



SYNERGIC

# ASM Technologies Limited **Annual Report** 2013-14

Engineering Services

Business Systems

IT Infrastructure

Technnology Solutions



[www.asmltd.com](http://www.asmltd.com)

## Board of Directors

Mr. M.R. Vikram	Chairman
Mr. Rabindra Srikantan	Managing Director
Prof. B.S. Sonde	Director
Mr. Shekar Viswanathan	Director

## Audit Committee

Mr. M.R. Vikram	Chairman
Prof. B.S. Sonde	Member
Mr. Shekar Viswanathan	Member

## Stakeholders Relationship & Share Transfer Committee

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

## Nomination & Remuneration Committee

Mr. Shekar Viswanathan	Chairman
Prof. B.S. Sonde	Member
Mr. M.R. Vikram	Member

## Company Secretary

Ms. P.N. Lakshmi

## Auditors

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

M/s. Venu & Vinay  
Chartered Accountants  
Bangalore, India

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

## Tax Advisors

Mr. Paul Schweer  
USA

Mr. Subash B. Desai  
USA

## Company Law Advisor

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

## Legal Advisors

INDUSLAW  
Advocates  
Bangalore, India

The Law Office of Anthony Abear P.C.  
Attorney  
USA

R. Lamar Frederick LLC.  
Solicitors  
USA

## Bankers

State Bank of India  
Overseas Branch, Bangalore, India

DBS Bank Ltd.,  
Ulsoor Road Branch, Bangalore, India

Bank of Baroda  
Palace Orchard Branch, Bangalore, India

Indian Bank  
Singapore

State Bank of India  
San Jose, CA

Bank of America  
Mountain View, CA, USA

State Bank of India  
King Street, London

First Federal Bank  
Ohio, USA

## 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  
compliance.officer@asm ltd.com

## 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  
einward.ris@karvy.com

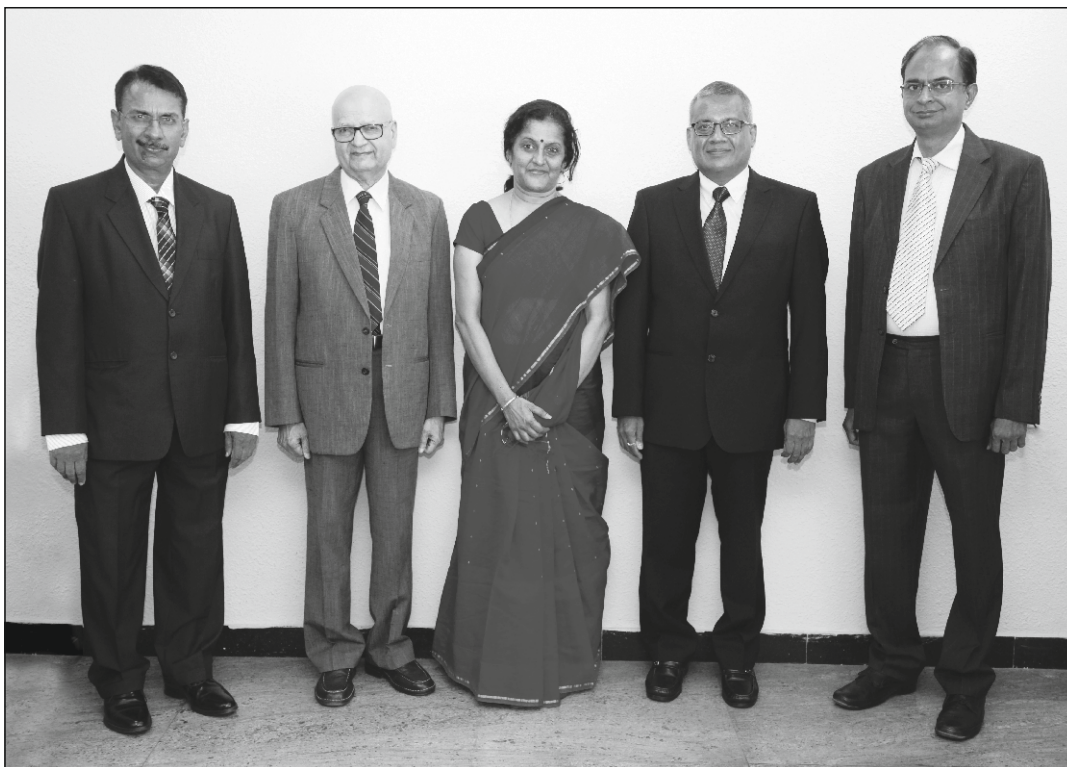
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## Corporate Vision

“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 Board of Directors



From Left: Mr. Shekar Vishwanathan, Director, Prof., B.S. Sonde, Director, Ms. P.N. Lakshmi, Company Secretary, Mr. Rabindra Srikantan, Managing Director, Mr. M.R. Vikram, Chairman



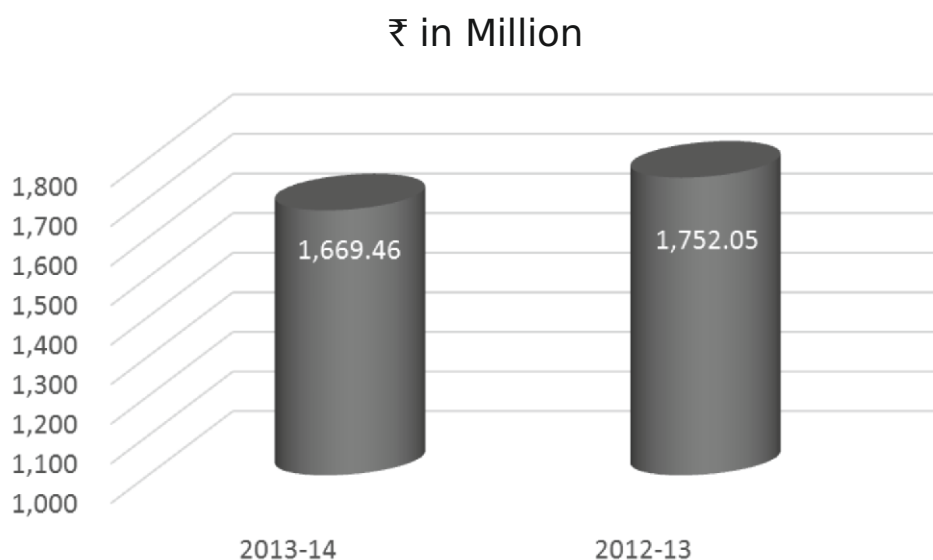
Head Office:  
Richmond Road, Bangalore, India.



Wellington Street, Bangalore, India.

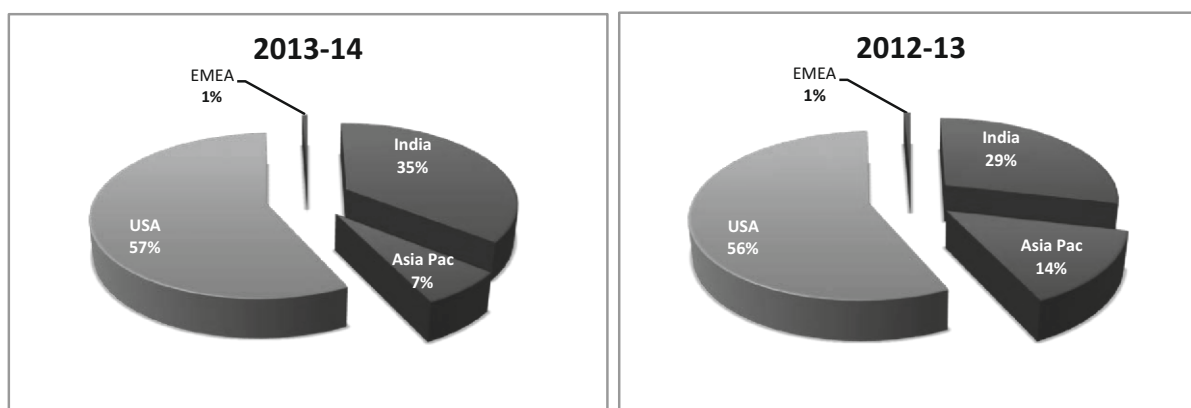
## ASM GROUP INFORMATION

### ASM GROUP REVENUE (NET OF INTER COMPANY SALES)



₹ in Million

### GEOGRAPHICAL DISTRIBUTION OF REVENUE



**Note : Group consists of :**

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

Dear Fellow Shareholder,

At the dawn of the new year 2014, the world is in the midst of several epic transitions. Economic growth patterns, the geopolitical landscape, the social contract that binds people together and our planets ecosystem are all undergoing radical, simultaneous transformations, generating anxiety and, in many places turmoil.

A silent revolution is happening in the Information Technology (IT) segment globally and this is expected to take shape in 2014. 2013 had its set of challenges for the IT sector but 2014, holds out quite a few promises. The green shoots of global economic recovery are clearly visible in technology spending. The move is from "cautious optimism" to discretionary technology spending. Infrastructure and Cloud adoption remain the key areas of spending for Enterprises from a cost perspective and for growth. Digital transformation-Social, Mobile, Cloud and Big data/ Analytics- remain the area of priority spending in financial services, manufacturing and retail segments. As per Nasscom's recent projections the Indian IT-ITes industry is expected grow to a \$225 billion industry by 2020 while the domestic IT-ITes market alone is expected to increase by more than double to \$41 billion by 2015 creating different verticals that would focus on specific areas such as the domestic IT market, software products and e-commerce. These growth estimates are testament to the emerging opportunities.

As per Gartner report global IT spending will touch \$3.8 trillion in 2014, up 3% from last year. Globalisation continues to drive global servicing models which ensures India to remain competitive and leverage on its talent pool. Customers are opening up to offerings around cloud computing solutions, SaaS., on demand solutions, etc which enable service providers to address new customer segments. As per Nasscom, IT-BPM services export from India are estimated to grow expected to grow to US\$97-\$99 billion in fiscal year 2015, a growth of 13%-15% over the fiscal year 2014. Further, it is expected that 2014-15 fiscal year would be stronger for the Indian IT sector, indicating that the growth forecast for software exports would be slightly higher compared with that for the current fiscal year. Revival in demand both from US and Europe driving growth.

The financial results of the company both on consolidated and standalone basis have been encouraging despite headwinds faced in terms of weaker than economic recovery in the companies primary markets of US.

On the standalone front the company registered a total revenue of ₹ 10,440.52 lakhs for the year ended 31st March 2014, a growth of 15.21% over the same period the previous year. Domestic sales was ₹ 4,008.55 lakhs while Export sales was ₹ 6,431.98 lakhs, an increase by 16.95 % to that of the previous year. EBIDTA was at ₹ 1540.66 lakhs, up 10.63% YoY while Profit after tax increased by 11.09% YoY to ₹ 988.47 lakhs.

The Consolidated total revenue for the year ended 31st March 2014 was ₹16,694.60 lakhs. EBIDTA was at ₹ 1,564.51 lakhs while Profit after tax was ₹ 790.18 lakhs.

The company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders of dividend and of conserving resources to meet the company's future needs. Your Directors have recommended for approval of the members, a final dividend of 18 %, ₹ 1.80/-on the par value of ₹ 10/- per share for the financial year 2013-14, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The dividend amount paid out if approved by members will be ₹ 90.00 lakhs, interim paid ₹ 50.00 lakhs, while ₹ 22.71 lakhs will be paid by the company towards total dividend tax and surcharge thereon.

#### Future Outlook

After a gloom in the early part of last year, the bloom has begun. With the changing Technologies comes the change in Business Models and vice-versa. This is the trend in the IT Industry worldwide. While, this change is still in the infant and Greenfield stage, the rapid change in the new Business Scenario have come to stay. This is the good news. The adaption of the new technology in the areas of Social Media, Mobility, Analytics and Cloud ( SMAC) is creating positive disruption across Industries. India is very well poised and stands to ride at the top of this wave.

The trend is upbeat for the IT Services, Engineering & R&D, Internet & Mobility and Software Products.

ASM has already embarked into newer technologies in the changing Business Scenario and is consolidating its position as an innovative and nimble organization by offering more services to the existing clients across other geographies and in the process acquiring new clients. This steep growth phase, set in a different trajectory, will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode to center of excellence to Intellectual Property (IP) oriented Innovation.

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.

The convergence of ASM offerings for the Industries comes from the Engineering Services ( as a System Design House), IT Services ( as a Enterprise- wide Solutions and IT Infrastructure Services Provider)and Product Development Services.

The company continued to sustain its profitability despite a volatile and challenging external environment during the year under review with the unstinted support of its dedicated, committed and competent employees. We attribute our success to an experienced management team and to a customer- oriented organization that is dedicated to excellence. Steered by the talent of our people and vesting faith in the resilience of our business model 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, DBS Bank Ltd, Bangalore, Bank of Baroda, Bangalore, Indian Bank, Singapore and State Bank of India, San Jose for their support and guidance.
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Place : Bangalore  
Date : 3rd May, 2014

**Rabindra Srikantan**  
Managing Director



## Our Board of Directors

### **Mr. M.R.Vikram** **Chairman**

Mr. M.R.Vikram, is a Partner of M.Anandam & Co., Secunderabad, a leading firm of Chartered Accountants in India. He has more than 30 years experience in Audit and Assurance Services, Banking and is an expert on Finance and Regulatory issues. He was earlier Director of Indian Bank, Indian Overseas Bank and Bank of Rajasthan. Mr. M.R.Vikram has also conducted various Special Studies for the Reserve Bank of India, Insurance Regulatory Development Authority and other leading Financial Institutions in the Country.

Mr. M.R.Vikram is a Director in 16 companies including 1 other listed company. He is also the Secretary Trustee of Mr. M.Venkataramangaiya Foundation, one of India's largest initiatives in eradication of child labour and bringing children to schools. He is the founder trustee of Manthan, an important intellectual group for discussion in Hyderabad. Mr. Vikram does not hold shares in the company.

### **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 the President of Pinnacle Talent Inc. USA, Director on the Board of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. and Abacus Business Solutions Inc. USA, step down subsidiaries of the company.

### **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**

Mr. Shekar Viswanathan, a Chartered Accountant, is the Vice Chairman and Whole - time Director of Toyota Kirloskar Motor Pvt Ltd. 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 2009-2010, 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 Limited since 2005.



## Our Core Business

### About Us

ASM Technologies Limited an IT Services organization established in 1992, is a pioneer in providing World Class Consulting Services in Business Systems, Engineering Services, IT Infrastructure Services and Technology Solutions.

### Highlights

- Publicly Listed Company in India
- Global Presence Offices
  - o Bangalore, - INDIA
  - o Chicago, Santa Clara and Toledo –USA
  - o Singapore
  - o London – UK
- Certified in ISO-9001:2000, ISO 27001- 2005 (ISMS) & Appraised at CMMI ML3.
- Successful Offshore Development & Support Centers in India and Overseas
- Industry Vertical – Hi-Tech, Manufacturing, Semiconductor, Oil & Gas, Consumer Electronics, Aerospace, Automotive, Solar, Growth Industries, Telecom, Public Utilities & Retail.

### Business Snapshot

78% of customers FORTUNE 500

96% of business is “Repeat Business”

### Mission

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

## SERVICE OFFERINGS

- Product Design
- Value Engineering
- Reverse Engineering
- Sustainance Engineering
- Technical Publication & Documentation with 3D Visualization
- Prototyping, Testing & Manufacturing
- Tooling
- Test Fixtures

### Engineering Services



- Knowledge Management
- Enterprise Management
- ERP                      ➤ SCM
- CRM                     ➤ SRM
- EAI
- Client Server Applications
- Web based Applications
- Infrastructure Management
- Mobility Applications
- Cloud Applications
- Social Media

### Business Systems



- Product Development
- Product Testing
- System Software
- Embedded Software
- Real Time Applications

### Technology Solutions



- Enterprise Computing Services
- Infrastructure Security Services
- Network & Convergence Services
- End User Computing Services

### IT Infrastructure Services



## REPRESENTATIVE CLIENT LIST

### Hi - Tech



### Manufacturing



### Oil & Gas, Energy



### BfSI

