



SmartFix4.0[®]

**PATENT
PENDING**



ASM
TECHNOLOGIES[®]
engineering innovation

**ANNUAL
REPORT**

2019-20



**ENGINEERING
INNOVATION**





Corporate Information

BOARD OF DIRECTORS

Mr. M. R. Vikram	Chairman & Independent Director
Mr. Rabindra Srikantan	Managing Director
Mr. M. Lakshminarayan	Independent Director
Mr. Shekar Viswanathan	Independent Director
Mr. Ramesh Radhakrishnan	Non-Independent Non-Executive Director
Ms. Preeti Rabindra	Non-Independent Non-Executive Director

AUDIT COMMITTEE

Mr. M. R. Vikram	Chairman
Mr. M. Lakshminarayan	
Mr. Shekar Viswanathan	

STAKEHOLDERS RELATIONSHIP & SHARE TRANSFER COMMITTEE

Mr. M. R. Vikram	Chairman
Mr. Rabindra Srikantan	
Ms. Preeti Rabindra	

NOMINATION & REMUNERATION COMMITTEE

Mr. Shekar Viswanathan	Chairman
Mr. M. R. Vikram	
Mr. M. Lakshminarayan	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Preeti Rabindra	Chairman
Mr. M. R. Vikram	
Mr. Rabindra Srikantan	
Mr. Shekar Viswanathan	

CHIEF FINANCIAL OFFICER

Mr. Narsingh Rathod

COMPANY SECRETARY

Ms. Vanishree Kulkarni

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, USA

COMPANY LAW ADVISOR

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

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

LEGAL ADVISORS

Saakshya Law, Advocates
Bangalore, Karnataka, India

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

BANKERS

State Bank of India, InCube Branch, Bangalore, Karnataka, India
ICICI Bank Limited, M G Road, 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 Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street, Mumbai - 400 001, Maharashtra, India

STOCK CODE

BSE - 526433

DEMAT ISIN NUMBER

INE867C01010

INVESTOR RELATION CELL

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REGISTRARS & SHARE TRANSFER AGENTS

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032, Telangana, India
Tel: 040 6716 2222 | inward.ris@kfintech.com



Letter to the Shareholder.....	5
Board of Directors.....	7
Core Business	11
Letter from MD, Forms & Gears.....	15
Corporate Social Responsibility (CSR).....	17
Directors' Report.....	19
Secretarial Audit Report.....	29
Management Discussion & Analysis Report	35
Report on Corporate Governance	38
Shareholder's Information	46
Auditors' Report on Standalone Financial Statements.....	50
Balance Sheet.....	56
Profit & Loss Accounts.....	57
Cash Flow statement.....	58
Notes to Accounts.....	60
Auditors' Report on Consolidated Financial Statements.....	87
Consolidated Balance Sheet.....	92
Consolidated Profit & Loss Accounts.....	93
Consolidated Cash Flow statement	94
Consolidated Notes to Accounts.....	96



Letter To The Shareholder

Dear Fellow Shareholders,

It gives me great pleasure to share our the past year's progress to ASM's stakeholders. The trust of our customers, and the perseverance of our employees has helped us make significant progress and, despite unexpected global challenges, positioned ASM for further growth in the next financial year.

The world is in the midst of a health crisis, so we express our gratitude to all essential workers who toil tirelessly to make our society safe. As a company, we are taking action to support our people, their families, and our clients. I am especially proud of how our team have reacted under these exceptional circumstances, demonstrating resilience to support and serve our clients while in parallel protecting each other and their families.

It is too early to gauge the effect of COVID-19 on the global economy. As we pursue our growth plans, we will be mindful and focus on the expertise of ASM in Engineering, Product R&D and Digital Transformation across multiple sectors. This expertise will be mapped to the needs of our clients, supporting their ability to adopt an 'Industry 4.0 approach', reducing capital expenditure, increasing digitisation and automation in an attempt to help them transform their businesses and reach a new, steady state in a post COVID landscape. We were "spot on" with our future outlook last year; a validation of the journey on which we embarked and we will continue to harness the wide opportunities in the same areas.

Despite a Global health crisis in our final quarter, we delivered strong performance to year end. Our revenues grew by 10.2% y-o-y to ₹838.40 Mn due to an acceleration in our engineering services. Our profits were ₹24.38 Mn, a decrease of 73.6% over the previous year. This was mainly driven by our investments in R&D and business development activities in new geographies that will bear fruit in the coming financial year. We delivered earnings per share of ₹2.18 and therefore proposed a dividend of ₹2.50 per equity share.

ASM launched its PATENT PENDING product 'SmartFix4.0'; a one of its kind for the Manufacturing Industry that addresses an Industry 4.0 need. SmartFix4.0 is an Industrial Artificial Intelligence Product with a potent combination of Hardware, Software and Data Analytics to increase yield and throughput in the manufacturing sector. With a robust global client base and a host of Partnerships with OEMs, SmartFix4.0 is set to make waves in the next 2 years.

ASM has made strategic investments in emerging technology companies, whilst Co-Creating products in the areas of Cloud, Network, Cyber security, Electric and Autonomous Vehicles. These investments will ensure we reach our potential with cutting edge technologies to meet future goals and address the needs of our clients.

ASM continue to invest in Product R&D, Engineering Services and Digital Transformation services to marry traditional Engineering and Manufacturing techniques with Industry 4.0 practices, Data Science Analytics and cutting edge cyber security, network IP and Digital Twin simulation.



Prior to the crisis, manufacturing and engineering sectors were aware of and interested in Industry 4.0. During the recent months, the focus has switched to the health and survival of families and business. In a post COVID world Industry 4.0 should be seen as key to the future health and success of manufacturing and engineering businesses.

Increased adoption of flexible and remote working has resulted in expansion of the need for greater network bandwidth and data security measures with software and application development as enablers to collaboration. With streamlined manufacturing and engineering, there will be increase focus on domestic supply chains and, with the increase in flexible working, a significant addressable market for Engineering, Product R&D and Digital Services.

The investments in Innovation and R&D has placed ASM at the forefront of Product Development creating products of the future that meet changing technologies, markets and customer demands. While investment in R&D is key to the growth and future sustainability of the organization, Co-creation is one step ahead of these activities; new products and services are jointly developed with our customers in a "Shared Innovation and Shared Development" model that addresses their specific requirements and builds closer, longer term business relationships.

While the Industry 4.0 and Smart manufacturing framework provides a roadmap, business success depends on how well an enterprise innovates on the ground. ASM Technologies has, over the years, been helping customers with extensive usage of Automation, Robotics and Digital Transformation (Dx). This initiative has been of immense benefit for its customers in quantitatively increasing Yield and Throughput, resulting in "Improved Quality, High Precision, High Repeatability and Reliability".

The thrust areas for ASM will continue to be in the Semiconductor Equipment, Medical Devices, Hi -Tech, Automotive, Mobility Telecom industries. The Internet of Things (IoT) offers quality space for new product development and ASM is creating its own products as well as Co-Creation for its customer's products. The future looks exciting and upbeat in the Products and Engineering Services Outsourcing (ESO) space. There are numerous drivers for our clients; reducing product development life cycle and obtaining a first mover advantage by ring-fencing IP. Clients are equally excited to collaborate with Engineering service providers, like ASM, to leverage their capability for global, regional and adjacent markets, thereby optimizing R&D Operations.

We increasingly embrace businesses that are defined by technology and the shared development of technology driven solution across industries. This, as well as leveraging our R & D competitive differentiation, significantly increases the market opportunity for us. We

are participating aggressively in this evolution, embedding ourselves deeper in our customers' ecosystems, and becoming an industry staple. This is resulting in greater prominence, predictability, and business sustainability. All of this will create more value to our stakeholders in the future.

For me, despite a global downturn, ASM is well positioned to support the business transformation of our customers due to our core skills in Digital Transformation, Industry 4.0 and Product R&D. These are the areas that are increasingly important in a post Covid-19 paradigm.

Businesses will review their products, processes, systems and components to further reduce cost, increase efficiency and liberate talent as part of the need to accelerate transformation and move to a "New Normal".

Data Science, AI and ML, VR and AR, Robotics, Automation and Digital Twins were seen as complimentary but not essential technologies in many companies. Now in a very different economic environment they will be seen as crucial enablers in the journey from survival and recovery to business success.

We are committed to working upon our long-term strategy, strengthening our engineering service, and investing for growth in new businesses and opportunities. Our longevity in business comes from our ability to adapt to newer business ecosystems and a continuous investment in R&D.

We are optimistic of the opportunities we will encounter in the future with respect to our engineering and co-created solutions. The steps we are taking today will make our shareholders proud of us in the future. I would like to thank my entire team at ASM for their commitment and untiring efforts to achieve the best. We are at the start of a new, golden era, and we look forward to your continued support.

On behalf of myself and the management of the company may I take this opportunity to thank our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their support. To the Employees of the company I am grateful for their valuable contribution, efforts and spirit of dedication.

- State Bank of India, India, ICICI Limited, India, Indian Bank, Singapore, HSBC Bank, USA and First Federal Bank, USA for their support and guidance,

- Central and State Governments, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

With best Wishes,

Sincerely,

Rabindra Srikantan

Bengaluru
June 2, 2020



Board of Directors



MR. M R VIKRAM
CHAIRMAN



MR. RABINDRA SRIKANTAN
MANAGING DIRECTOR



MR. M LAKSHMINARAYAN
DIRECTOR



MR. SHEKAR VISWANATHAN
DIRECTOR



MR. RAMESH RADHAKRISHNAN
DIRECTOR



MS. PREETI RABINDRA
DIRECTOR

KEY MANAGERIAL PERSONNEL



N.L. RATHOD
CHIEF FINANCE OFFICER



VANISHREE KULKARNI
COMPANY SECRETARY

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 ASM Technologies KK Japan, 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 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 Convenor - CII Karnataka Technology & Innovation Panel 2020, Charter Member - TiE, Member - NASSCOM Engineering R&D Council, Past National Executive Council Member - Indo American Chamber of Commerce and Past Chairman - Indo American Chamber of Commerce, Bangalore Chapter.

Mr. Rabindra Srikantan holds dual MS degree in Computer Engineering and Computer Science from the University of Louisiana, USA; Bachelor of Engineering from PSG College of Technology, India.

