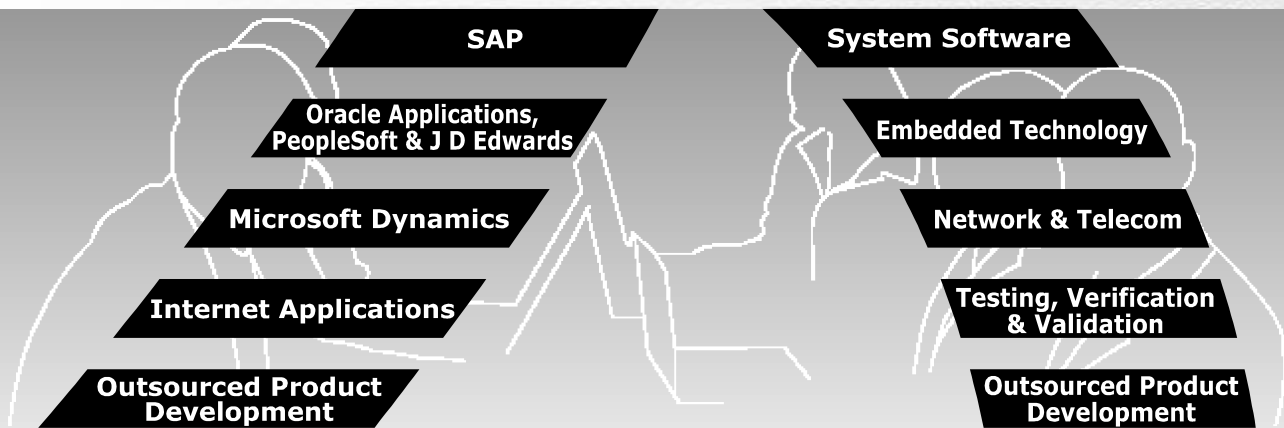




ASM TECHNOLOGIES LIMITED



**Annual Report
2006-07**

www.asmltd.com

Registered Office**India**

80/2, Lusanne Court
Richmond Road
Bangalore 560 025, India
Phone + 91 80 2227 4121, + 91 80 2212 4854-57
Fax + 91 80 2227 3606
Email : info@asmltd.com

Branch / Subsidiary Others**USA**

Pinnacle Talent Inc.
2020, Calamos Court
Suite 200, Naperville
IL 60563-2793, USA
Phone + 1 630 799 1563
Fax + 1 630 799 1562

Singapore

30 Toh Guan Road
08-03A, ODC
Distri Centre
Singapore 608 840
Phone + 65 62705737
Fax + 65 6324 5345

UK

Nutford Place
24-25
Marble Arch
London W1H5YN, UK
Phone + 207 569 3285
Fax + 207 569 3001

Board of Directors

Dr. S. Srikantan Chairman
(ceased to be a Director w.e.f. 19.08.2006 following his demise)
Dr. R.P. Shenoy Director
(appointed as Additional Director w.e.f. 26.10.2006)
Prof. B.S. Sonde Director
Mr. M.R. Vikram Director
Mr. Rabindra Srikantan Managing Director

Legal Advisors

Mr. Kiran S. Javali, Advocate
37, 11th Main, Vasanthnagar,
Bangalore 560 052

M/s. Michael A. Cotteleer & Associates
207, N. Washington
Wheaton, Illinois 60187, USA

Bankers

State Bank of India
Bangalore City Branch
22, J.C. Road, Bangalore 560 027, India

SBI Factors & Commercial Services Pvt. Ltd.,
370/14, 1st Floor, 14th Cross, 8th Main
Sadashivanagar, Bangalore 560 080, India

Lord Krishna Bank Ltd.,
Samskruthi Chambers, # 103, K.H. Road
Bangalore 560 027, India

State Bank of India
19, La Salle Street,
Chicago, Illinois 60603, USA

Indian Bank
Bharat Building, # 3, Raffles Place
Singapore 048 617

Audit Committee

Mr. M.R. Vikram
Prof. B.S. Sonde
Dr. R.P. Shenoy

Share Transfer & Investor Grievance Committee

Prof. B.S. Sonde
Mr. Rabindra Srikantan

Remuneration Committee

Dr. R.P. Shenoy
Prof. B.S. Sonde
Mr. M.R. Vikram
Mr. M.R. Gopinath

Company Secretary

Ms. P.N. Lakshmi

Auditors

M/s. Sudhakar Pai Associates
Chartered Accountants
C-4, Unity Buildings
J.C. Road
Bangalore 560 002, India

M/s. Mallesh B. Hullatti & Co.
68/155/4B, 'Shivasiri'
Harinagar Cross, Kathanur, Anjanapura Post
Bangalore 560 062, India

M/s. N. Rajan Associates
10, Jalan Besar,
10-12, Sim Lim Tower
Singapore 208 787

Jack Iyer CPA
39120 Argonaut Way No.684
Fremont, CA 94538
USA

Company Law Advisor

Mr. M.R. Gopinath
"Rukmini", # 252/B, 2nd "C" Main,
1st Phase, Girinagar,
Bangalore 560 085

Stock Exchanges

(Where the shares of the Company are listed)
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai 400 001, India

Bangalore Stock Exchange Limited
51, Stock Exchange Towers
1st Cross, J.C. Road
Bangalore 560 027, India

Stock Code

BgSE - ADVSYNER
BSE - 526433

Demat ISIN No. in NSDL & CDSL for Equity Shares

INE867C01010

Investor Relation Cell

Secretarial Department
80/2, Lusanne Court
Richmond Road
Bangalore 560 025, India
Phone + 91 80 2227 4121

Registrars & Share Transfer Agents

Karvy Computershare Private Limited
51/2, TKN Complex, Vanivilas Road
Opp. National College, Basavanagudi
Bangalore 560 004, India
Phone + 91 80 2662 1192

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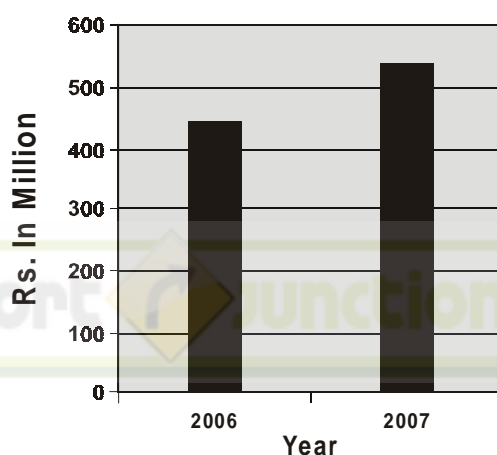
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Corporate Vision

“To be a global leader, committed to the customer
in providing technology solutions with
the highest degree of excellence, quality and value
by an agile team using efficient processes”

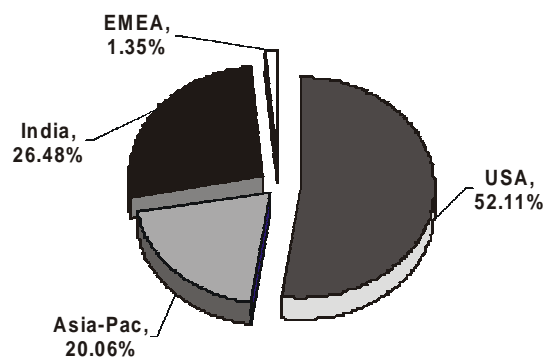
ASM GROUP INFORMATION

ASM Group Revenue (Net of Inter-Company Sales)

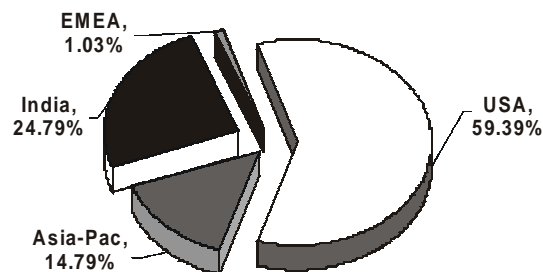


Geographical Distribution of Revenue

2005 - 2006



2006 - 2007



NOTE : Group consists of :

ASM Technologies Ltd. (India) • Pinnacle Talent Inc. (USA) • Advanced Synergic Pte. Ltd. (Singapore)

CEO's Letter to Shareholders

Dear Shareholders,

In today's competitive global market, adoption of technology has become a fundamental imperative for corporations to sustain their competitive advantage in the market place. Globalisation and technology ubiquity have led to high customer expectations, super-efficient competitors and sophisticated operational capabilities. While many Companies acknowledge the challenges, few are looking at the new opportunities such as building globally efficient operations, accessing global talent or leveraging the abundance of information. India is recognized as the premier destination of offshore technology services. The revenue potential of the Indian IT Industry is estimated to be \$ 60 million by 2010 and your Company is well poised to take advantage of this opportunity.

The consolidated ASM group revenue for the year ended 31st March, 2007 was Rs. 540.36 million as against 444.88 million during the same period last year registering a growth of 21.46%. The group registered a EBIDTA of Rs. 42.66 million as against to Rs. 34.95 million for the year ended 31st March, 2006.

For ASM Technologies the total revenue of the Company increased from Rs. 261.36 million to Rs. 300.61 million registering a growth of 15%. Domestic sales was Rs. 219.09 million, an increase by 87.26% to that of the previous year. Similarly the Company registered a EBIDTA of Rs. 37.66 million for the year ended 31st March, 2007 as against Rs. 26.38 million for the same period the previous year.

Future Outlook

ASM Technologies Ltd., is pleased to announce that it is an ISO 9001-2000 and a SEI CMMI Maturity Level 3 Company.

We are targeting for a SEI CMMI Maturity Level 5 appraisal and ISO 27000 Information Security Management System (ISMS) for the current year.

Like the past year, this year also looks good and the Global Business Climate in general and Indian Business in particular is promising. The growth will be from new clients and more offerings to the existing clients. Over 50% of the Clients are Fortune 500 Companies and over 75% of the Clients are Global 2000 Companies. It is heartening to inform that 92% of current business is from the existing clients.

The Company has carved a niche in the areas of Enterprise Solutions and Technology Solutions and is riding high the global IT wave.

Geographical Areas of Operation

The Company continues to strengthen its market initiatives in the areas of presence, viz India, Singapore, US and UK. The Company is expanding with plans of new offices in the Asia-Pacific and EMEA regions the horizon, dove-tailed with the clients plan for the corresponding time period looks very promising. The Company is also expanding the relations with existing clients in new geographies. During the year the Company intends to deploy additional sales force to service its expanded client base and its foray into newer markets.

Business Focus Area

◆ Current Areas :

This year the Company has strengthened its core areas of

1. Enterprise Application - Packaged ERP implementation, Support and Maintenance, Add-ons and Application development Integration.
2. Technology Service & Product Engineering Services- System Software, Embedded Software and Firmware continues to be the growth area.

◆ **Future Expansion Areas :**

The Company will continue to strengthen in these Core Business areas.

Industry Solution for SME's :

The Company has identified specific industry verticals for which specific 'out of box' solutions are being developed.

Engagement Models

Various Client Engagement Models to meet the requirement of the sound delivery system with a distinct cost advantage has been effected. Blended Onsite – Offshore model, Offsite support and Development Center and Offshore Development Center (ODC) are the current trends which will continue with more volumes in the coming years.

Technology

The Company will continue to focus on Enterprise Applications and Technology Solutions. The future will be to further strengthen these areas of focus and build competency around them apart from building competent technical teams for the Enterprise Infrastructure Management and R & D Services Testing / Validation.

It is a well recognized fact that Human Resources are the most valuable assets deployed and valued by an organization. Your Company is well positioned to surge ahead and has developed the strength to withstand the vagaries of the IT business cycle. This is made possible by a highly dedicated team of motivated employees, the Company can boast of, who are raring to go the extra mile for leading the Company into a glorious future.

Good Corporate Governance encompasses the practices and procedures to be observed by the management with regard to laws, regulations, procedures and disclosures that must be adhered to at all times. We believe that sound corporate governance is critical to enhance and retain investor trust.

On behalf of the management of the Company and on my behalf, I take this opportunity to thank

- * Our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their support.
- * Staff of the Company for their valuable contribution, efforts and spirit of dedication.
- * State Bank of India, Bangalore City Branch, Lord Krishna Bank Ltd., Mission Road, Bangalore and SBI Factors & Commercial Services Pvt. Ltd., Bangalore, for their support and guidance.
- * Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Bangalore
29th June, 2007

RABINDRA SRIKANTAN
CEO & Managing Director

Our Board of Directors

Dr. R.P. Shenoy

Dr. R.P. Shenoy, a 'Distinguished Scientist' and a recipient of 'Padma Sri Award' (Presidential award) from the Government of India holds a Ph.D. in Electrical Engineering from University of Wisconsin, USA. He is fellow of National Academy of Engineers and a distinguished fellow of the Institution of Electronics and telecommunication Engineers. He is known for his contributions to the development and growth of radar technology in India. Dr. Shenoy has also been associated with the Indian Institute of Science, Bangalore as a distinguished scientist and retired as an eminent scientist at the DRDO. He is a recipient of the Aryabhata award for the year 2000 and the DRDO life time achievement award for the year 2001.

Prof. B.S. Sonde

Prof. B.S. Sonde holds a Degree in Engineering from the University of Pune, M.Sc. Engg. from the University of Pune and Ph.D. from the Indian Institute of Science (IISc) Bangalore. His field of academic and research interest encompass Microelectronics, Instrumentation, Digital Technology and its applications in Electronics and Communication Engg. Prof. B.S. Sonde has been associated with IISc. Bangalore for more than three decades holding various senior positions including Dean, Faculty of Engineering, was appointed as the Vice Chancellor of Goa University between Feb. 1997 - Feb. 2002, been on the Advisory / Review Committees of several Universities and also visiting professor at Stanford University, California, USA and other foreign universities. He is a distinguished fellow of Institution of Electronics and Telecommunication Engineers and was also on the Board of Syndicate Bank for a period of 3 years until end of Feb. 2003.

Mr. M.R. Vikram

Mr. M.R. Vikram is a leading Chartered Accountant and Financial Services consultant, partner in M. Anandam & Co., in Secunderabad. M. Anandam & Co. are the auditors of many private & public sector Companies and are one of the auditors appointed for conducting a study for re-designing the accounting policies and procedures of Reserve Bank of India. He is on the Board of Directors of Zenotech Laboratories Ltd., GTN Industries Ltd., Normak Fashions (P) Ltd., Glochem Industries Ltd., etc.

Mr. Rabindra Srikantan

Mr. Rabindra Srikantan holds M.S. degree in Computer Engineering and Computer Science from the University of Louisiana, USA. He has professional experience in a wide range of software systems in the areas of Engineering, Enterprise Applications and System Software.

Our Assets – Our Employees

At ASM Technologies, human resources are the most valued assets. We are proud of every one of our employees as it is their dedication and commitment which has helped us to achieve our goals of being the chosen provider of end-to-end solutions. ASM invests in its employees, supports them with training facilities and enables them to work independently, so that they can grow as individuals and shape their careers.

Our Core Business

ASM Technologies Limited, established in 1992, is a pioneer in providing world Class Consulting Services in Enterprise Solutions for the Packaged ERP implementation, in Enterprise Product Development for SMB Segment and in Technology Solutions covering Embedded Systems and System Software to its Global Clientele.

ASM offers a broad spectrum of enterprise services such as configuration, implementation, customization, end-user training and documentation, Post Implementation Support & Maintenance across leading commercial off-the-shelf products like SAP, Oracle Applications, PeopleSoft, JD Edwards and Microsoft Dynamics.

ASM has been providing consulting Services (Product Engineering, Development, Product Support, Porting, Testing and Test Automation) to its Global Clientele in the Embedded Software and System Software space.

- ◆ 500+ employees worldwide
- ◆ Global Presence - Head Office in India (Bangalore), Subsidiary (ASPL) in Singapore, Subsidiary (PTI) in USA, Branches in Chicago & UK.
- ◆ Development Centers - India (Bangalore) & Singapore.
- ◆ Focus on Enterprise Applications, Application & Infrastructure Support, Embedded Systems and System Software.
- ◆ Industry Vertical : Manufacturing, Oil & Gas, Consumer Electronics, Distribution, Telecom, Public Utilities & Retail.
- ◆ Certified in SEI CMMI ML3, ISO-9001 : 2000 for all its Development & Support Operations.

Enterprise Application Highlights

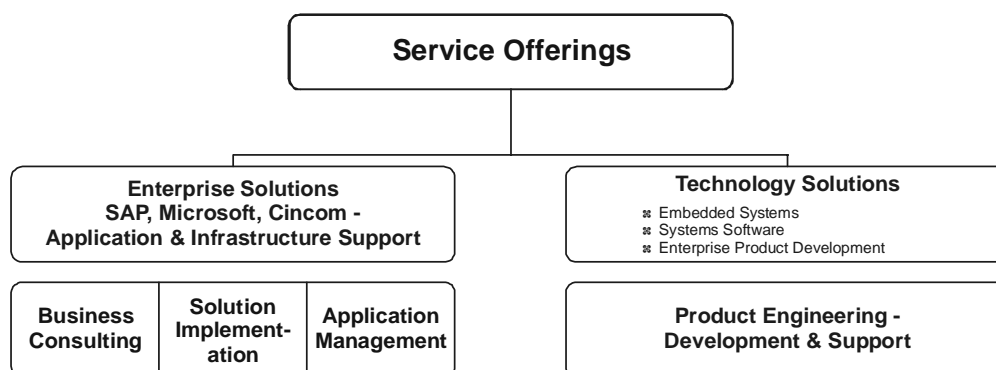
- 2000 Person - Years experience
- Implementation, Rollout, Support & Maintenance
- 50,000 ERP seats, multiple countries
- 150+ ERP projects
- ERP Product Development (for the SME Market) Experience of over 150 person years

OUR MISSION :

To understand and empower client organizations through world-class consulting services in the area of Enterprise Solutions in the context of turnkey development and commercial off-the-shelf packages and also in the area of technology solutions covering Embedded Systems and System Software.

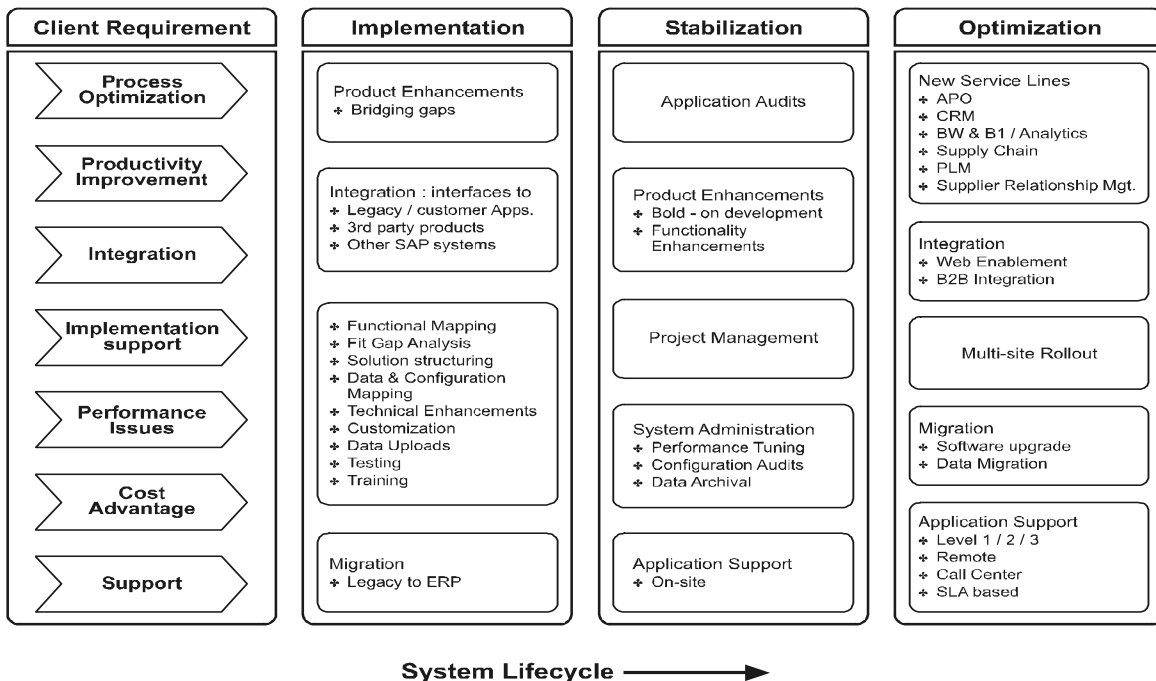
To commit us to the highest degree of excellence and customer support with a view to providing superior value to clients.

ASMTL OFFERINGS :



- ◆ Process Improvement
- ◆ IT Outsourcing Strategy Deployment
- ◆ Supply Chain Optimization
- ◆ Cost Reduction
- ◆ Enterprise Applications Implementation
- ◆ Enterprise Applications Support & Maintenance
- ◆ Change Management
- ◆ Training
- ◆ Process Documentation

1. Enterprise Solutions Expertise



2. TECHNOLOGY SOLUTIONS :

2.1 System Software

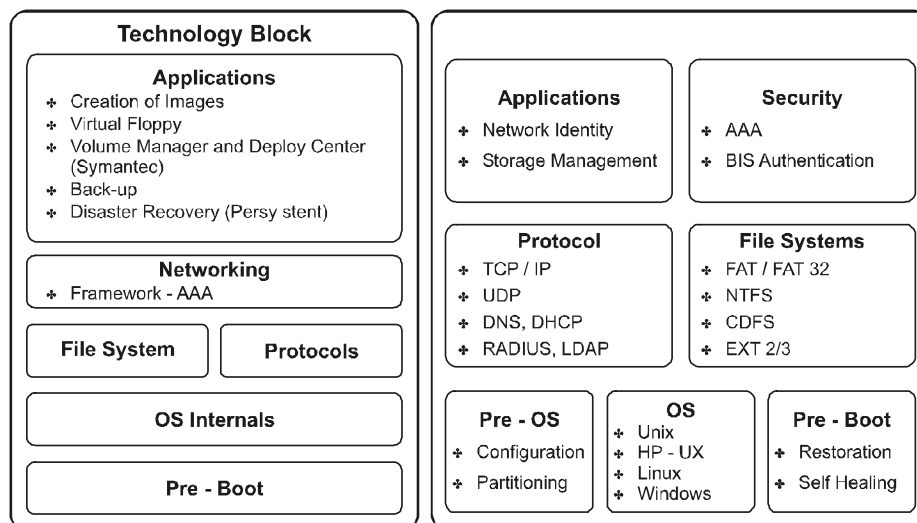
2.1.1 Technology Capability

- ◆ Product Engineering
- ◆ Testing & QA Services
- ◆ Test Automation Services
- ◆ Product Support services

Extensive Experience and Expertise in the areas of

- ◆ Storage Management
- ◆ PC Disaster Recovery
- ◆ Network Identity Appliances
- ◆ Application Deployment

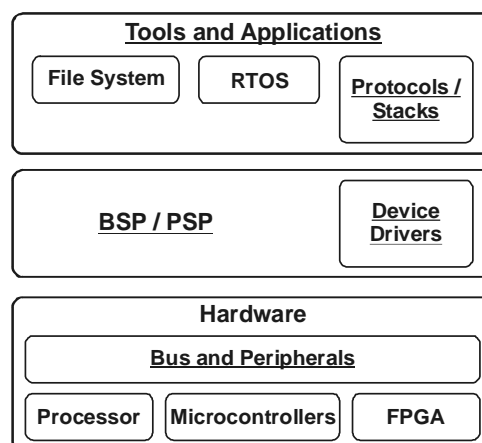
2.1.2 Technical Expertise



2.2 Embedded Systems

- ◆ Integrated Real time Solutions and Turnkey development.
- ◆ Embedded Software – RTOS, Protocols, Firmware, BSP, Device driver Development and Porting services.
- ◆ Board Level Hardware and FPGA design and development services.
- ◆ Porting & Testing Security Protocols, Encryption & Decryption Algorithms.
- ◆ Extensive work on Embedded File Systems.
- ◆ Telecom Systems & Subsystems designed & developed.
- ◆ HDSL
- ◆ Pair Gain System
- ◆ Loop Carrier Systems
- ◆ Telemetry

Technology Block



INDUSTRY VERTICALS

Consumer Products



Panasonic
ideas for life Global

PHILIPS SONY.

Manufacturing

Century ALUMINUM

MeadWestvaco



Owens Corning



PACIFIC COAST
building products



Oil & Gas, Energy



CINPOWER



Linde
AGA holox



Oil India Limited



Reliance
Industries Limited

Telecom



Qwest.
Spirit of Service™

Retail

Reliance
Industries Limited

Vera Bradley

Hi - Tech

ARICENT™

Honeywell

