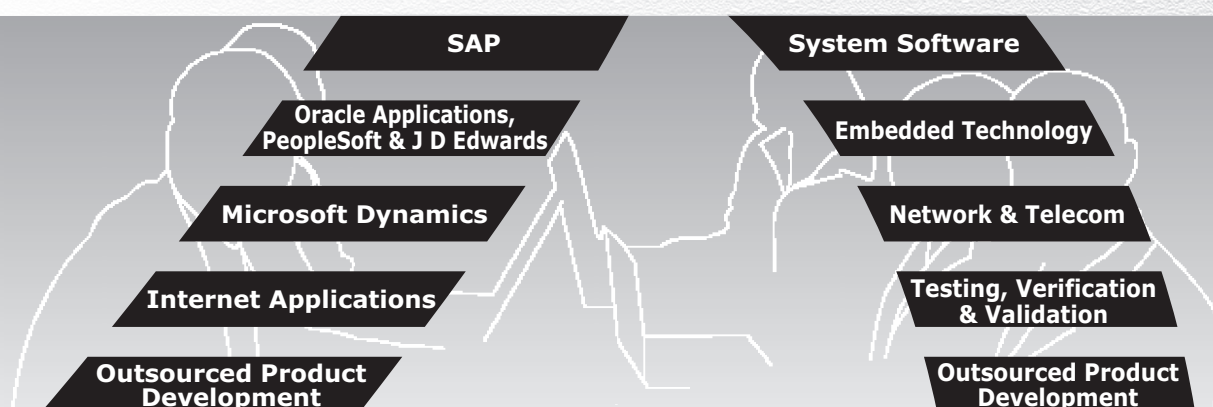




ASM TECHNOLOGIES LIMITED



**Annual Report
2009-10**

www.asmltd.com

Registered Office**India**

80/2
Lusanne Court
Richmond Road
Bangalore 560 025, India
Tel : +91 80 6696 2300-02
Fax : +91 80 2227 3606

Branch / Subsidiary Others**USA**

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

USA

ESR Associates Inc.
7071
W. Central Avenue
Toledo
Ohio 43617, USA
Tel : +419 843 2571
Fax : +419 843 2702

Singapore

Advanced Synergic Pte Ltd.
30 Toh Guan Road
08-03A
ODC Distri Center
Singapore 608 840
Tel : +65 62705737
Fax : +65 6324 5345

UK

ASM Technologies (UK) Ltd.
Nutford Place
24-25
Marble Arch
London W1H5YN, UK
Tel : +207 569 3285
Fax : +207 569 3001

Board of Directors

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

Chairman
Managing Director
Director
Director

Audit Committee

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

Chairman
Member
Member

Share Transfer & Investor Grievance Committee

Prof. B.S. Sonde
Mr. Rabindra Srikantan

Chairman
Member

Remuneration Committee

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

Chairman
Member
Member

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, India

Legal Advisors

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

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

Bankers**State Bank of India**

Overseas Branch, # 65, St. Marks Road,
Bangalore 560 001, India

SBI Global Factors Ltd.,

S-821/822, Manipal Centre, 47
Dickenson Road, Bangalore 560 042, India

State Bank of India

19, La Salle Street,
Chicago, Illinois 60603, USA

Indian Bank

Bharat Building, # 3, Raffles Place
Singapore 048 617

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
Tel : +91 80 6696 2309

Registrars & Share Transfer Agents**Karvy Computershare Private Limited**

Plot No. 17 to 24, Near Image Hospital
Vittalrao Nagar, Madhapur, Hyderabad 500 081, India
Tel : 040 23420818-824, Fax : 040 23420814

CONTENTS

Corporate Vision	4
Revenue Highlights	5
CEO's Letter to the Shareholder	6
Board of Directors	8
Core Business	9
Annual General Meeting Notice	14
Directors Report	17
Report on Corporate Governance	21
Management Discussion & Analysis	26
Shareholder Information	28
Auditors' Report	31
Balance Sheet	34
Profit & Loss Accounts	35
Cash Flow statement	36
Schedules to Accounts	37
Consolidated Financial Statements	45
Pinnacle Talent Inc., USA	56
(wholly owned subsidiary) Financial statements	
Advanced Synergic Pte. Ltd., Singapore	65
(wholly owned subsidiary) Financial statements	
ESR Associates Inc., USA	84
(step down subsidiary) Financial statements	
Proxy Form & Attendance Slip	93

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”

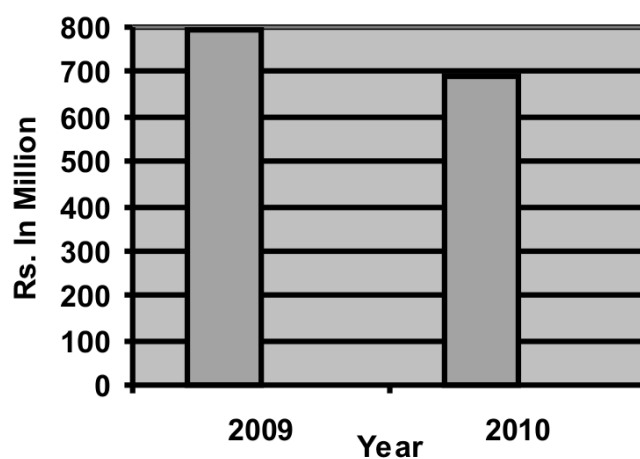
ASM Board of Directors



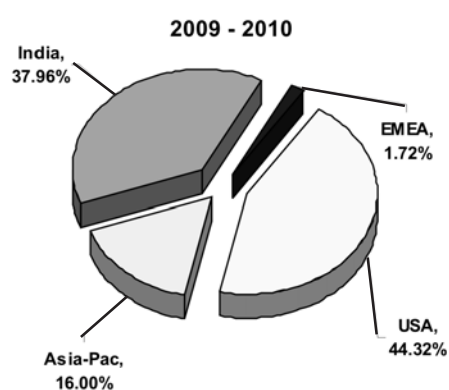
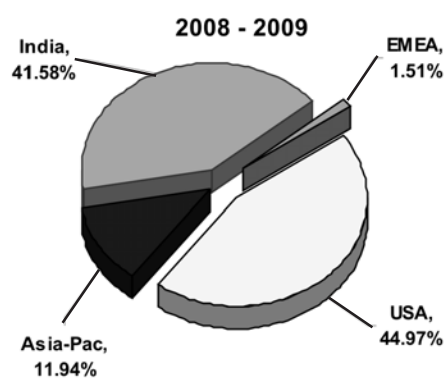
From left Prof. B.S. Sonde, Director, Dr. R.P. Shenoy, Director, M.R.Vikram, Chairman, Rabindra Srikantan, Managing Director

ASM GROUP INFORMATION

ASM Group Revenue (Net of Inter-Company Sales)



Geographical Distribution of Revenue



NOTE : Group consists of :

- ASM Technologies Ltd. (India)
- Advanced Synergic Pte. Ltd. (Singapore)
- Pinnacle Talent Inc. (USA)
- ESR Associates Inc. (USA)

CEO's Letter to the Shareholder

Dear Shareholder,

The beginning of the new decade heralded the slow but steady end of the worst recession in the recent past. Improving economic conditions signifying return of consumer confidence and renewal of business growth is expected to drive IT spending forward. IT services is expected to grow by 2.4% in 2010, and 4.2% in 2011 as companies coming out of recession harness the need for information technology to create competitive advantage. As per Nasscom Strategic Review 2010 Domestic IT-BPO revenues are expected to grow at almost 8.5% to reach INR 1,088 billion in FY 2010.

As one looks back at 2009, one cannot think of any other year which has witnessed so many different challenges. With all your support - ASM has demonstrated the resilience to sustain and come out much stronger from the downturn. Some of the highlights include- an all time high employee head count, invested in new sales initiatives in different regions, deeper relationships with ERP majors and invested for growth in new projects including Agri solution for the sugar industry, transaction based remote DBA support, ERP license sales and some others

For ASM (consolidated) the group revenue for the year ended 31st March 10 was Rs 689.33 million. Consolidated EBITDA was at Rs. 53.19 million, while consolidated net profit (after tax) was Rs. 30.90 million.

As for ASM (standalone) the total revenue from operations stood at Rs.427.92 million for the year ended 31st March, 2010. EBITDA was Rs. 58.56 million while Net Profit (after tax) was at Rs.34.28 million

The Board of Directors has recommended for approval of the members a dividend of Rs. 1.20 on the par value of Rs. 10/- per share for the financial year 2009-10.

Future Outlook

With the global economy showing signs of recovery, the future looks set for a spring back to a reasonable growth and maturity in the coming years for the industry.

ASM will leverage this phase in consolidating and growing the relationship with the existing clients, delivering value and offering more services across geographies. Further, new client acquisition will be the thrust for this year. For ASM this is an opportunity to provide greater value to existing clients and add new clients with its global delivery model. ASM looks to garner more work from the US and other region markets by leveraging on the offshore work delivery and thereby reducing the Total Cost of Ownership and Operating Costs to the clients.

Geographical Areas of Operation

The company continues to strengthen its market initiatives in India, Asia and US.

Business Focus Area

◆ Current Areas :

This year the Company has strengthened its core areas of-

- Enterprise Application- Packaged ERP implementation, Application Maintenance and Support (AMS), Database Support and Custom Enterprise Apps
- Application Development Integration
- Technology Service & Product Engineering Services- System Software, Embedded Software and Firmware.
- Engineering Services

New offerings last year:

- Launched Industry Specific Solution for the Sugar Industry (ACMS) to run on any ERP (SAP, Oracle etc)
- Launched an unique Remote Database Support Services (YoDBA.com) on "pay per incident / ticket model" addressing the mid and the small enterprises globally. This is supported by a dedicated 24X7 Offshore Support Center in India and connecting remotely to the client servers through secure connectivity thereby addressing issues like optimization, enhancing speed, data cleansing applying patches etc.
- Launched e-Learning tool (ePrism) for collaborative learning, creating client specific Knowledge Portal.
- Expanded the GRC initiatives (Governance Risk and Compliance) offerings - launched Digital Forensics offerings for the BFSI space

◆ **Future Expansion Areas :**

More Industry Specific ERP Applications:

The need to quickly deploy the ERP Solutions specifically designed for the different industry sectors is gaining momentum. ASM is addressing the needs of the Agriculture Based Industry, Process Industry, Consumer Products, Hi-Tech Industry and Services Industry. These Industry Specific solutions configured to the Global ERPs will ensure rapid implementation and the clients can reap the benefits of an integrated information system.

Additional offerings to Enterprise Applications:

Development of Adaptors for Enterprise Solutions: With diverse applications used by various clients based on their business needs, ASM has embarked on Development of Adaptors in partnership with ERP ISVs (Independent Software Vendors) which will seamlessly integrate multiple Enterprise Applications.

Business Intelligence and Data Warehousing: With large amount of data getting generated across enterprises, the need for providing meaning to the data is imperative. Hence a separate practice is built around market leading tools on the Business Intelligence and Data Warehousing.

Product Lifecycle Management (PLM): With new product development activities / initiatives across the world gaining high momentum, there is a need to provide scientific ways of managing the Product Lifecycle and the Company is moving towards building expertise and practice in providing PLM solutions tightly integrated with the Enterprise Applications.

Eco and Energy Initiatives: With a good awareness to conserve energy and to develop a green eco-system, ASM is building a vertical to address the energy conservation, monitoring and controlling software for the Enterprise. This would substantially benefit the customers with a high ROI and also champion the cause of the Corporate Social Responsibility.

Convergence Technologies: With good experience in both the Enterprise Applications and the Technology solutions, there is a great client need to converge on the two. In this regard, initiatives and expertise is being built for providing RFID (Radio Frequency Identification) mobility solutions for the Enterprise Applications for large Corporations.

Expand on the GRC initiatives - Digital Forensics offering currently for BFSI to be expanded to other industry verticals Retail, Brokerages, Manufacturing, HR.

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, Engineering Services and Technology Solutions. The drive will be to develop more industry focused solutions for quick deployment of the applications.

Employees are our asset and we attribute our success to an experienced management team and to a customer- oriented organization that is dedicated to excellence. Vesting faith in the resilience of our business model and driven by the talent and commitment of our people we look forward to overcoming challenges that lie ahead of us.

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
- * Valuable employees of the company for their valuable contribution, efforts and spirit of dedication
- * State Bank of India, Overseas Branch, Bangalore, State Bank of India, Chicago, SBI Global Factors Ltd. Bangalore and Indian Bank, Singapore, for their support and guidance.
- * Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM

Place : Bangalore
Date : 29th May, 2010

RABINDRA SRIKANTAN
Managing Director

Our Board of Directors

Mr. M.R.Vikram, Chairman

M.R. Vikram, Chartered Accountant and Financial Services Consultant, is a partner in a firm of Chartered Accountants, M. Anandam & Co, in Secunderabad. He is the Secretary of M. Venkatarangaiya foundation (MVF), a voluntary organization doing pioneering work in the field of child literacy. MVF, has mobilized 400000 illiterate children into schools in the past 15 years. M.R.Vikram has conducted Special and Investigation audits to report to the Reserve Bank of India, IDBI, IFCI and ICICI and other premier Financial Institutions in the country and also conducted compliance studies for the RBI's Forex Reserves. He serves as an Advisor, Auditor and Director of many companies which include Glochem Industries Ltd., GTN Industries Ltd., Normak Fashions (P) Ltd., etc.

Mr. Rabindra Srikantan Managing Director

Mr. Rabindra Srikantan holds a MS degree in Computer Engineering and Computer Science from the University of Louisiana, USA. As the Managing Director and one of the founders of ASM Technologies Ltd, Mr. Rabindra Srikantan is a seasoned, team-oriented business entrepreneur with a highly successful track record of building businesses based on sound strategic analysis. He has professional experience in a wide range of software systems in the areas of engineering, manufacturing, enterprise applications and Internet technologies. Mr. Rabindra Srikantan is an effective leader who is heading the team of ASM in providing medium and long-term business plans on leading edge technologies. He has implemented operational strategies to improve Quality and customer satisfaction ratings and has provided consulting services to more than 50 clients including multinational Companies. His philosophy of driving continuous business reformation by leveraging on state-of-the-art technologies, backed by a strong customer driven service perspective, has enabled ASM to emerge as one of the leading IT consulting and software services Company.

Mr. Rabindra Srikantan is also the President of Pinnacle Talent Inc., USA, the Director of Advanced Synergic Pte Ltd, Singapore the wholly owned subsidiaries of the Company and the President of ESR Associates Inc., USA.

Dr. R.P. Shenoy Director

Dr. R.P. Shenoy who holds a Ph.D. in Electrical Engineering from University of Wisconsin, USA. served the Defence R&D Organization of the Government of India till he retired in 1989 as Distinguished Scientist. He is a recipient of Padma Shree Award (Presidential award) for his contributions to the field of military electronics in India, During his service with the government of India, he was closely associated with the Indian Institute of Science, Bangalore, which invited him to be a Visiting Professor for a period of two years after his retirement. Dr. R.P. Shenoy is a fellow of Indian National Academy of Engineers and a Distinguished Fellow of the Institution of Electronics and Telecommunication Engineers. In the year 2000 he was the recipient of the prestigious Aryabhata award and the Distinguished Alumnus Award for the Indian Institute of Science, Bangalore. In particular, he is known for his contributions to the development and growth of radar technology in India for which he received the Life Time Achievement Award from the Defence R&D Organization, Government of India in 2001.

Prof. B.S. Sonde Director

Prof. B.S. Sonde holds a 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 Engineering. Prof. B.S. Sonde has been associated with IISc, Bangalore for more than three decades, holding various senior positions. He has held the post of Dean, Faculty of Engineering, and was Vice Chancellor of Goa University between February 1997 and February 2002, and has served on the Advisory / Review committees of several universities and also served as Visiting Professor at Stanford University, California, USA and other foreign universities. He is also a distinguished fellow of the Institution of Electronics and Telecommunication Engineers.

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, Enterprise Product Development, Engineering Services 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.

Profile :

- Publicly Listed Company in India
- 700+ employees worldwide
- Offices in India, Singapore, USA (Chicago and Toledo) & UK (London)
- Focus on Enterprise Applications and Technology Solutions
- ISO-9001 : 2000 & CMMI Maturity Level 3 Company
- Successful Offshore Development & Support Centers in India and Overseas

Highlights of Enterprise Applications :

- 4500+ Person years of Experience
- ERP Package Services (SAP, Oracle, PeopleSoft, Microsoft Dynamics)
 - Implementation, Rollout, Upgrade, IT Audit, End User Training & Process Documentation
 - Support & Maintenance
 - 150+ ERP Projects
 - ERP Product Development Service

Highlights of Technology Solutions :

- 1000+ Person years of Product Engineering
- Involved in Engineering 45+ Products and 120+ Product Releases

Service Offerings :

Enterprise Applications, SCM, CRM

Oracle Apps | SAP | PeopleSoft | Microsoft Business Solutions | Siebel

Business Intelligence and Data Warehousing

SAP BW | Cognos | Hyperion | DataStage | Oracle Express

Business Process Modeling (BPM) tools

ARIS | Savvion

Internet / SOA

.Net | J2EE | Websphere | Weblogic | Webmethods

Embedded Technologies

RTOS (VxWorks, MQX, WinCE, Embedded Linux) | BSP, PSP & Device Drivers (ARM, Freescale, PowerPC & Samsung) | Board Design

Engineering Services

CAD / CAM / CAE | CATIA | Teamcenter | PRO*E | UG

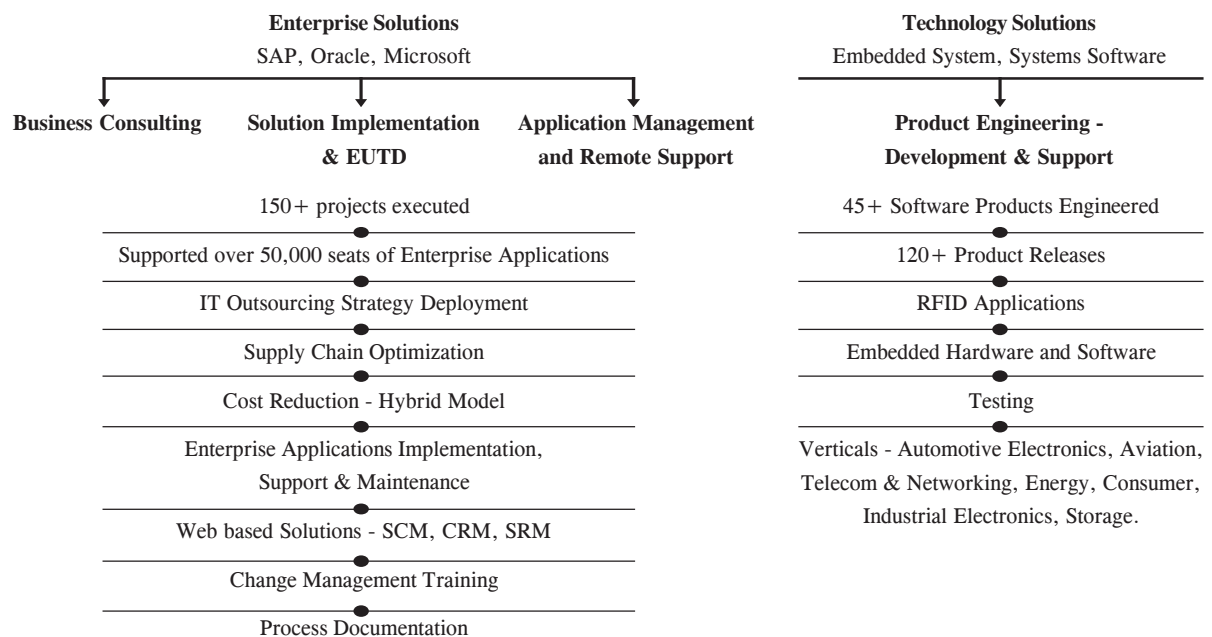
System Software

Storage Management | Backup & Restore | PC Disaster Recovery | Network Identity Appliance | Application Deployment

Proven Global Delivery :

- ◆ ASM Offices in USA, UK, Singapore & India
- ◆ Offshore / Offsite Delivery & Support Centers in India, US, Singapore
- ◆ Proven Delivery through Flexible & Cost Effective Engagement Models
- ◆ Combination of Onsite / Offsite / Onshore / Offshore Services
- ◆ Combination of Onsite / Offsite / Onshore / Offshore Services

SERVICE OFFERINGS



TECHNOLOGY SOLUTIONS

Embedded Systems :

- Integrated Real time Solutions and Turnkey development
- Developed Stacks, RTOS, BSP, Device Drivers, Encryption & Decryption
- RF Systems for Telecom
- Extensive work on Embedded File Systems
- Extensive Processor Knowledge
- Network Products and Communication Stacks
- Expertise in Embedded File Systems RTOS Porting and Testing services

System Software :

- | | | |
|-----------------------|------------------------------|-------------------------|
| • Product Engineering | • Core Areas | • Technical Expertise |
| • Testing & QA | • Storage Management | • File Systems |
| • Test Automation | • PC Disaster Recovery | • Network Protocols |
| • Product Support | • Network Identity Appliance | • Pre-Boot Technologies |
| | • Application Deployment | • Middleware |
| | | • Test Tools |