



ASM Technologies Limited

Annual Report
2010-11



www.asmltd.com

Board of Directors

Mr. M.R. Vikram	Chairman
Mr. Rabindra Srikantan	Managing Director
Dr. R.P. Shenoy	Director
Prof. B.S. Sonde	Director
Mr. Shekar Viswanathan	Additional Director (w.e.f. 28.5.11)

Audit Committee

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

Share Transfer & Investor Grievance Committee

Prof. B.S. Sonde	Chairman
Mr. Rabindra Srikantan	Member

Remuneration Committee

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

Company Secretary

Ms. P.N. Lakshmi

Auditors

M/s. Sudhakar Pai Associates
Chartered Accountants
Bangalore, India

M/s. Mallesh B. Hullatti & Co.
Chartered Accountants
Bangalore, India

M/s. N. Rajan Associates
Certified Public Accountant
Singapore

Jack Iyer
Certified Public Accountant
USA

Mr. Paul Schweer
Certified Public Accountant
USA

Mayur R Patel
Certified Public Accountant
USA

Company Law Advisor

Mr. M.R. Gopinath
Practicing Company Secretary
Bangalore, India

Legal Advisors

Mr. Kiran S. Javali,
Advocate
Bangalore, India

M/s. Michael A. Cottleer & Associates
Solicitors
USA

R. Lamar Frederick LLC.
Solicitors
USA

Bankers

State Bank of India
Bangalore, India

Indian Bank
Singapore

State Bank of India
Chicago, USA

SBI Global Factors Ltd.,
Bangalore, India

Bank of Baroda
Bangalore, India

HDFC Bank Ltd.,
Bangalore, India

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 Number

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 : 040-44655185

CONTENTS

Corporate Vision	4
Revenue Highlights	6
CEO's Letter to the Shareholder	7
Board of Directors	9
Core Business	10
Annual General Meeting Notice	14
Directors Report	17
Report on Corporate Governance	21
Management Discussion & Analysis	26
Shareholder Information	29
Secretarial Audit Report	32
Audit Report	37
Balance Sheet	40
Profit & Loss Accounts	41
Cash Flow statement	42
Schedules to Accounts	43
Consolidated Audit Report	51
Consolidated Financial Statements	52
Letter to Shareholder	63
Proxy Form & Attendance Slip	65

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”



Head Office, Bangalore, India



Bangalore, India



Singapore



Chicago, USA

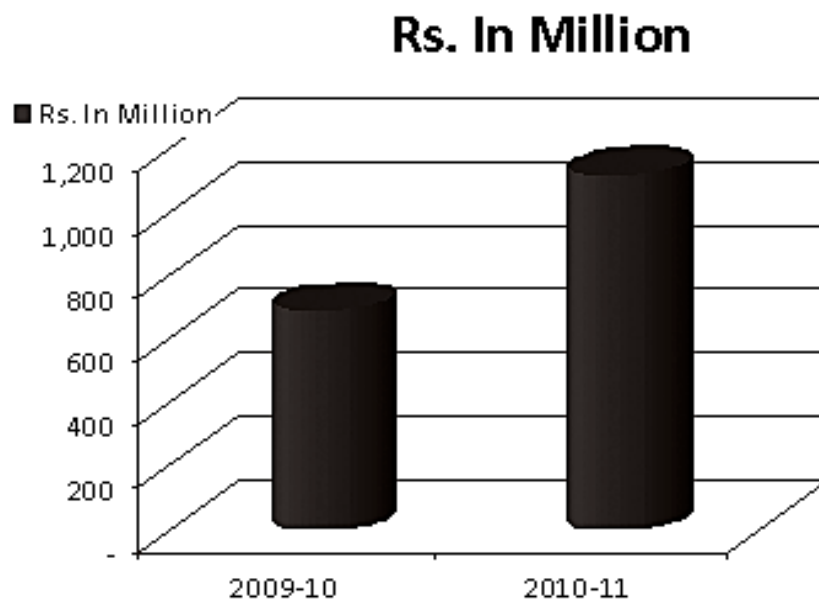
ASM Board of Directors



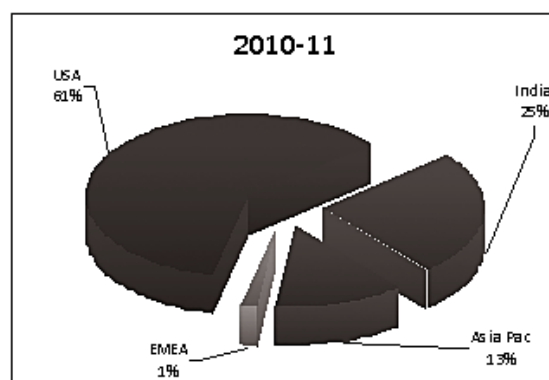
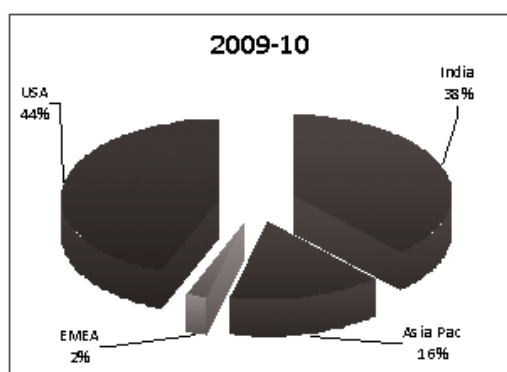
From left Prof. B.S. Sonde, Director, Dr. R.P. Shenoy, Director, Rabindra Srikantan, Managing Director, M.R. Vikram, Chairman, Shekar Vishwanathan Director, Ms. P.N. Lakshmi Company Secretary

ASM GROUP INFORMATION

ASM Group Revenue (Net of Inter-Company Sales)



Geographical Distribution of Revenue



NOTE : Group consists of :

- ASM Technologies Ltd. (India)
- Pinnacle Talent Inc. (USA)
- Abacus Business Solution Inc. (USA) 2010-11
- Advanced Synergic Pte. Ltd. (Singapore)
- ESR Associates Inc. (USA)

CEO's Letter to the Shareholder

Dear Fellow Shareholder,

The year 2010-2011 has been quite challenging and when we look back at the Indian IT Industry's performance at the end of the fiscal, we will remember 2010-2011 as an eventful year of improved performance in which the industry demonstrated its maturity and the robustness of its business model. It has not only recovered smartly from the worst downturn we have seen in living memory but also re-engineered and reinvented itself and is now well poised for the future. The advent of 2010 also signaled the revival of outsourcing within core markets, along with the emerging markets increasingly adopting outsourcing for enhanced competitiveness. The Indian IT industry has grown phenomenally over the past decade from \$1 billion industry in 2001 to \$60 billion in 2010.

The global economic climate, post recession, posed several challenges but with clear focus on quality and productivity we have been fairly successful in achieving our objectives. The overall performance for the year spelled growth for ASM registering consolidated revenues of Rs. 11,164.65 lakhs for the year ended 31st March 2011, a growth of 61.96 % over the same period the previous year. EBITDA was at Rs. 1099.19 lakhs while Net Profit increased by 95.06% to Rs. 627.87 lakhs.

On a standalone basis the company registered revenues of Rs. 6232.75 lakhs for the year ended 31st March 2011, a growth of 45.65 % over the same period the previous year. Domestic sales were Rs. 2781.93 lakhs while Export sales were Rs. 3450.81 lakhs. EBITDA was at Rs. 1016.30 lakhs while Net Profit increased by 90.16 % to Rs. 651.94 lakhs.

The impressive performance has helped us reward our shareholders in a significant manner with a dividend of Rs. 2/- per share for the year 2010-11, subject to the shareholders' approval.

During the year the company signed a definitive agreement to acquire 100% of Abacus Business Solutions, Inc., US based firm in an all cash deal. The acquisition was through the company's wholly owned subsidiary, Advanced Synergic Pte Ltd, Singapore. Abacus has been in the business for more than a decade assisting large corporations and Fortune 500 Companies with Enterprise Applications, Oracle Applications, Oracle Tools and Technology, E- Commerce, Reporting and Data Warehousing. The acquisition has afforded ASM an opportunity to expand its offerings to a larger ERP & Oracle client base in the US and thus broaden its revenue margins.

Future Outlook

With the Global Economic trend looking positive and good, after two turbulent years, there is a greater learning and changes envisaged in the way the Business / Industries plan and execute their charter. This is good news for the IT Industry in particular lending itself to provide solutions for the Growth Phase.

ASM will leverage this phase in consolidating and growing the organization by offering more services to the existing clients across other geographies and new client acquisitions. This growth phase will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode and center of excellence.

The existing clients will be offered cross solutions across various technologies thus moving from a Technology Competency to Industry Vertical Specialization relationship thus aligning more deeply with the Client's business. This model will be extended to the New Clients as the relationship progresses.

New client acquisitions will be through addition of specialized sales and delivery professionals across geographies, through new company acquisitions and specializations in more Industry Verticals which offer high growth.

Geographical Areas of Operation

The company has increased its presence in US to 3 offices, apart from India, Singapore and UK. This year the company is exploring the possibility of setting up operations in LATAM (Latin America) Region.

Future Expansion Areas

More Industry Specific 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, Clean Power 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 a integrated information system.

Paradigm Change in the way the Global Markets communicate

ASM is working in new areas, specifically in cloud computing, which will be an inclusive solution program and change the way the Industries / Business communicate with their internal and external stakeholders across multiple geographies. This solution will further be refined for Specialized Industry Verticals.

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.

Social Media : With the growth of social media, ASM is working on initiatives of adapting social media with existing Enterprise Apps with the requisite security and controls.

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. Our historical strengths, inovative business model and market integration position us well to capitalise on opportunities and deliver more value to our shareholders.

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, Indian Bank - Singapore, SBI Global Factors Ltd, SBI Chicago and Bank of Baroda for their support and guidance
- * Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM

Place : Bangalore
Date : 28th May, 2011

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., Wings Infonet 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, Director of Advanced Synergic Pte Ltd, Singapore, President of ESR Associates Inc., USA & Abacus Business Solutions 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.

Mr. Shekar Viswanathan **Director**

Shekar Viswanathan, a Chartered Accountant, is the Deputy Managing Director, (Commercial) of Toyota Kirloskar Motor Pvt Ltd since January, 2009. Prior to this he was a member of the Board of Directors of Toyota Kirloskar Auto Parts Pvt Ltd responsible for the finance, human resources and legal functions and also on the Board of TG Kirloskar Automotive Pvt Ltd. His experience spans the financial services and project finance sector in a career of 29 years

Mr. Shekar Viswanathan is a member of many leading Industrial Associations in India. and has held positions as President of the Bangalore Chamber of Commerce & Industry 2010-2011, Chairman -SIAM MUV Committee 2010 and elected member of CII Southern Regional Council 2009-2011. He is a Director on the Board of Kirloskar Systems Ltd.