

Report on Corporate Governance

A. COMPANY'S PHILOSOPHY

Good Corporate Governance is the key to business growth and is also an important tool for investor protection. Good Corporate Governance ensures transparency in all corporate matters and decisions. The Company consistently subjects itself to the highest levels of Corporate Governance and aims at enhancing the value of all stakeholders concerned. Your Company complies with the Corporate Governance requirements setout in Clause 49 of the listing agreement.

B. BOARD OF DIRECTORS

Composition of the Board

The Board currently consists of four members. Other than the Managing Director, all the other members of the Board are non-executive and independent directors. The Chairman of the Board is a Non-Executive Independent Director.

The Board members have collective experience in diverse fields like finance, legal and business administration. The Directors are elected based on their qualification and experience in varied fields as well as company's business needs.

Directorships held during the year

The details of the Directors, as at March 31, 2010 including the details of their other Board Directorship reckoned in line with clause 49 of the listing agreement, committee membership are given below:

Name of the Directors	Category	Other Directorships \$	Membership of Other Board Committees *
Mr. A. Balasubramanian	Independent & Non-Executive	NIL	NIL
Mr. Srikanth Ramanathan	Promoter & Executive Director	NIL	NIL
Mr. V. Ganapathi Subramanian	Independent & Non-Executive	NIL	NIL
Mr. K.S. Vaidyanathan	Independent & Non-Executive	NIL	NIL

* Includes only membership in Audit and Investor Grievance Committee

\$ Excludes Alternate Directorships and Directorships of Private Limited Companies and Foreign Companies, wherever applicable.

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on other matters concerning the company on a need basis.

Attendance Record of the Directors

Nine Board Meetings were held during the year from April 01, 2009 to March 31, 2010. The dates on which meetings were held are 3 April 2009, 30 June 2009, 28 July 2009, 24 August 2009, 28 October 2009, 6 November 2009, 10 December 2009, 28 January 2010 and 6 February 2010. The time gap between any two meetings did not exceed 4 months. The attendance record of all the Directors is as follows:

Name of the Directors	No. of Board Meetings		Last AGM attendance
	Held	Attended	
Mr. A. Balasubramanian	9	9	YES
Mr. Srikanth Ramanathan	9	9	YES
Mr. V. Ganapathi Subramanian	9	9	NO
Mr. K.S. Vaidyanathan	9	9	NO

The full details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

Membership Term

As per the provisions of the Companies Act, 1956, one-third of the Board members (other than Managing Director) who are subjected to retire by rotation shall retire every year, and the approval of the shareholders is sought for the re-appointment of the retiring Director(s) who are so eligible. The Managing Director is appointed by the shareholders for a maximum period of three years at a time, but is eligible for re-appointment upon completion of the term.

Changes in the Board Constitution

During the year ended March 31, 2010, there is no change in the Constitution of the Board.

Availability of Information to Board of Directors

In terms of the Corporate Governance philosophy, all statutory and other significant material informations are placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Committees of the Board

Various committees of the Board have been constituted to assist the Board in discharging its responsibilities. There are three committees constituted by the Board - the Audit Committee, Share Transfer and Investor Grievance Committee and the Remuneration Committee. The Board at the time of constitution of each committee fixes the terms of reference for the Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all the Committees are circulated to the Board for its information.

The Quorum for meetings of all the above referred Committees is either two members or one - third of the members of the Committee, whichever is higher.

Shareholding of Directors

The shares held by Directors as on March 31, 2010 are given below:

S.No.	Name of the Directors	Number of Shares
1	Mr. A. Balasubramanian	NIL
2	Mr. Srikanth Ramanathan	2,75,800
3	Mr. V. Ganapathi Subramanian	NIL
4	Mr. K.S. Vaidyanathan	NIL

There are no other shares or convertible instruments held by any other Director(s)
The Company does not have Stock Options in Force.

C. AUDIT COMMITTEE

The Company has constituted an Audit Committee comprising of Non-Executive Directors.

The terms of reference of the Committee covers all applicable matters specified under clause 49 of the Listing Agreements dealing with Corporate Governance and Section 292A of the Companies Act, 1956.

Terms of Reference of the Audit Committee include among other things:

a. A review of:

- Financial statements before submission to the Board
- Draft financial statements, Directors' Report and Auditors' Report (before submission to the Board)
- Accounting policies and practices
- Risk management policies and practices
- Compliance with stock exchange and legal requirements concerning financial Statements.
- Related party transactions
- Internal Control systems

b. Recommending the appointment of Auditors and fixing their fee

c. Appointment of Chief Financial Officer of the Company

Composition of the Audit Committee

The Committee currently comprises of Mr. A. Balasubramanian as the Chairman, Mr. K.S. Vaidyanathan and Mr. V. Ganapathi Subramanian as its members. All the members of the audit committee are financial literate.

The composition of the Audit Committee meets the stipulated minimum number of independent Directors. The Company's Chief Financial Officer, and its statutory auditor are permanent invitees to the Committee's meetings. The Company Secretary is Secretary to the Committee.

Meetings of the Audit Committee

There were five meetings of the Audit Committee held during the year on 3 April 2009, 30 June 2009, 28 July 2009, 28 October 2009 and 28 January 2010 and not more than four months elapsed between any two meetings.

Attendance of the members to the Audit Committee Meetings

The number of meetings attended by each Director, as member of the Audit Committee is as follows:

Name of the Directors	No. of Meetings held	No. of Meetings attended
Mr. A. Balasubramanian	5	5
Mr. V. Ganapathi Subramanian	5	5
Mr. K.S. Vaidyanathan	5	5

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 23, 2009.

D. REMUNERATION COMMITTEE

Remuneration Policy

The Company has set up a Remuneration Committee in accordance with the requirements of Schedule XIII of the Companies Act, 1956 for the purpose of fixation of Remuneration payable to the Managing Director. The Board of Directors has authorised the Remuneration committee for fixation of the remuneration payable to the Managing Director.

a. For Managing Director

The Remuneration Committee determines the remuneration payable to the Managing Director on the basis of his performance as well as the Company's performance, subject to consents as may be required.

The resolutions for the appointment and remuneration payable to the Managing Director are approved by the shareholders of the Company. The remuneration to the Managing Director consists of a fixed salary and other perquisites. The leave travel allowance is paid as per the Company rules. Provident fund is provided for as per the Company's policy. Wherever applicable the perquisites are considered as part of remuneration and taxed as per income tax laws.

The approval of Central Government has been obtained by the Company for payment of remuneration not exceeding Rs. 250,000 per month for a period of 3 years (i.e. upto February 5, 2012)

The Details of remuneration paid to Mr. Srikanth Ramanathan, Managing Director during the financial year 2009-10, is set out in Note 15 to Schedule XI to the financial statements

b. For Non- executive Directors

The Non-Executive Directors are not paid any remuneration for attending the Board Meetings or any of its Committee meeting. There is no pecuniary relationship or transactions between any of the Non-executive Directors and the Company.

Composition of the Committee

The Remuneration Committee currently comprises of Mr. A. Balasubramanian, Mr. V. Ganapathi Subramanian and Mr. K.S.Vaidyanathan, all of them are Non-Executive Independent Directors. The Committee deals with all elements of remuneration package of the Managing Director. Two meetings of the Remuneration Committee were held during 2009-10 on May 4, 2009 and January 28, 2010.

Attendance of the members to the Remuneration Committee Meetings

The number of meetings attended by each Director, as member of the Remuneration Committee is as follows:

Name of the Directors	No. of Meetings held	No. of Meetings attended
Mr. A. Balasubramanian	2	2
Mr. V. Ganapathi Subramanian	2	2
Mr. K.S. Vaidyanathan	2	2

E. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Company's shares are compulsorily traded in dematerialized form.

Composition of the Committee

The Share Transfer and Investors' Grievance Committee functions under the Chairmanship of Mr. A. Balasubramanian, a Non-executive Independent Director. The other member of the Committee is Mr. Srikanth Ramanathan, Managing Director.

Mr. S. Arun Kumar, Company Secretary is the Compliance Officer of the Company.

Terms of Reference

The terms of reference of the Share Transfer and Investors' Grievance Committee includes transfer of shares, transmission, dematerialization, re-materialization, split of shares, consolidation, issue of duplicate share certificate, etc., and looking into the redressing of shareholders grievances and determining, monitoring and reviewing the standards for resolution of shareholder's grievances.

The Committee also reviews the performance of the Company's Registrar & Transfer Agent (R & TA) M/s. Cameo Corporate Services Limited, and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI / Ministry of Corporate Affairs (MCA) etc., and the responses thereto, are reviewed by this Committee.

During 2009-10, the Company has not received any complaints from Shareholders.

Attendance of the members to the Share Transfer and Investor's Grievance Committee Meetings

The number of meetings attended by each Director, as member of the Share Transfer and Investors' Grievance Committee is as follows:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. A. Balasubramanian	4	4
Mr. Srikanth Ramanathan	4	4

F. GENERAL BODY MEETINGS

The details of Annual General Meetings / Extraordinary General Meetings held since 2007, are given below:

Year	AGM / EGM	Date	Time	Venue	Special Resolutions Passed
2010	EGM	January 11, 2010	10.00 A.M.	New No.15, Old No.6, Besant Avenue, Adyar, Chennai - 600020	Change of Name of the Company
2009	AGM	September 23, 2009	10.00 A.M.	New No.15, Old No.6, Besant Avenue, Adyar, Chennai - 600020	Alteration of Articles of Association
2009	EGM	May 4, 2009	10.00 A.M.	R.K. Mini Convention Hall, 154/313, 3rd Floor, T.T.K. Road, Royapettah, Chennai - 600 014	<ol style="list-style-type: none"> 1. Appointment of Mr. Srikanth Ramanathan as Managing Director of the Company 2. Increase in Limits for FII Investments 3. Increase in Limits for NRI Investments 4. Investment Under Section 372A of the Companies Act, 1956.
2008	AGM	September 30, 2008	11.30 A.M.	Hotel Prasan Sandeepha, 97, T.T.K. Road, Alwarpet, Chennai - 600 018	<ol style="list-style-type: none"> 1. Alteration of Articles of Association 2. Preferential issue of Equity Shares 3. Increase in Borrowing Limits u/s 293(1)(d) of the Companies Act, 1956 4. Creation of Mortgage and charges u/s 293(1)(a) of the Companies Act, 1956 * 5. Inter corporate Loans and investments u/s 372A of the Companies Act, 1956 *
2007	AGM	September 27, 2007	11.15 A.M.	Nahar hall, Desa Bandhu Plaza, 47, Whites Road, Royapettah, Chennai - 600 014	NIL

All the proposed resolutions, including special resolutions (other than those marked *), were passed unanimously by the shareholders as set out in their respective Notices.

The Special Resolutions marked *, were deferred.

No resolutions were put through postal ballot during the financial year 2009-10.

G. CODE OF CONDUCT

The Board of Directors has approved Code of Conduct, applicable to Directors and to employees of the Company. These are posted on the Company's website. The Company has obtained declarations from all its Directors and senior management personnel affirming their compliances with the applicable Code of Conduct. The declaration by the Managing Director under Clause 49 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31 March 2010 is attached to this Corporate Governance report.

H. DISCLOSURES

- No transaction of material nature conflicting with the Company's interest was entered into by the Company with related parties.
- The particulars of transactions between the Company and its related parties, as defined in Accounting standard 18, is set out in Note 6 to Schedule XI to the financial statements.
- There have been no instances of non-compliance by the Company. During the last three years no penalties or strictures have been imposed on the Company on any matter related to the capital markets by Stock Exchanges or SEBI or any statutory authority.
- Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.
- No differential treatment from the Accounting Standards was followed in the preparation of the financial statements of the Company.
- The Company complies with all mandatory requirements and has also adopted some of the non-mandatory requirements as detailed below.

I. MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has Listing arrangements. These financial results, in the prescribed format, are published in leading local and national newspapers; viz. "TRINITY MIRROR" in English and in "MAKKAL KURAL" in Tamil and are also posted on the Company's website www.aurumsoftsystems.com. Key developments are communicated to the Stock Exchanges, as and when they occur.

A Management Discussion and Analysis Report, forming part of the Directors' Report, is included in this Annual Report.

J. CEO / CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement a Certificate duly signed by Mr. Srikanth Ramanathan, Managing Director (CEO) and Mr. S. Arun Kumar, Chief Financial Officer & Company Secretary was placed at the meeting of the Board of Directors held on August 14, 2010.

K. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Certificate from Mr. Aashish Kumar Jain, Practising Company Secretary, affirming compliance with the conditions of Corporate Governance, is enclosed along with this Annual Report.

L. GENERAL SHAREHOLDER INFORMATION

1	Registered Office Address	New No.15, Old No.6, Besant Avenue, Adyar, Chennai - 600 020 Tamil Nadu, India
2	16th Annual General Meeting Date Time Venue	September 24, 2010 11 A.M. THE CONFERENCE CENTRE – MINI HALL New No: 24 (Old No: 58), 2nd Main Road R.A. Puram, Chennai - 600028
3	Financial Year	April to March
4	Dates of Book Closure	September 17, 2010 to September 24, 2010 (both days inclusive)
5	Dividend Payment Date	September 28, 2010 (tentative)
6	Approval of Financial Result Proposed Quarter Ending June 30, 2010 Quarter Ending September 30, 2010 Quarter Ending December 31, 2010 Quarter Ending March 31, 2011	Second Week of August 2010 Second Week of November 2010 Second Week of February 2011 Second Week of May 2011
7	Listing on Stock Exchanges: The Equity Shares are listed at	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001, Maharashtra, India Tel: 91-22-22721233, 22721234 Fax: 91-22-22721919 Madras Stock Exchange Limited New No:30, Second Line Beach Chennai - 600 001 Tel: 91-44-25228951/52/53/57 Fax: 91-44-25244897
8	Listing Fees	Listing Fees have been paid for all the above stock exchanges for 2010 – 2011
9	Stock Exchange Security Code and other related information	BSE 530885 Depository ISIN No. INE 600D01013 CIN L65921TN1994PLC026958
10	Dematerialization of Shares	The Shares of the Company are available for trading in both the depository systems namely Central Depository Services (India) Limited and National Securities Depository Limited
11	No. of Shares Dematerialized as on 31st March 2010	7983395 shares ; 91.97% of Total shares of the Company

12 Depository Participants for shares

National Securities Depository Limited

Trade World, A Wing, 4th & 5th Floors

Kamala Mills Compound

Lower Parel, Mumbai - 400 013

Tel: (022) 2499 4200

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers

16th Floor, Dalal Street

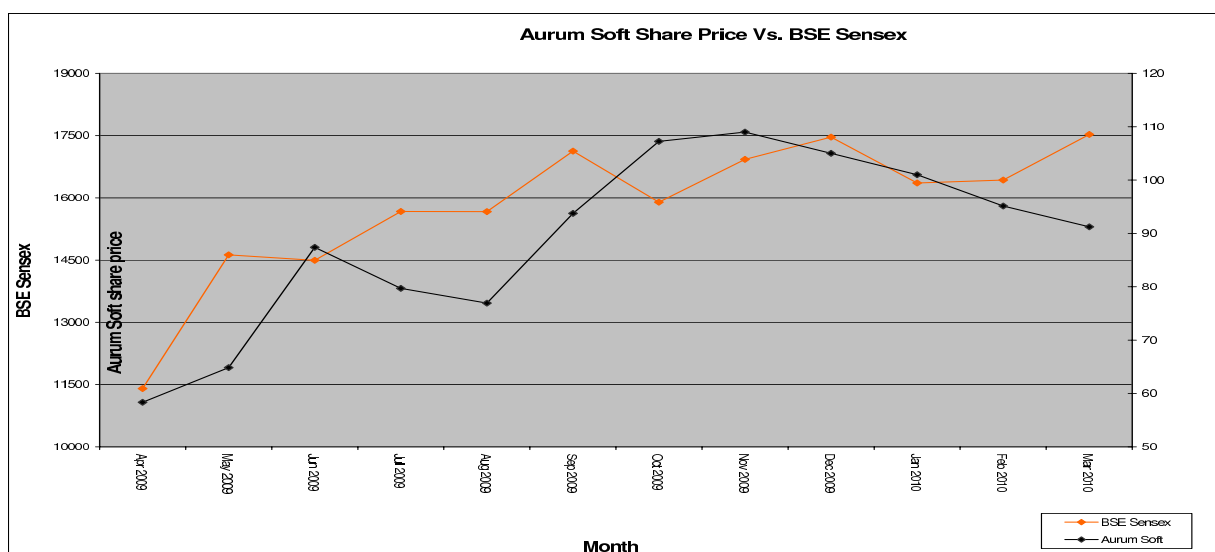
Mumbai - 400 001

Tel: (022) 2272 3333

13. Stock Market Price Data & Stock Performance:

The high and low of the share prices of the Company and the BSE Sensex is given below:

Month	BSE		BSE Sensex	
	High	Low	High	Low
Apr-09	58.35	54.00	11,492.10	9,546.29
May-09	64.85	59.50	14,930.54	11,621.30
Jun-09	87.40	66.10	15,600.30	14,016.95
Jul-09	100.15	79.70	15,732.81	13,219.99
Aug-09	79.00	70.65	16,002.46	14,684.45
Sep-09	93.75	78.45	17,142.52	15,356.72
Oct-09	110.00	95.50	17,493.17	15,805.20
Nov-09	115.50	108.00	17,290.48	15,330.56
Dec-09	107.20	100.50	17,530.94	16,577.78
Jan-10	102.95	95.25	17,790.33	15,982.08
Feb-10	99.00	95.15	16,669.25	15,651.99
Mar-10	98.90	91.25	17,793.01	16,438.45



14. Registrar and Transfer Agents

CAMEO Corporate Service Limited

“Subramanian Building” No.1, Club House Road, Chennai - 600 002

Contact Person: Mr. R.D. Ramasamy, Director

Tel: 044 – 28460390 / 391 / 392 / 393, Email: cameo@cameoindia.com

Shareholders are requested to correspond with the Registrar and Share Transfer Agent for transfer/transmission of shares, change of address, queries pertaining to their shareholding at their address given above.

15. Share Transfer System

Share transfers are processed and approved, subject to receipt of all requisite documents. The Company seeks to ensure that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has authorized the Share Transfer & Investors' Grievance Committee to approve the transfer of shares.

16. Distribution of shareholding as on 31st March 2010

Shareholding	No. of Shareholders	% of total shareholders	Number of Shares	% of total shares
Up to 500	314	72.02	59570	0.69
501-1000	39	8.94	32315	0.37
1001-2000	19	4.36	29213	0.34
2001-3000	8	1.83	21288	0.24
3001-4000	5	1.15	17841	0.21
4001-5000	5	1.15	23622	0.27
5001-10000	5	1.15	39461	0.45
10001 and above	41	9.40	8456690	97.43
TOTAL	436	100.00	8680000	100.00

17. Shareholding pattern as on 31st March 2010

Particulars	Number of Shares Held	% of Share holding
A. Promoter Holding		
1. Promoters		
a) Indian Promoters	2470257	28.46
b) Foreign Promoters	275800	3.18
Sub - Total (1)	2746057	31.64
B. Non- Promoter Holding		
2. Institutional Investors		
a) Foreign Institutional Investors (FIIs)	2750000	31.68
Sub - Total (2)	2750000	31.68
3. Others		
a) Private Corporate Bodies	160015	1.84
b) Indian Public (Resident Individuals)	2014443	23.21
c) Non Resident Indians	209485	2.41
d) Overseas Corporate Bodies	800000	9.22
Sub - Total (3)	3183943	36.68
Grand Total (1+2+3)	8680000	100.00

18. Outstanding GDRs/ADRs	None
19. Branch	None
20. Address for correspondence	S. Arun Kumar Chief Financial Officer & Company Secretary Aurum Soft Systems Limited New No: 15, Old No: 6, Besant Avenue , Adyar, Chennai - 600 020 Tel : 91 44 4218 7785 ; 4218 7794; Fax: 91 44 4218 7803 E-mail: arun@aurumsoftsystems.com

M. SECRETARIAL AUDIT REPORT

A Qualified Practising Company Secretary has carried out Secretarial Audit every quarter to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares with NSDL and CDSL.

N. DESIGNATED E- MAIL ADDRESS FOR INVESTOR'S COMPLAINTS

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor's complaints is arun@aurumsoftsystems.com

O. NON-MANDATORY REQUIREMENTS

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

Chairman's office

The need for implementing this non-mandatory requirement has not arisen.

Remuneration Committee

The Company has constituted a Remuneration Committee. The Terms of Reference of the Committee have been described elsewhere in the Corporate Governance Report.

Shareholders rights

The quarterly results of the Company are published in newspapers and on the Company's website viz., www.aurumsoftsystems.com. These results are not sent to shareholders individually

Audit Qualifications

The auditors have issued an unqualified opinion on the statutory financial statements of the Company.

Training of Board Members/Mechanism for evaluating non-executive directors

All the Non-Executive Directors have rich experience and expertise in functional areas and attend various programmes in their personal capacities that keep them abreast of relevant developments. Consequently, in the opinion of the Board, they do not require any other training. There is no formal system of evaluating individual directors.

Whistle Blower policy

Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.

P. REQUEST TO INVESTORS

Investors are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.

Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number, etc.

Chennai,
August 14, 2010

For and on behalf of the Board of Directors
A. BALASUBRAMANIAN
Chairman

CODE OF CONDUCT CERTIFICATION

To
The Members,

The Board of Aurum Soft Systems Limited has laid down a code of conduct for all Board members and senior management. The code of conduct has been posted on the Company's website viz., www.aurumsoftsystems.com.

All the Board members and the senior management have affirmed compliance of the code for the financial year 2009-10.

Place: Chennai
Date: August 14, 2010

SRIKANTH RAMANATHAN
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Shareholders of Aurum Soft Systems Limited

We have examined the compliance of conditions of Corporate Governance by Aurum Soft Systems Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We state that no investor grievances have been received by the Company during the year ended 31st March, 2010, as per the records maintained by the Company and presented to the Share Transfer & Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Aashish Kumar Jain & Associates.
Company Secretary in practice

Aashish Kumar Jain
164, Linghi Chetty Street,
2nd Floor, Parrys, Chennai - 1
Membership No.20164
CP No. 7353
Date : 14th August 2010

Standalone Financial Statements Auditors' Report

To the Members of M/s Aurum Soft Systems Limited,

1. I have audited the attached Balance Sheet of **M/s Aurum Soft Systems Limited** (the company) as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto, which I have signed under reference to this report. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as amended from time to time, I enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
 - (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - (b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In my opinion, the Balance sheet and the Profit and Loss account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts together with Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss account, of the loss for the year ended on that date, and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Place: Chennai

Date: 14th August 2010

R.R.RAJKUMAR

Chartered Accountant

M.No: 209877

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the auditors' report to the members of Aurum Soft Systems Limited (the Company) for the period ended March 31, 2010. I report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The company has a regular program of physical verification of its fixed assets. No material discrepancies were noticed on such verification.
2. The Company is primarily rendering IT Solutions & Consulting services. The company does not hold any physical inventories.
3. The company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has not taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956.
4. In my opinion and according to the information and explanations given to me, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and the sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. Further on the basis of my examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to me, I have neither come across nor have I been informed of any continuing failure to correct major weaknesses in the internal control system.
5. In my opinion, and according to the information and explanations given to me, there are no contracts / arrangements, the particulars of which need to be entered into the register required to be maintained u/s 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public during the year and consequently, the directive issued by the Reserve Bank of India and the provisions of Sec 58A and 58AA of the Companies Act, 1956, and rule framed there under are not applicable.
7. The company has no internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records which commensurate with the size and nature of its business.
8. As per the information and explanation given to me, the company is not required to maintain cost records as prescribed by the Central Government under the section 209(1) (d) of the Companies Act, 1956 for any of the services rendered by the company.
9. According to the information and explanations given to me and on the basis of my examination of the books of accounts, the company, during the year has been regular in depositing, undisputed statutory dues including Income tax, sales tax, service tax, customs duty, cess and other material statutory dues, wherever applicable, with the appropriate authorities.

According to the records of the company and the information and explanations given to me, the following are the particulars of disputed dues on account of income tax that have not been deposited as on 31.3.10:

Name of the Statute	: Income Tax Act, 1961
Nature of Due	: Income Tax

Amount : Rs 4.99 lacs
 Period to which amount relates : 1996 – 1997
 Forum where dispute pending : CIT (Appeals)

According to the records of the company and the information and explanations given to me, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to me, no undisputed amounts payable in respect of sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at 31st March 2010 for a period of more than six months from the date they became payable.

10. The company does not have any accumulated losses as at 31st March, 2010 and has incurred cash losses during the financial year ended on that date. The company has not incurred cash losses in the immediately preceding financial year.
11. In my opinion and according to the information and explanations given to me, the Company has not availed any loan from Banks, Financial Institutions or issued any debentures.
12. In my opinion and according to the information and explanations given to me, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In my opinion and according to the information and explanations given to me, the company is not a chit fund or a nidhi / mutual benefit fund / society.
14. In my opinion according to the information and explanations given to me, the company is maintaining proper records of the transaction and contracts about the dealings in securities & investments and has made timely entries in records. The shares, securities, debentures and other securities wherever applicable have been held by the company in its own name.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to me, the company has not taken any term loans.
17. In my opinion, the company has not raised any short term funds.
18. The Company during the year has not made any preferential allotment of shares to any party or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of my examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to me, I have neither come across any instance of fraud on or by the company, noticed or reported during the year under report nor have I been informed of such case by the management.

Balance Sheet As At 31-03-2010

Particulars	Schedule	As at 31-03-2010 (in Rs.)	As at 31-03-2009 (in Rs.)
I. SOURCES OF FUNDS:			
1. SHAREHOLDERS FUNDS			
a. Share Capital	I	86,800,000	86,800,000
b. Reserves and Surplus	II	234,088,653	247,890,276
2. LOAN FUNDS			
a. Secured Loans		-	-
b. Unsecured Loans		-	-
3. Deferred Tax Liability (Net)		9,817	-
TOTAL		320,898,470	334,690,276
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS	III		
Gross Block		3,800,953	571,000
Less: Depreciation		166,570	2,222
Net Block		3,634,383	568,778
2. Investments	IV	292,671,294	-
3. Deferred Tax Asset (Net)		-	684,561
4. Current Assets, Loans & Advances			
a. Current Assets			
Sundry Debtors	V	17,968,000	9,728,200
Cash & Bank Balances	VI	4,349,073	286,612,109
b. Loans and Advances	VII	9,297,647	43,871,546
		31,614,720	340,211,855
Less: Current Liabilities and Provisions	VIII	7,021,928	6,774,919
Net Current Assets		24,592,792	333,436,936
5. Miscellaneous Expenditure		-	-
TOTAL		320,898,470	334,690,276
Significant Accounting Policies and Notes on Accounts	XI		

Schedules referred herein above and annexed hereto form part of the Balance Sheet

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR
Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN
Managing Director

A. BALASUBRAMANIAN
Director

Place : Chennai
Date : August 14, 2010

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

Profit and Loss Account For The Year Ended 31-03-2010

Particulars	Schedule	For the year ended 31-03-2010 (in Rs.)	For the year ended 31-03-2009 (in Rs.)
INCOME			
Software and Consulting Income		20,908,815	9,728,200
Other Income	IX	7,415,503	1,174,947
		28,324,318	10,903,147
EXPENDITURE			
Operative & Administrative Expenses	X	37,938,314	5,419,378
Provision for Non Performing Assets		(1,957,304)	2,352,997
		35,981,009	7,772,375
Profit / (Loss) before Depreciation & Amortisation		(7,656,691)	3,130,772
Less: Depreciation & Amortisation	III	400,117	12,427
Profit / (Loss) Before Tax		(8,056,808)	3,118,345
Less : Provision for Taxation			
Current Year		-	2,043,409
Previous Year		(10,437)	-
Fringe Benefit Tax		-	6,262
Deferred Tax		694,379	(677,078)
		683,941	1,372,593
PROFIT / (LOSS) AFTER TAX		(8,740,749)	1,745,752
Less: Transfer to Statutory Reserve		-	349,150
		(8,740,749)	1,396,602
Add : Balance brought from last year		16,521,929	15,125,327
Balance Available for Appropriation		7,781,180	16,521,929
Appropriations:			
Proposed Dividend		4,340,000	-
Tax on Proposed Dividend		720,874	-
Balance Carried forward to Balance Sheet		2,720,306	16,521,929
Basic and Diluted Earning per share (in Rs.)		(1.01)	0.36
Significant Accounting Policies and Notes on Accounts	XI		

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

Particulars	Year ended 31-03-2010 (In Rs.)	Year ended 31-03-2009 (In Rs.)
SCHEDULE I : SHARE CAPITAL		
Authorised 10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & paid up		
8,680,000 Equity Shares of Rs. 10/- each	86,800,000	86,800,000
	86,800,000	86,800,000
SCHEDULE II : RESERVES & SURPLUS		
Statutory Reserves		
Opening Balance	4,168,347	3,819,197
Add: Transferred from P&L a/c	-	349,150
Closing Balance	4,168,347	4,168,347
Profit & Loss Account	2,720,306	16,521,929
Share Premium Account	227,200,000	227,200,000
	234,088,653	247,890,276
SCHEDULE IV : INVESTMENTS		
LONG TERM, UNQUOTED, NON-TRADE AT COST		
Shares in Foreign Subsidiary		
Dicetek (Sing) Pte Limited - 4500000 Shares of Singapore \$ 1 each	220,500,000	-
CURRENT, UNQUOTED, NON-TRADE, LOWER OF COST AND REALISABLE VALUE		
Investment in Mutual Funds <i>(Refer Note 8 of Schedule XI for details of mutual funds purchased during the year)</i>	72,171,294	-
	292,671,294	-
SCHEDULE V : SUNDRY DEBTORS		
Unsecured and Outstanding for less than six months		
(a) Considered good	17,968,000	9,728,200
(b) Considered doubtful	-	-
	17,968,000	9,728,200
Debtors include amount due from Subsidiary Company		
Dicetek LLC., Dubai	17,968,000	-
SCHEDULE VI: CASH AND BANK BALANCES		
1. Cash in Hand		
Indian Currency	3,425	160,835
Foreign Currency	-	-
2. Balance with Scheduled Banks in India *		
in Current Accounts	1,124,410	3,210,670
in Exchange Earner's Foreign Currency Accounts	-	-
in Deposit Accounts (includes interest accrued of Rs. 0.21 lakhs (Rs. 12.41 lakhs))	3,221,238	283,240,604
<i>* For details of balances with scheduled banks, refer Note 9 of Schedule XI</i>		
	4,349,073	286,612,109

SCHEDULE III : FIXED ASSETS

(In Rs.)

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As At 01-04-2009	Additions	Deletions	As At 31-03-2010	Upto 01-04-2009	For the year 2009-10	Deletions 31-03-2010	Upto 31-03-2010
Furnitures & Fixtures	14,750	110,025	92,250	32,525	20	94,238	92,250	2,008
Computers	556,250	262,080	149,604	668,726	2,201	249,981	143,519	108,663
Plant & Machinery	-	9,702	-	9,702	-	3,410	-	3,410
Intellectual Property Rights	-	3,090,000	-	3,090,000	-	52,488	-	52,488
TOTAL	571,000	3,471,807	241,854	3,800,953	2,222	400,117	235,769	166,570
Previous year figures	236,825	571,000	236,825	571,000	174,493	12,427	184,698	2,222
							3,634,383	568,778
							568,778	

Particulars	Year ended 31-03-2010 (In Rs.)	Year ended 31-03-2009 (In Rs.)
SCHEDULE VII: LOANS, ADVANCES AND DEPOSITS		
Loans - Unsecured & Considered Doubtful	3,956,924	37,959,792
Advances recoverable in cash or in kind or for value to be received	2,433,724	4,732,636
Deposits and Prepayments	42,220	10,167
Advance income Tax	2,864,779	1,168,951
	9,297,647	43,871,546
SCHEDULE VIII : CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities		
Sundry Creditors - Expenses	84,379	1,769,588
Other liabilities	9,376	1,221,117
	93,755	2,990,705
b. Provisions		
Income Tax	1,414,377	1,424,955
Fringe Benefit Tax	6,403	6,262
Provision for Doubtful Loans *	395,692	-
Provision for Non-performing Assets *	-	2,352,997
Proposed Dividend	4,340,000	-
Tax on Proposed Dividend	720,874	-
Provision for Gratuity	50,827	-
<i>* Refer Note 7 of Schedule XI</i>		
	7,021,928	6,774,919
SCHEDULE IX : OTHER INCOME		
Income from Forex Dealings	-	10,248
Commission & Other Receipts	-	7,365
Interest on Loans	382,820	1,349,522
Profit / (Loss) on Sale of Shares	-	(143,966)
Profit / (Loss) on Futures & Options	-	(100,966)
Profit / (Loss) on Sale of Investments	-	(5,633,665)
Dividend on Shares	-	81,238
Interest on Advances	194,822	-
Interest on Fixed Deposits	5,018,204	5,547,425
Dividend on Mutual Funds	2,463,200	-
Mark to Market Loss on Mutual Funds	(291,905)	-
Profit / (Loss) on Foreign Exchange Fluctuation (Net)	(769,552)	43,864
Miscellaneous Income	314,000	46,010
Profit / (Loss) on sale of fixed assets	103,915	(32,126)
	7,415,503	1,174,947

Particulars	Year ended 31-03-2010 (In Rs.)	Year ended 31-03-2009 (In Rs.)
SCHEDULE X: OPERATIVE AND ADMINISTRATIVE EXPENSES		
Rent	3,329,883	397,986
Rates and Taxes	185,487	497,944
Salaries, Wages and Bonus	8,360,438	1,395,563
Contributions to Provident Fund	473,230	55,175
Overseas Allowance	2,539,485	422,857
Bad Debts	17,325,088	-
Repairs and Maintenance - Others	412,434	57,301
Printing and Stationery	83,667	12,738
Postage	18,688	1,899
Telephone Expenses	637,932	75,274
Travelling, Hotel Boarding and Lodging	673,335	182,562
Audit and Certification Fee	141,187	99,579
Electricity Expenses	566,378	76,046
Consultancy Expenses	1,624,250	1,884,100
Advertisement	98,258	18,700
Conveyance	79,219	1,096
Work Permit	58,284	24,732
Bank Charges	357,525	12,844
Security service charges	135,740	16,000
Staff Welfare	766,417	93,574
Miscellaneous Expenses	71,390	93,409
	37,938,314	5,419,378

SCHEDULE - XI - NOTES TO ACCOUNTS

1. Background

Aurum Soft Systems Limited was incorporated in March 1994 and was till recently operating in the name of Jaisal Securities Limited. The Shares of the Company are listed on the Bombay and Madras Stock Exchanges.

The Company at present is engaged in the business of IT solutions and consulting.

The Company was initially engaged in Investment Consultancy having its own Portfolio of Investments besides advising Clientele on Investments and other related matters. The Company was also registered as a Non-banking Finance Company.

The Company has ceased all its Operations in relation to Investment Consulting and other related activities and has diversified into activities relating to IT Solutions and Consulting. Consequent to this, the Company has during the financial year 2009-10, got itself de-registered as a Non-banking Finance Company and has also changed its name to **AURUM SOFT SYSTEMS LIMITED** in line with the diversified business activities of the Company.

2. Significant Accounting Policies

A) Basis of preparation of the Financial Statements

The accompanying Financial Statements are prepared and presented under the Historical Cost Convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The Financial Statements are presented in Indian Rupees.

B) Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount of Assets, Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported Revenues and Expenses during the reporting period. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

C) Revenue Recognition

- i) Revenue from IT Solutions and Consulting business is primarily derived from Software Development, Support services and Licensing of Software. All Customer contracts / arrangements are on fixed price basis. Accordingly, the Revenue from the Sale of the Software and the licensing fee is recognised when there is no uncertainty as to the measurement or collectability of the consideration. Where there is uncertainty as to measurement or collectability, Revenue Recognition is postponed until such uncertainty is resolved.
- ii) Interest on Fixed Deposits and Interest on Advances are accounted on accrual basis. In case of Doubtful Loans, the Interest is recognised on actual receipt.
- iii) Dividend Income is recognised when the Company's right to receive the dividend is recognised.
- iv) Other receipts are accounted when it is received.

D) Expenditure

Expenses are accounted on accrual basis. As a matter of prudence, provisions are made for all known losses and liabilities.

Bad debts are written-off when there is no expectation of recovery.

E) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

F) Intangible Assets

Intangible Assets are recorded at the Consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

G) Depreciation and Amortization

Depreciation on fixed assets is provided on Straight-Line basis from the date the assets have been installed and put to use. In respect of Assets sold, depreciation is provided upto the date of disposal. Depreciation is charged at the rates prescribed in Schedule XIV to the Companies Act, 1956 as given below:

Plant & Machinery	4.75%
Furniture & Fixtures	6.33%
Computers	16.21%

All Fixed Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Intangible asset is amortised over its useful life (5 years) on straight-line basis, commencing from the date when the asset is put to use by the Company.

H) Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less diminution, other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or Net Realisable value.

I) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Profit and Loss Account. Monetary Assets and Liabilities denominated in Foreign Currencies as at the Balance Sheet date are translated at the closing Exchange Rates on that date. The exchange differences, if any, are recognised in the Profit and Loss Account and related Assets and Liabilities are accordingly restated in the Balance Sheet.

J) Employee Benefits

- i) All Short Term Employee Benefits payable including Salaries and other allowances are recognised on accrual basis, in the manner provided in AS - 15.
- ii) The Company contributes to a Recognised Provident Fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.
- iii) No provision has been made for leave encashment benefit for the period as the terms of employment does not provide for such obligation on the Company.
- iv) Gratuity cost is accrued based on actuarial valuation, carried out by an independent actuary as at the balance sheet date using the projected unit credit method and provision is made in the books. The Company has not made any insurance contribution in respect of its gratuity liability.

K) Taxation

The accounting treatment for Income-Tax in respect of Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. Income Tax: Provision for current Income-Tax is made on the Taxable Income for the year as is determined in accordance with the provisions of the Income-Tax Act, 1961.

Deferred Tax : Deferred Tax Assets and Liabilities are recognized at substantively enacted Tax Rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

L) Earnings Per Share (EPS)

The Company reports Basic and Diluted Earnings Per Share in accordance with Accounting Standard 20 - Earnings Per Share prescribed by the Companies (Accounting Standards) Rules, 2006. Basic Earnings per Share is computed by dividing the Net Profit After Tax by the weighted average number of Equity Shares outstanding during the year. The Company does not have any outstanding securities convertible into Equity Shares of the Company and hence there is no dilution in the Earnings per Share.

M) Provisions and Contingencies

The Company creates a provision when there is present or legal constructive obligations as a result of a past events, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the Financial Statements since this may result in the recognition of income that may never be realised.

N) Cash Flows

Cash Flows are reported using the indirect method, whereby Profit Before Tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, financing and investing activities of the Company are segregated.

3. Segment Reporting

Business Segment

The Company had got itself de-registered as a Non-banking finance Company during the financial year 2009-10. During the said period, the Company has earned only interest income from the unsecured loans lent by the Company, amounting to Rs. 3.83 lakhs, from its financial services business. Also loans and advances to the tune of Rs. 157.08 lakhs have been written-off as the same is found not realisable. The Company is taking steps to realise the balance financial assets in its books. Apart from that, there has been no activity pertaining to the Financial Services business segment.

The Company has diversified into IT Solutions and Consulting business and is concentrating solely on its new line of business.

Since the revenue earned by the Company from its erstwhile business (i.e. Financial Services) is less than 10% of the total revenue, there is only one reportable business segment (i.e. IT Solutions and Consulting).

Geographical Segments

In relation to the financial services business, the Company carries on its operation only in India.

In relation to the IT Solutions and Consulting business, the Company's revenues for the financial year 2009-10 have been derived from sale of software products and related services to its clients in India, Republic of Maldives and to its subsidiary in Dubai.

The revenue from sale to clients in India represents 4.38% (Previous year - Nil) and that of the Republic of Maldives represent 1.34% (Previous year - 100%) of the total turnover (net of bad debts). The revenue from the license granted to the Company's subsidiary in Dubai represents 94.28% (Previous year - Nil) of the total turnover.

4. Change of name of the Company

The Company has changed its name to **AURUM SOFT SYSTEMS LIMITED** w.e.f. February 4, 2010, so as to reflect the change in the line of business. The results of the new line of business activities (IT solutions and consulting) required to be disclosed, consequent to the name change, in accordance with Clause 32 of the listing Agreement, is given below:

Particulars	Year ended 31.03.2010 (In Rs.)
Sales	20,908,815
Identifiable operating expenses (including depreciation and Amortization)	21,063,600
Operating Income	(154,785)
Less: Tax Expenses	89,571
Profit After Tax	(244,357)

5. Details of Subsidiary companies

Name of the Subsidiary	Country	Type of holding	Percentage of holding	Nature of Business
Wholly owned subsidiary				
Dicetek (Sing) Pte Limited	Singapore	Equity	100%	IT Solutions & Consulting
Wholly owned subsidiary of Dicetek (Sing) Pte Limited				
Dicetek LLC	Dubai			IT Solutions & Consulting
Dice Technologies Inc.	USA			IT Solutions & Consulting

6. Related Party Disclosure

The company has entered into transactions with the following related parties:

- i) Parties exercising Substantial control
Shripathe Investments Private Limited - Principal Shareholder - Holds 28.46% of the paid up equity share capital of the Company as on March 31, 2010.
- ii) Key Managerial personnel
Mr. Srikanth Ramanathan, Managing Director
- iii) Subsidiaries
Dicetek (Sing) Pte Limited, Singapore
Dicetek LLC., Dubai
Dice Technologies Inc., USA

The transactions with the related parties are:

(in Rs.)

Nature of Transaction	(i)	(ii)	(iii)
Investment *	-	-	220,500,000
Dicetek (Sing) Pte Limited	(-)	(-)	(-)
Software and Consulting Income	-	-	18,188,000
Dicetek LLC., Dubai	(-)	(-)	(-)
Remuneration	-	2,391,000	-
Mr. Srikanth Ramanathan	(-)	(422,581)	(-)
Outstanding Receivables #	-	-	17,968,000
Dicetek LLC., Dubai	(-)	(-)	(-)

Note: Figures in brackets represent previous years figures.

* The Company acquired 100% stake in Dicetek (Sing) Pte Limited from the existing shareholders for a total consideration of US\$ 4.5 million (INR equivalent Rs. 220,500,000 lakhs)

Based on the exchange rate prevailing as on March 31, 2010

7. Bad Debts

During the financial year 2009-10, the Company has written-off loans to the tune of Rs. 15,708,538 (Previous Year - Rs. Nil), which were extended when the Company was a Non-banking Finance Company, as the same is found not realisable. The provision created in the books in respect of the loans which have been fully written-off has been reversed during the current financial year. As at March 31, 2010, the Company has a provision on Loans of Rs. 395,692 (Previous Year - Rs. 2,352,997), in respect of Loans outstanding. Consequent to cancellation of the Business Transfer Agreement with M/s. Intek Systems Private Limited, Maldives, the company has written-off Debtors to the tune of Rs. 1,616,550 (Previous Year – Nil) which were found to be not realisable.

8. Details of units in Mutual Funds

All the Mutual Funds schemes in which the Company had invested were dividend re-investment scheme and accordingly the dividend earned had also been re-invested. The Company has not sold any of these Mutual Fund units during the financial year 2009-10.

Name of the Fund	FY 2009-10		
	Face Value (Rs.)	No. of Units purchased during the year	Value (In Rs.) At cost or Fair value whichever is less
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	1000	19467.772	20,912,993
Reliance Short Term Fund Retail Plan - Dividend Reinvestment	10	966370.817	10,271,095
HDFC High Interest Fund - Quarterly Dividend Reinvestment	10	915361.045	10,154,832
HDFC Short Term Plan - Dividend Reinvestment	10	998653.466	10,305,439
Kotak Bond (Short Term) - Monthly Dividend Reinvestment	10	1018773.586	10,277,999
ICICI Prudential Short Term Plan - Dividend Reinvestment Fortnightly	10	872799.475	10,248,935

During the financial year 2008-09, the Company had not purchased or sold any Mutual Fund units. The Company also did not have any Mutual Fund units as on April 1, 2008.

9. Details of bank balance with Scheduled banks in India

Name of the Bank	As at March 31, 2010 (In Rs.)	As at March 31, 2009 (In Rs.)
In Current Account		
Lakshmi Vilas Bank	126,551	704,992
ICICI Bank	981,961	1,724,076
State Bank of India	15,898	-
City Union Bank	-	781,602
	1,124,410	3,210,670
In Deposit Account		
Lakshmi Vilas Bank (including accrued interest)	3,221,238	283,240,604
Total Bank Balance as per Balance Sheet	4,345,648	286,451,274

10. Gratuity

The following table sets out the computation of gratuity liability of the Company, in accordance with AS 15 (Revised 2005):

Particulars	Year ended 31.03.2010 (In Rs.)
Change in Present Value of obligation	
Present Value of obligation as at the beginning of the year (i.e. 01.04.2009)	-
Interest Cost	-
Current Service Cost	50,827
Benefits Paid	-
Actuarial Gain / Loss Recognised	-
Present Value of obligation as at the end of the year (i.e. 31.03.2010)	50,827
Expense Recognised in Profit & Loss A/c	
Current Service Cost	50,827
Interest Cost	-
Actuarial Gain / Loss	-
Recognised in the year	50,827

11. Intangible Assets (Disclosure as per Accounting Standard 26)

Particulars	Year ended 31.03.2010 (In Rs.)	Year ended 31.03.2009 (In Rs.)
Intangible Assets Acquired		
- Copyright		
Useful Life	5 Years	N.A.
Cost of Acquisition	3,090,000	N.A.
Less: Amortisations	52,488	N.A.
Net Carrying Amount	3,037,512	N.A.

12. Deferred Tax

The primary component that give rise to Deferred Tax Asset / Liability (DTA / DTL) is as follows:

Particulars	Year ended 31.03.2010 (In Rs.)		Year ended 31.03.2009 (In Rs.)	
	DTA	DTL	DTA	DTL
As at 1st April	684,561	-	7,483	-
Tax effect of the timing differences on account of:				
a. Difference between Book and Tax Depreciation	-	89,571	-	49,996
b. Provision for Non-performing Assets	32,586	-	727,076	-
For the year	-	56,985	677,078	-
Deferred Tax Asset de-recognised due to reversal of provision on Non-performing Asset	(637,393)	-	-	-
As at 31st March	-	9,817	684,561	-

In accordance with clause 29 of Accounting Standard (AS22) Deferred tax Assets and Deferred tax Liabilities have been set off.

13. Earnings Per Share

The Basic and Diluted Earning per Share as per Accounting Standard 20 - Earnings Per Share, prescribed by the Companies (Accounting Standards) Rules, 2006:

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Profit / (Loss) After Taxation	Rs. (8,740,749)	Rs. 1,745,752
Weighted average no. of Equity Shares	8680000	4820712
Nominal value of the Equity Shares	Rs. 10	Rs. 10
Basic and Diluted Earnings per Share	(Rs. 1.01)	Rs. 0.36

14. Foreign Currency Expenditure and Income

The Company has undertaken the following transactions in foreign currency:

Particulars	Year ended 31.03.2010 (In Rs.)	Year ended 31.03.2009 (In Rs.)
Expenditure incurred in Foreign Currency (on accrual basis)		
Rent	1,462,883	179,486
Overseas Allowance	2,539,484	422,857
Bad Debts	1,215,977	-
Repairs & Maintenance - Others	117,654	15,413
Telephone Expenses	435,054	53,508
Travelling, Hotel Boarding and Lodging	140,900	60,104
Electricity Expenses	252,779	35,103
Work Permit	58,284	24,733
Bank Charges	6,910	-
Staff Welfare	721,660	93,154
Total Expenditure in Foreign Currency	6,951,585	884,358
Income earned in Foreign Currency (on accrual basis)		
Income from Software Services and Products	19,662,565	9,728,200

The Company has not till the financial year 2009-10, declared/paid any dividend and hence no remittance in foreign currency has taken place in respect of Dividend to its non-resident shareholders.

15. Managerial Remuneration

Particulars	Year ended 31.03.2010 (In Rs.)	Year ended 31.03.2009 (In Rs.)
Salaries	2,120,000	408,304
Company's Contribution to Provident Fund	120,000	12,000
Perquisites and other reimbursements	151,000	2,277
Commission	-	-
	2,391,000	422,581

The Remuneration paid to the Managing Director is in excess of the limits prescribed under the Companies Act, 1956 and hence the Company has obtained the approval of the Central Government vide letter no. SRN A61306718-CL-VII dt. August 19, 2009, for Payment of Remuneration to Mr. Srikanth Ramanathan, Managing Director, not exceeding Rs. 250,000 per month for a period of 3 years (i.e. upto February 5, 2012)

Further, the Company does not pay commission to the Managing Director and hence computation of net profit as required under paragraph 4A of Part II of Schedule VI of the Companies Act, 1956, has not been disclosed.

16. Auditors' Remuneration

Auditors' Remuneration includes:

Particulars	Year ended 31.03.2010 (In Rs.)	Year ended 31.03.2009 (In Rs.)
Statutory Audit Fees	85,000	75,000
Tax - Audit Fees	20,000	-
Certification Fee	23,000	15,000
Service-tax	13,187	9,579
	141,187	99,579

17. Contingent Liability

The Company has not provided any liability in respect of the following contested claim:

Name of the Statute	:	Income Tax Act, 1961
Nature of Dues	:	Income Tax
Amount	:	Rs. 4.99 lakhs
Period to which amount relates	:	1996-97
Forum where dispute pending	:	CIT (Appeals)

The Company is of the opinion that the above demand is not sustainable and expects to succeed in its appeal.

18. The Company did not have any outstanding dues to any Micro or Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance.

19. The Company is engaged in the business of IT solutions and consulting services. The development and sale of software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details as required under paragraphs 3 and 4C of Part II of Schedule VI of the Companies Act, 1956.

20. The Company has not granted any loans to its Subsidiaries

21. Forward Contracts

The Company does not hedge its risks associated with foreign currency fluctuations relating to its receivables and payables, by entering into foreign currency forward contracts. The Company also does not use forward contracts for speculative purposes.

The foreign currency exposure as at the end of the financial year that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Receivable in foreign currency		Payable in foreign currency	
	As At 31.03.2010	As At 31.03.2009	As At 31.03.2010	As At 31.03.2009
USD equivalent	400,000	191,500	-	17,252

22. Previous years' figures have been regrouped / reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's Financial Statement and are to be read in relation to the amounts and other disclosures relating to the current year.

SIGNATURE TO SCHEDULES I TO XI

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

Cash Flow Statement for the year Ended 31-03-2010

Particulars	Year ended 31-03-2010 (in Rs.)	Year ended 31-03-2009 (in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(8,056,808)	3,118,345
Adjustments for:		
Depreciation and Amortisation	400,117	12,427
Interest on tax	-	37,426
Provision for Non Performing Assets	(1,957,304)	2,352,997
Provision for Gratuity	50,827	-
Mark to Market Loss on Mutual Funds	291,905	-
(Profit) / Loss on Sale of Investments	-	5,633,665
(Profit) / Loss on Sale of Fixed assets	(103,915)	32,126
Bad Debts	17,325,088	-
Interest on Fixed Deposits	(5,018,204)	(5,547,425)
Dividend on Shares and Mutual Funds	(2,463,200)	(81,238)
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	468,506	5,558,324
Adjustments for:		
(Increase) / Decrease in Stock in Trade	-	34,708
(Increase) / Decrease in Sundry Debtors	(8,239,800)	(9,728,200)
(Increase) / Decrease in Loans and Advances	18,944,639	(6,665,988)
Increase / (Decrease) in Current Liabilities and Provision	(2,896,950)	2,426,140
Cash generated from / (used in) Operations	8,276,395	(8,375,016)
Income Taxes paid during the year	(1,695,828)	(1,673,127)
Net Cash generated from / (used in) Operating Activities during the year - A	6,580,567	(10,048,143)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,471,807)	(571,000)
Proceeds from Sale of Fixed Assets	110,000	20,000
Sale / (Purchase) of Investments	-	6,594,940
Investment in Subsidiary Company	(220,500,000)	-
Investment in Mutual Funds	(72,463,200)	-
Interest on Fixed Deposits	5,018,204	5,547,425
Dividend on Shares and Mutual Funds	2,463,200	81,238
Net Cash generated from / (used in) Investing Activities during the year - B	(288,843,603)	11,672,603
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital including Premium	-	284,000,000
Net Cash generated from Financing Activities during the year - C	-	284,000,000
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(282,263,036)	285,624,459
Cash and Cash Equivalent as at the beginning of the year	286,612,109	987,650
Cash and Cash Equivalent as at the end of the year (Refer Note 1)	4,349,073	286,612,109

Note: 1. Cash and Cash Equivalents represent Cash, Balances with Banks in Current Account and Fixed Deposits
 2. Figures in brackets indicate Cash outgo
 3. Figures for the previous year have been regrouped / rearranged wherever found necessary

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

SRIKANTH RAMANATHAN

A. BALASUBRAMANIAN

Chartered Accountant

Managing Director

Director

Membership No. 209877

Place : Chennai

S. ARUN KUMAR

Date : August 14, 2010

Chief Financial Officer & Company Secretary

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS REQUIRED UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

I.		Registration Details	Regd. No. & State Code				2	6	9	5	8			1	8
		Balance Sheet Date					3	1	0	3	2	0	1	0	
II.		Capital Raised During the Year (Rs. In '000s)	Public Issue										N	I	L
			Right Issue										N	I	L
			Bonus Issue										N	I	L
			Private Placement										N	I	L
III.		Mobilisation and Deployment of Funds (Rs. In '000s)	Total Liabilities							3	2	7	9	2	0
			Total Assets							3	2	7	9	2	0
			Paid up Capital							8	6	8	0	0	
			Reserves & Surplus							2	3	4	0	8	8
			Secured Loans									N	I	L	
			Unsecured Loans									N	I	L	
			Deferred Tax Liability									1	0		
			Net Fixed Assets							3	6	3	4		
			Investments							2	9	2	6	7	1
			Net Current Assets							2	4	5	9	3	
			Deferred Tax Asset									N	I	L	
			Miscellaneous Expenditure									N	I	L	
			Accumulated Losses									N	I	L	
IV.		Performance (Rs. In '000s)	Turnover							2	8	3	2	4	
			Total Expenditure							3	6	3	8	1	
			Profit / Loss Before Tax							-	8	0	5	7	
			Profit / Loss After Tax							-	8	7	4	1	
			Earning Per Share in Rs.							-	1	.	0	1	
			Dividend Rate %									5			
V.		Generic Names													
1	Item Code No. (ITC Code)		8	5	2	4	9	0	0	9					
2	Product Description		COMPUTER				SOFTWARE								

For and on Behalf of the Board

SRIKANTH RAMANATHAN
Managing Director

A. BALASUBRAMANIAN
Director

Place : Chennai
Date : August 14, 2010

S. ARUN KUMAR
Chief Financial Officer & Company Secretary

Consolidated Financial Statements

Auditors' Report on Consolidated Financial Statements:

To the Board of Directors of Aurum Soft Systems Limited on the consolidated financial statements of Aurum Soft Systems Limited and its subsidiaries.

I have audited the attached Consolidated Balance Sheet of Aurum Soft Systems Limited ('the company' or 'the parent company') and its subsidiaries (collectively referred to as "the Group"), as at 31st March 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. My responsibility is to express an opinion on these financial statements based on my audit.

1. I have conducted my audit in accordance with the auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides reasonable basis for my opinion.
2. I did not audit the financial statements of the subsidiaries whose financial statements and other financial information have been audited by other auditors whose reports have been furnished to me. My opinion, in so far as it relates to the amounts included in the consolidated statements referred to above, in respect of these subsidiaries, is based solely on the reports of the other auditors, reports by the management of the subsidiaries and on the information and explanations for the purpose of the consolidation referred to herein, furnished to me by the Aurum Soft Systems Limited.
3. I report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards – 21, Consolidated Financial Statements, prescribed in the Companies (Accounting Standards) Rules, 2006
4. Based on my audit and on consideration of the reports of the other auditors on separate financial statements of subsidiaries and on the financial information of the components, in my opinion and to the best of my information and according to the explanations given to me, the attached consolidated financial statements, read with the notes there on, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the state of affairs of the group as at 31st March 2010
 - b) In the case of the consolidated Profit and Loss Account, of the Loss for the year ended on that date; and
 - c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Chennai
Date: 14th August' 2010

R.R.RAJKUMAR
Chartered Accountant
M.No: 209877

Consolidated Balance Sheet As At 31-03-2010

Particulars	Schedule	As at 31-03-2010 (In Rs.)
I. SOURCES OF FUNDS:		
1. SHAREHOLDERS FUNDS		
a. Share Capital	I	86,800,000
b. Reserves and Surplus	II	226,336,022
2. LOAN FUNDS	III	
a. Secured Loans		1,825,587
b. Unsecured Loans		-
TOTAL		314,961,610
II. APPLICATION OF FUNDS:		
1. FIXED ASSETS	IV	
Gross Block		27,062,901
Less: Depreciation		(9,755,571)
Net Block		17,307,330
2. Development Expenditure - Software		5,860,758
3. Goodwill on Consolidation		128,644,654
4. Investments	V	72,171,294
5. Deferred Tax Asset		1,051,216
6. Current Assets, Loans & Advances		
a. Current Assets		
Inventories	VI	52,488
Sundry Debtors	VII	116,504,918
Cash & Bank Balances	VIII	50,594,721
b. Loans and Advances	IX	21,957,180
		189,109,306
Less: Current Liabilities and Provisions	X	99,182,948
Net Current Assets		89,926,358
7. Miscellaneous Expenditure		-
TOTAL		314,961,610
Significant Accounting Policies and Notes on Accounts	XIII	

Schedules referred herein above and annexed hereto form part of the Balance Sheet

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

Consolidated Profit And Loss Account For The Year Ended 31-03-2010

Particulars	Schedule	For the year ended 31-03-2010 (In Rs.)
INCOME		
Software and Consulting		480,029,245
Other Income	XI	7,770,694
		487,799,939
EXPENDITURE		
Operative & Administrative Expenses	XII	492,552,213
Provision for Doubtful Loans		(1,957,304)
Provision for Bad Debts		1,012,376
		491,607,285
Profit / (Loss) before Depreciation		(3,807,346)
Less: Depreciation & Amortisation	IV	6,105,430
Profit / (Loss) before tax		(9,912,776)
Less : Provision for Taxation		
Current Year		447,715
Previous Year		(10,437)
Fringe Benefit Tax		-
Deferred Tax		(386,454)
		50,824
Profit / (Loss) after Tax		(9,963,600)
Less: Transfer to Statutory Reserve		-
		(9,963,600)
Add : Balance brought from last year		16,521,929
Balance Available for appropriation		6,558,329
Appropriations:		
Proposed Dividend		4,340,000
Tax on Proposed Dividend		720,874
Balance Carried forward to Balance Sheet		1,497,455
Basic and Diluted Earning per share (in Rs.)		(1.15)
Significant Accounting Policies and Notes on Accounts	XIII	

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

Particulars	Year ended 31-03-2010 (In Rs.)
SCHEDULE I : SHARE CAPITAL	
Authorised	
10,000,000 Equity shares of Rs. 10/- each	100,000,000
Issued, Subscribed & paid up	
8,680,000 Equity shares of Rs. 10/- each	86,800,000
	86,800,000
SCHEDULE II : RESERVES & SURPLUS	
Statutory Reserves	
Opening Balance	4,168,347
Add: Transferred from P&L a/c	-
Closing Balance	4,168,347
Profit & Loss Account	1,497,455
Share Premium Account	227,200,000
Foreign Currency Translation Reserve	(6,529,780)
	226,336,022
SCHEDULE III : LOAN FUNDS	
Secured Loans	1,825,587
	1,825,587
SCHEDULE V : INVESTMENTS	
CURRENT, UNQUOTED, NON-TRADE, LOWER OF COST AND REALISABLE VALUE	
Investment in Mutual Funds (Refer Note 6 of Schedule XIII for details of mutual funds purchased during the year)	72,171,294
	72,171,294
SCHEDULE VI : INVENTORIES	
Software Product - Held for sale	52,488
	52,488

SCHEDULE IV : FIXED ASSETS

(In Rs.)

Particulars	Gross Block				Depreciation / Amortisation			Net Block	
	As At 01-04-2009	Additions	Deletions / Adjustments*	As At 31-03-2010	Upto 01-04-2009	For the year 2009-10	Deletions / Adjustments*	Upto 31-03-2010	As at 31-03-2010
Furnitures & Fixtures	3,397,837	110,025	688,069	2,819,793	1,270,323	638,490	854,967	1,053,845	1,765,948
Computers	3,217,157	507,971	250,357	3,474,771	2,321,619	588,885	235,685	2,674,819	799,953
Plant & Machinery	1,566,295	268,352	670,189	1,164,459	431,383	276,353	24,461	683,275	481,184
Vehicles	3,790,823	-	131,322	3,659,501	238,806	802,669	36,260	1,005,216	2,654,285
Intellectual P r o p e r t y Rights	13,315,659	3,090,000	461,282	15,944,377	-	4,417,250	78,833	4,338,417	11,605,960
TOTAL	25,287,772	3,976,349	2,201,219	27,062,901	4,262,131	6,723,646	1,230,206	9,755,571	17,307,330

* Includes Exchange difference arising on translation of fixed asset to INR

Particulars	Year ended 31-03-2010 (In Rs.)
SCHEDULE VII : SUNDRY DEBTORS	
Unsecured and outstanding for more than six months	
(a) Considered good	1,587,371
(b) Considered doubtful	1,012,376
Unsecured and outstanding for less than six months	
(a) Considered good	114,917,546
(b) Considered doubtful	-
Less: Provision for Bad debts	1,012,376
	116,504,918
SCHEDULE VIII: CASH AND BANK BALANCES	
1. Cash in Hand	3,425
2. Balance with Scheduled Banks *	
in Current Accounts	1,124,410
in Exchange Earner's Foreign Currency Accounts	-
in Deposit Accounts (includes interest accrued of Rs. 0.21 lakhs)	3,221,238
3. Balance with non-scheduled Banks in Foreign Currencies *	46,245,648
<i>* For details of bank balances with scheduled and non-scheduled banks, refer Note 9 of Schedule XIII</i>	
	50,594,721
SCHEDULE IX: LOANS, ADVANCES AND DEPOSITS	
Loans - Unsecured & Considered Doubtful	3,956,924
Advances recoverable in cash or in kind or for value to be received	4,126,263
Deposits and prepayments	11,009,213
Advance Income Tax	2,864,779
	21,957,180
SCHEDULE X : CURRENT LIABILITIES AND PROVISIONS	
a. Current Liabilities	
Sundry Creditors	56,728,621
Other liabilities	35,293,594
	92,022,215
b. Provisions	
Income Tax	1,646,936
Fringe Benefit Tax	6,403
Provision for Doubtful Loan	395,692
Proposed Dividend	4,340,000
Tax on Proposed Dividend	720,874
Provision for Gratuity	50,827
	99,182,948

Particulars	Year ended 31-03-2010 (In Rs.)
SCHEDULE XI : OTHER INCOME	
Interest on Loans	382,820
Interest on Advances	194,822
Interest on Fixed Deposits	5,067,431
Dividend on Mutual Funds	2,463,200
Mark to Market Loss on Mutual funds	(291,905)
Profit / (Loss) on Foreign Exchange Fluctuation (Net)	(2,031,670)
Miscellaneous Income	2,268,284
Profit / (Loss) on sale of Fixed Assets	(282,287)
	7,770,694
SCHEDULE XII : OPERATIVE AND ADMINISTRATIVE EXPENSES	
Rent	7,410,011
Rates and Taxes	2,273,662
Salaries, Wages and Bonus	437,282,897
Contributions to Provident Fund	473,230
Overseas Allowance	2,539,485
Bad Debts	17,325,088
Repairs and Maintenance	1,994,229
Printing and Stationery	93,356
Postage	53,205
Telephone Expenses	2,530,481
Travelling, Hotel Boarding and Lodging	2,612,720
Audit and Certification Fee	141,187
Electricity Expenses	566,378
Professional & Consultancy Expenses	10,870,971
Advertisement	1,572,869
Conveyance	93,353
Work Permit / Visa Expenses	1,027,904
Bank Charges	378,178
Interest and finance charges	141,530
Insurance	864,361
Security service charges	135,740
Staff Welfare	880,739
Membership and Subscription	123,741
Miscellaneous Expenses	1,166,901
	492,552,213

SCHEDULE - XIII - NOTES TO CONSOLIDATED ACCOUNTS

1. Background

Aurum Soft Systems Limited acquired 100% stake in Dicetek (Sing) Pte Limited on July 28, 2009. Consequent to this, Dicetek (Sing) Pte Limited together with its wholly owned subsidiaries Dicetek LLC., Dubai and Dice Technologies Inc., USA, have become subsidiaries of the Company.

The Company together with its wholly owned subsidiaries is engaged in the business of providing IT solutions and consulting.

2. Significant Accounting Policies

A) Basis of preparation of the Financial Statements

These Consolidated financial statements of Aurum Soft Systems Limited and its subsidiaries (together called "the Company/Group") are prepared under the historical cost convention in accordance with generally accepted accounting principles applicable in India, the provisions of the Companies Act, 1956 and the applicable accounting standards, to the extent possible in the same format as that adopted by the holding company for its separate financial statements.

The financial statements of subsidiaries used in the consolidated financial statements are drawn upto the same reporting date as that of the holding company i.e. March 31, 2010.

B) Basis of consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 "Consolidated Financial Statement"

The income and expenses after the date of investment (i.e. from July 29, 2009) have been taken into account for the purpose of preparing the consolidated profit & loss account.

The revenue items of these foreign subsidiaries are translated at the quarterly average exchange rate on a quarterly basis. All assets and liabilities as at the year-end are converted at the rates prevailing as at the end of the year. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve on Consolidation.

The excess of the cost to the Company of its investment in the subsidiary over and above the share of equity in the subsidiary on the acquisition date, is recognised in the financial statement as goodwill. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date.

Since all the subsidiaries are wholly owned subsidiaries, there is no minority interest.

C) Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount of Assets, Liabilities (including Contingent Liabilities) as of the date of the Financial Statement and the reported Revenues and Expenses during the reporting period. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

D) Revenue Recognition

- i. Revenues on software consulting are recognised on completion of the relevant period of performance of work by the software consultants as per the terms of the individual contracts/purchase orders entered into with the customers.
- ii. Revenue from the Sale of the Software, Support services and the licensing fee is recognised as per the terms of the individual contracts/agreements/purchase orders and when there is no uncertainty as to the measurement or collectability of the consideration. Where there is uncertainty as to measurement or collectability, revenue recognition is postponed until such uncertainty is resolved.
- iii. Interest on Fixed Deposits and Interest on Loans and Advances are accounted on accrual basis. In case of Non-performing Assets, the Interest is recognised on actual receipt.
- iv. Dividend Income is recognised when the Company's right to receive the dividend is recognised.
- v. Government grants are recognised when there is reasonable assurance that the conditions attached to the grant will be complied with and that the grant will be received.
- vi. Cash grants received from the government in relation to the Jobs credit scheme are recognised as income upon receipt.
- vii. Other receipts are accounted when it is received.

E) Expenditure

Expenses are accounted on accrual basis. As a matter of prudence, provisions are made for all known losses and liabilities.

Bad debts are written-off when there is no expectation of recovery.

F) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

G) Intangible Assets

Intangible Assets acquired (Software) are recorded at the Consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

H) Development Expenditure - Software

These represent computer software to be sold, leased or marketed. Accordingly Software purchased is, where the technological feasibility of the product is achieved and the software has alternative uses, treat as Software Production Cost. The software costs and all costs incurred to make the product marketable are capitalised and would be amortised using an acceptable method when ready for general customer.

I) Depreciation and Amortization

Depreciation on fixed assets is provided by the holding company on Straight-Line basis from the date the assets have been installed and put to use. In respect of Assets sold, depreciation is provided upto the date of disposal.

The holding company charges depreciation at the rates prescribed in Schedule XIV to the Companies Act, 1956 as given below:

Plant & Machinery	4.75%
Furniture & Fixtures	6.33%
Computers	16.21%

All Fixed Assets of the holding company individually costing less than Rs. 5,000 are fully depreciated in the year of installation.

Depreciation provided by the management of the subsidiaries in respect of its fixed assets in their books of accounts have not been restated / recomputed by the company for the purpose of consolidation.

Intangible asset is amortised over its useful life (5 years) on straight-line basis, commencing from the date when the asset is put to use by the Company.

J) Inventories

Inventories are stated at the lower of cost and net realisable value.

K) Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are carried at cost less diminution, other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or Net Realisable value.

L) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Profit and Loss Account. Monetary Assets and Liabilities denominated in Foreign Currencies as at the Balance Sheet date are translated at the closing Exchange Rates on that date. The exchange differences, if any, are recognised in the Profit and Loss Account and related Assets and Liabilities are accordingly restated in the Balance Sheet.

M) Employee Benefits

- i. All Short Term Employee Benefits payable including Salaries and other allowances are recognised on accrual basis.
- ii. The group's contribution to a defined contribution scheme in respect of its employees are accounted for on an accrual basis and recognised in the Profit and Loss Account.
- iii. Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the balance sheet date.
- iv. Gratuity cost is accrued based on actuarial valuation, carried out by an independent actuary as at the balance sheet date and provision is made in the books. The holding Company has not made any insurance contribution in respect of its gratuity liability.

N) Taxation

The accounting treatment for Income-Tax in respect of Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

Income Tax: Provision for current Income-Tax is made on the Taxable Income for the year as is determined in accordance with the provisions of tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate on the balance sheet date.

Deferred Tax: Deferred Tax Assets and Liabilities are recognized at substantively enacted Tax Rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

O) Earnings Per Share (EPS)

The group reports Basic and Diluted Earnings Per Share in accordance with Accounting Standard 20 - Earnings Per Share prescribed by the Companies (Accounting Standards) Rules, 2006. Basic Earnings per

Share is computed by dividing the Net Profit After Tax by the weighted average number of Equity Shares outstanding during the year. The Company does not have any outstanding securities convertible into Equity Shares of the Company and hence there is no dilution in the Earnings per Share.

P) Provisions and Contingencies

The group creates a provision when there is present or legal constructive obligations as a result of a past events, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the Financial Statements since this may result in the recognition of income that may never be realised.

Q) Cash Flows

Cash Flows are reported using the indirect method, whereby Profit Before Tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, financing and investing activities of the Company are segregated. The Cash Flow statement has been drawn-up for the entire financial year.

3. Details of Subsidiary companies

Name of the Subsidiary	Country	Type of holding	Percentage of holding	Nature of Business
Wholly owned subsidiary				
Dicetek (Sing) Pte Limited	Singapore	Equity	100%	IT Solutions & Consulting
Wholly owned subsidiary of Dicetek (Sing) Pte Limited				
Dicetek LLC	Dubai			IT Solutions & Consulting
Dice Technologies Inc.	USA			IT Solutions & Consulting

4. Segment Reporting

Business Segment

The holding company together with its subsidiaries is engaged in the business of providing IT solutions and consulting, which is the only business segment.

The holding Company during the financial year 2009-10 did not carry on any activity pertaining to the Financial services business and also has got itself de-registered with the Reserve Bank of India as a Non-banking finance Company

Hence disclosure of segment-wise information in respect of its business segments is not applicable under Accounting Standard - 17 "Segmental Information" notified by the Company's (Accounting Standards) Rules, 2006, as the group is engaged in only one type of business.

Geographical Segments

The revenue of the holding company from sale to clients in India represents 4.38% and that of the Republic of Maldives represent 1.34% of the total turnover (net of bad debts). The revenue from the license granted to the Company's subsidiary in Dubai represents 94.28% of the total turnover.

All the subsidiaries provide services to clients situated in the respective countries in which they operate namely:

Dicetek (Sing) Pte Limited - in Singapore

Dicetek LLC - in Dubai

Dice Technologies Inc - in United States of America

Hence the entire revenue and results of the subsidiaries are attributable to the respective geographies in which they are situated, namely Singapore, Dubai and USA

5. Related Party Disclosure

The company has entered into transactions with the following related parties:

i) Parties exercising Substantial control

Shripathee Investments Private Limited - Principal Shareholder - Holds 28.46% of the paid up equity share capital of the Company as on March 31, 2010.

ii) Key Managerial personnel

Mr. Srikanth Ramanathan, Managing Director

iii) Subsidiaries

Dicetek (Sing) Pte Limited, Singapore

Dicetek LLC., Dubai

Dice Technologies Inc., USA

The transactions with the related parties are:

(In Rs.)

Nature of Transaction	(i)	(ii)
Remuneration		
Mr. Srikanth Ramanathan	-	2,391,000

6. Details of units in Mutual Funds

All the Mutual Funds schemes in which the Company had invested were dividend re-investment scheme and accordingly the dividend earned had also been re-invested. The Company has not sold any of these Mutual Fund units during the financial year 2009-10.

Name of the Fund	FY 2009-10		
	Face Value (Rs.)	No. of Units purchased during the year	Value (In Rs.) At cost or Fair Value which ever is less
Templeton India Short Term Income Retail Plan - Weekly Dividend Reinvestment	1000	19467.772	20,912,993
Reliance Short Term Fund Retail Plan - Dividend Reinvestment	10	966370.817	10,271,095
HDFC High Interest Fund - Quarterly Dividend Reinvestment	10	915361.045	10,154,832
HDFC Short Term Plan - Dividend Reinvestment	10	998653.466	10,305,439
Kotak Bond (Short Term) - Monthly Dividend Reinvestment	10	1018773.586	10,277,999
ICICI Prudential Short Term Plan - Dividend Reinvestment Fortnightly	10	872799.475	10,248,935

The subsidiaries have not made any investment in Mutual Funds.

7. Intangible Assets(Disclosure as per Accounting Standard 26)

Particulars	Year ended 31.03.2010 (In Rs.)
Intangible Assets Acquired	
- Copyright	
Useful Life	5 Years
Cost of Acquisition	3,090,000
Less: Amortisations	52,488
NET CARRYING AMOUNT	3,037,512
Internally Developed	
- Copyright	
Useful Life	3 Years
Opening	13,315,659
Additions	-
Adjustment *	(382,448)
Less: Amortisations	4,364,762
NET CARRYING AMOUNT	8,568,449

* Exchange difference arising on translation of the asset into INR

The development expenses capitalised are not treated as Intangible asset as the same is not ready for end-use.

8. Bad Debts

During the financial year 2009-10, the Holding Company has written-off loans to the tune of Rs. 15,708,538, which were extended when the Holding Company was a Non-banking Finance Company, as the same is found not realisable. The provision created in the books in respect of the loans which have been fully written-off has been reversed during the current financial year. As at March 31, 2010, the Company has a provision on Loans of Rs. 395,692, in respect of Loans outstanding.

Consequent to cancellation of the Business Transfer Agreement with M/s. Intek Systems Private Limited, Maldives, the company has written-off Debtors to the tune of Rs. 1,616,550

Dice Technologies Inc., USA has made a 100% provision in respect of Receivables which have been outstanding for more than 90 days.

9. Details of bank balance

Scheduled Banks in India

Name of the Bank	As at March 31, 2010 (In Rs.)
In Current Account	
Lakshmi Vilas Bank	126,551
ICICI Bank	981,961
State Bank of India	15,898
City Union Bank	-
	1,124,410
In Deposit Account	
Lakshmi Vilas Bank (including accrued interest)	3,221,238
Bank Balance with Scheduled Banks	4,345,648

Non-scheduled banks outside India

Name of the Bank	As at 31.03.2010 (In Rs.)
DBS Bank, Singapore	6,795,446
DBS Bank, Singapore - US Dollar Account	611,654
Citi Bank, USA	22,467,448
Emirates Bank, Dubai	15,296,122
Emirates Bank, Dubai - US Dollar Account	1,074,978
Bank Balance with non-scheduled banks	46,245,648

10. Managerial Remuneration

Particulars	Year ended 31.03.2010 (In Rs.)
Salaries	2,120,000
Company's Contribution to Provident Fund	120,000
Perquisites and other reimbursements	151,000
Commission	-
	2,391,000

The Remuneration paid to the Managing Director is in excess of the limits prescribed under the Companies Act, 1956 and hence the Company has obtained the approval of the Central Government vide letter no. SRN A61306718-CL-VII dt. August 19, 2009, for Payment of Remuneration to Mr. Srikanth Ramanathan, Managing Director, not exceeding Rs. 250,000 per month for a period of 3 years (i.e. upto February 5, 2012)

11. Deferred Tax

The primary component that give rise to Deferred Tax Asset / Liability (DTA / DTL) is as follows:

Particulars	Year ended 31.03.2010 (In Rs.)	
	DTA	DTL
As at 1st April	684,561	-
Tax effect of the timing differences on account of:		
a. Unabsorbed losses carried forward	986,924	-
b. Unabsorbed depreciation carried forward	142,796	-
c. Difference between Book and Tax Depreciation	-	138,458
d. Provision for Non-performing Assets	32,586	
For the year	1,708,409	
Deferred Tax Asset de-recognised due to reversal of provision on Non-performing Asset	(637,393)	
Exchange Difference	(19,800)	
As at 31st March	1,051,216	

In accordance with clause 29 of Accounting Standard (AS22) Deferred tax Assets and Deferred tax Liabilities have been set off.

12. Earnings Per Share

The Basic and Diluted Earning per Share as per Accounting Standard 20 - Earnings Per Share, prescribed by the Companies (Accounting Standards) Rules, 2006:

Particulars	Year ended 31.03.2010
Profit / (Loss) After Taxation	Rs. (9,963,600)
Weighted average no. of Equity Shares	8680000
Nominal value of the Equity Shares	Rs. 10
Basic and Diluted Earnings per Share	(Rs. 1.15)

13. Auditors' Remuneration

Statutory Auditors' remuneration includes:

Particulars	Year ended 31.03.2010 (In Rs.)
Statutory Audit Fees	85,000
Tax - Audit Fees	20,000
Certification Fee	23,000
Service-tax	13,187
	141,187

14. Contingent Liability

The Company has not provided any liability in respect of the following contested claim:

Name of the Statute	:	Income Tax Act, 1961
Nature of Dues	:	Income Tax
Amount	:	Rs. 4.99 lakhs
Period to which amount relates	:	1996-97
Forum where dispute pending	:	CIT (Appeals)

The Company is of the opinion that the above demand is not sustainable and expects to succeed in its appeal.

15. Operating Lease Commitments

As at the balance sheet date the group was committed to making the following payments in respect of operating leases:

Particulars	As at 31.03.2010 (In Rs.)
Not later than one year	841,624
Later than one year but not later than five years	-
Later than five years	-

16. Forward Contracts

The Company/group does not hedge its risks associated with foreign currency fluctuations relating to its receivables and payables, by entering into foreign currency forward contracts. The Company/group also does not use forward contracts for speculative purposes.

17. This being the first year of consolidation, the previous years' figures are not provided.

SIGNATURE TO SCHEDULES I TO XIII

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

Consolidated Cash Flow Statement For The Year Ended 31-03-2010

Particulars	Year ended 31-03-2010 (in Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit / (Loss) before taxation	(5,994,708)
Adjustments for:	
Depreciation / Amortisations	6,723,646
Provision for Gratuity	50,827
Provision for Doubtful Loans	(1,957,304)
Mark to Market Loss on Mutual Funds	291,905
(Profit) / Loss on sale of Fixed assets	(103,915)
Bad debts written-off	17,325,088
Interest on Fixed Deposits	(5,018,204)
Dividend on Mutual Funds	(2,463,200)
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	8,854,135
Adjustments for	
(Increase) / Decrease in Loans and Advances	19,993,845
(Increase) / Decrease in Sundry Debtors	36,985,905
(Increase) / Decrease in Stock in trade	(52,488)
Increase / (Decrease) in Current Liabilities and Provision	(6,990,780)
Increase / (Decrease) in Other Payables	(35,183,014)
Cash generated from / (used in) operations	23,607,604
Income Taxes paid during the year	(2,057,752)
Net cash generated from / (used in) operating activities during the year - A	21,549,852
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(3,976,349)
Proceeds from sale of fixed assets	110,000
Investment in Subsidiary Company	(220,500,000)
Investment in Mutual Funds	(72,463,200)
Dividend on Mutual Funds	2,463,200
Interest on Fixed Deposits	5,018,204
Net cash generated from / (used in) investing activities during the year - B	(289,348,144)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Loans repaid	(936,105)
Net cash generated from financing activities during the year - C	(936,105)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(268,734,397)
Cash and Cash Equivalent as at the beginning of the year	325,009,667
Effect of Exchange Rate Fluctuation on cash held	(5,680,549)
Cash and Cash Equivalent as at the end of the year (Refer Note 1)	50,594,721

Note: 1. Cash and Cash Equivalents represent Cash, Balances with Banks in Current Account and Fixed Deposits

2. Figures in brackets indicate Cash outgo

As per my Report of even date attached

For and on Behalf of the Board

R. R. RAJKUMAR

Chartered Accountant
Membership No. 209877

SRIKANTH RAMANATHAN

Managing Director

A. BALASUBRAMANIAN

Director

Place : Chennai

Date : August 14, 2010

S. ARUN KUMAR

Chief Financial Officer & Company Secretary

NOTES

AURUM SOFT SYSTEMS LIMITED

Regd. Office: New No. 15, Old No. 6, Besant Avenue, Adyar, Chennai - 600020

ANNUAL GENERAL MEETING**ADMISSION SLIP**

Please hand over this admission slip at the entrance of meeting hall

I hereby record my presence at the Annual General Meeting of the Company held at THE CONFERENCE CENTRE - MINI HALL, New No: 24 (Old No: 58) 2nd Main Road, R.A. Puram, Chennai 600028 on Friday, September 24, 2010 at 11.00 A.M.

Name of the Member (in block letters): _____

Name of the Proxy: _____
(To be filled in if the proxy attends instead of the member)

Folio No. / DP ID & Client ID: _____

No of Shares held: _____

Signature of the Member / Proxy

AURUM SOFT SYSTEMS LIMITED

Regd. Office: New No. 15, Old No. 6, Besant Avenue, Adyar, Chennai - 600020

**ANNUAL GENERAL MEETING
PROXY FORM**

I/We of in the district of being a Member of AURUM SOFT SYSTEMS LIMITED hereby appoint of in the district of or failing him of in the district of as my / our Proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Friday, September 24, 2010 and at any adjournment thereof.

Signed this day of

Folio No / DP Id & Client ID

Number of shares held

Affix
15 paise
revenue
stamp

Signature

