

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchange

Name of the Company	Aurum Soft Systems Limited
Annual financial statements for the year ended	31 st March 2014
Type of Audit observation	Un-qualified / Matter of Emphasis
Frequency of observation	Not Applicable
To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman	<p>For Aurum Soft Systems Limited</p> <p> Srikanth Ramanathan Managing Director</p> <p> S. Ramanathan Chartered Accountant Membership No. 029416</p> <p>For Aurum Soft Systems Limited</p> <p> K. Balaji Director (Chairman of Audit Committee)</p>



AURUM SOFT SYSTEMS LIMITED

Corporate Identity Number (CIN) : L32200TN1994PLC026958

Regd. Office : New No. : 9, Venkateswara Nagar, 4th Street, Adyar, Chennai - 600020. India

Phone - 91 44 4218 7785, 4218 7794 / Fax - 91 44 4218 7803

E-mail : info@aurumsoftsystems.com Website : www.aurumsoftsystems.com

Aurum Soft Systems Limited

Registered Office : New No.9, Ground Floor, Venkateswara Nagar, 4th Street, Ayyar, Chennai - 600 020
Website: www.aurumsoftsystems.com, E-Mail ID: info@aurumsoftsystems.com,
Ph.: 044-42187785, Fax: 044-4218 7803, CIN: L32200TN1994PLC028958

NOTICE OF ANNUAL GENERAL MEETING, E-VOTING INFORMATION AND BOOK CLOSURE DATES

NOTICE is hereby given that the 20th Annual General Meeting of the members of Aurum Soft Systems Limited will be held at The Conference Centre - Mini Hall, New No.24, (Old No.58), 2nd Main Road, R.A. Puram, Chennai-600 023, Tamil Nadu, on Tuesday, September 09, 2014 at 11.00 A.M., for transaction of the businesses as set out in the notice convening the meeting which has been sent to the members individually as part of the Annual Report for the year ended March 31, 2014 at their registered address or by e-mail to shareholders who have registered e-mail ids.

Pursuant to Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 ("Act"), read with the relevant Rules of the Act, the Company is pleased to provide to its shareholders, the facility to exercise their right to vote by electronic means. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. Kindly refer to the Notice to members with regards to instructions for e-voting. The E-voting on the Resolutions to be passed at the said Annual General Meeting of the Company shall begin on 1st September, 2014 at 9.00 a.m. and ends on 3rd September, 2014 at 6.00 p.m. The e-voting module shall be disabled for e-voting after 6.00 p.m. on 3rd September, 2014.

Members who do not have access to e-voting are requested to fill in the Physical Ballot Form enclosed with the Annual Report and send the same to the scrutiner at their own expense on or before 3rd September 2014 (6.00pm IST).

The voting rights for e-voting and physical ballot shall be reckoned as on the cut-off date of August 8, 2014.

The results of the voting will be announced by the Company on its website www.aurumsoftsystems.com and also informed to the Stock Exchanges.

Pursuant to Section 91 of the Companies Act, 2013 read with Clause 16 of the Listing agreement entered with the Stock Exchanges, the Register of Members and Share transfer books of the Company will remain closed from Wednesday, September 3, 2014 to Tuesday, September 09, 2014 (both days inclusive).

Date: August 12, 2014
Place: Chennai

For Aurum Soft Systems Limited
Srikanth Ramanathan
Managing Director

For AURUM SOFT SYSTEMS LIMITED


Managing Director

Aurum Soft Systems Limited

Registered Office : New No.9, Ground Floor, Venkateswara Nagar, 4th Street, Adyar, Chennai – 600 020
Website: www.aurumsoftsystems.com, E-Mail ID: info@aurumsoftsystems.com,
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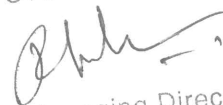
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Date: August 12, 2014
Place: Chennai

For Aurum Soft Systems Limited
Srikanth Ramanathan
Managing Director

For AURUM SOFT SYSTEMS LIMITED



Managing Director

Ref:

Date :

Independent Auditor's Report

To the Members of Aurum Soft Systems Limited

Report on the Financial Statements

I have audited the accompanying financial statements of Aurum Soft Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Ref: Opinion

Date :

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For AURUM SOFT SYSTEMS LIMITED


Managing Director

Place: Chennai
Date: May 30, 2014





S. Ramanath
Chartered Accountant
Membership No: 029416
S. RAMANATH, B.Sc., ACA GRAD, CWA.,
CHARTERED ACCOUNTANT,
No. 641005416,
1-A, EAST STREET, SINGANAILLUR,
COIMBATORE - 641 005.

Ref: Annexure to the Auditor's Report:

Date :

The Annexure referred to in my report to the members of Aurum Soft Systems Limited ("the Company") for the year ended March 31, 2014. 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 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 Section 58A and 58AA of the Companies Act, 1956, and rules 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 is 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 account, the company, during the year has been regular in depositing, undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, service tax, cess and other statutory dues, wherever applicable, with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, service tax, cess and other Statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.


Ref:

Date :

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

10. The company does not have any accumulated losses as at March 31, 2014 and has not incurred cash losses in the financial year and 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 and according to the information and explanations given to me, the company has not deal in shares, securities, debentures & other investments.
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 availed any term loans.
17. In my opinion, the company has not raised any funds on short-term basis.
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.

For AURUM SOFT SYSTEMS LIMITED


Managing Director
Place: Chennai
Date: May 30, 2014




S. Ramanath
Chartered Accountant
Membership No: 029416

S. RAMANATH, B.Sc., ACA GRAD C
CHARTERED ACCOUNTANT

#1A, East Street, Agraharam, Singanallur, Coimbatore - 641 005

E-mail ID : ramvis2006@yahoo.co.in.

M. No: 200/29416,
#1A, EAST STREET, SINGANALL
COIMBATORE - 641 005,

Ref:

Date :

Independent Auditor's Report on Consolidated Financial Statements

To the Board of Directors of Aurum Soft Systems Limited

Report on Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Aurum Soft Systems Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

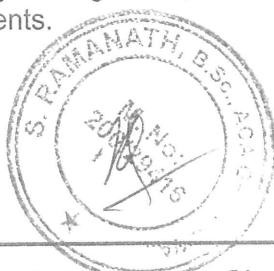
Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (Which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



For AURUM SOFT SYSTEMS LIMITED

Managing Director

Ref:

Date :

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the consolidated financial statements 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 Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit 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: May 30, 2014




S. Ramanath
Chartered Accountant
Membership No: 029416

S. RAMANATH, B.Sc., ACA GRAD, CWA.,
CHARTERED ACCOUNTANT,
M. No: 200/29416,
1-A, EAST STREET, SINGANALLUR,
COIMBATORE - 641 005,

For AURUM SOFT SYSTEMS LIMITED


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, 2014**, 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, 2014**, 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.

Date: 30.05.2014
Place: Chennai

For Aashish Kumar Jain & Associates
Company Secretary in Practice


Aashish Kumar Jain
Proprietor
M. No.: 20164
C.P.No.7353

For AURUM SOFT SYSTEMS LIMITED


Managing Director



ANNUAL REPORT 2014

Important Communication to Members

Sections 101 and 136 of the Companies Act, 2013 allows service of notice / other documents including Annual Report by e-mail to its members. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail id to the Company at the following e-mail id or to the Registrar at the following address, quoting their folio reference.

gogreen@aurumsoftsystems.com

Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road
Chennai - 600 002
Email: cameo@cameoindia.com



Board of Directors**Mr. K. Balaji**

Chairman

Mr. Srikanth Ramanathan

Managing Director

Mr. K. S. Vaidyanathan**Mr. V. Ganapathi Subramanian****Auditor****Mr. S. Ramanath**

Chartered Accountant

1A, East Street, Agraharam

Singanallur, Coimbatore – 641 005

Registrar and Transfer Agent

Cameo Corporate Services Limited

“Subramanian Building”

1, Club House Road, Chennai - 600002

Bankers

ICICI Bank Limited

The Lakshmi Vilas Bank Limited

State Bank of India

Indusind Bank

Registered Office

New No. 9, Ground Floor, Venkateswara Nagar

4th Street, Adyar, Chennai - 600020

Tel: 044 - 42187785 / 42187794

www.aurumsoftsystems.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AURUM SOFT SYSTEMS LIMITED WILL BE HELD ON TUESDAY, THE 9TH DAY OF SEPTEMBER 2014 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 2014, the statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditor thereon.
2. To appoint a Director in place of Mr. Srikanth Ramanathan (DIN: 02266332), who retires by rotation and being eligible, offers himself for re-appointment.

3. **Appointment of Auditor**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the retiring auditor Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership number 29416), be and is hereby re-appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of his appointment at every Annual General Meeting), at such remuneration plus service tax and out of pocket expenses, as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS

4. **Appointment of Mr. K. Balaji as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. K. Balaji (DIN: 02146692), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019.”

5. **Appointment of Mr. K. S. Vaidyanathan as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. K. S. Vaidyanathan (DIN: 01122393), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019.”

6. **Appointment of Mr. V. Ganapathi Subramanian as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to



time, Mr. V. Ganapathi Subramanian (DIN: 02317407), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019.”

7. Appointment of Mr. Srikanth Ramanathan as Managing Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded for re-appointment of Mr. Srikanth Ramanathan (DIN: 02266332) as Managing Director of the Company for a period of one (1) year with effect from February 6, 2014 without any remuneration except telephone / mobile connection for official use;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to this resolution.”

8. Approval of Borrowing limits

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, and in supersession of all the earlier Resolutions passed in this regard under the Companies Act, 1956 (earlier in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include any Committee

duly constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to borrow, on behalf of the Company, any sum or sums of money, from time to time, as it may deem fit, in any manner, and without prejudice to the generality thereof, by way of term loans, non-convertible debentures, bonds, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any foreign currency, from any bank(s), any financial institution(s), other entity(ies), body(ies) corporate(s), person(s) etc., in India or abroad, and whether the same may be secured or unsecured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any respect of all, or any, of the Company’s assets and effects or properties whether movable or immovable including uncalled capital, stock-in-trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company and remaining undischarged at any given time, will or may exceed the aggregate of its paid-up capital and free reserves of the Company, apart from temporary loans obtained from Company’s bankers in the ordinary course of business, so however that the total amount upto which the money may be borrowed by the Board under this Resolution, at any point of time shall not exceed, in the aggregate, the sum of Rs. 100 Crores (Rupees One Hundred Crores only) including foreign currency in equivalent rupees;

RESOLVED FURTHER THAT the Board or such Committee / or person(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it / they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the 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

Place: Chennai

Date: May 30, 2014

CIN: L32200TN1994PLC026958

Srikanth Ramanathan

Managing Director

NOTES:

1. 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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY THE MEMBERS HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. 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 102 of the Companies Act, 2013 in respect of business item nos. 3 to 8 of the notice, is annexed hereto.
4. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors, Managing Director under Item No. 2 and Item Nos. 4 to 7 of the Notice, are also annexed
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 03, 2014 to Tuesday, September 09, 2014 (both days inclusive).
6. The shares of the Company are compulsorily traded in dematerialised 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. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
8. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 11 a.m. and 4 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof upto the date of the annual general meeting.
9. **SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFTS/ COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members seeking any information with regard to the accounts and/or operations of the Company, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
12. Cameo Corporate Services Limited (Cameo) is the Registrar and 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 - 600002
Contact Person: Mr. R.D. Ramasamy, Director
Tel: 044 – 28460390
Email: cameo@cameoindia.com
13. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate; members are requested to notify:
 - i. the Registrar and 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.
- 14. 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 the relevant form. Blank nomination forms will be supplied by the Company's Registrar and Transfer Agent on request. Members holding shares in the dematerialised form may contact their Depository Participant for recording the nomination in respect of their shares.
- 15. 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 and Transfer Agent.
- 16. Members who have not encashed their dividend warrant(s) for the financial years 2009-10 and 2010-11, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent.
- 17. In terms of Sections 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those shareholders who have registered their email ids with their respective Depository Participants or with the Registrar & Transfer Agent of the Company.

18. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The e-voting period commences on September 1, 2014 (9 am IST) and ends on September 3, 2014 (6 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 8, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on September 3, 2014. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The instructions for e-voting are as under:

- (i) Open your web browser and log on to the e-voting website **www.evotingindia.com** during the voting period.
- (ii) Click on "**Shareholders**" tab.
- (iii) Now, select the "**Electronic Voting Sequence Number (EVSN) - 140731012**" alongwith "**AURUM SOFT SYSTEMS LIMITED**" from the drop down menu and click on "**SUBMIT**"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and **Captcha Code** as displayed and then Click on "**Login**".
- (v) If you are holding shares in Demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

- a. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in DD/MM/YYYY format.	
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account.	

** Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.*

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the 'Member ID / Folio Number' in the Dividend Bank details field.

- b. After entering these details appropriately, click on **"SUBMIT"** tab.
 - c. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - d. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (vi) Click on relevant EVSN on which you choose to vote. This will take you to the voting page.
 - (vii) On the voting page, you will see Resolution Description and against the same the option **"YES / NO"** for voting. Select the option **"YES" or "NO"** as desired. The option **"YES"** implies that you assent to the Resolution and option **"NO"** implies that you dissent to the Resolution.
 - (viii) If you wish to view the entire Resolutions, click on the **"Resolutions File Link"**.
 - (ix) After selecting the resolution you have decided to vote, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
 - (x) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
 - (xi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the Scrutinizer to verify the vote.
 - (xiii) In case you have any queries or issues regarding e-voting, you may refer the **Frequently Asked Questions ("FAQs")** and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com.
19. Voting through Physical Ballot Form:
- In terms of Clause 35B of the Listing Agreement, the members who do not have access to e-voting, are requested to fill in the Physical Ballot Form enclosed



with the Annual Report (a copy of the same is also part of the soft copy of the Annual Report (page no.71)) and submit the same in a sealed envelope to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer at his address mentioned in S. No. 20 on or before 3rd September 2014 (6.00 p.m. IST). The Scrutinizer's decision on the validity of the forms will be final. Ballot Form received after this date will be treated as invalid. Members are required to vote only through the electronic system or through ballot and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

20. Mr. Aashish Kumar Jain of M/s. Aashish Kumar Jain & Associates, Practising Company Secretaries, (Membership No. ACS:20164, CP No.:7353) (Address: 164, Linghi Chetty Street, 2nd Floor, Parrys, Chennai – 600 001.) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner. Scrutinizer's email is: csakjain@gmail.com
21. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
22. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of August 8, 2014.
23. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
24. The Results shall be declared at the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.aurumsoftsystems.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE and MSE.
25. **MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

Explanatory statement pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 8 of the accompanying Notice:

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act 2013

Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership number 29416) was appointed as the statutory auditor of the Company for financial year 2013-14, at the Annual General Meeting of the Company held on September 27, 2013 and holds office as Auditor of the Company upto the conclusion of this Annual General Meeting.

Mr. S. Ramanath has been the Auditor of the Company since financial year 2012-13 and has completed a term of 2 years. As per the provisions of Section 139 of the Companies Act 2013, no listed Public Company, can appoint or re-appoint an individual as auditor for more than five consecutive years.

In view of the above, Mr. S. Ramanath is eligible for re-appointment as auditor for a term of another three consecutive years. Pursuant to the provisions of Section 139 of the Companies Act 2013 and the Rules framed thereunder, the proposal for appointment of Mr. S. Ramanath as the statutory auditor of the Company for a period of 3 years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of his appointment at every Annual General Meeting), is being placed before the Members of the Company for approval.

The Company has received confirmation from Mr. S. Ramanath to the effect that his re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for re-appointment.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item Nos. 4, 5 and 6

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. K. Balaji, Mr. K. S. Vaidyanathan and Mr. Ganapathi Subramanian, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Companies Act 2013, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors recommends the appointment of these Directors as Independent Directors to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019.

Mr. K. Balaji, Mr. K. S. Vaidyanathan and Mr. V. Ganapathi Subramanian, non-executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act 2013. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act 2013, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. K. Balaji, Mr. K. S. Vaidyanathan and Mr. V. Ganapathi Subramanian, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

The Board commends the Resolution for approval of the members as **Ordinary Resolutions**.

Item no. 7

Mr. Srikanth Ramanathan was re-appointed as Managing Director of the Company for a period of 1 year with effect from February 6, 2013. Accordingly, his term as Managing Director of the Company ended on February 5, 2014. The

Board of Directors has based on the recommendation of the Remuneration Committee, re-appointed Mr. Srikanth Ramanathan as Managing Director for a period of 1 year with effect from February 6, 2014, subject to approval of Shareholders.

Mr. Srikanth Ramanathan has expressed his desire to not draw any remuneration from the Company and accordingly, he will not be paid any remuneration except telephone / mobile connection for official use.

The Managing Director so long as he functions as such shall also not be paid any sitting fees for attending the meetings of Board or Committees thereof.

In view of the provisions of the Companies Act 2013 ('Act'), Mr. Srikanth Ramanathan, Managing Director, has now become retiring Director and retires from the Board by rotation this year and being eligible, offers himself for re-appointment.

This may be treated as an abstract of the terms and conditions of appointment of the Managing Director under the provisions of the Companies Act, 2013.

Mr. Srikanth Ramanathan holds 2068500 equity shares representing 3.18% of the share capital of the Company and he is also the promoter of the Company.

None of the Directors and Key Managerial Personnel of the Company except Mr. Srikanth Ramanathan and their respective relatives is concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 7.

The Board of Directors recommends the resolution for re-appointment of Mr. Srikanth Ramanathan as Managing Director for your approval.

Item No. 8

As the members are aware, the existing borrowing powers of the Board is Rs. 100 crores. Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of the Company shall only with the consent of the members by a **Special Resolution**, borrow money where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

Accordingly, it is proposed to pass the enabling **Special Resolution** authorising the Board to borrow money for an aggregate amount up to Rs. 100 crores.



The members may note that the provisions corresponding to Section 293(1)(d) of the Companies Act, 1956 (earlier in force) i.e. Section 180(1)(c) of the Companies Act, 2013 were notified on 12th September 2013 and based on the clarification thereof issued by Government of India, Ministry of Corporate Affairs vide General Circular no. 04/2014 dated 25th March, 2014, the Resolution passed under Section 293(1)(d) of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to limits prescribed) will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013, for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Further, the provisions of the Companies Act, 1956 required consent of the members by way of an Ordinary Resolution for borrowings, however, the provisions of the Companies Act, 2013 stipulate consent of the members by way of a Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings under the Companies Act, 2013 beyond 11th September, 2014, the consent of the members is hereby requested by way of the proposed Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in passing of the Resolution set out at Item No. 8.

The Board commends the Resolution for approval of the members as **Special Resolution**.

By Order of the Board of Directors

Srikanth Ramanathan
Managing Director

Place: Chennai

Date: May 30, 2014

CIN: L32200TN1994PLC026958

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

Name of the Director	Mr. Srikanth Ramanathan	Mr. K.S. Vaidyanathan	Mr. V. Ganapathi Subramanian	Mr. K. Balaji
Director Identification Number (DIN)	02266332	01122393	02317407	02146692
Date of Appointment	February 6, 2009	December 19, 2008	December 19, 2008	March 15, 2011
Age	44 years	52 years	52 years	48 years
Qualification	Master of Business Administration (MBA)	Bachelor of Arts, Bachelor of Law	Chartered Accountant	Master of Business Administration (MBA)
Brief profile	Mr. Srikanth Ramanathan has more than 20 years of diverse experience in the areas of Sales & Marketing, Business Development and Operations, Information Technology Consulting Services and Administration.	Mr. K.S. Vaidyanathan is an advocate practicing for more than 20 years in areas like Civil and Property law, Family Law and counselling, Civil Arbitration and Conciliation.	Mr. V. Ganapathi Subramanian is a practicing Chartered Accountant specialising in Finance, Taxation and bank audits.	Mr. K. Balaji, a Post Graduate from Annamalai University, has more than Two Decades of Experience in Marketing and Sales in varied industries like Petrochemical, Textiles, Automobiles, Cement, Sugar, etc.
Directorships held in other Companies	Dimensions Properties Private Limited	Q-Pro Consulting Engineers Private Limited	1. Mahameru Fashion Apparel Limited 2. Aum South Indian Film Productions Pvt. Ltd.	Effimech Engineers Pvt. Ltd.
Memberships/ Chairmanships of Committees across other Public Companies	Nil	Nil	Nil	Nil
Shares held in the Company	2068500	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the report on the business and operations of your Company along with the audited accounts for the financial year ended March 31, 2014.

A. Results of operation

Particulars	31-03-2014 (₹)	31-03-2013 (₹)	31-03-2014 (₹)	31-03-2013 (₹)
	Consolidated		Standalone	
Revenue from operation and other income	1,212,269,770	1,114,691,747	130,654,883	174,241,508
Earnings before Depreciation and amortization	1,768,170	35,970,196	12,965,876	11,919,129
Depreciation and amortization	23,375,585	19,062,007	10,785,788	10,785,788
Profit before Exceptional items	(21,607,415)	16,908,189	2,180,088	1,133,341
Exceptional Items				
Provision for diminution in value of Investment	-	-	(50,000,000)	-
Bad debts (write-off of loan)	(3,561,232)	-	(3,561,232)	-
Provision for impairment of goodwill on Consolidation	(50,000,000)	-	-	-
Profit Before Tax	(75,168,647)	16,908,189	(51,381,144)	1,133,341
Less : Provision for Taxation	3,467,414	1,460,109	680,282	778,704
Profit After Tax	(78,636,061)	15,448,080	(52,061,426)	354,637

B. Dividend

As the Company has suffered losses, your Directors have decided not to declare any dividend for the financial year 2013-14.

C. Disposal of step down subsidiaries and write-off of investment in subsidiary

The economic slowdown and the tightening of the immigration laws and hiring procedures have had an adverse effect on the operations of the Company's step down subsidiaries namely Dice Technologies Inc., USA and Dicetek LLC., Dubai. This has also adversely impacted the financial viability of the step down subsidiaries.

In view of this, Dicetek (Sing) Pte Limited, Singapore has during financial year 2013-14, provided for impairment loss of S\$ 249,692 on its investment in Dice Technologies Inc., USA, in addition to the impairment loss of S\$ 2.24 million provided earlier.

In order to reflect the diminution in the value of the investment in the subsidiary, the Company has in

accordance with Accounting Standard - 13 ("Accounting for Investments"), provided for the diminution in value of investment to the extent of Rs. 5 crores during financial year 2013-14 (i.e. to the extent allowed under the automatic route by the relevant RBI Regulations).

Further, Dicetek (Sing) Pte Limited, Singapore, has also taken steps for disposal of investment in shares held by it in Dicetek LLC., Dubai and Dice Technologies Inc., USA. Dicetek (Sing) Pte Limited, Singapore, is expected to realize around US\$ 1 million from the disposal of the step down subsidiaries.

D. Management Discussion and Analysis report

Industry structure and developments *

The last few years have been a challenging period for the technology and services industry. A period of rapid change, technology and business disruptions have created a maelstrom of uncertainty. Socio economic, business and technology megatrends are disrupting existing opportunities, at the same time creating new ones.

* Excerpts from Executive Summary of the Strategic Review 2014, NASSCOM



The last five years have been a protracted battle for the technology industry. On one hand global upheavals continued to abound, while on the other hand there were seismic shifts in customer expectations and requirements. The world around us is rapidly changing, with socio-economic, business and technological megatrends presenting an altered business landscape, and creating significant new opportunities. Global boundaries are rapidly disappearing, and as a result competition for the same set of consumers is intensifying. Winners in this hyper competitive world are increasingly defined by their ability to go digital i.e., leverage data to the fullest to transform into innovative, responsive, agile, creative and customer focused organisations. Client, employee and partner demands are increasingly converging, resulting in new dynamics and in today's business environment, volatility is the new normal.

Global IT spending grew by 4.5 per cent in 2013, driven by rapid shifts in customer landscape. Overall global sourcing market grew by 8.5 per cent in 2013, driven by large, bundled contracts. Given the tumultuous environment, firms struggled to define strategic roadmaps, as a result M&A activity reduced by 12 per cent over 2012, and number of offshore delivery centres established in 2013 was 50 per cent lower than 2012.

Given that the environment in 2013 was decidedly uncertain, nobody exemplified the spirit of the warrior more than the Indian IT-BPM industry.

Opportunities *

In FY2014, the Indian IT-BPM industry is estimated to account for revenues of USD 118 billion, cementing its leadership position in the global sourcing arena, and highlighting its increasing importance in the domestic market. With a large, multicultural and highly aspirational workforce of over 3.1 million employees, the industry today is the largest private sector employer in India. Past investments by service providers into disruptive technologies are now bearing fruit, as exports are set to grow by an estimated 13 per cent in FY2014, to touch USD 86 billion, driven by the ability of the industry to offer solutions that integrate SMAC based offerings with traditional services.

At an estimated Rs. 1,910 billion, the IT-BPM domestic market is likely to grow by 9.7 per cent in FY2014, at the slowest pace in last 12 years. Slowing economic growth, inflation, rupee volatility, and looming national elections

had created an uncertain environment and prompted delayed decision-making from customers, thus impacting IT spending. Domestic IT-BPM revenue is expected to grow at 9.7 per cent to gross Rs. 1,910 billion in FY2014. BFSI continues to be the largest vertical segment. However, emerging verticals such as retail, healthcare, utilities are estimated to grow faster.

The IT-BPM market growth this year has been affected by declining levels of economic growth and uncertainty. A gradual revival in consumer confidence leading to return of discretionary spending and increased demand from US and Europe is helping drive exports. At the same time, the ability of the industry to suggest solutions that customers need, in addition to offer what they want has been a crucial factor in the rise.

Segment-wise performance

The entire revenue (except other income) of your Company and its subsidiaries is attributable to Information Technology and Consulting services. For segment wise performance of the group from the different Geographies, refer note 25 in the notes forming part of the Consolidated financial statement.

Future Business Outlook *

2013 was a year where the Indian IT-BPM industry wholeheartedly accepted changing business paradigms, and transformed its business models thoroughly to embark on the growth path of the future. India itself is a fast growing digital economy – 900+ million telecom subscribers and 200 million people connected to the internet, and an exponentially growing eCommerce industry. With stability returning in political circles, commodity prices, and inflation, 2014 promises to be a positive year, and global tech spending is forecast to improve in 2014. While cost and operational efficiency will be given expectations from providers, customers will increasingly demand services and technologies that can help understand, and acquire new customers.

Germination of new service offerings, shift from a globalised to localised delivery model, existence and acceptance of a differentiated pricing regime, focus on talent quality over quantity, and transformational outsourcing (value, technology, innovation and cost) will drive client spending. At the same time, challenges around protectionism, increased competition, currency volatility, wage inflation,

* Excerpts from Executive Summary of the Strategic Review 2014, NASSCOM

and inconsistent levels of customer confidence will have to be addressed by joint stakeholder action.

The BPO industry is at an inflection point. The challenge for them is how to move from the tried and tested labour store for the smaller ones.

The economic slowdown and the tightening of the immigration laws and hiring procedures have had an adverse effect on the operations of the Company's subsidiaries namely Dicetek (Sing) Pte Limited, Singapore, Dice Technologies Inc., USA and Dicetek LLC., Dubai. This has also adversely impacted the financial viability of these subsidiaries. Client, employee and partner demands are increasingly converging, resulting in new dynamics and in today's business environment, volatility is the new normal.

The past couple of years have seen a different kind of reality for BPM players globally, with moderation in growth rates in one hand, and a sea change in the very nature of work on the other hand. Political, social, macroeconomic, demographic and technological trends are altering the demand and operating environment for BPM service providers. Regulations, sector dynamics and buying behaviour of end-consumers are redefining customer expectations across sectors.

The future looks uncertain and your Company has to proactively manage the changing dimensions in the outsourcing industry so as to re-invent itself going forward. With the level of competition constantly increasing, there is increasing pressure on Companies like ours to innovate and differentiate and to keep pace with the changing trends in the needs and demands of customers.

Risks and concerns

At present, your Company's Resourcing business in India is a single client (i.e. Accel group of companies) driven business. In case your Company is not able to win other clients for providing Resourcing Business, the same might affect scalability of your Company's Resourcing business.

A significant portion of our group's revenues are from Dubai, Singapore and USA. Hence an economic slowdown in any of these countries would significantly impact our groups' performance.

While cost-arbitrage continues to be a significant driver of the IT-BPM business for most customers, the associated

benefits will diminish over time with changes in underlying factors and this could have a significant impact on your Company's performance.

Our business is highly people driven and the business is dependent on ability of the group to hire and retain skilled technology professionals.

Adverse currency movements and wage inflation would put significant pressure on the groups' operating margins.

Your Company has well-laid out risk management and mitigation policy which helps minimize some of these risks. Your Company reviews the risks faced on a regular basis and takes steps to manage and mitigate the same.

Internal control systems and their adequacy

Your 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 Managing Director. 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 authorized share capital of the Company is ₹ 41 crores. The authorized share capital consists of 13,70,00,000 equity shares of ₹ 2 each and 6,80,00,000 non-cumulative optionally convertible preference shares of ₹ 2 each.

The paid-up equity share capital of the Company stood at ₹ 1302 lakhs as at March 31, 2014 and the securities premium as on that date stood at ₹ 1838 lakhs. No equity or preference shares were issued during financial year 2013-14.

Turnover and Profitability

Your company's revenue from operations for financial year 2013-14 on a standalone basis was ₹ 1234.31 lakhs compared to ₹ 1697.10 lakhs during the previous financial year. Attrition of employees was the major cause for the dip in revenue. Other income for the financial year 2013-14 stood at ₹ 72.24 lakhs compared to ₹ 45.32 lakhs during the previous financial year. The increase in other income was on account of notional foreign exchange gain of ₹



49.21 lakhs on re-statement of loan extended to foreign subsidiary. Profit before exceptional items and tax for the financial year 2013-14 was ₹ 21.80 lakhs compared to ₹ 11.33 lakhs during the previous financial year.

During the year, the Company provided for diminution in value of investment of foreign subsidiary to the tune of ₹ 500 lakhs and wrote-off loans to the tune of ₹ 35.61 lakhs as they were found to be non realisable. These loans were extended by the Company when it was a NBFC.

Consequent to this, the Loss after tax stood at ₹ 520.06 lakhs compared to a Profit after tax of ₹ 3.55 lakhs during the previous financial year.

The consolidated revenue from operations rose to ₹ 12,044.26 lakhs compared to ₹ 11,086.39 lakhs during the previous financial year. Other income on consolidated basis for financial year 2013-14 was ₹ 78.44 lakhs compared to ₹ 60.53 lakhs during the previous financial year. Margins were impacted due to unprecedented attrition of employees and consequent new hiring.

The Loss before exceptional items and tax was ₹ 216.07 lakhs compared to a Profit before exceptional items and tax of ₹ 169.08 lakhs. On account of diminution in value of investment in foreign subsidiary, the Company provided for impairment of Goodwill on consolidation to the tune of ₹ 500 lakhs. Consequent to this, the Loss after tax was ₹ 786.36 lakhs on consolidated basis compared to a Profit after tax of ₹ 154.48 lakhs during financial year 2012-13.

Reserves

Due to the provision made for diminution in value of investment in foreign subsidiary and the write-off of loans, there was a debit balance in the statement of Profit and Loss on standalone basis of ₹ 409.20 lakhs and a debit balance of ₹ 310.43 lakhs on consolidated basis.

Investments

Investment in wholly owned subsidiary is carried in the books at cost less any provision for diminution in value. Consequent to the provision made for diminution in value of investment in foreign subsidiary, the Investment in subsidiary stood at ₹ 1705 lakhs as at March 31, 2014.

Current investments which represent investment made in short term debt oriented Mutual Funds stood at ₹ 30.90 lakhs as at March 31, 2014.

Goodwill on consolidation

Consequent to the provision for impairment made in respect of diminution in value of investment in foreign subsidiary, the Goodwill on consolidation of all the subsidiaries stood at ₹ 786.45 lakhs as at March 31, 2014.

Trade Receivables

The trade receivables on standalone basis marginally decreased to ₹ 177.38 lakhs as at March 31, 2014 compared to ₹ 187.40 lakhs as at the end of the previous financial year.

The total trade receivables of the group on a consolidated basis also decreased to ₹ 2178.36 lakhs as at March 31, 2014 compared to ₹ 2318.95 lakhs as at the end of the previous financial year.

Cash and Bank Balance

The Cash and Bank balance represents bank balance and amounts placed in fixed deposits with Banks. On standalone basis, the Company had a cash and bank balance of ₹ 9.02 lakhs and further ₹ 18.65 lakhs had been placed in fixed deposits with banks.

On a consolidated basis, the cash and bank balance including fixed deposits was ₹ 386.37 lakhs as at March 31, 2014.

Fixed Assets

On a standalone basis, there was no addition to fixed asset. The net tangible assets as at March 31, 2014 were ₹ 3.80 lakhs and intangible assets stood at ₹ 205.66 lakhs.

On a consolidated basis, the gross addition to tangible assets during financial year 2013-14 was ₹ 12.77 lakhs and the addition to intangible assets was ₹ 107.99 lakhs. The net tangible assets on consolidated basis as at March 31, 2014 were ₹ 66.91 lakhs and intangible assets stood at ₹ 338.38 lakhs.

Loans and Advances

On standalone basis, short-term loans and advances stood at ₹ 6.90 lakhs as at March 31, 2014 compared to ₹ 4.26 lakhs as at the end of the previous financial year. The increase was on account of rental advance for new office premises. Long term loans and advances increased to ₹ 722.65 lakhs compared to ₹ 600.80 lakhs. The increase was mainly on account of the additional loan of ₹ 84.63 lakhs lent to the Company's wholly-owned subsidiary M/s. Dicetek (Sing) Pte Limited, Singapore. There was

also an increase in the Tax deducted at source by the clients. Advance taxes as at March 31, 2014 stood at ₹ 103.34 lakhs compared to ₹ 78.71 lakhs. Other current assets stood at ₹ 38.55 lakhs compared to ₹ 23.47 lakhs as at the end of the previous financial year, significant portion of which represents interest outstanding on the loan extended to the wholly owned subsidiary.

On a consolidated basis, short-term loans and advances stood at ₹ 446.64 lakhs as at March 31, 2014 compared to ₹ 427.12 lakhs during the previous financial year. Long-term loans and advances stood at ₹ 364.52 lakhs compared to ₹ 374.21 lakhs.

Liabilities and provisions

On a standalone basis, provision for bonus stood at ₹ 51.40 lakhs as at March 31, 2014 compared to ₹ 44.92 lakhs during the previous financial year. On a consolidated basis, short-term provision for employee benefits like bonus, leave salary, Annual air fare etc., stood at ₹ 257.33 lakhs compared to ₹ 232.63 lakhs.

Provision for gratuity on a standalone basis stood at ₹ 53.38 lakhs as at March 31, 2014. On a consolidated basis, provision for gratuity stood at ₹ 174.45 lakhs.

Trade payables on a standalone basis stood at ₹ 0.17 lakhs as at March 31, 2014. Other current liabilities stood at ₹ 111.00 lakhs. Of this, ₹ 92.84 lakhs represents salary payable which has been subsequently paid.

On a consolidated basis, trade payables as at March 31, 2014 decreased to ₹ 214.66 lakhs, compared to ₹ 286.92 lakhs as at the end of the previous financial year. Other current liabilities stood at ₹ 724.71 lakhs as at March 31, 2014. Of this, ₹ 697.82 lakhs represents salary payable, which has been subsequently paid.

Long-term borrowings on a consolidated basis as at March 31, 2014 stood at ₹ 12.31 lakhs compared to ₹ 14.30 lakhs as at the end of the previous financial year. These represent the vehicle loans borrowed by the Company's wholly owned subsidiary M/s. Dicetek LLC., Dubai. Short-term borrowings on a consolidated basis as at March 31, 2014 stood at ₹ 116.05 lakhs, compared to ₹ 34.74 lakhs as at the end of the previous financial year. These represent the vehicle loans and bills discounted by the Company's wholly owned subsidiary M/s. Dicetek LLC., Dubai.

Human Resources

With the available abundant experience and expertise of our employees, your company believes that Human Resource is the major asset. Since your Company's business is highly people driven, development and retention of human resources is one of the key challenges. During the financial year 2013-14, your Company faced unprecedented attrition of employees. New hirings have also adversely impacted margins. Going forward, your Company faces a huge challenge and has to proactively act in order to attract and retain the best talents.

E. Directors

Mr. Srikanth Ramanathan was re-appointed as Managing Director of the Company for a period of 1 year with effect from February 6, 2013. Accordingly, his term as Managing Director ended on February 5, 2014. The Board of Directors of the Company based on the recommendation of the Remuneration committee has re-appointed Mr. Srikanth Ramanathan as Managing Director for a period of one year with effect from February 6, 2014. Mr. Srikanth Ramanathan has expressed his desire to not draw any remuneration from the Company and accordingly, he is not being paid any remuneration w.e.f. January 1, 2012. The Board of Directors recommend the re-appointment of Mr. Srikanth Ramanathan as Managing Director for a period of 1 year with effect from February 6, 2014.

In view of the provisions of the Companies Act 2013 ('Act'), Mr. Srikanth Ramanathan, Managing Director, has now become retiring Director and retires from the Board by rotation this year and being eligible, offers himself for re-appointment.

Pursuant to Section 149(4) of the Companies Act 2013, every listed company shall have at least one third of its Board of Directors as Independent Directors. Out of the 4 Directors on the Board, 3 of the Directors are Independent Directors in terms of the provisions of Clause 49 of the Listing Agreement.

The Board therefore, at its meeting held on May 30, 2014 appointed the existing Independent Directors under Clause 49, namely Mr. K. Balaji, Mr. K. S. Vaidyanathan and Mr. V. Ganapathi Subramanian, as 'Independent Directors' pursuant to provisions of Section 149 of the Companies Act 2013, subject to the approval of shareholders. As required under the Companies Act 2013 and the Rules made thereunder, the same is now put up for approval



of members at the ensuing Annual General Meeting. Necessary details have been annexed to the notice of the meeting in terms of Section 102 of the Act.

The Independent Directors have submitted the declaration of independence, as required under Section 149(6) of the Act, declaring that they meet the criteria of independence.

With the appointment of Independent Directors, the conditions specified in the Companies Act 2013 and the Rules made thereunder as also under revised Clause 49 of the Listing Agreement stand complied.

The information to shareholders as per Clause 49 of the Listing agreement pertaining to the Directors seeking appointment / re-appointment, is being provided in the Notice of the Annual General Meeting which forms part of this Annual Report.

F. Auditors

Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership number 29416) was appointed as the statutory auditor of the Company for financial year 2013-14, at the Annual General Meeting of the Company held on September 27, 2013 and holds office as Auditor of the Company upto the conclusion of the ensuing Annual General Meeting.

Mr. S. Ramanath has been the Auditor of the Company since financial year 2012-13 and has completed a term of 2 years. As per the provisions of Section 139 of the Companies Act 2013, no listed Public Company, can appoint or re-appoint an individual as auditor for more than five consecutive years.

In view of the above, Mr. S. Ramanath is eligible for re-appointment as auditor for a term of another three consecutive years. Pursuant to the provisions of Section 139 of the Companies Act 2013 and the Rules framed thereunder, the proposal for appointment of Mr. S. Ramanath as the statutory auditor of the Company for a period of 3 years to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of his appointment at every Annual General Meeting), is being placed before the Members of the Company at the ensuing Annual General Meeting.

The Company has received confirmation from Mr. S. Ramanath to the effect that his re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for re-appointment.

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, 2014, the applicable accounting standards have been followed and there are no material departures;
2. The accounting policies listed in Note 2 to the Notes forming part of the financial statements 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, 2014 and of the Loss 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, 2014, 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

Your Company has 3 subsidiaries namely, Dicetek (Sing) Pte Limited, Singapore, Dicetek LLC., Dubai and Dice Technologies Inc., USA. All these subsidiaries are engaged in the business of providing IT Services and Consulting.

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Companies Act, 1956.

Pursuant to the provisions of Section 212(8) of the Companies Act 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company and also at the respective registered office of the subsidiaries for inspection.

The same has also been put-up on the Company's website, 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

During the financial year 2013-14, no employee of the Company has drawn remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

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

During the financial year 2013-14, the total foreign exchange earnings on account of Interest on Loan to the Company's wholly owned foreign subsidiary was ₹ 14.27 lakhs. There was no expenditure incurred by the Company in foreign currency during financial year 2013-14.

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 2013-14 of the Company's employees.

For and on behalf of the Board of Directors

Chennai, May 30, 2014

K. Balaji
Chairman



Statement pursuant to general exemption under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies
(₹)

S.No	Particulars	M/s. Dicetek (Sing) Pte Limited, Singapore	M/s. Dicetek LLC., Dubai	M/s. Dice Technologies Inc., USA
		For the year ended 31-Mar-14	For the year ended 31-Mar-14	For the year ended 31-Mar-14
	Holding Company's Interest	100%	100% Subsidiary of Dicetek (Sing) Pte Limited, Singapore	100% Subsidiary of Dicetek (Sing) Pte Limited, Singapore
	Exchange Rate as at March 31, 2014	46.96	16.13	59.25
1	Capital	211,320,000	4,839,000	29,104,785
2	Reserves	(144,682,210)	83,779,607	11,777,182
3	Total Assets	141,311,093	229,593,581	58,529,757
4	Total Liabilities	141,311,093	229,593,581	58,529,757
5	Details of investment (except in case of investment in subsidiaries)	Nil	Nil	Nil
6	Turnover	122,013,661	790,123,408	171,455,136
7	Profit /(Loss) before Taxation	(80,132,357)	15,236,647	(2,268,986)
8	Provision for Taxation	2,648,328	-	138,804
9	Profit /(Loss) after Taxation	(82,780,685)	15,236,647	(2,407,790)
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, 2014			
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	(50,000,000)	Nil	Nil
b)	Not dealt with or provided for in the accounts of the holding company	(32,780,685)	15,236,647	(2,407,790)
13	Net aggregate profits / (losses) of the Subsidiary for the previous financial year 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	7,374,113	51,681,950	10,181,390

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

For and on Behalf of the Board of Directors

SRIKANTH RAMANATHAN
Managing Director

K. BALAJI
Chairman

Place : Chennai

Date : May 30, 2014

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 set out 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 Mr. K. Balaji 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.

Details of other Directorships

The details of the Directors, as at 31st March 2014 including the details of their other Board Directorship reckoned in line with Clause 49 of the listing agreement, committee membership are given below:

Director	Category	Other Directorships in Public Companies	Membership of Board Committees in other Public Companies*
Mr. S. Ramakrishnan ^{&}	Independent & Non-Executive	NIL	NIL
Mr. Srikanth Ramanathan	Promoter & Executive	NIL	NIL
Mr. V. Ganapathi Subramanian	Independent & Non-Executive	1	NIL
Mr. K.S. Vaidyanathan	Independent & Non-Executive	NIL	NIL
Mr. K. Balaji	Independent & Non-Executive	NIL	NIL

**Includes only membership in Audit and Investor Grievance Committee
& Resigned as Director with effect from 9th April 2014*

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

Five Board Meetings were held during the year from 1st April 2013 to 31st March 2014. The dates on which meetings were held are 30th May 2013, 11th July 2013, 6th August 2013, 14th November 2013 and 5th February 2014. The time gap between any two meetings did not exceed 4 months. The attendance record of all the Directors is as follows:

Director	No. of Board Meetings		Last AGM attendance
	Held	Attended	
Mr. S. Ramakrishnan ^{&}	5	5	YES
Mr. Srikanth Ramanathan	5	5	YES
Mr. V. Ganapathi Subramanian	5	5	NO
Mr. K.S. Vaidyanathan	5	5	NO
Mr. K. Balaji	5	5	NO

& Resigned as Director with effect from 9th April 2014

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

Directorship Term

In view of the provisions of the Companies Act 2013 ('Act'), Mr. Srikanth Ramanathan, Managing Director, has now become a retiring Director and retires from the Board by rotation this year.

In accordance with the requirements of Section 149 of the Act, the Company proposes to appoint Mr. K. Balaji, Mr. V. Ganapathi Subramanian and Mr. K.S. Vaidyanathan, as Independent Directors for a period of 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019.

As per the provisions of the Act, one-third of the Board members (other than Independent Directors) 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 31st March 2014, there is no change in the Constitution of the Board. With effect from 9th April 2014, Mr. S. Ramakrishnan has resigned as Director. Consequent to this, Mr. K. Balaji has been elected as Chairman 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 four committees constituted by the Board – the Allotment Committee, Audit Committee, Share Transfer and Investors' Grievance Committee and the Nomination and 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 31st March 2014 are given below:

S.No.	Name of the Director	Number of Shares
1	Mr. S. Ramakrishnan ^{&}	NIL
2	Mr. Srikanth Ramanathan	20,68,500
3	Mr. V. Ganapathi Subramanian	NIL
4	Mr. K.S. Vaidyanathan	NIL
5	Mr. K. Balaji	NIL

& Resigned as Director w.e.f. April 9, 2014

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 / Section 177 of the Companies Act 2013.

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

- a. A review of:
 - Financial reporting process and the financial statements before submission to the Board
 - Draft Directors', Auditors' and Management Discussion and Analysis 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
 - Nature and scope of audit and the audit findings in consultation with the auditors
- b. Reviewing, with the management, performance of statutory auditors
- c. Recommending the appointment of Auditors and fixing their fee
- d. Appointment of Chief Financial Officer of the Company
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- f. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non payment of declared dividends) and creditors.

Composition of the Audit Committee

The Committee currently comprises of Mr. K. Balaji 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. All the members of the Audit Committee are 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 four meetings of the Audit Committee held during the year on 30th May 2013, 6th August 2013, 14th November 2013 and 5th February 2014 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:

Director	No. of Meetings held	No. of Meetings attended
Mr. S. Ramakrishnan ^{&}	4	4
Mr. V. Ganapathi Subramanian	4	4
Mr. K.S. Vaidyanathan	4	4
Mr. K. Balaji	4	4

& ceased to be a member of Audit Committee consequent to resignation as Director w.e.f. 9th April 2014

The previous Annual General Meeting held on September 27, 2013 was attended by Mr. S. Ramakrishnan, the then Chairman of the Audit Committee.

D. NOMINATION AND REMUNERATION COMMITTEE

The Company had 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 had authorised the Remuneration committee for fixation of the remuneration payable to the Managing Director.

The said committee has been reconstituted w.e.f. 9th April 2014 as Nomination and Remuneration Committee in accordance with the requirements of Section 178 of the Companies Act, 2013.

Remuneration Policy

a. For Managing Director

The Nomination and Remuneration Committee (erstwhile 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 generally consists of a fixed salary and other perquisites. Provident fund is provided for as per the Company's policy. Wherever applicable, the perquisites are considered a part of remuneration and taxed as per income tax laws.

Mr. Srikanth Ramanathan was re-appointed as Managing Director of the Company for a further period of 1 year w.e.f. 6th February 2014. Mr. Srikanth Ramanathan has expressed his desire to not draw any remuneration from the company. Accordingly, he was not paid any remuneration during the financial year 2013-14 except telephone / mobile connection for official use.

b. For Non- executive Directors

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

Terms of reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee include among other things:

- Identification and recommendation of persons for appointment as Directors of the Company and for senior management
- Recommendation to the Board on the Remuneration policy relating to the Directors, Key managerial personnel and other employees of the Company
- Determination of the remuneration payable to the Managing Director on the basis of his performance as well as the Company's performance

Composition of the Committee

The Nomination and Remuneration Committee currently comprises of Mr. K. Balaji as the Chairman, Mr. V. Ganapathi Subramanian, and Mr. K. S. Vaidyanathan, all of them being Non-Executive Independent Directors.

Prior to re-constitution, one meeting of the Remuneration Committee was held during the year 2013-14 on 5th February 2014, which was attended by all the members of the Committee.

Details of remuneration paid to Directors for the year 2013-14 are given below:

Director	Remuneration paid during the year 2013-14		
	Salary	Sitting fees	Total
Mr. S. Ramakrishnan	-	7,500	7,500
Mr. Srikanth Ramanathan	-	-	-
Mr. V. Ganapathi Subramanian	-	7,500	7,500
Mr. K.S. Vaidyanathan	-	7,500	7,500
Mr. K. Balaji	-	7,500	7,500

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. K. Balaji. The other member of the Committee is Mr. Srikanth Ramanathan, Managing Director.

Mr. S. Arun Kumar, Company Secretary has resigned from the services of the Company with effect from 9th April 2014. The Company is on the lookout for a suitable replacement.

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 and looking into the redressing of shareholder's 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 also reviewed by this Committee.

During the year 2013-14, the Company has not received any complaint from Shareholders.

Attendance of the members of the Share Transfer and Investors' Grievance Committee Meetings

Two meetings of the Share Transfer and Investors' Grievance Committee were held during the year 2013-14 on 25th June 2013 and 24th July 2013. These meetings were attended by all the members of the Committee.

F. ALLOTMENT COMMITTEE

The Allotment committee of the Board was constituted during January 2011. The purpose of this committee is to consider allotment of equity shares whenever the need arises. The Allotment Committee comprises of Mr. K. Balaji as the Chairman and Mr. Srikanth Ramanathan.

The Committee has not met during the year 2013-14.

G. GENERAL BODY MEETINGS

The details of Annual General Meetings / Extraordinary General Meetings held since 2011, are given below:

Year	AGM / EGM	Date	Time	Venue	Special Resolutions Passed
2013	AGM	September 27, 2013	10.00 A.M.	The Conference Centre – Mini Hall, New No:24 (Old No:58), 2 nd Main Road, R.A. Puram, Chennai – 600028	NIL
2012	AGM	September 28, 2012	10.00 A.M.	The Conference Centre – Mini Hall, New No:24 (Old No:58), 2 nd Main Road, R.A. Puram, Chennai – 600028	NIL
2011	AGM	September 23, 2011	10.00 A.M.	The Conference Centre – Mini Hall, New No:24 (Old No:58), 2 nd Main Road, R.A. Puram, Chennai – 600028	NIL
2011	EGM	January 19, 2011	11.00 AM	The Conference Centre – Mini Hall, New No:24 (Old No:58), 2 nd Main Road, R.A. Puram, Chennai – 600028	NIL

No Postal Ballot was conducted during the year 2013-14.

**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 23 to Notes to the standalone 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. However, as per the terms of the agreement with the clients, gratuity payable to employees deployed with the clients would be reimbursed by the clients as and when the gratuity is payable to the employees. In accordance therewith, provision for gratuity in respect of the employees deployed with various clients, has been debited to the account of the respective clients instead of being debited to the statement of Profit and Loss. Gratuity cost in respect of other employees has been debited to the statement of Profit and Loss.
- There has been no public, rights or preferential issues during the year.
- All Directors and senior management personnel have affirmed to the Board that they did not have any financial and other transactions with the company, which could result in conflict with the interest of the Company at large.
- In compliance with the SEBI (Prevention of Insider Trading) Regulations 1992, as amended till date, the Company has a Code of Conduct for prevention of Insider Trading and the same has been strictly adhered to by the directors, and the designated employees. The Company informs the Directors and the designated employees, about the date of the board meeting to consider any price sensitive subjects and advising them not to trade in Company's shares, during the closure of the trading window period. The Company also obtains a declaration from the Directors and the senior management personnel with regard to their compliance with the Code of Conduct under the SEBI (Prevention of Insider Trading) Regulations.
- In compliance with clause 47 (f) of the listing agreement with the stock exchanges, the Company has designated the mail id arun@aurumsoftsystems.com and posted this in the Company's website. The investors can send their grievances, if any, to the designated mail id.
- The Stock Exchanges have inserted clause 54 to the Listing Agreement which stipulates that the Company should maintain a functional website containing basic information about the Company and to update the contents of the said website periodically. In pursuance of this clause, the Company has upgraded its website and all the information as envisaged in the said clause are available in its official website www.aurumsoftsystems.com
- In line with the notification No G S R 352 (E) dated the 10th May 2012 from the Ministry of Corporate Affairs, the Company has uploaded in its website, the information regarding the unpaid and unclaimed dividends as on the date of the AGM including the name and address, of the shareholders who haven't claimed the dividend, the amount to which the shareholders are entitled and the due date of transfer to IEPF.
- 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 and also displayed on Company's Website.

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) was placed at the meeting of the Board of Directors held on 30th May 2014.

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. 9, Ground Floor Venkateswara Nagar, 4 th Street Adyar, Chennai - 600020 Tamil Nadu, India
2.	20 th Annual General Meeting Date Time Venue	September 09, 2014 11 A.M. The Conference Centre – Mini Hall New No:24 (Old No:58), 2 nd Main Road, R.A. Puram Chennai - 600028
3.	Financial Year	April to March
4.	Dates of Book Closure	September 03, 2014 to September 09, 2014 (both days inclusive)
5.	Approval of Financial Result (Proposed) Quarter Ending June 30, 2014 Quarter Ending September 30, 2014 Quarter Ending December 31, 2014 Quarter Ending March 31, 2015	Second Week of August 2014 Second Week of November 2014 Second Week of February 2015 Last Week of May 2015
6.	Listing on Stock Exchanges: The Equity Shares are listed at	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400001 Maharashtra, India Tel: 91-22-22721233, 22721234 Fax: 91-22-22721919 Madras Stock Exchange Limited New No:30, Second Line Beach, Chennai – 600001 Tel: 91-44-25228951, Fax: 91-44-25244897
7.	Listing Fees	Listing Fees have been paid for all the above stock exchanges for 2014 – 2015
8.	Stock Exchange Security Code and other related information	BSE 530885 Depository ISIN No. INE 600D01021 CIN L32200TN1994PLC026958



9.	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
10	No. of Shares Dematerialized as on 31 st March 2014	64733975 shares; 99.44% of Total shares of the Company
11.	Depository Participants for shares	National Securities Depository Limited Trade World, A Wing, 4 th & 5 th Floors Kamala Mills Compound Lower Parel, Mumbai - 400013 Tel: 91-22-24994200 Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 17 th Floor, Dalal Street, Mumbai - 400001 Tel: 91-22-22723333
12.	Registrar and Transfer Agent	Cameo Corporate Services Limited “Subramanian Building” No.1, Club House Road, Chennai - 600002 Contact Person: Mr. R.D. Ramasamy, Director Tel: 044 – 28460390 Email: cameo@cameoindia.com

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

13. 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 and Investors' Grievance Committee to approve the transfer of shares.

14. Distribution of shareholding as on 31st March 2014

Shareholding	No. of Shareholders	% of total shareholders	Number of Shares	% of total shares
Up to 500	205	34.81	18055	0.03
501-1000	113	19.19	85440	0.13
1001-2000	72	12.22	107459	0.17
2001-3000	38	6.45	92548	0.14
3001-4000	34	5.77	124945	0.19
4001-5000	8	1.36	36028	0.05
5001-10000	37	6.28	271363	0.42
10001 and above	82	13.92	64364162	98.87
TOTAL	589	100.00	65100000	100.00

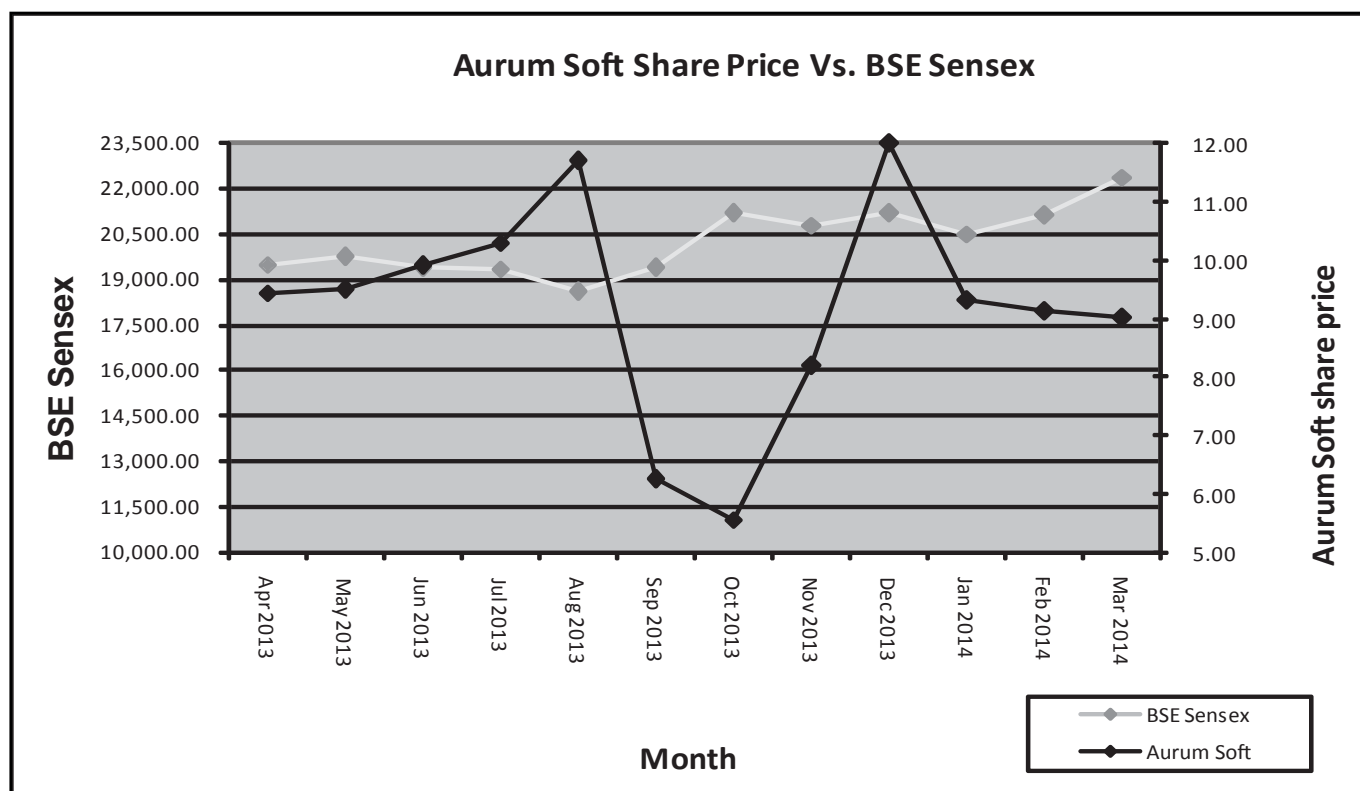
15. Shareholding pattern as on 31st March 2014

Particulars	Number of Shares held	% of Share holding
A. Promoter Holding		
a) Indian Promoters	18526927	28.46
b) Foreign Promoters	2068500	3.18
Sub - Total (A)	20595427	31.64
B. Non- Promoter Holding		
Institutional Investors		
a) Foreign Institutional Investors (FIIs)	17629476	27.08
Sub - Total (B)	17629476	27.08
C. Others		
a) Private Corporate Bodies	2167985	3.33
b) Indian Public (Individuals and HUFs)	17131786	26.32
c) Non Resident Indians	1575326	2.42
d) Overseas Corporate Bodies	6000000	9.21
Sub - Total (C)	26875097	41.28
Grand Total (A+B+C)	65100000	100.00

16. Stock Price Data

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-2013	9.93	9.44	19622.10	18144.22
May-2013	9.50	9.50	20443.62	19451.26
Jun-2013	9.90	9.03	19860.19	18467.16
Jul-2013	10.30	10.30	20351.06	19126.82
Aug-2013	11.70	10.75	19569.20	17448.71
Sep-2013	11.12	6.25	20739.69	18166.17
Oct-2013	6.13	5.25	21205.44	19264.72
Nov-2013	8.20	5.45	21321.53	20137.67
Dec-2013	12.00	8.60	21483.74	20568.70
Jan-2014	13.50	9.32	21409.66	20343.78
Feb-2014	11.25	8.73	21140.51	19963.12
Mar-2014	10.24	8.57	22467.21	20920.98



17. Outstanding GDRs / ADRs	None
18. Branch	None
19. Address for Investor correspondence	<p>Srikanth Ramanathan Managing Director</p> <p>Aurum Soft Systems Limited New No: 9, Ground Floor Venkateswara Nagar, 4th Street, Adyar, Chennai - 600 020 Tel : 91 44 42187785 / 94 E-mail: arun@aurumsoftsystems.com</p>

M. CODE OF CONDUCT

The Board of Directors has adopted Code of Conduct, applicable to Directors and to employees of the Company. The said Code of Conduct has been 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 31st March 2014 is attached to this report.

N. RECONCILIATION OF SHARE CAPITAL AUDIT

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.

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 / Board

The need for maintaining a Chairman's office has not arisen. All non-executive directors are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the independent directors.

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 auditor has 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.

For and on behalf of the Board of Directors

Chennai, May 30, 2014

K. Balaji
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 2013-14.

Place: Chennai

Date: May 30, 2014

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, 2014, 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, 2014, 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

Proprietor

Membership No.20164

CP No. 7353

Date : 30th May 2014

Financial Statements



Independent Auditor's Report

To the Members of Aurum Soft Systems Limited

Report on the Financial Statements

I have audited the accompanying financial statements of Aurum Soft Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Chennai

S. Ramanath

Date: May 30, 2014

Chartered Accountant
Membership No: 029416

Annexure to the Auditors' Report:

The Annexure referred to in my report to the members of Aurum Soft Systems Limited ("the Company") for the year ended March 31, 2014. 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 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 Section 58A and 58AA of the Companies Act, 1956, and rules 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 is 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 account, the company, during the year has been regular in depositing, undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, service tax, cess and other statutory dues, wherever applicable, with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, service tax, cess and other Statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

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



10. The company does not have any accumulated losses as at March 31, 2014 and has not incurred cash losses in the financial year and 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 and according to the information and explanations given to me, the company has not deal in shares, securities, debentures & other investments.
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 availed any term loans.
17. In my opinion, the company has not raised any funds on short-term basis.
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.

Place: Chennai
Date: May 30, 2014

S. Ramanath
Chartered Accountant
Membership No: 029416

BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note	As at 31 st March 2014	As at 31 st March 2013
		(₹)	(₹)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	130,200,000	130,200,000
(b) Reserves and surplus	4	142,880,461	194,941,887
		273,080,461	325,141,887
Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	5,337,835	5,337,835
		5,337,835	5,337,835
Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		17,488	134,931
(c) Other current liabilities	6	11,100,094	12,944,938
(d) Short-term provisions	7	5,140,120	4,492,001
		16,257,702	17,571,870
TOTAL		294,675,998	348,051,592
II. ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		380,068	547,856
(ii) Intangible assets		20,565,512	31,183,512
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		20,945,580	31,731,368
(b) Non-current investments	9	170,500,000	220,500,000
(c) Deferred tax assets (net)	10	2,824,992	3,112,744
(d) Long-term loans and advances	11	72,265,256	60,080,404
(e) Other non-current assets		-	-
		266,535,828	315,424,516
Current assets			
(a) Current investments	12	3,089,819	-
(b) Inventories		-	-
(c) Trade receivables	13	17,737,928	18,740,153
(d) Cash and bank balances	14	2,767,336	11,113,976
(e) Short-term loans and advances	15	690,010	425,520
(f) Other current assets	16	3,855,077	2,347,427
		28,140,170	32,627,076
TOTAL		294,675,998	348,051,592

Notes forming part of the financial statements

1-35

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No. 029416

SRIKANTH RAMANATHAN

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014**

Particulars	Note	For the year ended 31 st March 2014	For the year ended 31 st March 2013
		(₹)	(₹)
I. Revenue from operations	17	123,431,039	169,709,799
II. Other Income (net)	18	7,223,844	4,531,709
Total Revenue (I + II)		130,654,883	174,241,508
III. Expenses			
(a) Employee benefit expenses	19	114,454,228	156,633,278
(b) Operation and other expenses	20	3,234,780	5,689,101
(c) Depreciation and amortization expense	8	10,785,788	10,785,788
Total Expenses		128,474,795	173,108,167
IV. Profit before exceptional items and tax		2,180,088	1,133,341
V. Exceptional items			
(a) Provision for diminution in value of investment		(50,000,000)	-
(b) Bad debts (write-off of loan - net of reversal of provision)		(3,561,232)	-
VI. Profit before tax		(51,381,144)	1,133,341
VII. Tax expense			
(a) Current tax		392,531	477,706
(b) Deferred tax		287,751	300,998
(c) MAT credit entitlement		-	-
		680,282	778,704
VIII. Profit for the year		(52,061,426)	354,637
Earnings per equity share of face value ₹ 2	26		
Basic and Diluted Earning per share (₹)		(0.80)	0.01

Notes forming part of the financial statements

1-35

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATHChartered Accountant
Membership No. 029416**SRIKANTH RAMANATHAN**

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014

Particulars	Note	Year ended 31 st March 2014	Year ended 31 st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		(₹)	(₹)
Profit / (Loss) before taxation		2,180,088	1,133,341
Adjustments for:			
Depreciation and Amortisation		10,785,788	10,785,788
Interest Income		(1,885,198)	(2,478,009)
Reversal of Provision for Gratuity		-	(2,750,818)
Provision for Gratuity		-	89,739
Bank charges on earmarked balances		57	70
Operating Cash Flow Before Working Capital Changes		11,080,735	6,780,111
Adjustments for:			
(Increase) / Decrease in Trade and other receivables		(2,527,084)	(2,432,976)
Increase / (Decrease) in Trade and other payables		(1,314,166)	(1,247,953)
Cash generated from / (used in) Operations		7,239,484	3,099,182
Income Taxes paid during the year		(2,779,515)	(4,133,467)
Net Cash generated from / (used in) Operating Activities during the year - A		4,459,969	(1,034,285)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		377,548	1,459,714
Loan to wholly owned subsidiary		(8,463,000)	(5,625,000)
Exchange (gain) / loss (net) on loan to subsidiary		(4,721,100)	(1,819,000)
Funds (deployed in) / realised from Fixed deposits with more than 3 months maturity		5,475,000	4,225,000
Net Cash generated from / (used in) Investing Activities during the year - B		(7,331,552)	(1,759,286)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		-	-
Tax on Dividend Paid		-	-
Proceeds / (Disbursement) of Fractional Entitlement on Bonus Shares		-	-
Funds earmarked for Dividend payment and Fractional Entitlement on Bonus shares		-	-
Net Cash generated from Financing Activities during the year - C		-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)		(2,871,583)	(2,793,571)
Cash and Cash Equivalent as at the beginning of the year		5,587,248	8,380,819
Cash and Cash Equivalent at the end of the year	14	2,715,665	5,587,248
Earmarked balances with banks		51,671	51,728
Bank deposits with more than 3 months maturity		-	5,475,000
Cash and Bank balances at the end of the year	14	2,767,336	11,113,976

Notes forming part of the financial statements

1-35

- Note: 1. Cash and Cash Equivalents represent Cash, Balances with Banks in Current Account and Fixed Deposits maturing within 3 months
2. Figures in brackets indicate Cash outflow
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

S. RAMANATH
Chartered Accountant
Membership No. 029416

SRIKANTH RAMANATHAN
Managing Director

K. BALAJI
Chairman

Place : Chennai
Date : May 30, 2014



Notes forming part of the financial statements

1. BACKGROUND

The Company is engaged in the business of IT Services and Consulting.

The Company was until February 2010, operating in the name of Jaisal Securities Limited. Effective from February 4, 2010, the name of the company was changed to AURUM SOFT SYSTEMS LIMITED. The Shares of the Company are listed on the Bombay and Madras Stock Exchanges.

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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956.

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 Consulting business is primarily derived from Resourcing services, Technical Support Service, Licensing of Software and Business Support Services. Revenues from fixed price and fixed time frame contracts

/ arrangements are recognised when the services have been rendered in accordance with the contracts / arrangements and 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.

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, if any.

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.

All Fixed Assets individually costing less than ₹ 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

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 statement of Profit and Loss. 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 statement of Profit and Loss 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 and Employee State Insurance, which are defined contribution schemes. The contributions are accounted for on an accrual basis and recognised in the statement of Profit and Loss.
- 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 liability is ascertained 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.

As per the terms of the agreement with the clients, gratuity payable to employees deployed with the clients would be reimbursed by the clients as and when the gratuity is payable to the employees. In accordance therewith, provision for gratuity in respect of the employees deployed with various clients, has been debited to the account of the respective clients instead of being debited to the statement of Profit and Loss.

Gratuity cost in respect of other employees has been debited to the statement of Profit and Loss. 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'.

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.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company intends to settle the asset and liability on a net basis.

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.



The company off-sets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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 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. SHARE CAPITAL

Share capital consist of the following:

Particulars	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
Authorised		
137,000,000 (31 st March 2013: 137,000,000) Equity shares of ₹ 2/- each	274,000,000	274,000,000
68,000,000 (31 st March 2013: 68,000,000) Non-cumulative optionally convertible Preference shares of ₹ 2/- each	136,000,000	136,000,000
	410,000,000	410,000,000
Issued, Subscribed & Paid-up		
65,100,000 Equity shares of ₹ 2/- each (31 st March 2013: 65,100,000 Equity share of ₹ 2/- each)	130,200,000	130,200,000
	130,200,000	130,200,000

a. Reconciliation of number of shares

	As at 31 st March 2014		As at 31 st March 2013	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Equity shares				
Opening balance (face value - ₹ 2)	65,100,000	130,200,000	65,100,000	130,200,000
Add: Issued during the year	-	-	-	-
Closing balance	65,100,000	130,200,000	65,100,000	130,200,000

b. Shares held by holding company, its subsidiaries and associates

The company does not have any holding company.

c. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a face value of ₹ 2/- per share. Each shareholder is eligible for one vote for each share held in the company. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

d. Rights, preferences and restrictions attached to preference shares

The company has not issued any preference shares

e. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 st March 2014		As at 31 st March 2013	
	No. of shares	% of share capital	No. of shares	% of share capital
Shripathee Investments Private Limited	18,526,927	28.46%	18,526,927	28.46%
Cresta Fund Limited	5,143,755	7.90%	5,143,755	7.90%
Sparrow India Diversified Opportunities Fund	5,509,477	8.46%	5,509,477	8.46%
Mavi Investment Fund Ltd	3,519,997	5.41%	3,519,997	5.41%

f. Shares allotted as fully paid up by way of bonus shares (during the 5 years preceding 31st March 2014)

The Company allotted 21,700,000 equity shares of face value ₹ 2/-, as fully paid up bonus shares by utilisation of the Securities premium account on 7th February 2011, pursuant to a shareholder's resolution passed at the Extra ordinary General Meeting held on 19th January 2011.

**4. RESERVES AND SURPLUS**

Reserves and surplus consist of the following:

(a) Securities premium account

Opening balance

Less: Capitalisation for bonus shares

Closing balance

(b) Surplus in statement of profit and loss

Opening balance

Add: Profit for the year

Statutory reserves transferred to Statement of Profit and Loss

Less: Appropriations

Proposed dividend on equity shares

Tax on dividend

Closing balance

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
183,800,000	183,800,000
-	-
183,800,000	183,800,000
11,141,887	10,787,250
(52,061,426)	354,637
-	-
(40,919,539)	11,141,887
-	-
-	-
(40,919,539)	11,141,887
142,880,461	194,941,887

5. LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(a) Provision for gratuity

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
5,337,835	5,337,835
5,337,835	5,337,835

6. OTHER CURRENT LIABILITIES (Unsecured)

Other current liabilities consist of the following:

(a) Salary payable

(b) Unclaimed dividends

(c) Statutory liabilities

(d) Audit fee payable

(e) Other payables

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
9,283,881	10,639,184
40,144	40,145
1,663,442	2,152,981
112,500	112,500
128	128
11,100,094	12,944,938

7. SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

(a) Provision for Bonus to employees

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
5,140,120	4,492,001
5,140,120	4,492,001

8. FIXED ASSETS

Fixed assets consist of the following:

(₹)

Description	Gross Block			Depreciation				Net Block		
	As At 1 st April 2013	Additions	Deletions	As At 31 st March 2014	Upto 1 st April 2013	For the year 2013-14	Deletions	Upto 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013
(i) Tangible assets										
Furniture and fixtures	48,875	-	-	48,875	24,535	2,059	-	26,594	22,281	24,340
Plant and equipment	1,091,273	-	-	1,091,273	567,757	165,729	-	733,486	357,787	523,516
Total	1,140,148	-	-	1,140,148	592,292	167,788	-	760,080	380,068	547,856
<i>Previous year</i>	<i>1,140,148</i>	<i>-</i>	<i>-</i>	<i>1,140,148</i>	<i>424,504</i>	<i>167,788</i>	<i>-</i>	<i>592,292</i>	<i>547,856</i>	
(ii) Intangible assets										
Intellectual Property Rights	53,090,000	-	-	53,090,000	21,906,488	10,618,000	-	32,524,488	20,565,512	31,183,512
Total	53,090,000	-	-	53,090,000	21,906,488	10,618,000	-	32,524,488	20,565,512	31,183,512
<i>Previous year</i>	<i>53,090,000</i>	<i>-</i>	<i>-</i>	<i>53,090,000</i>	<i>11,288,488</i>	<i>10,618,000</i>	<i>-</i>	<i>21,906,488</i>	<i>31,183,512</i>	
Grand Total	54,230,148	-	-	54,230,148	22,498,780	10,785,788	-	33,284,568	20,945,580	31,731,368


9. NON-CURRENT INVESTMENTS

Non-current investment consist of the following:

Description	No. of shares	Currency	Face value per share	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(A) INVESTMENT IN EQUITY (at cost)					
(i) Wholly owned subsidiary company					
(a) Fully paid equity shares (unquoted)					
Dicetek Sing Pte Limited, Singapore	4,500,000	Singapore Dollar	1	220,500,000	220,500,000
Less: Provision for diminution				(50,000,000)	-
				170,500,000	220,500,000

10. DEFERRED TAX BALANCES

Major components of deferred tax balances consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Deferred tax liabilities		
(i) Depreciation and amortisation	-	702,693
	-	702,693
(b) Deferred tax assets		
(i) Carried forward losses	2,414,165	3,226,704
(ii) Provision for doubtful debts	-	122,269
(iii) Amalgamation expenses	-	410,629
(iv) Depreciation and amortisation	354,992	-
(v) Provision for gratuity	55,835	55,835
	2,824,992	3,815,437
Deferred Tax Assets (net)	2,824,992	3,112,744

11. LONG-TERM LOANS AND ADVANCES (Unsecured)

Long-term loans and advances consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Considered good		
(i) Loan to wholly owned subsidiary	54,510,000	41,325,900
(ii) Advance tax (including refunds receivable)	10,334,183	7,871,031
(iii) MAT credit entitlement	-	76,168
(iv) Gratuity receivable	5,157,141	5,157,141
(v) Other amounts recoverable in cash or kind for value to be received	2,263,932	2,088,932
	72,265,256	56,519,172

Table Continued

(b) Considered doubtful		
(i) Inter-corporate deposits	3,956,924	3,956,924
Less: Written off during the year	(3,956,924)	-
Less: Provision for doubtful loans	-	(395,692)
	-	3,561,232
	72,265,256	60,080,404

12. CURRENT INVESTMENTS

Current investments consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Investment in mutual funds - unquoted, fully paid up		
(i) 1317.407 (31 st March 2013 - Nil) units in Templeton India - Treasury Management account Super Institutional Plan - Growth plan	2,500,000	-
(ii) 191.844 (31 st March 2013 - Nil) units in Reliance Liquid Fund - Treasury plan - Growth plan	589,819	-
	3,089,819	-

13. TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Over six months from the date they were due for payment		
(i) Considered good	110,400	110,400
(ii) Considered doubtful	-	-
(b) Others		
(i) Considered good	17,627,528	18,629,753
(ii) Considered doubtful	-	-
	17,737,928	18,740,153

14. CASH AND BANK BALANCES

Cash and bank balances consist of the following

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	844,535	906,335
In deposit accounts with maturity less than 3 months	1,865,000	4,670,000
(ii) Cash on hand	6,130	10,913
	2,715,665	5,587,248
(b) Other bank balances		
(i) Earmarked balances with banks	51,671	51,728
(ii) Bank deposits with more than 3 months maturity	-	5,475,000
	2,767,336	11,113,976

**15. SHORT-TERM LOANS AND ADVANCES (Unsecured)**

Short-term loans and advances consist of the following

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Considered good		
(i) Loans and advances to employees	35,602	22,854
(ii) Security deposit	11,576	11,576
(iii) Rental Advance	587,080	337,080
(iv) Others amounts recoverable in cash or kind for value to be received	55,752	54,010
	690,010	425,520

16. OTHER CURRENT ASSETS (unsecured and considered good)

Other current assets consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Interest receivable on bank deposits	57,542	177,420
(b) Interest receivable on loan from wholly owned subsidiary	3,797,535	2,170,007
	3,855,077	2,347,427

17. REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Information Technology services	-	306,900
(b) Consultancy services	123,431,039	169,402,899
	123,431,039	169,709,799

18. OTHER INCOME (net)

Other income consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Interest income	1,885,198	2,478,009
(b) Profit on redemption of Mutual Funds	111,960	-
(c) Exchange gain / (loss) (net)	4,921,303	1,888,427
(d) Miscellaneous income	305,383	165,273
	7,223,844	4,531,709
Interest income comprise:		
Interest on Long-term advance	194,445	179,414
Interest on bank deposits	263,428	1,247,086
Interest on loan given to subsidiary	1,427,325	1,051,509
Interest on income tax refund	-	-

19. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Salaries and wages	102,630,605	140,144,734
(b) Contributions to provident and other funds	11,805,001	16,458,845
(c) Staff welfare expenses	18,622	29,699
	114,454,228	156,633,278

20. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Advertisement	81,811	287,013
(b) Audit and certification fee	135,000	221,630
(c) Bank charges	67,935	103,288
(d) Consultancy expenses	649,470	1,059,988
(e) Conveyance	387,925	173,831
(f) Electricity expenses	121,962	136,612
(g) Insurance	123,268	160,412
(h) Printing and stationery	93,969	182,265
(i) Rates and taxes	137,925	1,452,580
(j) Rent	792,000	792,000
(k) Repairs and maintenance - others	160,607	429,479
(l) Security service charges	191,748	198,933
(m) Subscriptions	6,150	14,325
(n) Telephone expenses	116,076	138,828
(o) Travelling expenses	-	73,198
(p) Other expenses	168,934	264,719
	3,234,780	5,689,101

21. SEGMENT REPORTING

Business Segment

The Company has only one reportable business segment viz., IT services and Consulting.

Geographical Segment

Significant Revenue from IT services and Consulting business is derived from clients in India and hence the Company does not have any separate reportable geographical segment.

**22. 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 Services and Consulting
Wholly owned subsidiary of Dicetek (Sing) Pte Limited				
Dicetek LLC	Dubai		-	IT Services and Consulting
Dice Technologies Inc.	USA		-	IT Services and Consulting

23. RELATED PARTY DISCLOSURE

- 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, 2014.
- 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:

(₹)

Nature of Transaction	Parties exercising substantial control	Key Managerial Personnel	Subsidiaries
Information Technology services Dice Technologies Inc.	- (-)	- (-)	- 306,900
Loan Outstanding (including accrued interest) # Dicetek (Sing) Pte Limited	- (-)	- (-)	58,307,535 (43,495,907)
Interest on loan (Income) Dicetek (Sing) Pte Limited	- (-)	- (-)	1,427,325 (1,051,509)

Note: Figures in brackets represent previous year's figures

Based on the exchange rate prevailing as on March 31, 2014

24. GRATUITY

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

Particulars	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
Change in Present Value of obligation		
Present Value of obligation as at the beginning of the year	5,337,835	2,841,773
Interest Cost	-	227,339
Current Service Cost	-	3,703,380
Benefits Paid	-	-
Actuarial (Gain) / Loss Recognised	-	(1,434,657)
Present Value of obligation as at the end of the year	5,337,835	5,337,835
Expense Recognised in the Statement of Profit and Loss		
Gratuity cost	-	89,739
Reversal of provision of earlier years *	-	(2,750,818)
Recognised in the year	-	(2,661,079)

The computations are based on the following assumptions:

Discount rate	:	8%
Salary Escalation	:	10%

* As per the actuarial valuation carried out, no material additional gratuity liability exists when compared to last financial year. Hence no provision for gratuity has been made for the financial year.

25. INTANGIBLE ASSETS (DISCLOSURE AS PER ACCOUNTING STANDARD 26)

Particulars	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)			
Intangible Assets Acquired			Less: Amortisations	2,524,488	1,906,488
A. Copyright			Net Carrying Amount	565,512	1,183,512
Useful Life	5 Years	5 Years	B. Commercial Right		
Cost of Acquisition	3,090,000	3,090,000	Useful Life	5 Years	5 Years
			Cost of Acquisition	50,000,000	50,000,000
			Less: Amortisations	30,000,000	20,000,000
			Net Carrying Amount	20,000,000	30,000,000

Table Continued



26. 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 st March 2014	Year Ended 31 st March 2013
Profit / (Loss) After Taxation	₹ (52,061,426)	₹ 354,637
Weighted average no. of Equity Shares	65,100,000	65,100,000
Nominal value of the Equity Shares	₹ 2	₹ 2
Basic and Diluted Earnings per Share	₹ (0.80)	₹ 0.01

27. FOREIGN CURRENCY EARNINGS AND OUTGO

The Company has undertaken the following transactions in foreign currency:

	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Income earned in Foreign Currency (on accrual basis)		
Information technology services (₹)	-	306,900
Interest on loan to wholly owned subsidiary (₹)	1,427,325	1,051,509
Total Income earned in Foreign Currency	1,427,325	1,358,409

Table Continued

Dividend Remittances in foreign currency during the year

Financial year to which Dividend relates	N.A.	N.A.
No. of non-resident shareholders	Nil	Nil
No. of shares	Nil	Nil
Dividend remitted in foreign currency (₹)	Nil	Nil

The Company has not incurred any expenditure in foreign currency during financial years 2013-14 and 2012-13.

28. AUDITORS' REMUNERATION

Auditors' remuneration includes:

	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)
Statutory Audit Fees	100,000	100,000
Tax - Audit Fees	25,000	75,000
Certification Fee	10,000	36,000
Service-tax	-	10,630
	135,000	221,630

29. 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.

30. INFORMATION ON LOANS AND ADVANCES AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	Outstanding as at 31 st March 2014 (₹)	Maximum amount outstanding during the year (₹)	Outstanding as at 31 st March 2013 (₹)	Maximum amount outstanding during the previous year (₹)
Loan to Subsidiary (including interest) Dicetek (Sing) Pte Limited	58,307,535	58,307,535	43,495,907	43,495,907

The loan is denominated in US\$ and the INR equivalents are based on the exchange rate prevailing at the end of the year. The same includes accrued interest at the rate of 2.5% per annum.

31. 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 exposures 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 US\$	
	As at 31 st March 2014	As at 31 st March 2013
Sundry Debtors	-	-
Interest Receivable	64,093	40,432
Loan given to subsidiary	920,000	770,000
Total	984,093	810,432

32. 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 : ₹ 499,559
Period to which amount relates : 1996-97
Forum where dispute pending : CIT (Appeals)

The Company has paid the said amount of ₹ 499,559 under protest. The Company however is of the opinion that the above demand is not sustainable and expects to succeed in its appeal.

33. Provision for diminution in value of investment

The economic slowdown and the tightening of the immigration laws and hiring procedures have had an adverse effect on the operations of the Company's step down subsidiaries namely Dice Technologies Inc., USA and Dicetek LLC., Dubai. This has adversely impacted the financial position of the step down subsidiaries. In view of this, Dicetek (Sing) Pte Limited, Singapore has provided for impairment loss in respect of the investment in the subsidiaries in its books of accounts.

Accordingly, the management is of the opinion that the diminution in value of the investment is permanent and the same is reiterated by the impairment loss provided by our wholly owned subsidiary. In order to reflect a true and fair view of the state of affairs, the Company has provided for diminution in value of investment in wholly owned subsidiary for Rs. 5 crores.

34. Bad Debts

During the Financial Year 2013-14, the Company has written-off loans to the tune of Rs. 3,561,232 (net of reversal of provision), which were extended when the Company was a Non-banking Finance Company, as the same was found not realisable. The provision created in the books in respect of the loans which have been fully written-off has been reversed during Financial Year 2013-14.

35. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation. 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 Notes forming part of the financial statements

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No. 029416

SRIKANTH RAMANATHAN

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014



Independent Auditor's Report on Consolidated Financial Statements

To the Board of Directors of Aurum Soft Systems Limited

Report on Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Aurum Soft Systems Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the consolidated financial statements 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 Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit 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: May 30, 2014

S. Ramanath

Chartered Accountant

Membership No: 029416

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	130,200,000	130,200,000
(b) Reserves and surplus	4	182,620,672	247,509,746
		312,820,672	377,709,746
Non-Current Liabilities			
(a) Long-term borrowings	5	1,231,816	1,429,661
(b) Deferred tax liabilities (net)	11(a)	-	721,048
(c) Other long-term liabilities		-	-
(d) Long-term provisions	6	17,444,819	15,322,315
		18,676,635	17,473,024
Current Liabilities			
(a) Short-term borrowings	7	11,605,035	3,474,253
(b) Trade payables		21,466,771	28,691,800
(c) Other current liabilities	8	72,471,351	88,069,277
(d) Short-term provisions	9	25,733,146	23,263,292
		131,276,303	143,498,622
TOTAL		462,773,610	538,681,392
II. ASSETS			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		6,691,036	8,756,152
(ii) Intangible assets		33,838,440	41,116,852
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		40,529,476	49,873,004
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	11(b)	2,809,231	6,162,797
(d) Long-term loans and advances	12	36,452,550	37,421,474
(e) Other non-current assets		-	-
(f) Goodwill (on Consolidation)		78,644,654	128,644,654
		158,435,911	222,101,929
Current assets			
(a) Current investments	13	3,089,819	-
(b) Inventories	14	52,488	52,488
(c) Trade receivables	15	217,836,161	231,895,425
(d) Cash and bank balances	16	38,637,359	41,742,153
(e) Short-term loans and advances	17	44,664,330	42,711,977
(f) Other current assets	18	57,542	177,420
		304,337,699	316,579,463
TOTAL		462,773,610	538,681,392

Notes forming part of the consolidated financial statements 1-35

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No. 029416

SRIKANTH RAMANATHAN

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note	For the year ended 31 st March 2014	For the year ended 31 st March 2013
		(₹)	(₹)
I. Revenue from operations	19	1,204,425,504	1,108,639,200
II. Other Income (net)	20	7,844,266	6,052,547
Total Revenue (I + II)		1,212,269,770	1,114,691,747
III. Expenses			
(a) Employee benefit expenses	21	1,114,782,644	981,833,430
(b) Operation and other expenses	22	93,655,093	95,081,906
(c) Finance costs	23	2,063,863	1,806,215
(d) Depreciation and amortization expense	10	23,375,585	19,062,007
Total Expenses		1,233,877,185	1,097,783,558
IV. Profit before exceptional items and tax		(21,607,415)	16,908,189
V. Exceptional items			
(a) Provision for impairment of goodwill on consolidation		(50,000,000)	-
(b) Bad debts (write-off of loan - net of reversal of provision)		(3,561,232)	-
IV. Profit before tax		(75,168,647)	16,908,189
V. Tax expense			
(a) Current tax		531,335	440,791
(b) Deferred tax		2,936,079	1,019,318
(c) MAT credit entitlement		-	-
		3,467,414	1,460,109
VI. Profit for the year		(78,636,061)	15,448,080
Earnings per equity share of face value ₹ 2	28		
Basic and Diluted Earning per share (₹)		(1.21)	0.24

Notes forming part of the consolidated financial statements

1-35

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATHChartered Accountant
Membership No. 029416**SRIKANTH RAMANATHAN**

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note	Year ended 31 st March 2014	Year ended 31 st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		(₹)	(₹)
Profit / (Loss) before taxation		(21,607,415)	16,908,189
Adjustments for:			
Depreciation and Amortisation		23,375,585	19,062,007
(Profit) / Loss on sale of Fixed assets		-	260,718
Interest Income		(486,241)	(1,455,647)
Interest Expense		2,063,863	1,806,215
Provision for Gratuity		-	89,739
Reversal of provision for gratuity		-	(2,750,818)
Bank charges on earmarked balances		57	70
Operating Cash Flow Before Working Capital Changes		3,345,849	33,920,473
Adjustments for:			
(Increase) / Decrease in Trade and other receivables		9,747,311	(56,018,238)
Increase / (Decrease) in Trade and other payables		(18,230,596)	37,343,288
Cash generated from / (used in) Operations		(5,137,436)	15,245,523
Income Taxes paid during the year		(2,779,515)	(4,241,827)
Net Cash generated from / (used in) Operating Activities during the year - A		(7,916,951)	11,003,696
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(12,076,099)	(7,750,858)
Sale of Fixed Assets		-	788,226
Interest income		486,241	1,455,647
Funds deployed in Fixed deposits with more than 3 months maturity		5,475,000	4,225,000
Net Cash generated from / (used in) Investing Activities during the year - B		(6,114,858)	(1,281,985)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		-	-
Tax on Dividend Paid		-	-
Increase / (Decrease) in Loan Funds		7,932,937	(4,215,071)
Interest Expense		(2,063,863)	(1,806,215)
Proceeds / (Disbursement) of Fractional Entitlement on Bonus Shares		-	-
Funds earmarked for Dividend payment and Fractional Entitlement on Bonus shares		-	-
Net Cash generated from Financing Activities during the year - C		5,869,074	(6,021,286)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		(8,162,735)	3,700,426
Cash and Cash Equivalent as at the beginning of the year		36,215,425	27,574,451
Effect of Exchange Rate Fluctuation on cash and cash equivalent		10,532,998	4,940,548
Cash and Cash Equivalent at the end of the year	16	38,585,688	36,215,425
Earmarked balances with banks		51,671	51,728
Bank deposits with more than 3 months maturity		-	5,475,000
Cash and Bank balances at the end of the year	16	38,637,359	41,742,153

Notes forming part of the consolidated financial statements

1-35

Note: 1. Cash and Cash Equivalents represent Cash, Balances with Banks in Current Account and Fixed Deposits maturing within 3 months

2. Figures in brackets indicate Cash Outflow

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

S. RAMANATH

Chartered Accountant

Membership No. 029416

SRIKANTH RAMANATHAN

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014



Notes forming part of the consolidated financial statements

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 Services 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, 2014.

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 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 Statement 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. Revenue from Consulting business is primarily derived from Resourcing Services, Technical Support Service, Licensing of Software and Business Support Services. Revenues from fixed price and fixed time frame contracts / arrangements are recognised when the services have been rendered in accordance with the contracts / arrangements and 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 Loans and 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. Government grants, if any, 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.
- v. Cash grants, if any, received from the government in relation to the Jobs credit scheme are recognised as income upon receipt.
- vi. 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, if any.

h. 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.

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

Depreciation provided by the subsidiaries in respect of its fixed assets in their books of

accounts have not been restated / recomputed for the purpose of consolidation.

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

i. Inventories

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

j. 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.

k. 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 statement of Profit and Loss. 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 statement of Profit and Loss and related Assets and Liabilities are accordingly restated in the Balance Sheet.

l. 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 statement of Profit and Loss.
- 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 of the holding company 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, unlike the subsidiaries, where gratuity is provided in accordance with local laws. The holding Company has not made any insurance contribution in respect of its gratuity liability.

As per the terms of the agreement with the clients, gratuity payable to the holding company's employees deployed with the clients would be reimbursed by the clients as and when the gratuity is payable to the employees. In accordance therewith, provision for gratuity in respect of the holding company's employees deployed with various clients, has been debited to the account of the respective clients instead of being debited to the statement of Profit & Loss. Gratuity cost in respect of the holding company's other employees has been debited to the statement of Profit & Loss.

m. Taxation

The accounting treatment for Income Tax in respect of holding Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income'.

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.

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.

n. 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.

o. Provisions and Contingencies

The group creates a provision when there is present or legal constructive obligation as a result of a past event, 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.

p. 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. SHARE CAPITAL

Share capital consist of the following:

Particulars	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
Authorised		
137,000,000 (31 st March 2013: 137,000,000) Equity shares of ₹ 2/- each	274,000,000	274,000,000
68,000,000 (31 st March 2013: 68,000,000) Non-cumulative optionally convertible Preference shares of ₹ 2/- each	136,000,000	136,000,000
	410,000,000	410,000,000
Issued, Subscribed & Paid-up		
65,100,000 Equity shares of ₹ 2/- each (31 st March 2013: 65,100,000 Equity shares of ₹ 2/- each)	130,200,000	130,200,000
	130,200,000	130,200,000

a. Reconciliation of number of shares

	As at 31 st March 2014		As at 31 st March 2013	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Equity shares				
Opening balance (face value - ₹ 2)	65,100,000	130,200,000	65,100,000	130,200,000
Add: Issued during the year	-	-	-	-
Closing balance	65,100,000	130,200,000	65,100,000	130,200,000

b. Shares held by holding company, its subsidiaries and associates

The company does not have any holding company.

c. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a face value of ₹ 2/- per share. Each shareholder is eligible for one vote for each share held in the company. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

d. Rights, preferences and restrictions attached to preference shares

The company has not issued any preference shares

e. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 st March 2014		As at 31 st March 2013	
	No. of shares	% of share capital	No. of shares	% of share capital
Shripathee Investments Private Limited	18,526,927	28.46%	18,526,927	28.46%
Cresta Fund Limited	5,143,755	7.90%	5,143,755	7.90%
Sparrow India Diversified Opportunities Fund	5,509,477	8.46%	5,509,477	8.46%
Mavi Investment Fund Ltd	3,519,997	5.41%	3,519,997	5.41%

f. Shares allotted as fully paid up by way of bonus shares (during the 5 years preceding 31st March 2014)

The Company allotted 21,700,000 equity shares of face value ₹ 2/-, as fully paid up bonus shares by utilisation of the Securities premium account on 7th February 2011, pursuant to a shareholder's resolution passed at the Extra ordinary General Meeting held on 19th January 2011.

**4. RESERVES AND SURPLUS**

Reserves and Surplus consist of the following:

(a) Securities premium account

Opening balance

Less: Capitalisation for bonus shares

Closing balance

(b) Surplus in statement of profit and loss

Opening balance

Add: Profit for the year

Statutory reserves transferred to Statement of Profit and Loss

Closing balance

(c) Foreign currency translation reserve on consolidation

Opening Balance

Add: Current year adjustments

Closing Balance

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
183,800,000	183,800,000
-	-
183,800,000	183,800,000
47,592,969	32,144,889
(78,636,061)	15,448,080
-	-
(31,043,092)	47,592,969
16,116,777	10,187,230
13,746,987	5,929,547
29,863,764	16,116,777
182,620,672	247,509,746

5. LONG-TERM BORROWINGS (SECURED)

Long-term borrowings consist of the following:

(a) Vehicle Loans

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
1,231,816	1,429,661
1,231,816	1,429,661

6. LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(a) Provision for gratuity

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
17,444,819	15,322,315
17,444,819	15,322,315

7. SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
Secured	
(a) Vehicle Loans	1,758,435
(b) Bills Discounted	1,715,818
Unsecured	
(a) Short-term loans	-
11,605,035	3,474,253

8. OTHER CURRENT LIABILITIES (Unsecured)

Other current liabilities consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Salary payable	76,455,737
(b) Unclaimed dividends	40,145
(c) Short term Advance	2,758,191
(d) Statutory liabilities	8,427,035
(e) Audit fee payable	112,500
(f) Other payables	275,669
72,471,351	88,069,277

9. SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Provision for Bonus to employees	4,492,001
(b) Provision for other employee benefits	18,771,291
25,733,146	23,263,292

10. FIXED ASSETS

Fixed assets consist of the following:

(In ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As At 1 st April 2013	Additions	Deletions / Adjustments *	As At 31 st March 2014	Upto 1 st April 2013	For the year 2013-14	Deletions / Adjustments *	Upto 31 st March 2014
(i) Tangible Assets								
Furnitures and fixtures	6,969,942	-	(710,183)	7,680,125	3,843,155	1,338,560	(356,541)	5,538,256
Plant and equipment	8,109,562	285,325	(701,964)	9,096,851	6,196,440	1,133,171	(537,854)	7,867,465
Vehicles	7,361,170	991,764	(736,321)	9,089,255	3,644,927	1,792,679	(331,869)	5,769,475
Total	22,440,674	1,277,089	(2,148,469)	25,866,232	13,684,522	4,264,410	(1,226,264)	19,175,196
Previous year	21,260,167	2,314,699	1,134,192	22,440,674	10,338,446	4,103,842	757,766	13,684,522
(ii) Intangible Assets								
Intellectual Property Rights	68,514,230	10,799,010	(1,229,832)	80,543,072	27,397,378	19,111,175	(196,079)	46,704,632
Total	68,514,230	10,799,010	(1,229,832)	80,543,072	27,397,378	19,111,175	(196,079)	46,704,632
Previous year	56,468,480	11,964,015	(81,735)	68,514,230	12,414,648	14,958,165	(24,565)	27,397,378
Grand Total	90,954,904	12,076,099	(3,378,301)	106,409,304	41,081,900	23,375,585	(1,422,343)	65,879,828
								49,873,004

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

11. DEFERRED TAX BALANCES

Major components of deferred tax balances consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Deferred tax liabilities		
(i) Depreciation and amortisation	-	721,048
	-	721,048
(b) Deferred tax assets		
(i) Carried forward losses	2,414,165	5,574,064
(ii) Provision for doubtful debts	-	122,269
(iii) Amalgamation expenses	-	410,629
(iv) Depreciation and amortisation	339,232	-
(v) Provision for gratuity	55,835	55,835
	2,809,231	6,162,797

12. LONG-TERM LOANS AND ADVANCES (Unsecured)

Long-term loans and advances consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Considered good		
(i) Advance tax (including refunds receivable)	10,926,683	7,897,866
(ii) MAT credit entitlement	-	76,168
(iii) Rental Advance	1,943,437	2,073,203
(iv) Refundable Deposits	16,161,357	16,566,932
(v) Gratuity receivable	5,157,141	5,157,141
(vi) Other amounts recoverable in cash or kind for value to be received	2,263,932	2,088,932
	36,452,550	33,860,242
(b) Considered doubtful		
(i) Inter-corporate deposits	3,956,924	3,956,924
Less: Written off during the year	(3,956,924)	-
Less: Provision for doubtful loans	-	(395,692)
	-	3,561,232
	36,452,550	37,421,474

13. INVENTORIES

Current investments consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Investment in mutual funds - unquoted, fully paid up		
(i) 1317.407 (31 st March 2013 - Nil) units in Templeton India - Treasury Management account Super Institutional Plan - Growth plan	2,500,000	-
(ii) 191.844 (31 st March 2013 - Nil) units in Reliance Liquid Fund - Treasury plan - Growth plan	589,819	-
	3,089,819	-

**14. INVENTORIES**

Inventories consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
52,488	52,488
52,488	52,488

(a) Software product held for sale

15. TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
2,742,010	2,817,719
-	150,276
(172,951)	(150,276)
2,569,059	2,817,719
215,267,102	229,077,706
-	-
217,836,161	231,895,425

(a) Over six months from the date they were due for payment

(i) Considered good

(ii) Considered doubtful

Less: Provision for bad debts

(b) Others

(i) Considered good

(ii) Considered doubtful

16. CASH AND BANK BALANCES

Cash and bank balances consist of the following:

As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
36,714,558	31,534,512
1,865,000	4,670,000
6,130	10,913
38,585,688	36,215,425
51,671	51,728
-	5,475,000
51,671	5,526,728
38,637,359	41,742,153

(a) Cash and cash equivalents

(i) Balances with banks

In current accounts

In deposit accounts with maturity less than 3 months

(ii) Cash on hand

(b) Other bank balances

(i) Earmarked balances with banks

(ii) Bank deposits with more than 3 months maturity

17. SHORT-TERM LOANS AND ADVANCES (Unsecured)

Short-term loans and advances consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Considered good		
(i) Loans and advances to employees	2,338,605	1,061,557
(ii) Refundable deposits	844,552	17,372
(iii) Prepaid Expenses	15,889,418	8,387,352
(iv) Rental advance	587,080	337,080
(v) Advance for product development	24,675,132	32,381,918
(vi) Other amounts recoverable in cash or kind for value to be received	329,543	526,698
	44,664,330	42,711,977

18. OTHER CURRENT ASSETS (unsecured and considered good)

Other current assets consist of the following:

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a) Unbilled revenue	-	-
(b) Interest receivable on bank deposits	57,542	177,420
	57,542	177,420

19. REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Consultancy services	1,204,425,504	1,108,639,200
	1,204,425,504	1,108,639,200

20. OTHER INCOME (net)

Other income consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Interest income	486,241	1,455,647
(b) Exchange gain / (loss) (net)	5,695,403	4,070,543
(c) Profit on redemption of Mutual Funds	111,960	-
(d) Profit / (Loss) on sale of Fixed Assets	-	(260,718)
(e) Miscellaneous income	1,550,662	787,075
	7,844,266	6,052,547
Interest income comprise:		
Interest on Long-term advance	194,445	179,414
Interest on bank deposits	291,796	1,276,233
Interest on income tax refund	-	-

**21. EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Salaries and wages	1,102,234,449	963,297,827
(b) Contributions to provident and other funds	11,805,001	16,458,845
(c) Staff welfare expenses	743,194	2,076,758
	1,114,782,644	981,833,430

22. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Advertisement	757,574	1,697,925
(b) Audit and Certification fee	135,000	221,630
(c) Bad debts	23,677	151,718
(d) Bank charges	100,377	120,104
(e) Consultancy expenses	39,398,970	52,826,779
(f) Conveyance	1,824,746	615,124
(g) Discount	-	17,910
(h) Electricity expenses	121,962	136,612
(i) Insurance	1,207,695	1,095,675
(j) Printing and Stationery	444,737	531,276
(k) Rates and Taxes	5,236,840	5,754,063
(l) Rent	12,212,015	10,316,867
(m) Repairs and Maintenance - Others	4,282,109	2,837,329
(n) Sales promotion expenses	1,178,576	898,924
(o) Subscriptions	855,740	921,969
(p) Telephone Expenses	2,559,192	2,506,406
(q) Travelling, Hotel Boarding and Lodging	2,691,946	2,122,821
(r) Visa expenses	20,141,558	11,691,551
(s) Other Expenses	482,379	617,223
	93,655,093	95,081,906

23. FINANCE COSTS

Finance costs consist of the following:

	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)
(a) Interest and finance charges	2,063,863	1,806,215
	2,063,863	1,806,215

24. 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 Services and Consulting
Wholly owned subsidiary of Dicetek (Sing) Pte Limited				
Dicetek LLC	Dubai			IT Services and Consulting
Dice Technologies Inc.	USA			IT Services and Consulting

25. SEGMENT REPORTING

Business Segment

The Company and its subsidiaries have only one reportable business segment viz., IT Services and Consulting.

Geographical Segments

The segment information in respect of different geographies in which the company operates is given below:

(₹)

Particulars	For the year ended 31 st March 2014				
	Geographical Segments				Total
	India	Singapore	Dubai	USA	
<i>Revenue</i>					
External sales, services and other income (net)	129,227,558 <i>172,883,099</i>	121,435,310 <i>172,146,214</i>	790,123,408 <i>633,957,698</i>	171,483,495 <i>135,704,736</i>	1,212,269,771 <i>1,114,691,747</i>
Identifiable Expenses	121,250,240 <i>162,322,379</i>	149,613,148 <i>165,301,614</i>	771,038,271 <i>617,830,640</i>	172,161,173 <i>133,266,919</i>	1,214,062,831 <i>1,078,721,552</i>
Depreciation	10,785,788 <i>10,785,788</i>	7,149,999 <i>3,139,759</i>	3,848,491 <i>3,750,605</i>	1,591,308 <i>1,385,855</i>	23,375,585 <i>19,062,007</i>
Profit / (Loss) Before Tax	(2,808,469) <i>(225,068)</i>	(35,327,837) <i>3,704,840</i>	15,236,647 <i>12,376,453</i>	(2,268,986) <i>1,051,964</i>	(25,168,646) <i>16,908,189</i>
Carrying amount of segment assets	65,868,464 <i>84,758,378</i>	70,072,959 <i>108,661,968</i>	205,967,227 <i>173,491,797</i>	42,236,064 <i>43,124,594</i>	384,144,714 <i>410,036,738</i>
Carrying amount of segment liabilities	21,595,538 <i>23,612,398</i>	2,537,014 <i>20,928,570</i>	108,188,298 <i>98,290,056</i>	17,647,851 <i>18,140,622</i>	149,968,701 <i>160,971,646</i>

Previous years' figures are in italics

26. RELATED PARTY DISCLOSURE

- Party 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, 2014.
- Key Managerial personnel
Mr. Srikanth Ramanathan, Managing Director
- Subsidiaries
Dicetek (Sing) Pte Limited, Singapore
Dicetek LLC., Dubai
Dice Technologies Inc., USA

During financial year 2012-13 and 2013-14, there was no transaction with any related party.


27. INTANGIBLE ASSETS (DISCLOSURE AS PER ACCOUNTING STANDARD 26)

Particulars	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)
I. Acquired		
A. Copyright		
Useful Life	5 Years	5 Years
Cost of Acquisition	3,090,000	3,090,000
Less: Amortisations	2,524,488	1,906,488
Net Carrying Amount	565,512	1,183,512
B. Commercial Right		
Useful Life	5 Years	5 Years
Cost of Acquisition	50,000,000	50,000,000
Less: Amortisations	30,000,000	20,000,000
Net Carrying Amount	20,000,000	30,000,000
II. Internally Developed		
C. Software		
Useful Life	3 Years	3 Years
Opening	15,424,230	14,148,711
Additions	10,799,010	11,964,015
Deletions / Adjustments *	1,229,832	(10,688,496)
Gross (net)	27,453,072	15,424,230
Less: Accumulated Amortisations	14,180,144	5,490,890
Net Carrying Amount	13,272,928	9,933,340
Net Carrying Amount (I + II)	33,838,440	41,116,852

* Includes exchange difference arising on translation of the asset into INR

28. EARNINGS PER SHARE

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

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Profit / (Loss) After Taxation	₹ (78,636,061)	₹ 15,448,080
Weighted average no. of Equity Shares	65100000	65100000
Nominal value of the Equity Shares	₹ 2	₹ 2
Basic and Diluted Earnings per Share	₹ (1.21)	₹ 0.24

29. AUDITORS' REMUNERATION

Statutory Auditors' remuneration includes:

	Year Ended 31 st March 2014 (₹)	Year Ended 31 st March 2013 (₹)
Statutory Audit Fees	100,000	100,000
Tax - Audit Fees	25,000	75,000
Certification Fee	10,000	36,000
Service-tax	-	10,630
	135,000	221,630

30. 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 : ₹ 499,559

Period to which amount relates : 1996-97

Forum where dispute pending : CIT (Appeals)

The Company has paid the said amount of ₹ 499,559 under protest. The Company however is of the opinion that the above demand is not sustainable and expects to succeed in its appeal.

31. OPERATING LEASE COMMITMENTS

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

	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
Not later than one year	808,088	2,970,101
Later than one year but not later than five years	-	1,237,542
Later than five years	-	-
Total	808,088	4,207,643

32. FORWARD CONTRACTS

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

33. PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT

The economic slowdown and the tightening of the immigration laws and hiring procedures have had an adverse effect on the operations of the Company's step down subsidiaries namely Dice Technologies Inc., USA and Dicetek LLC., Dubai. This has adversely

impacted the financial position of the step down subsidiaries. In view of this, Dicetek (Sing) Pte Limited, Singapore has provided for impairment loss in respect of the investment in the subsidiaries in its books of accounts.

In order to reflect a true and fair view of the state of affairs, the Company has provided for diminution in value of investment in wholly owned subsidiary for Rs. 5 crores. In view of this, the Company has provided for impairment loss on Goodwill on Consolidation for Rs. 5 crores in its consolidated accounts.

34. BAD DEBTS

During the Financial Year 2013-14, the Company has written-off loans to the tune of Rs. 3,561,232 (net of reversal of provision), which were extended when the Company was a Non-banking Finance Company, as the same was found not realisable. The provision created in the books in respect of the loans which have been fully written-off has been reversed during Financial Year 2013-14.

35. The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation. 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 Notes forming part of the consolidated financial statements

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No. 029416

SRIKANTH RAMANATHAN

Managing Director

K. BALAJI

Chairman

Place : Chennai

Date : May 30, 2014

**AURUM SOFT SYSTEMS LIMITED**

CIN: L32200TN1994PLC026958

Registered. Office: New No. 9, Ground Floor, Venkateswara Nagar, 4th Street, Adyar, Chennai – 600020.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

DP Id*

Folio No.

Client ID*

No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the company held on Tuesday, September 9, 2014 at 11:00 a.m. at THE CONFERENCE CENTRE - MINI HALL, New No: 24 (Old No: 58) 2nd Main Road, R.A. Puram, Chennai - 600028.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy

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**PROXY FORM**

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

AURUM SOFT SYSTEMS LIMITED

CIN: L32200TN1994PLC026958

Registered. Office: New No. 9, Ground Floor, Venkateswara Nagar 4th Street, Adyar, Chennai – 600020

Name of the member(s):		e-mail id:	
Registered address:		Folio No/*Client Id:	
		*DP Id:	

I/We, being the member(s) of _____ shares of Aurum Soft Systems Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, September 9, 2014 at 11:00 a.m. at THE CONFERENCE CENTRE - MINI HALL, New No: 24 (Old No: 58) 2nd Main Road, R.A. Puram, Chennai 600028 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
Re-appointment of Mr. Srikanth Ramanathan who retires by rotation as Director		
Appointment of Auditor and fixing their remuneration		
Appointment of Mr. K. Balaji as an Independent Director		

*Applicable for investors holding shares in electronic form

P.T.O.

----- ✂ ----- ✂ -----

Resolutions	For	Against
Appointment of Mr. K. S. Vaidyanathan as an Independent Director		
Appointment of Mr. V. Ganapathi Subramanian as an Independent Director		
Appointment of Mr. Srikanth Ramanathan as Managing Director		
Approval of Borrowing Limits		

Signed this day of 2014

Signature of shareholder

Affix
revenue stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.**
- A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**AURUM SOFT SYSTEMS LIMITED**

CIN: L32200TN1994PLC026958

Regd. Office: New No. 9, Ground Floor,

Venkateswara Nagar 4th Street, Adyar, Chennai – 600020

Tel: 044 - 4218 7785 Fax: 044 – 42187803

Website: www.aurumsoftsystems.com

Email : info@aurumsoftsystems.com

PHYSICAL BALLOT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole / first named member :
2. Name(s) of the Joint-Holder(s), if any :
3. Registered Folio No. / DP ID No. & Client ID No. :
4. Number of Share s) held :

I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 30 May 2014, by conveying my / our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

S.No.	Resolutions	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Ordinary Business				
1.	Ordinary resolution for adoption of Audited Financial Statements for the year ended 31 March 2014			
2.	Ordinary resolution for appointment of a Director in place of Mr. Srikanth Ramanathan, liable to retire by rotation in terms of Section 152 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment			
3.	Ordinary resolution under section 139 of the Companies Act, 2013 for appointment of Mr. S. Ramanath (Membership No: 29416), Chartered Accountant as Statutory Auditor for the Company and fixing his remuneration.			
Special Business				
4.	Ordinary resolution for Appointment of Mr. K. Balaji, as an Independent Director of the Company under the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013			
5.	Ordinary resolution for Appointment of Mr. K. S. Vaidyanathan, as an Independent Director of the Company under the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013			
6.	Ordinary resolution for Appointment of Mr. V. Ganapathi Subramanian, as an Independent Director of the Company under the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013			
7.	Ordinary resolution for Appointment of Mr. Srikanth Ramanathan, as Managing Director of the Company under the provisions of Sections 196, 197 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013			
8.	Special Resolution for approval of Borrowing limits of up to Rs. 100 Crores under the provisions of Section 180(1) (C) of the Companies Act, 2013			

Place :

Date:

Signature of the Member or
Authorised Representative

Notes:

- i. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- ii. Last date for receipt of Physical Ballot Form September 3, 2014 (6.00 p.m.)
- iii. Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Ballot Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both Physical Ballot form and e-voting, then vote cast through e-voting mode shall be considered and vote cast through Physical Ballot form shall be ignored.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on August 8, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through Physical Ballot form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

Instructions for voting physically on Form

1. A Member desiring to exercise vote by Physical Ballot should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Aashish Kumar Jain, M/s. Aashish Kumar Jain & Associates, Practising Company Secretaries, by post at their own cost to reach the Scrutinizer at the address 164, Linghi Chetty Street, 2nd Floor, Parrys, Chennai – 600 001, on or before the close of working hours (i.e. 6.00 p.m.) on September 3, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant board resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark in the appropriate column in the Form. The Assent / Dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Ballot Form for every Folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers' decision on the validity of the Ballot Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.



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