aurionpro

ANNUAL
REPORT
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Chairman's Letter

Dear Stakeholders,

We are happy to announce that Financial Year 2017-18 has been a significant year for the Company. Good growth in revenue and margins has generated strong operating cash flows which helped us invest aggressively in future growth through targeted investment in new product development while reducing our Debt and Liabilities. The consolidated revenue from operations excluding the revenue from the demerged/discontinued operations for the FY 18 stood at Rs. 404.11 Crores. Due to cost control measures, we have been able to deliver a 900 bps increase in our operating margins. EBITDA for the FY 18 stood at Rs. 79.86 Crores and EBIDTA margins were at 19.08%. PAT margins stood at 9.05 % for FY18 and absolute PAT was at Rs. 37.89 Crores. We are witnessing a good growth traction in all our business segments going forward.

As planned, the restructuring of business units and the demerger process has been completed. Aurionpro now is on the growth path with strong order book, projects in pipeline, client stickiness and with the right set of people to execute along with the strong management team to guide the way. We are confident that the business will perform extremely well and outperform its own and market expectations in terms of revenue and margins. The growth phase is evident in our first quarter results with the consolidated revenue at Rs. 120.18 Crores and profits at 12.65 Crores, recording growth of 26.7% and 90.5% respectively on year on year basis and we are confident of achieving higher growth going forward. We have a strong order book with orders in hand of approximately Rs. 650 Crores and with a strong product portfolio, optimized operations the company should perform well in the future. We are furthermore working on strengthening the product portfolio and deepening our presence across products and clients for the years to come.

Few highlights on our business segments i.e. Cybersecurity, Banking & Fintech and Government Solutions

Cybersecurity:

Last year, we sold our services business to KPMG to focus on ISLA. We continue to invest heavily on product development, building significant product capabilities and to make product available on cloud, significantly expanding the addressable market. Presently we have adopted a strong channel driven focus for addressing the market with ISLA. We had signed up with Hewlett Packard Enterprise (HPE) as an OEM partner and earlier this year we became a complete partner to HPE that allows customers worldwide to order ISLA software through a single Purchase Order (PO). We have also signed up with Techdata as our distributor for the HPE channel fulfillment for North American market, ECS as our distributor for Singapore, and over 20 other partners in the Asia Pacific region. We expect to scale up the Cybersecurity business during FY 19 through accelerated sales, marketing and distribution network. Under the leadership of a veteran from the Cybersecurity industry, his experience and deep understanding of the industry, we would be able to scale up our product offerings across client quickly.

Banking & Fintech:

Our Digital Innovation business continues to grow with robust deployments across India and Middle East markets. We are seeing rapid progress in the adoption of self service and automation technologies in the banking space. Over the last two years there has been a tremendous change in the banking space with many of the banks adopting the smaller branch formats. This in turn drives the demand for automation across banks and branches and Aurionpro is well placed to address this emerging opportunity with the portfolio of self-service technologies and ACE platform that provides the scalability and flexibility to banks to enhance their self service offerings.

Chairman's Letter (continued)

Our wholesale banking business looks robust. We have consolidated our presence in Asia Pacific with our corporate banking products for Lending and Cash Management. We have a leadership position in the ASEAN region. Both our SmartLender solution and Cash Management solution have seen strong margins and continued patronage by existing clients and also new customer addition from India, South East Asia and Middle East. We have also expanded our product offering in Global Transaction Banking to include Treasury Management services. We continue to be ranked amongst the top 100 FinTech companies in the world.

Open Banking has been gaining significant momentum across the globe and will be a key driver in a banks digital strategy and also enable rapid adaptation in the fintech space. The company is evaluating a strategy to address this opportunity.

Government Solutions:

Our Government Business continued to show healthy growth this year. We won new projects with state government and central government agencies around Digital India, Smart Cities and Cyber Infrastructure. We won Rajasthan Government's innovative project for designing and developing the nation's very first digital '3D City' model, aimed at streamlining city administration and enabling future developments.

With the belief that next generation automated fare collection has huge market opportunity, Aurionpro has initiated transit business based on the open loop technology. We have won two bids for Maha Metro - Nagpur and Noida Metro to provide Automated Fare Collection (AFC) system based on open loop technology. In both metro projects, Aurionpro in partnership with State Bank of India, will provide complete fare collection and ticketing solution and manage the infrastructure for the next ten years (from go-live) in return for percentage of revenue for every travelling passenger over the same period. Aurionpro is also looking for a strategic deal in this segment to be the leader in this vertical and have both the software and the hardware solution required for this system. We are also working with some large government organizations for smart transport who are currently using the old technology and also working with some of the state governments for providing our solutions for the state road transportation.

Future Outlook:

We have successfully concluded the business restructuring and the focus will now be on building the next version of Aurionpro, poised to embrace high growth phase. Technology and the human resources will be critical elements in this next phase. We will continue to encourage and retain talent within the organization and have taken various measures in this area including the Employee Stock Purchase Scheme to reward performance. Further, we are also strengthening internal systems and encouraging automation which shall improve operational efficiencies. During the year, we have consolidated all our offices in India under one centralized location at Navi Mumbai which has led to synergies and also helped us to reduce operational costs.

I am thankful to each of you for your continued support. Along with the Aurionpro team, we will work to build the next version of Aurionpro poised for sustained revenue and margin growth.

Paresh Zaveri
Chairman

Executive Management

Paresh Zaveri
Chairman

Paresh Zaveri is the Chairman of Aurionpro's Board of Directors. He co-founded the company in 1997 and has been the strategic architect of its growth ever since. Paresh led the formulation of Aurionpro's incisive corporate strategy that included a balanced combination of organic and inorganic growth and was essential in identifying the markets to expand into and the acquisition targets that would both fit within Aurionpro's corporate culture and targeted growth plans. Having successfully performed several corporate roles, Paresh now focuses on providing day-to-day executive, financial, operational, and strategic oversight to the senior leadership team.

He brings 20+ years of experience in corporate finance, supply chain, general management, and strategic planning to his role with Aurionpro, and is also influential in advising a number of industry-related organizations and enterprises. Based in Singapore, Paresh holds a degree in engineering as well as an MBA in finance.

Samir Shah
Chief Executive Officer (CEO)

Samir is the CEO of Cyberinc and Aurionpro, its parent organization. With over 20 years of experience in leadership roles, Samir has established a track record of scaling and accelerating business growth for technology businesses. Since 1998, Samir has been advancing Aurionpro's vision of becoming one of the world's most respected and innovative technology companies. He has led several key initiatives in Aurionpro, including establishing the company's North America presence in 2005, driving and successfully integrating its strategic acquisitions across the years. In 2008, Samir leveraged one such acquisition to start the Enterprise Security business at Aurionpro. He helped scale the business to make Aurionpro the preferred partner of choice, for Identity and Access Management (IAM), for Fortune 500 corporations. More recently, with the vision of empowering enterprises in their fight against escalating cyberattacks, and with acquisition of Silicon Valley based Spikes Security, Samir is leading Cyberinc to expand on its market leading position.

Samir is passionate about driving innovations in cybersecurity, banking and payments and has previously served on the boards of PaySimple and PriorityCommerce – innovators in Payments industry. Samir holds an engineering degree in computer science and an MBA in finance and lives in the San Francisco Bay Area.

Nirav Shah
Chief Operating Officer & Head – Digital Innovation

As the Chief Operating Officer, Nirav Shah spearheads all the key functions like Business units, Delivery Operations, Human Resources and Aurionpro's geographically dispersed engineering strategic business units to ensure optimization of processes and delivery excellence. Nirav is also in charge of leading and directing the digital innovation business line at Aurionpro, including designing and development of products driving digital innovation in the area of customer experience and digital payments.

Prior to taking on this critical corporate role, Nirav led Aurionpro's Payments business. He has previously held leadership roles at global organizations like Bankserv, Accenture, and Citicorp. Based in the San Francisco Bay Area, Nirav has received a bachelor's degree in electronics from TSEC, Mumbai University and an MBA in finance from SIMSR, Mumbai University.

ABOUT AURIONPRO

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Business Areas and Primary Offerings

Aurionpro is a global technology solutions leader that helps clients accelerate digital innovation, securely and efficiently. We combine core domain expertise with thought leadership in innovation & security. We leverage industry leading IP to deliver tangible business results for global corporations. Our cutting edge industry leading IP and products are designed to solve challenges for clients in areas of Cybersecurity, Customer Experience and Transaction Banking.

Every Aurionpro employee brings with him or her, the resourcefulness, creativity and aptitude to find solutions that deliver 'more' with 'less'. Our track record of success is built upon the edifice of domain expertise that we bring to all our engagements. Our core domain solutions are built across 700+ engagements delivered to businesses around the world over the last decade and a half. We pride our domain expertise across industries with a special focus on Banking and Financial Services. Over the last one year, Aurionpro has empowered over 100 clients from across 20 countries to Innovate, Secure and Optimize their businesses. Employing more than 800 domain and technology experts across North America, Asia and Europe, Aurionpro has consistently been recognized amongst the top 100 technology solutions providers for Financial Services companies.

The company is organized into three primary business lines:

Digital Innovation

We help clients de-risk innovation cycles and improve the speed of innovation. Using our frameworks and IP, clients can de-risk innovation cycles by eliminating execution risk, technology risk and time-to-market risk. Our offerings focus on enabling enterprises that are already digital or going digital with automation and immersive interactivity across digital customer experiences in the areas of branch operations and customer communications. We help banks and enterprises elevate customer experience and deliver on the promise of the digital enterprise.

ACE – Aurionpro Customer Engagement:

With ACE, Aurionpro aims to create unmatched customer experiences that are truly transformational. We offer an unrivalled range of touch points that are designed to automate transactions and migrate frontline activities into digital channels, resulting in higher efficiency and elevating the customer experience. The cornerstone of our offerings is the ACE platform, a high-performance low latency middleware that can help organizations deliver innovative digital experiences. It comes combined with multiple end-point products in the form of Kiosks that automate and elevate the experience as customers touch, click and feel their way through the service experience and transaction experience, thus amplifying the power of digital in customer experience.

Cybersecurity

Today when the world has gone digital, CISOs & CIOs must balance the need to capitalize on the opportunity that 'digital' provides while eliminating business risk arising from new sophisticated breed of cyber attacks, not to mention the challenges of ensuring full compliance and dealing with the acute shortage of IT security staff. Cyberinc, An Aurionpro subsidiary company dedicated to Cybersecurity has two product offerings:

1. **Isla**: The Isla Malware Isolation Platform offers a fundamentally different approach to cybersecurity. We help leaders in Information Security, IT, and Risk Management eliminate the biggest threat vector they face today: web-based malware and phishing attacks. Isolation technology is seeing rapid adoption—and according to Gartner will be adopted by more than 50% of organizations by 2021. With isolation our customers' businesses become secure – as they break away from the reactive, expensive pattern of trying to detect attacks and respond. CIOs and CISOs can achieve the optimal balance between security and productivity – as they are able to secure against web-malware without disrupting user behavior during browsing. By adopting proactive isolation-based security approach, Information Security and IT leaders can focus on delivering more value to business.

2. **Fine-grained Entitlements Authorization (Cyberinc Entitlements Server – CES)**: Powered by IP, Aurionpro's Authorization & Fine Grained Entitlements services allow enterprises to manage access to information assets as per their regulatory, compliance & business requirements. Going beyond paradigms such as Attribute Based (ABAC) and Role Based Access Control (RBAC), we develop centralized, simplified, extensible, adaptable & performant controls that closely model business & its processes. Be it Cloud or On-Premise, we can seamlessly integrate with industry leading IAM software to deliver a rapid go-to-market advantage. Enjoy the benefits of accelerated deployment, flexibility and responsive Authorization Services for the digital era, while making security a strategic enabler to business.

Banking

Our solutions for transaction banking represent best practices across the industry gathered through more than 10 years of experience servicing well known banks in the region. Our Banking products and solutions represent an ideal combination of rich domain and functional knowledge and cutting edge technical expertise. This reflects our "Solutions for bankers, by bankers" philosophy. Our team is led by dynamic ex-bankers who are passionate about the success of our customers. Our proprietary engagement and implementation model is well accepted by multiple banks and we are proud of our perfect delivery track record. Our products include:

1. **Smart Lender for Loan Origination**: Loan Origination System product suite is an end-to-end integrated Credit

Risk Management System which improves productivity, enhances credit quality, and reduces operational risks. The Credit Risk Management System incorporates Basel II risk management framework as well as best-of-breed credit risk management practices from international banks. The solution is a strategic risk-based lending platform to enhance credit quality and improve productivity. It is also the data gathering infrastructure for all three credit risk management approaches of Basel II (Standardized, FIRB, and AIRB).

2. **iCashPro for Cash Management**: We help drive efficiencies by enabling our clients' corporate customers to manage their receivables and payables most efficiently. Our iCashPro product suite is a fully integrated, web-based, end-to-end banking solution. It consists of independently functioning FrontEnd Internet Banking and Back-End Banking Operations. The architecture enables centralized hosting with access from all branches or other operational centers. This enterprise-scale platform enables banks to process large volumes of transactions as well as multi-currency, multicountry, imaging and straight-through processing (STP) capabilities.

3. **Financial Supply Chain Management**: Our Financial Supply Chain Management platform helps the banks in managing their working capital and funding requirements. It enables the banks and financial institutions to represent their financial information and cash flow efficiently across company boundaries, from credit checks to payment receipts. Our FSCMPro product suite integrates all the customers of a bank to share and exchange information seamlessly, providing a transparent workflow through all stages of the supply chain. The efficiencies gained by leveraging the platform improves business performance while reducing unnecessary costs that to ensure growth and innovation.

Government and PSU:

Aurionpro aims to support the Government in its vision to build and sustain a Digital India. Our turnkey solutions, combined with delivery excellence and proven global best practices allow government organizations to expedite the process of ensuring that the benefits of government programs reach the common man. We work with various departments of the Government to create Smart Cities, Smart Surveillance through turnkey system integration and big data/ analytics.

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Asia Pacific

Singapore

Hong Kong

Jakarta, Indonesia

Bangkok, Thailand

Melbourne, Australia

Kuala Lumpur, Malaysia

India

Navi Mumbai, Maharashtra, India

Pune, Maharashtra

Jaipur, Rajasthan

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Kolkata, West Bengal