aurionpro

2012–2013 Annual Report

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Chairman's Letter

Paresh Zaveri
Chairman

Dear Shareholders,

Our fiscal year 2012-2013 was one in which the global economy struggled to recover, hindering Aurionpro's growth plans based on limited IT budgets and wariness across various geographies. #Gartner estimates that overall IT spend increased by only 1.2% during calendar year 2012, with Enterprise Software and IT Services expanding by 3.3% and 1.8% respectively. Despite the difficult market conditions in 2012, Aurionpro grew revenues by almost 18% during our fiscal year 2012-13, running from April 1, 2012 through March 31, 2013. Revenue for the financial year grew to ₹ 568.64 crores ($107.76 million USD), with net profits reaching ₹ 45.83 crores ($8.7 million USD).

Aurionpro's Executive Management Team spent a great deal of time during the year examining how Aurionpro can resume a more aggressive path of expansion. To that end, several operational and organizational changes were made, and several more have been planned for the upcoming fiscal year. Samir Shah, one of the original members of Aurionpro's management team, handed over responsibilities of U.S. leadership to Robert Levine in order to assume the role of Global Chief Operations Officer with a focus on consolidating all operations, finance, and marketing functions globally. This operational overhaul has included the revamping of Aurionpro's delivery organizations, and Nirav Shah, formerly head of Aurionpro's Payments and Outsourced Product Development business, has streamlined the management and operations of all of Aurionpro's engineering and technology consulting teams in order to minimize overhead while optimizing the quality of delivery.

The company has also made a significant investment in a rebranding initiative in order to support near-term expansion plans. Spearheaded by Jonathan Bank, Aurionpro's Chief Marketing Officer, the effort included the design and development of an identity system by a top tier Branding Agency to better represent the company's maturity, values, and personality. The rebranding has already transformed the way in which customers, partners, and employees view the organization, and it should go a long way in improving our competitiveness as we begin to ramp up a variety of partnership, lead generation, and other sales and marketing initiatives.

Although there are still many uncertainties across global markets, especially in the Eurozone and the Middle East, there is a widespread belief that calendar year 2013 will be punctuated by accelerated spending growth. The optimism for 2013 is welcome news for the industry, and businesses seem poised to increase investments across a number of

Source: # http://www.gartner.com/newsroom/id/2292815

emerging technology trends. In the enterprise software space, the themes of cloud and mobile solutions dominated analyst reports and the chatter inside the halls of the major IT conferences. Aurionpro has been investing in cloud-based solutions and mobile app development for the last several years and we will continue to do so as we've observed that many such customer efforts are progressing into strategic and budgeted initiatives.

Two showcases of Aurionpro's cloud-based efforts are being delivered through our Supply Chain Management (SCM) and Oracle Implementation Services businesses. Based on SCM industry trends, more and more logistics providers and manufacturers are looking to lower their operational costs through hosted solutions as opposed to implementing traditional onsite applications. To meet this growing demand, Aurionpro is one of the first vendors to re-architect our SCM product suite, SCMProFit, for delivery as a service via the Microsoft Azure cloud platform. Similarly, our Oracle Implementation Services team now offers a hosted version of Oracle's Identity Management and WebCenter product suites to our customers who have been looking at ways to simplify their IT infrastructure. As companies transition their IT focus from costly and complex operational activities to strategic efforts that will help grow their business, Aurionpro's hosted, as well as our managed services offerings which have gained excellent traction during this past year, will offer viable and cost effective alternatives for serious consideration.

Mobile technologies are also evolving at an incredible pace and the need for mobile access to enterprise data and documents is being discussed with every one of our clients across all geographies. Many companies are turning to Aurionpro for such solutions as we have been focused on developing deep mobile application design and development skillsets over the last five years. To support these efforts, we have created a Mobile Solutions Group to focus our resources and to stay ahead of the rapidly evolving mobile technology landscape. Mobile payments is one of our unparalleled specialties and we've developed several mobile payments applications for some of the biggest names in the industry, including Obopay, eDeposit, and V2PAY. We are also leveraging our focused expertise to provide mobile access to several of Aurionpro's Banking software products as well as to provide efficiencies for Oracle Identity Management and WebCenter administrative tasks.

Our ongoing investment in developing software solutions and consulting skillsets across the fastest growing technology domains has enabled the respective Aurionpro divisions to grow organically, even during a challenging economic period. To complement this internal growth, Aurionpro has continued to execute on our corporate strategy of accelerating geographic and industry expansion through targeted acquisitions, and has completed two such transactions during the previous fiscal year. The first, Enline plc, has been a long-time partner of our Oracle Implementation Services division and a natural extension of that team. The combined organization will enable a more aggressive expansion into the U.K., where Enline is based. Aurionpro also completed a merger with SEEinfobiz Pvt. Ltd., a Mumbai-based technology solutions company that delivers complex e-statement and unified customer communication solutions to the banking, telecom, insurance, and logistics industries. The SEEinfobiz software portfolio complements Aurionpro's existing Banking software suites and adds a list of marquee BFSI and telecom clients to our existing client base.

Although I am happy that the company beat industry growth rates during Aurionpro's fiscal year 2012-2013, our goal of restarting our path of rapid expansion has not yet been realized. This will be our primary focus for our next fiscal year, during which we will continue to undertake operational streamlining and corporate restructuring activities in order to increase productivity and margins, while reducing debt by improving cash flow. Complementing these operational efforts will be our concentration on cross-platform training and improving sales efficiencies to enable our sales teams to position Aurionpro offerings across business lines and geographies most effectively. By accomplishing these endeavors, while focusing on our most scalable, IP-based software and expert-level services businesses, Aurionpro will be able to position ourselves for another round of significant expansion in the near future.

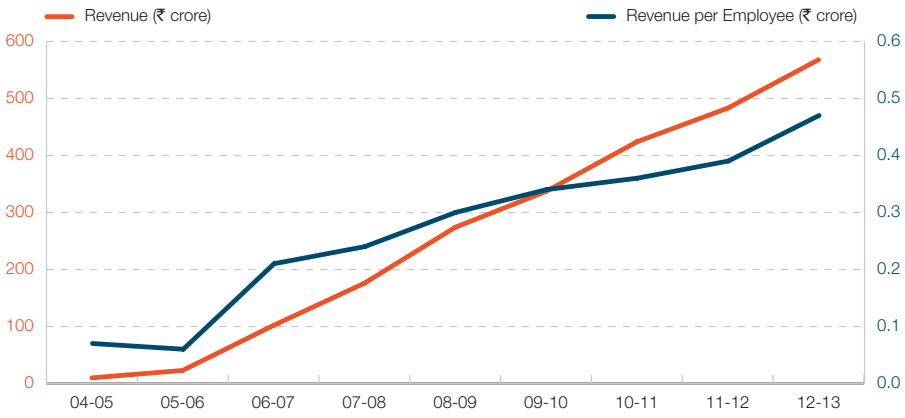
Finally, I'd like to acknowledge the contributions of Banesh Prabhu, who helped Aurionpro achieve continued growth during a challenging economic cycle. I'd also like to thank our 1,200+ employees, our shareholders, and our business partners, whose unwavering commitment is helping to make our vision a reality.

Sincerely,

Paresh Zaveri

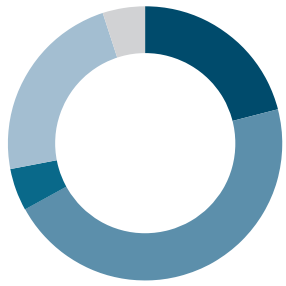
Financial Highlights

Revenue and Revenue per Employee



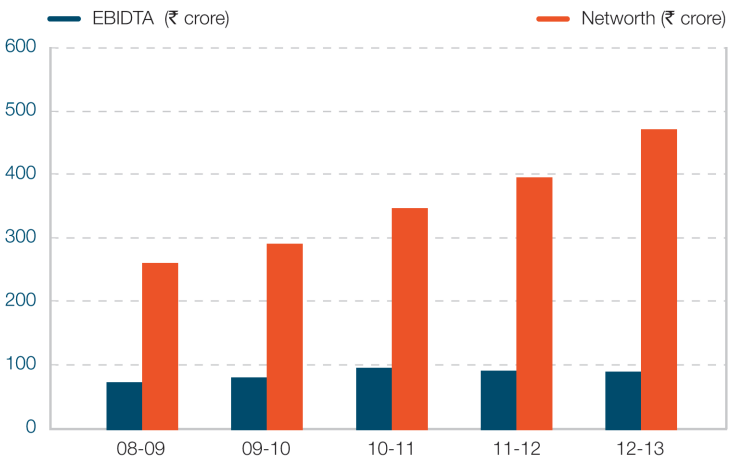
(₹ crore)	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13
Revenue	176	274	337	424	483	568
Revenue per Employee	0.24	0.30	0.34	0.36	0.39	0.48

Revenue by geography



India	119.09
USA-UK	266.24
Middle East	26.20
Asia Pacific	128.54
Others	28.58
Total (₹ crore)	**568.64**

EBIDTA and Net Worth

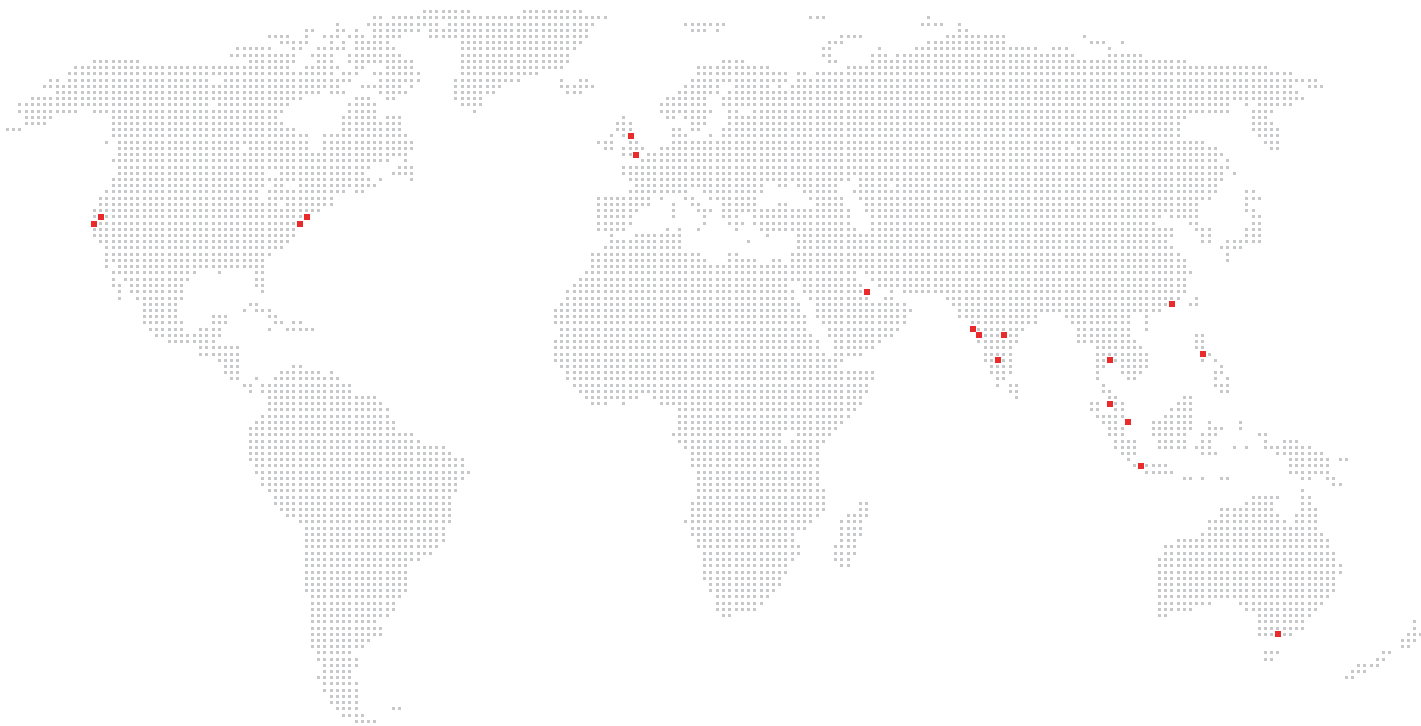


(₹ crore)	2008–09	2009–10	2010–11	2011–12	2012–13
EBIDTA (Net)	73.76	80.79	95.81	91.53	91.25
Net Worth	261.39	293.02	347.08	396.43	458.63

Offices

Corporate Headquarters
Aurionpro Solutions Limited
35th Floor, Sunshine Tower
Tulsi Pipe Road
Dadar (West), Mumbai–400013
+91-22-6617 2600 / 2601
investor@aurionpro.com

US Headquarters
Aurionpro Solutions Inc.
2410 Camino Ramon #339
San Ramon, CA 94583
+1 (925) 242-0777
info-usa@aurionpro.com



North America

United States
Edison, NJ
Fort Lauderdale, FL
New York, NY
Santa Clara, CA
West Chester, PA

Europe

United Kingdom
London
North Yorkshire

Middle East

Bahrain
Manama

Asia Pacific

India
Mumbai
Bangalore
Pune
Secunderabad

Singapore

Hong Kong

Philippines
Manila

Australia
Melbourne

Business Areas and Primary Offerings

Aurionpro is organized operationally into four distinct business lines: Banking and Financial Technologies, Supply Chain Management Software, Oracle Implementation Services, and Enterprise IT Services. Although each division has a razor-sharp focus on delivering its products, solutions, and service offerings to specific target markets and geographies, the teams work incredibly closely together to ensure that their overlapping sets of customers are managed in the most effective way while enabling offerings across all businesses to achieve visibility. The Oracle Implementation Services and Enterprise IT Services teams, for example, collaborate to present combined offerings to their customers and prospects. At the same time they can deliver their services most efficiently through shared pools of expert-level and generally skilled resources. This cross-business cooperation enables Aurionpro to achieve a much greater scale than might have been accomplished if each group worked strictly independently of one another. Aurionpro's four complementary business lines deliver the highest quality products and the deepest expertise to our delighted global customer base.

Banking and Financial Technologies

Aurionpro's history is rooted in developing products and service offerings targeted at Banking and Financial Services institutions. Our Banking and Financial Services Technologies business line continues to be the backbone of Aurionpro, and has been especially successful in the India, Southeast Asia, and Asia Pacific markets. Offerings from this team include: Cash Management and Internet Banking, Loan Origination, Payments, and Capital Markets. Headquartered in Mumbai, India, with development centers and sales offices in Singapore, Malaysia, Indonesia, Philippines, Hong Kong, and Thailand, the team is led by Mr. Shekhar Mullatti and Ms. Kashmira Bhayani.

Offerings from Aurionpro's Banking and Financial Services Technologies business include:

Cash Management – an integrated and centrally managed collection of modules that can be accessed from Banking Operational Centers or remotely from branches and other geographically dispersed locations. The product suite covers the entire cash management lifecycle, including: Collections, Payments, Liquidity, Post Dated Cheque, Financial supply chain, Dividend and Receivable matching. The 10-year mature product suite is architected with an Internet Banking front-end and a Banking Operations back-end, which also offers multi-currency, multi-country, imaging and STP features.

Loan Origination – a robust suite of products called SmartLender that handles all aspects of Corporate and Retail loan processing. Aurionpro's Smartlender suite supports all major loan origination processes, including customer investigation, application and prequalification, account processing and underwriting, account initiation, and account activation, with proven success in increasing processing efficiencies for our Lending customers.

Payments – two separate offerings across Corporate and Retail Payments industries. Aurionpro's PaymentHub Corporate Payments solution is a mature product suite that has recently been certified on the IBM Banking Industry Framework. This robust solution provides a centralized channel to handle all payment activities, offering full visibility on payment status and offering capabilities that cover monitoring, trend analysis, MIS reporting, and liquidity management. Our Retail Payments team provides focused consulting services, offshore product development (OPD), and a pre-packaged software platform called the Aurionpro Payments Framework (APF) to help design and deliver secure, compliant, and audit-ready payments solutions on behalf of Banks, payments processors, consumers, and merchants.

Supply Chain Management (SCM) Software

Aurionpro's Singapore-based SCM business provides its customers with a product suite called SCMProFit that addresses the full Supply Chain Management lifecycle including Freight Forwarding, Warehousing, Distribution, and Project Logistics Services, as well as supply chain visibility and control for Shippers and Manufacturers. SCMProFit is a modular and integrated system that is available in a cloud-based "SaaS" offering as well as through a traditional enterprise software license model. The product suite is currently undergoing a full redesign in collaboration with Microsoft under their "Global Top Deal" initiative, and will be launched early in 2013 on Microsoft's Azure cloud platform.

Oracle Implementation Services

Aurionpro's Oracle-focused consulting organization, which delivers its services under the Aurionpro SENA brand, is an expert-level software solutions and services firm and a Gold level member in the Oracle Partner Network. A long-term Oracle partner, Aurionpro SENA has successfully driven hundreds of Oracle Identity Management (IDM) projects over the past 13 years. Due to the firm's unparalleled level of IDM expertise and success implementing the Oracle IDM product suite, Aurionpro SENA became the first U.S.-based consulting firm to achieve Oracle "Specialized" status in identity administration and analytics, and is honored to have also been selected for Oracle North America Titan Awards two out of the last three years. Aurionpro SENA recently extended its IDM offerings with the addition of hosted and managed Oracle IDM solutions, as well as expanded the breadth of its services, which now also include WebCenter and Oracle Applications consulting and solution offerings.

Enterprise IT Services

Aurionpro's Enterprise IT Services business delivers technology and process solutions by complementing corporate IT teams with resources of uncompromising quality. Organized into dedicated Practices, Aurionpro's Enterprise IT Services division cultivates expertise by enabling domain-specific training, mentoring, and project oversight. Practices include: Information Security, Web and Mobile Solutions, Enterprise Solutions, Salesforce.com Consulting, Workforce Solutions, and Process Management. With over fourteen years of experience and hundreds of project success, Aurionpro's Consulting organization is capable of delivering value across every phase of a project lifecycle.

Company Information

Board of Directors

Mr. Paresh Zaveri
Chairman

Mr. Amit Sheth
Managing Director

Mr. Sanjay Desai
Executive Director

Mr. Vishwanath Prabhu
Non-Executive Director
(resigned w.e.f. August 12, 2013)

Mr. Samir Shah
Non-Executive Director
(appointed w.e.f. August 12, 2013)

Mr. Prem Rajani
Independent Director

Dr. Nikunj Kapadia
Independent Director

Dr. Mahendra Mehta
Independent Director

Mr. Sandeep Daga
Independent Director

Company Secretary

Mr. Mehul Raval

Board Committees

Audit Committee
Dr. Mahendra Mehta (Chairman)
Dr. Nikunj Kapadia
Mr. Amit Sheth
Mr. Prem Rajani
Mr. Sandeep Daga

Shareholders' / Investors' Grievance and Share Transfer Committee
Dr. Mahendra Mehta (Chairman)
Mr. Prem Rajani
Mr. Sandeep Daga
Mr. Amit Sheth

Remuneration / Compensation Committee
Mr. Sandeep Daga (Chairman)
Mr. Prem Rajani
Dr. Nikunj Kapadia
Dr. Mahendra Mehta
Mr. Amit Sheth

Registered Office

35th Floor, Sunshine Tower,
Tulsi Pipe Road,
Dadar (West),
Mumbai – 400 013.

Registrars & Transfer Agents

Bigshare Services Private Limited
E-2, Ansa Industrial Estate, Saki Naka,
Andheri – (E), Mumbai – 400 072.

Statutory Auditors

M/s. Chokshi & Chokshi
Chartered Accountants, Mumbai

Internal Auditors

D. Kothary & Co.
Chartered Accountants, Mumbai

Bankers

HDFC Bank Limited
State Bank of India
Axis Bank Limited
Yes Bank Limited
Bank of India