



HANDS IN



ASM Technologies Limited

ANNUAL REPORT 2015-16

Corporate Information

Board of Directors

Mr. M.R. Vikram	Chairman
Mr. Rabindra Srikantan	Managing Director
Prof. B.S. Sonde	Director
Mr. Shekar Viswanathan	Director
Ms. Preeti Rabindra	Director
Mr. M. Lakshminarayan	Director
(Apptd. w.e.f. 31-3-2016)	

Audit Committee

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

Stakeholders Relationship & Share Transfer Committee

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

Nomination & Remuneration Committee

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

CSR Committee

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

Chief Financial Officer

Mr. Narsingh Rathod

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. K. Dushyantha Kumar
Practicing Company Secretary
Bangalore, India

Legal Advisors

ARA LAW
Advocates & Solicitors
Mumbai

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

R. Lamar Frederick LLC.
Solicitors
USA

Bankers

State Bank of India
Overseas Branch, Bengaluru, India

Axis Bank Ltd.
Corporate Banking Branch, Bengaluru, India

Indian Bank
Singapore

First Federal Bank
Ohio, USA

State Bank of India
King Street, London

Stock Exchanges

(Where the shares of the Company are listed)

BSE Ltd
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai 400 001, India

Stock Code

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@asmltd.com

Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500032
Tel: 040 6716 2222
einward.ris@karvy.com

CONTENTS

Letter to the Shareholder	2
Board of Directors	4
Core Business	6
Directors' Report	8
Secretarial Audit Report	17
Management Discussion & Analysis Report	37
Report on Corporate Governance	41
Shareholder's Information	48
Auditors' Report on Standalone Financial Statements	51
Balance Sheet	56
Profit & Loss Accounts	57
Cash Flow statement	59
Notes to Accounts	60
Auditors' Report on Consolidated Financial Statements	70
Consolidated Balance Sheet	75
Consolidated Profit & Loss Accounts	76
Consolidated Cash Flow statement	78
Consolidated Notes to Accounts	79

Dear Fellow Shareholder,

The global information technology (IT) market surpassed \$3.7 trillion in 2015 and is on track to reach \$3.8 trillion in 2016 (constant currency). IT Industry executives are most bullish on cloud applications, cloud infrastructure, security, mobility, and data analytics. Strong customer demand for expertise in integrating, optimizing and managing their ever-expanding technology portfolios should help propel IT services to higher than average growth.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Social, mobility, analytics and cloud (SMAC) are collectively expected to offer a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 650-700 billion by 2020. The social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020. The Indian industry continues to develop capabilities around traditional and emerging markets, verticals and customer segments, expand global delivery presence, and increase focus on high value services including product development.

Engineering services landscape is undergoing rapid shifts from the perspective of range and nature of services. The global outsourced Engineering services market currently stands at \$26 Billion with players from US, Europe and India having an almost equal share. Indian service providers lead the pack amongst the global service providers. As of 2014 the Indian service providers deliver \$6.9 Billion worth of services which is 27% of the addressed outsourced services market. The study estimates that by 2020 the Indian outsourced ER&D services market will reach \$15 Billion growing at a CAGR of 13%. This growth will be primarily driven by addressing the increasing demand for embedded systems and software needs across all verticals.

On the standalone front your company registered a total revenue of Rs. 10,147.95 lakhs for the year ended 31st March 2016. Domestic sales was Rs. 3446.71 lakhs while Export sales was Rs. 6701.24 lakhs. EBITDA was at Rs. 688.18 lakhs and Net profit after tax was Rs. 1352.11 lakhs.

The Consolidated total revenue for the year ended 31st March 2016 was Rs. 17815.27 lakhs. EBITDA was at Rs. 428.22 lakhs and Net Profit after tax at Rs. 605.70 lakhs.

During the year 2015-16 the company declared an Interim dividend of Rs. 1.80/- on 15th October, 2015 followed by a Special 2nd Interim dividend of Rs. 6/- on 15th March 2016 and Rs.79.39 lakhs was paid towards dividend tax and surcharge thereon.

With the maturity of “Globalization of Engineering” and “Digital & Mobile Technology” over the last few years, there is an intense race to rapidly create new products across the world, causing a “New Product Revolution”. The thrust areas are in the Semiconductor Equipment, Medical Devices, Hi –Tech, Consumer Electronics, Automotive & Aerospace and telecom industries.

This “New Product Revolution” has opened opportunities for companies, like ASM, in the space of Engineering Services.

Cashing in on this opportunity, ASM, through the initiative of ARISE (ASM Research and Innovation Step for Excellence) has seen remarkable success in the “Co-Creation of IP led Product Innovation” and Platform Services for its clients. As a System Design House, ASM is fully equipped to handle complex Electronics, Mechanical and Embedded software design and development to complete the product under one roof. Further, working prototype and manufacturing results in the entire product realization for the client.

The future looks exciting and upbeat in the R&D – Products and Engineering Services Outsourcing (ESO) space. There are lot of drivers for the clients like Reducing Product Development Life Cycles, Global Competition and getting a first mover advantage by ring-fencing the IP. The clients are equally excited to collaborate with the Engineering Service providers, like ASM, to leverage their capability for global, regional and adjacent markets, thereby optimize the R&D Operations.

ASM has achieved significant growth in the past few years and in order to succeed in a fast paced techno world, software firms need to grow and evolve rapidly. I am pleased to share that in the last quarter of 2016, our Enterprise Business unit was acquired by ALTEN Calsoft Labs, a group company of Alten, France. This acquisition will help the Company focus on Engineering and R&D Services for existing and new customers.

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, Axis Bank, 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 : 11.05.2016

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.

M.R.Vikram also serves as the Director on the Board of other Private and Public companies including Facebook India Online Services Pvt Ltd, Glochem Industries Ltd, Venture Finance & Development Corporation Ltd, GTN Engineering (India) Limited, Chettinad Cement Corporation Limited, Evertogen Life Sciences Ltd, GVR Infra Projects Limited and GTN Industries Ltd, a listed company. He is also the Secretary Trustee of M.Venkatarangaiya 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. 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 and Chief Operating officer of Pinnacle Talent Inc. USA, the Director of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. step down subsidiary of the company.

Mr. Rabindra Srikantan is a charter member of TiE, National Executive Council Member of the Indo American Chamber of Commerce (IACC) and Member, Nasscom National Engineering Council.

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, L&T-MHPS Boilers Pvt Ltd and L & T-MHPS Turbine Generators Pvt Ltd.

Mr. M Lakshminarayan

Director

Mr. M. Lakshminarayan is the Chairman of HARMAN International (India) Pvt. Ltd. and rose to this position after serving as the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd. In this role, he is responsible for the overall development and execution of HARMAN's strategic intent and plans for India.

His experience has spanned over 30 distinguished years in companies such as Bosch and Tata Motors. At Bosch, where he spent over 22 years, he held various leadership positions and was responsible for Bosch's tremendous growth in the automotive space in India. Prior to this, he served as a leader in the machine tools division at Tata Motors.

In addition to his current role at HARMAN, he also serves as the Director at Kirloskar Oil Engines Ltd, Carborundum Universal Ltd, Rane (Madras) Ltd. and as the Chairman of WABCO India Ltd. He is also on the Board of TVS Automobile Solutions Ltd, TVS Electronics Ltd, Janaadhar (India) Pvt Ltd and Dickenson Fowler Pvt Ltd.

He is a co-founder and currently Chairman of the 'Bengaluru City Connect' - a non-profit forum which addresses issues related to urban management in the city of Bengaluru.

Lakshminarayan has also served as the Chairman (South) at Confederation of Indian Industry (CII) and has been on the executive council team at the American Chamber of Commerce.

Lakshminarayan holds a Masters Degree in Technology from the Indian Institute of Technology Bombay.

Ms. Preeti Rabindra

Director

Ms. Preeti Rabindra holds a Bachelor and Masters degree in commerce from the University of Delhi. She has been on the Board of IDS systems Private Limited since 1995.

ASM: Leadership Team



Sitting L-R: Mr. Shekar Viswanathan, *Independent Director*; Mr. M.R. Vikram, *Chairman, Independent Director*; Prof. B.S. Sonde, *Independent Director*; Mr. M. Lakshminarayan, *Non executive Director*.
Standing L-R: Ms. P.N. Lakshmi, *Company Secretary*; Ms. Preeti Rabindra, *Non executive Director*; Mr. Rabindra Srikantan, *Managing Director*; Mr. N.L. Rathod, *CFO*; Mr. M.S. Rajesha, *Finance Consultant*; Mr. Venugopal G, *Internal Auditor*.

Our Core Business

Established in 1992, ASM Technologies Limited is a publicly-listed company in India with global presence in USA, Singapore and UK. With over 2 decades of experience ASM has been providing world class consulting and product development services in the areas of Engineering Services and Product R&D Services with successful Offshore Development & Support Centers in India and Overseas for its global clientele.

Through ARISE (ASM Research & Innovation Step for Excellence), ASM focuses on driving innovation and creating IP assets to suit industry specific needs of its customer .

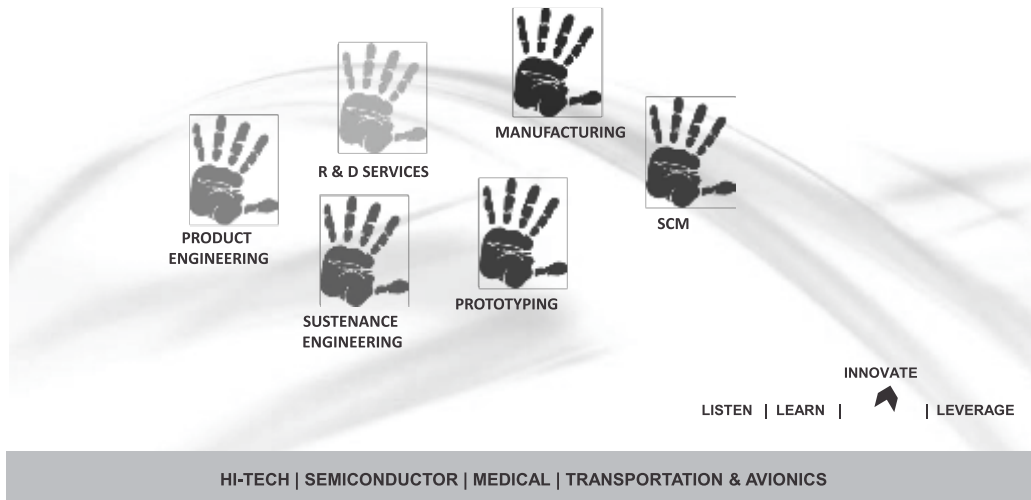
SERVICE OFFERINGS



ENGINEERING SERVICES



HANDS ON

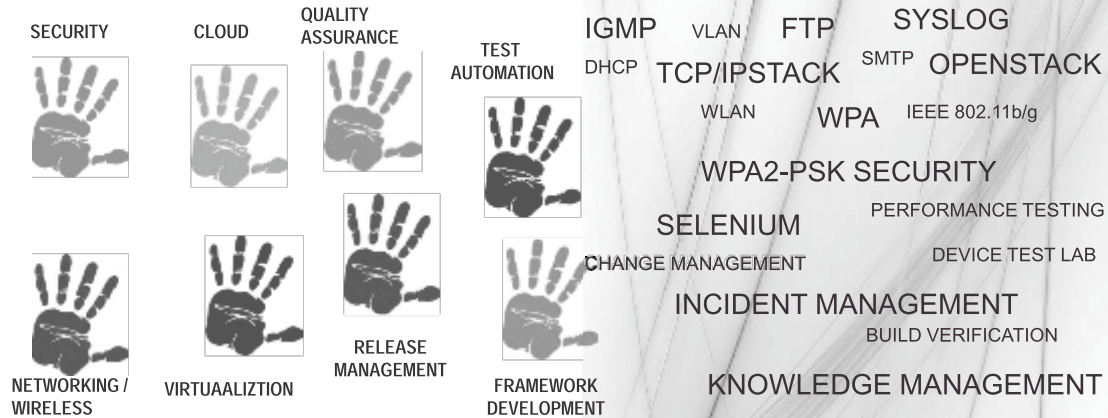


ENGINEERING SERVICES

LISTEN | LEARN | INNOVATE | LEVERAGE

Engineering Services	Manufacturing, Sourcing and Supply Chain
<ul style="list-style-type: none"> ✓Product Design ✓Value Engineering ✓Reverse Engineering ✓Automation ✓Tool design ✓Test Fixtures ✓Prototyping, Testing & Manufacturing ✓Sustenance Engineering ✓Embedded Software ✓Design & Development ✓Technical Publication 	<ul style="list-style-type: none"> ✓ Supplier Identification, Verification , Validation and management ✓ Logistics / Parts Warranty ✓ Field Support ✓Order Fulfillment ✓Order Management ✓ Component Sourcing <ul style="list-style-type: none"> ✓ Mechanical ,Electrical and Electronics ✓ Manufacturing of <ul style="list-style-type: none"> ✓ Parts, Sub systems and Systems ✓ PCBA ✓ Test Fixtures, Assembly Fixtures and Tools

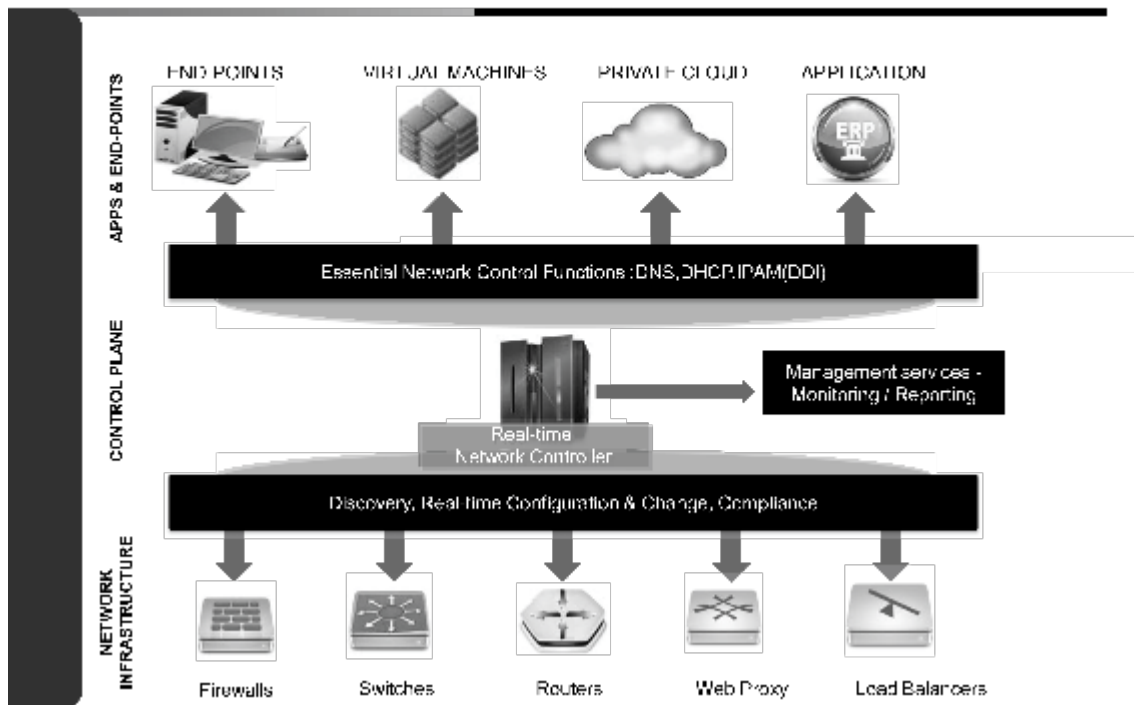
PRODUCT R&D HANDS ON



SOFTWARE DEVELOPMENT VERIFICATION & VALIDATION ICM SERVICES TRAINING REMOTE PRODUCT SUPPORT

PRODUCT R&D SERVICES

INNOVATE
LISTEN | LEARN | LEVERAGE



Directors' Report

To the Members,

We are pleased to present the 24th Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2016.

1. Financial Results

(₹. In lakhs)

	2015-2016	2014-2015
Income from software services and Products	10147.95	10941.74
Other operating income	21.47	1.30
Employee cost	6580.93	6836.01
Other expenditure	2900.31	2441.22
Operating Profit before Interest Depreciation & Tax (EBIDTA)	688.18	1665.81
Depreciation	151.47	157.46
Interest	500.54	389.77
Other income	221.48	166.43
Profit/(Loss) before exceptional item	257.65	1285.01
Exceptional item	1818.60	-
Profit/(Loss) before Tax (EBT)	2076.25	1285.01
Current Tax	707.35	484.79
Deferred Tax Income/-Expense	16.79	(27.94)
Net Profit /(Loss) (PAT)	1352.11	828.16
Profit & Loss bal brought forward	2857.94	2337.96
Amount available for appropriation	4210.04	3166.13
Interim Dividend	390.00	60.00
Proposed Final Dividend	-	40.00
Dividend Tax	79.39	20.14
Depreciation adjustment	-	88.04
Transfer to General Reserve	-	100.00
Balance in Profit & Loss A/c	3740.65	2857.94

Note on discontinuing operations:

During the year Company has transferred its Enterprise Application business to Subsidiaries of Alten SA, France, for a consideration of Rs.63.02 Crores of which Rs.18.49 Crores received in India for the business transferred from the holding Company and Rs.44.53 Crores towards transfer of Abacus Business solutions Inc shares, transfer of business from Advanced synergic Pte Ltd and ESR Associates Inc. Said Consideration includes Rs.19.87 Crores to be received and is subject to fulfillment of business commitments and Representations and Warranties provided by the Company.

Amount received towards sale of business has been shown as profit from discontinuance of business after deducting the direct cost of sale and adjusting the Investment value.

2. Results of Operation

ASM along with its subsidiaries provides world class consulting and product development services in the areas of Engineering Services and Product R&D Services with successful Offshore Development and Support Centers in India and Overseas for its global clientele.

On the standalone front your company registered a total revenue of Rs. 10,147.95 lakhs for the year ended 31st March 2016. Domestic sales was Rs. 3446.71 lakhs while Export sales was Rs. 6701.24 lakhs. EBIDTA was at Rs. 688.18 lakhs and Net profit after tax was Rs. 1352.11 lakhs.

The Consolidated total revenue for the year ended 31st March 2016 was Rs. 17815.27 lakhs. EBIDTA was at Rs. 428.22 lakhs and Net Profit after tax at Rs. 605.70 lakhs.

3. Dividend/ Transfer to Reserves

During the year 2015-16 the company declared an Interim dividend of Rs. 1.80/- on 15th October, 2015 followed by a Special 2nd Interim dividend of Rs. 6/- on 15th March 2016 and Rs.79.39 lakhs was paid towards dividend tax and surcharge thereon.

With a view to augment resources for long term growth your Directors have not recommended any final dividend. The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the company to be met by internal cash accruals and the shareholders' aspirations.