



ANNUAL REPORT 2016-17

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Corporate Information

Board of Directors

M.R. Vikram
Rabindra Srikantan
Prof. B.S. Sonde
M. Lakshminarayan
Shekar Viswanathan
Preeti Rabindra

Chairman & Independent Director
Managing Director
Independent Director
Non-Executive Director
Independent Director
Non-Executive Director

Audit Committee

M.R. Vikram
Prof. B.S. Sonde
M. Lakshminarayan
Shekar Viswanathan
Rabindra Srikantan

Chairman

Stakeholders Relationship & Share Transfer Committee

Prof. B.S. Sonde
Rabindra Srikantan

Chairman

Nomination & Remuneration Committee

Shekar Viswanathan
Prof. B.S. Sonde
M. Lakshminarayan
M.R. Vikram

Chairman

CSR Committee

Prof. B.S. Sonde
M.R. Vikram
Shekar Viswanathan
Rabindra Srikantan
Preeti Rabindra

Chairman

Chief Financial Officer

Narsingh Rathod

Company Secretary

P.N. Lakshmi

Auditors

Sudhakar Pai Associates
Chartered Accountants
Bangalore, India

Venu & Vinay
Chartered Accountants
Bangalore, India

N. Rajan Associates
Certified Public Accountant
Singapore

Tax Advisors

Paul Schweer
USA

Company Law Advisor

K. Dushyantha Kumar & Associates
Company Secretaries
Bangalore
BMP & Co. LLP
Company Secretaries
Bangalore

Legal Advisors

ARA LAW
Advocates & Solicitors
Mumbai

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

Bankers

State Bank of India
Overseas Branch, Bangalore, 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

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Dear Fellow Shareholder,

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The Gartner world wide IT services market is forecast to grow 4.2percent in 2017. Buyer investments in digital business, intelligent automation and services optimization and innovation continue to drive growth in the market.

The Indian IT 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. Slowing growth in banking and finance sector, Britain's decision to leave EU, US elections, weaker discretionary spending and growing pricing pressure in traditional business along with shift to wards newer business models such as digital and cloud have led Indian IT firms to temper down expectations.

Today, the largest spenders on innovation are spearheading globalization of innovation, in terms of both regions and sectors and Engineering Services Off shoring is being used to expand global innovation capacity. India's USD 10 billion Engineering and R&D sector (ER&D), which employs over two lakh people, has enabled the country to emerge as a strategic partner to global organizations requiring innovative, high value engineering solutions. The engineering and embedded solutions segment currently accounts for over 15 per cent of India's IT-BPO exports and is playing a pivotal role in accelerating innovation and establishing India as a cradle of design and engineering capabilities.

According to Nasscom, Engineering services in India has definitely moved up the value chain. ER&D companies are providing global engineering consultancy that can lay out a roadmap for rationalizing R&D activities, change management and ramping up. They are providing frugal engineering capabilities, helping clients develop cost-competitive products, especially for emerging markets. India's value engineering capabilities aligned to product sustenance are helping in the optimization of design, manufacturing and sourcing processes. India's share of global ER&D off shoring revenues is 22 per cent ER&D firms are leveraging engineering expertise to develop innovative product designs to drive lower costs and faster time-to-market. The Indian IT 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.

The commoditization of IT, maturity of services, adoption of new technology trends like Internet of Things (IoT), analytics, and sustainability-related technologies fuel growth in engineering services. Unlike in the past, India-based global service providers (GSPs) have been considered for more strategic roles like co-innovation and joint development projects, which are based on a risk-sharing model.

On an overall basis on the standalone front your company registered a total revenue of Rs. 7396.79 lakhs for the year ended 31st March 2017. Domestic sales were Rs. 334.88 lakhs while Export sales was Rs. 7061.91 lakhs. EBIDTA was at Rs. 1189.09 lakhs and Net profit after tax was Rs. 668.09 lakhs.

The Consolidated total revenue for the year ended 31st March 2017 was Rs. 8119.75 lakhs. EBIDTA was at Rs. 627.25 lakhs and Net Profit after tax at Rs. 116.25 lakhs.

During the year 2016-17 the company declared an Interim dividend of Rs. 2.50/- on 19th October, 2016. With a view to augment resources for long term growth the Directors have recommended for approval of the members a final dividend of 2.50/- per equity share of Rs 10/- each for the financial year 2016-2017. The dividend amount paid out if approved by members will be Rs. 125.00 lakhs, interim paid Rs. 125.00 lakhs, while Rs. 52.25 lakhs will be paid by the company towards total dividend tax and surcharge thereon. 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.

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.

The IoT (Internet of Things) offers quality space for new product development and ASM is working on creating its own products as well as Co-Creation for customer's products. The next couple of years will be exciting in this space.

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.

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
- 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 : 06.05.2017

Rabindra Srikantan
Managing Director

Our Board of Directors

M R Vikram

Chairman

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. 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, ANA ARC Pvt. Ltd. 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. Vikram is the Chairman of CII, Panel at Hyderabad, on Corporate Social Responsibility, Member, CII, National Committee on Backward Areas and Former Chairman of ICAI, Hyderabad Chapter.

Rabindra Srikantan

Managing Director

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, 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. 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.

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.

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

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.

Shekar Viswanathan

Director

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.

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

M Lakshminarayan

Director

M Lakshminarayan holds a master degree in technology from Indian Institute of Technology, Mumbai. He was the Past Chairman, HARMAN International (India) Pvt. Ltd, and rose to the position serving as the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd.

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.

He also serves as the Chairman of WABCO India Ltd and Director on the Boards of Kirloskar Oil Engines Ltd, Carborundum Universal Ltd, Rane (Madras) Ltd., TVS Electronics Ltd, TVS Automobile Solutions Pvt. Ltd, Janaadhar (India) Pvt. Ltd. Dickinson Fowler Pvt Ltd., Leadece India Pvt. Ltd. and Invest Karnataka Forum.

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.

Preeti Rabindra

Director

Preeti Rabindra holds a Bachelor and Masters degree in commerce from the University of Delhi. She is the designated partner at IDS Systems LLP.

ASM: Leadership Team



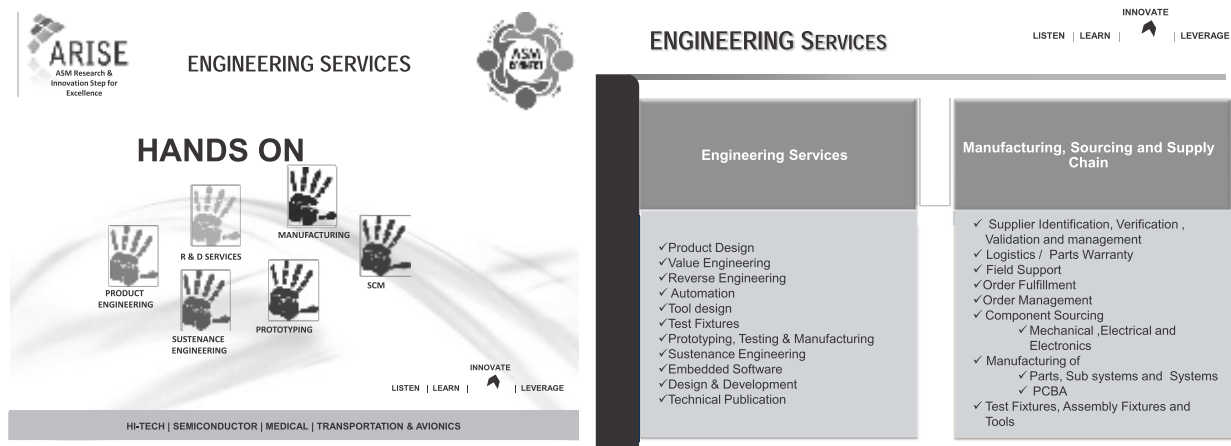
Sitting L-R: Rabindra Srikantan, *Managing Director*, Prof. B.S. Sonde, *Independent Director*,
M.R. Vikram, *Chairman*, Shekar Viswanathan, *Independent Director* &
M. Lakshminarayan, *Non executive Director*.
Standing L-R: Venugopal G, *Internal Auditor.*, M.S. Rajesha, *Finance Consultant*; N.L. Rathod,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

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

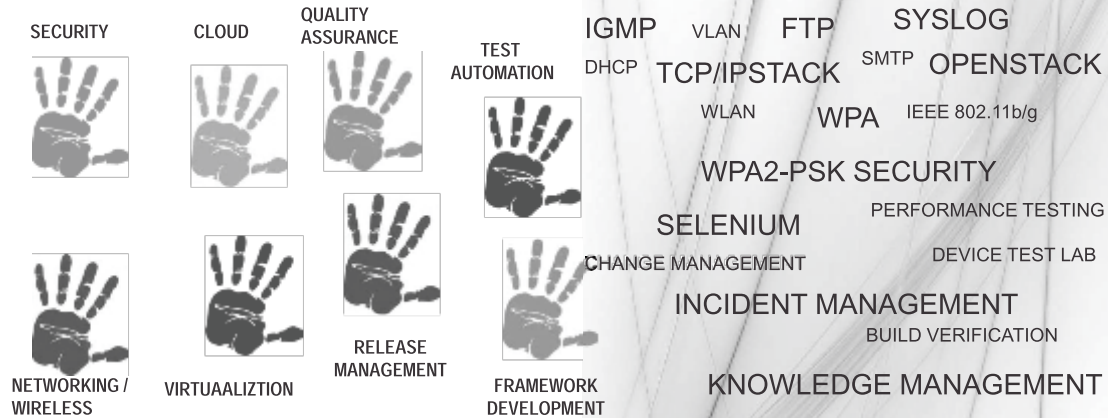


DOMAIN CAPABILITIES



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PRODUCT R&D HANDS ON



SOFTWARE DEVELOPMENT VERIFICATION & VALIDATION ICM SERVICES TRAINING REMOTE PRODUCT SUPPORT

PRODUCT R&D SERVICES

