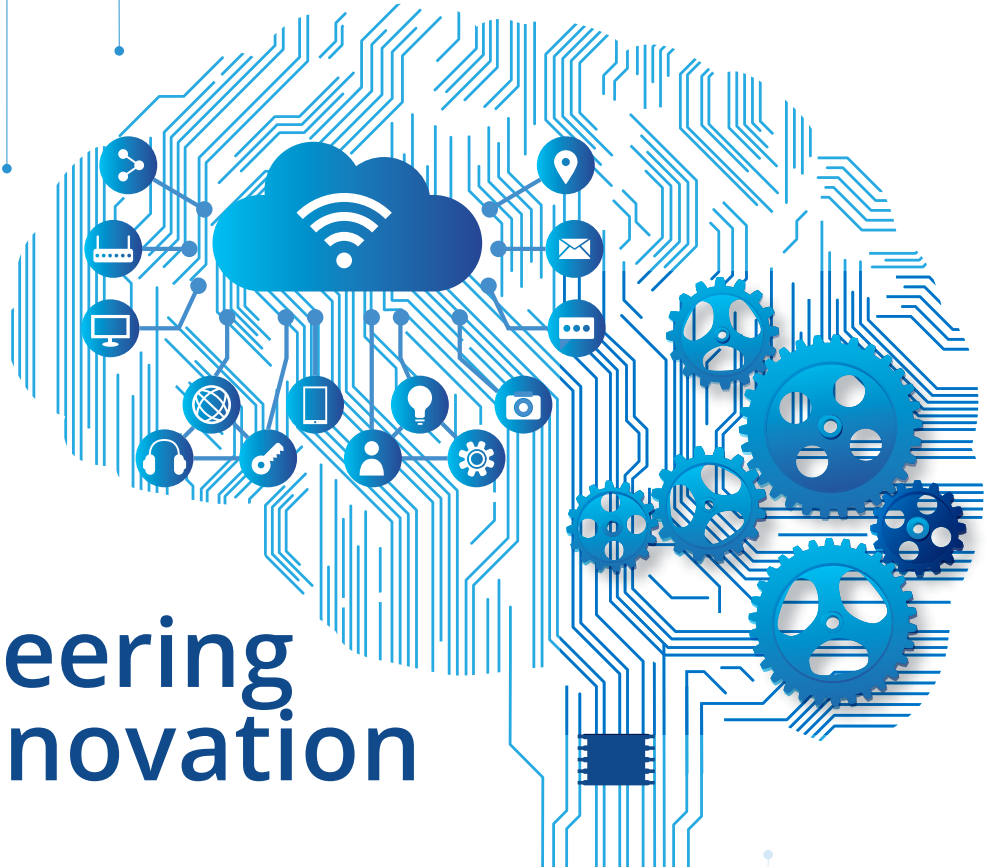




ASM
TECHNOLOGIES™

engineering innovation



engineering Innovation

Engineering Services • Product R&D • Digital Transformation

ANNUAL REPORT 2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M.R. Vikram	Chairman & Independent Director
Mr. Rabindra Srikantan	Managing Director
Prof. B.S. Sonde (upto 31.3.2019)	Independent Director
Mr. M. Lakshminarayan	Non-Independent Non-Executive Director
Mr. Shekar Viswanathan	Independent Director
Ms. Preeti Rabindra	Non-Independent Non-Executive Director

AUDIT COMMITTEE

Mr. M.R. Vikram	Chairman
Prof. B.S. Sonde (upto 31.3.2019)	
Mr. Rabindra Srikantan (upto 12.11.2018)	
Mr. M. Lakshminarayan	
Mr. Shekar Viswanathan	

STAKEHOLDERS RELATIONSHIP & SHARE TRANSFER COMMITTEE

Prof. B.S. Sonde (upto 31.3.2019)	Chairman
Mr. M.R. Vikram (appointed w.e.f. 01.04.2019)	
Mr. Rabindra Srikantan	
Ms. Preeti Rabindra	

NOMINATION & REMUNERATION COMMITTEE

Mr. Shekar Viswanathan	Chairman
Mr. M.R. Vikram	
Prof. B.S. Sonde (upto 31.3.2019)	
Mr. M. Lakshminarayan	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Prof. B.S. Sonde (upto 31.3.2019)	Chairman
Mr. M.R. Vikram	
Mr. Rabindra Srikantan	
Mr. Shekar Viswanathan	
Ms. Preeti Rabindra	

CHIEF FINANCIAL OFFICER

Mr. Narsingh Rathod

COMPANY SECRETARY

Ms. P.N. Lakshmi

AUDITORS

B K Ramadhyani & Co. LLP.
Chartered Accountants
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross Road,
Malleshwaram, Bangalore - 560 055, Karnataka, India

N. Rajan Associates
Certified Public Accountants
Sim Lim. Towers # 10-12, 10
Jalan Besar (S) 208787, Singapore 208787

Venu & Vinay
Chartered Accountants
1st Floor, 161, 4th Main Road,
7th Cross Road, Chamarajpet,
Bangalore - 560 018, Karnataka, India

TAX ADVISORS

Sudhakar Pai Associates
Chartered Accountants
Unity Building, J.C. Road, Bangalore, Karnataka, India

Chugh CPAs, LLP
2540 Mission College Blvd, Santa Clara CA 95054

COMPANY LAW ADVISOR

K. Dushyantha Kumar & Associates
Company Secretaries
Bangalore, Karnataka, India

BMP & Co. LLP
Company Secretaries
Bangalore, Karnataka, India

LEGAL ADVISORS

ARA LAW
Mumbai, Maharashtra, India

The Law Office of Anthony Abear P.C.
Attorney
Wheaton, Illinois, USA

BANKERS

State Bank of India, InCube Branch, Bangalore, Karnataka, India
Indian Bank, Singapore
First Federal Bank, Ohio, USA
State Bank of India, King Street, London, UK
HSBC Bank USA, New York, USA

STOCK EXCHANGE

(Where the shares of the Company are listed)
BSE Ltd
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street, Mumbai - 400 001, Maharashtra, India

STOCK CODE

BSE - 526433

DEMAT ISIN NUMBER

INE867C01010

INVESTOR RELATION CELL

Secretarial Department
#80/2, Lusanne Court, Richmond Road, Bangalore - 560 025,
Karnataka, India
Tel: +91 80 6696 2309 | compliance.officer@asmltd.com

REGISTRARS & SHARE TRANSFER AGENTS

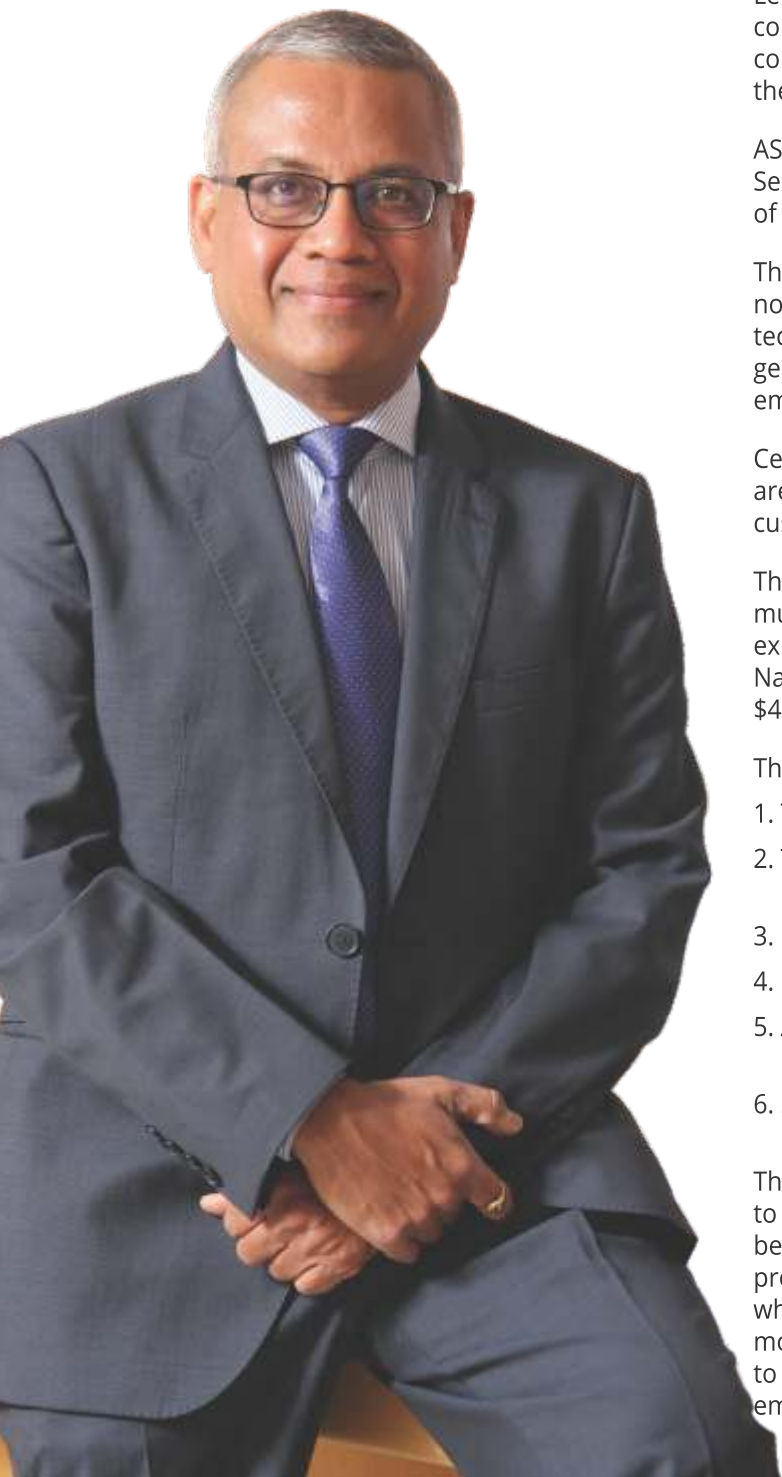
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032, Telangana, India

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LETTER TO THE SHAREHOLDER



Dear Fellow Shareholder,

Let me start by thanking all the Shareholders with pride, for the continued support and faith reposed on the company. The continued support has helped us to perform better and take the company to greater heights.

ASM is majorly in three areas viz, Product R&D, Engineering Services and Digital Transformation (Dx) and the details are part of this letter.

The new initiatives, we have invested in the last few years, are now the core to our business. We continue to invest in new technologies, new geographies and R&D to align with the next generation wave growth. This is possible mainly by rapidly embracing the new external trends in the industry.

Central to our business philosophy are our “Customers” and we are the co-travellers in their growth, thereby creating a true customer obsession.

The size of the market in our areas of operation is growing multifold with the market size for the Digital Transformation is expected to grow to \$2 Trillion globally by 2020. As per Nasscom Report Engineering R&D space in India will reach to \$42 billion by 2022 as against \$28 billion at present.

The key highlights for the year 2018-19 are

1. The Revenues are Rs.760.59 Mn.
2. The EBIDTA is 108.16 Mn and has grown by 26.18% compared to previous year
3. Number of new customers added in 2018-19 is 16
4. New offices opened in Japan, Canada and Mexico
5. Acquired a majority stake in manufacturing unit, RV Forms and Gears LLP
6. Strategic Investments made in BARO Vehicles Ltd and Lavelle Networks Pvt. Ltd.

The rapid advancement in technology is enabling the industry to achieve scale and business process efficiencies like never before, and essentially re-write the rules of competition. This provides tremendous opportunities for growth on one hand, while it also poses significant challenges of reinventing business models. Companies and countries that have the talent needed to convert digital assets and IP to digital advantage, are emerging as the new world leaders.

The Indian IT Industry is making convincing strides as their clients demand Digital Transformation. Digital technologies now account for a third of the industry's business and drive much of the buoyancy. Society, in general, and industry and government, in particular, are spiritedly embracing digital technologies. Technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Augmented Reality, Virtual Reality, Machine Learning (ML), Big Data Analytics, and Robotic Process Automation are increasingly becoming mainstream, cutting across industries. As per Nasscom, in FY19, the IT software and services revenues growth crossed \$165 billion, with the overall IT exports growing to \$137 billion compared to \$126 billion in FY18, and domestic revenues growing to \$44 billion from per cent \$41 billion in FY18.

Engineering services research and development industry, (ER&D) is at the point of inflection which is boosted by rising consumer demand and disruption in technology. Major industries are progressively concentrating on developing engineering research and development (ER&D) products that can assimilate with digital consumer network. As per Nasscom report the engineering research and development market in India is expected to grow to \$42 billion by FY22 from \$28 billion at present. This growth is fueled by an interplay of digital and ER&D.

Over the last few years ASM has invested in Product R&D, Digital Transformation (Dx), comprising of Industry 4.0 (Smart Manufacturing), Internet of Things (IoT), Big Data leading to Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Virtual Reality (VR), Augmented Reality (AR), Mixed Reality (MR), Mobile Applications, Cloud, Virtualization and related Cyber Security.

R&D & Co-Creation

The impact of investments in Innovation and R&D has accelerated growth of ASM and has set the company into the forefront of Product Development, whilst getting a global recognition. The initiative has therefore been on developing the products of the future, to align with the changing technologies, market and customer demands.

While investment in R&D (Research and Development) for the development of "New Products and Services" is a must for the growth and future sustainability of the organization, Co-creation is one step ahead of the R&D activities wherein the new product and services is jointly developed with our customers to meet specific defined opportunity. ASM's Co-creation Product Development Model fosters closer partnerships with the customers / consumers and is achieved by the "Shared Innovation and Shared Development" to develop solutions for defined "High Impact Problems".

Productivity Enhancement

Today in the world which is adapting into "Industry 4.0" and "Smart Manufacturing" one of the main focus is to increase Productivity by "Increased Yield" and "Increased Throughput". This is essentially achieved by reducing the human intervention and automating the process using various technologies.

ASM Technologies has over the years, helping customers with extensive usage of Automation, Robotics and Digital Transformation (Dx). This initiative has clearly been of immense benefit for its customers in quantitatively increasing Yield and Throughput, resulting in "Improved Quality, High Precision, High Repeatability and Reliability".

ASM, with a proven experience in the Artificial Intelligence (AI), complex manufacturing process consisting of inter-related parameters, is effectively handled by creating lot of automated data points, through "application specific" Sensors, further processed through the IoT Gateway incorporating Sensor Fusion Algorithm, to create a Big Data. Each of the Sensors are set with "Value Thresholds" for instant "Alerts" to address the Machine Behaviour outside of the Thresholds. With efficient and smart Analytics in the cloud, a wide array of data crunched output leading to Predictive Maintenance, Analysis, Machine Downtime, Machine Behaviour etc, can lead to the "Productivity Enhancement".

The thrust areas for ASM will continue to be in the Semiconductor Equipment, Medical Devices, Hi-Tech, Automotive, Mobility 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.

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 Cycle 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.

I am happy to share with you that during the year ASM acquired a 70% stake in RV Forms & Gears LLP, a Chennai based firm. Forms & Gears, founded in 1972 by RT Varghese, a Mechanical Engineer from IIT Kharagpur, is a pioneer in Fixture building. The company has supplied to most of the global automotive industry and machine makers by over 45 years. Forms & Gears has successfully implemented projects all over India, UAE, Qatar, Thailand, Japan, Singapore, Indonesia and Turkey. RV Forms & Gears will leverage ASM's digital expertise to develop world class Smart Manufacturing solutions, the first of which is an innovative solution called SmartFix 4.0.

On an overall basis on the standalone front your company registered a total revenue of Rs.760.59 Mn for the year ended 31st March 2019. Domestic sales was Rs.78.84 Mn while Export sales was Rs. 681.75Mn. EBIDTA was at Rs.108.16 Mn and Net profit after tax was Rs.70.33 Mn.

The Consolidated total revenue for the year ended 31st March 2019 was Rs.880.25 Mn. EBIDTA was at Rs.109.11 Mn and Net Profit after tax at Rs.70.07 Mn.

During the year 2018-19 the company declared an Interim dividend of Rs. 3.00/- on 3rd November, 2018. In keeping with the Dividend policy your Directors are pleased to recommend for approval of the shareholders a final dividend of Rs.3.00 /-per equity share of Rs 10/-each for the financial year 2018-2019. The dividend amount paid / payable if approved by members will be Rs.15.00 Mn, interim paid Rs. 15.00 Mn, while Rs.6.17 Mn will be paid / payable by the company towards total dividend tax and surcharge thereon.

The company continued to sustain its profitability despite a 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, Incube Branch, Bangalore, Indian Bank, Singapore, HSBC Bank, New York, USA and First Federal Bank, Ohio, USA, for their support and guidance,
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Place: Bangalore
Date: 18.05.2019

Rabindra Srikantan
Managing Director

BOARD OF DIRECTORS



MR. M R VIKRAM
CHAIRMAN



MR. RABINDRA SRIKANTAN
MANAGING DIRECTOR



PROF. B S SONDE
DIRECTOR



MR. M LAKSHMINARAYAN
DIRECTOR



MR. SHEKAR VISWANATHAN
DIRECTOR



MS. PREETI RABINDRA
DIRECTOR

KEY MANAGERIAL PERSONNEL



N.L. RATHOD
CHIEF FINANCE OFFICER



P.N. LAKSHMI
COMPANY SECRETARY

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 38 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 also serves as the Director of listed companies GTN Industries Ltd and Ahlada Engineers Ltd and 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 more. 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.



Mr. Rabindra Srikantan - Managing Director

Mr. Rabindra Srikantan, Founder and Managing Director, ASM Technologies Limited, is a seasoned, team-oriented business entrepreneur, with a highly successful track record of building businesses based on sound strategic analysis.

He has built and scaled world-class technology and product development teams, strategic investments in start-ups and inorganic growth through acquisitions. Proven fundraising and networking skills, has built fruitful long-term partnerships with clients across the globe and has consistently delivered strong bottom-line growth over the years.

Under his leadership the company has emerged as one of the most innovative and reliable partners for its clients in the field of Product R&D, Engineering Services and Digital Transformation, while expanding its operations in USA, Singapore, UK, Canada, Mexico and Japan.

Mr. Rabindra Srikantan is also the President and Chief Operating officer of Pinnacle Talent Inc. USA, Director of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. and ASM Technologies S. de R.L. de C.V step down subsidiaries of the company.

Further, Mr. Rabindra spearheaded ASM's expansion in 2018 by investing in the Chennai based RV Forms and Gears LLP (F&G), a leading Smart fixture manufacturing company. The collaboration between the pioneers of technology and manufacturing led to the introduction of IoT enabled solution called SmartFix 4.0, a revolutionary Industry 4.0 solution which caters to the needs of Global manufacturing companies for Productivity Enhancements.

Other recent landmark achievements under the leadership of Rabindra, include, ASM's investment in companies involved in New Generation Autonomous Vehicles, Electric mobility, SD-WAN and Cyber Security.

Mr. Rabindra is a Charter Member of TiE, an avid sports' enthusiast supporting the Olympics focused athletes through Go Sports - Rahul Dravid Athlete Mentorship Program. He has also served as the National Executive Council Member at Indo-American Chamber of Commerce (IACC), Chairman of Indo-America Chamber of Commerce (IACC)- Bangalore Chapter and as a Member of NASSCOM National Engineering Council.

Mr. Rabindra Srikantan holds dual MS degree in Computer Engineering and Computer Science from the University of Louisiana, USA.