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ASM Technologies Limited (Formerly Advanced Synergic Microsystems Limited)

ANNUAL REPORT 2001-2002

Report



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Registered Office

India
80/2, Lusanne Court
Richmond Road
Bangalore – 560 025, India
Phone +91 80 227 4121, +91 80 2124854-57
Fax +91 80 227 3606
Email info@asmtd.com

Board of Directors

Dr. S. Srikantan	Chairman
Dr. R.P. Shenoy	Director
Mr. M. Ravindra Vikram	Director
Mr. Rabindra Srikantan	Managing Director

Audit Committee

Mr. M. Ravindra Vikram	Director
Dr. R.P. Shenoy	Director
Dr. S. Srikantan	Chairman

Compensation Committee

Dr. R.P. Shenoy	Director
Mr. M. Ravindra Vikram	Director
Mr. Rabindra Srikantan	Managing Director

Company Secretary

Ms. P.N. Lakshmi

Auditors

M/S Sudhakar Pai Associates
Chartered Accountants
C-4, Unity Buildings
J.C. Road
Bangalore – 560 002, India

M/S Mallesh B. Hullatti & Co.
68/155/4B, 'Shivasiri'
Harinagar Cross, Kathanur, Anjanapura Post
Bangalore – 560 062, India

Auditors of Subsidiaries

M/S N. Rajan Associates
10, Jalan Besar,
10 –12, Sim Lim Tower
Singapore - 208787

Company Law Advisor

Mr. M.R. Gopinath
"Rukmini", 252/B, 2nd "C" Main,
1st Phase, Girinagar,
Bangalore - 560 085

Branch / Subsidiary Offices

USA 1919, Midwest Road, #210, Oak Brook, Illinois 60523, USA Phone +1 630 629 4900 Fax +1 630 629 1573	Singapore 10 Anson Road # 20-16, Suite No : 6 International Plaza Singapore 079903 Phone + 65 63245343 Fax: + 65 63245345
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Legal Advisors

Mr. Ramesh Jagirdhar
M/S J & J Associates
#55, 2nd Floor, Railway Parallel Road
Kumarapark West, Bangalore – 560 020, India

M/S Michael A. Cotteleer & Associates
207, N. Washington
Wheaton, Illinois 60187, USA

Bankers

State Bank of India
Industrial Finance Branch
Residency Road
Bangalore – 560 025, India

State Bank of India
#19, La Salle Street,
Chicago, Illinois – 60603, USA

Bank of India
Singapore Branch
138, Robinson Road
#01-01, Hong Leong Center,
Singapore - 068906

Stock Exchanges

(Where the shares of the company are listed)

The Stock Exchange, Mumbai
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

D'mat ISIN No. in NSDL & CDSL for Equity shares

INE867C01010

Investor Relation Cell

Secretarial Department
80/2, Lusanne Court
Richmond Road
Bangalore – 560 025, India

Registrars & Share Transfer Agents

Karvy Consultants Limited
51/2, TKN Complex, Vanivilas Road
Opp. National College, Basavanagudi
Bangalore – 560 004, India

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Corporate Vision

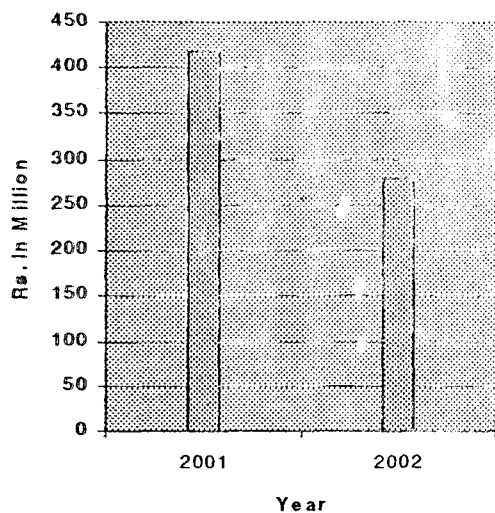
“To be a global leader, committed to the customer
in providing technology solutions with
the highest degree of excellence, quality and value
by an agile team using efficient processes”

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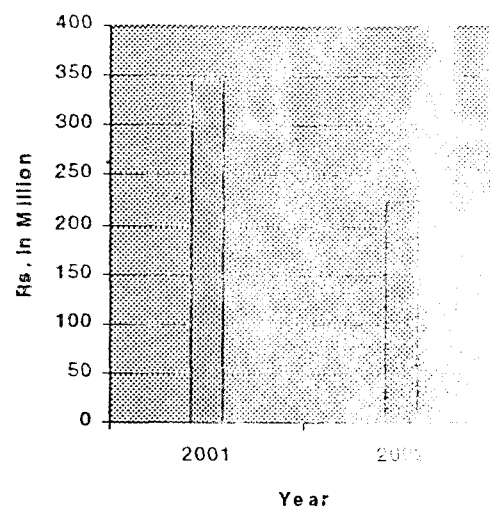
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ASM GROUP INFORMATION

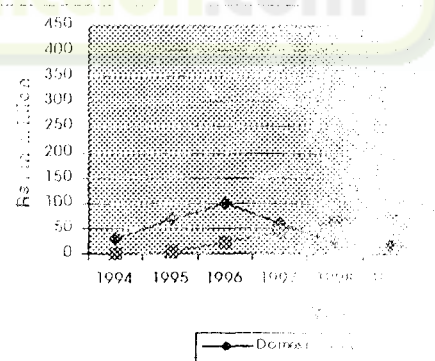
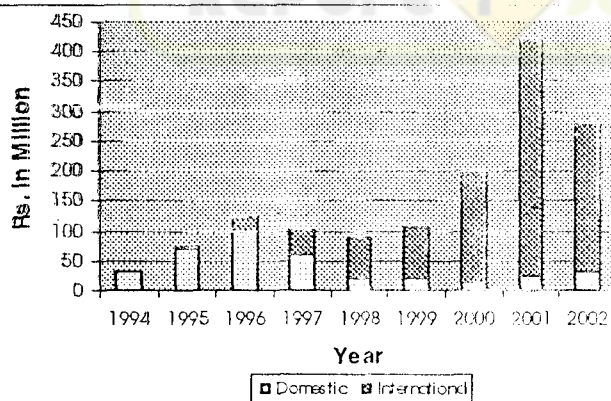
ASM Group Revenue



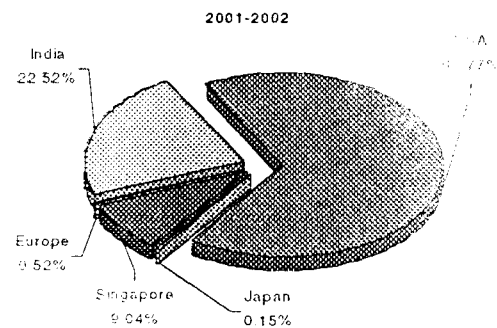
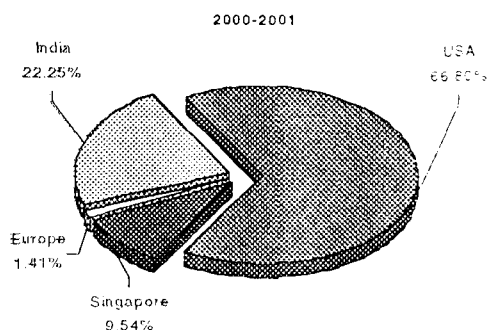
ASM Group Revenue (Net of Intercompany Transactions)



Domestic and International Revenue Trends



Geographical Distribution of Revenue



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From the Desk of the Chairman

It gives me great pleasure to welcome you to the Tenth Annual General Meeting of your company. The year 2001-2002 was a challenging year for business all over the world. The slowdown of the US economy, the biggest in the world have been compounded by the tragic events of September 11. The event not only resulted in a loss of thousands of innocent lives and huge economic loss to the US economy but also resulted in a nervous consumer and investor sentiment, adversely impacting trade and commerce across the world. The cost pressures on account of the current slowdown in the dominant markets have resulted in more and more customers exploring the off shore option in outsourcing IT services. On this background most of the IT and Telecom companies registered considerably lower or even negative rate of growth, both in revenue and profitability as compared to that in the previous year.

The group total revenue decreased to Rs. 224.73 million (net of inter company sales) from Rs. 345.90 million (net of inter company sales) achieved during the previous year ended March 01 while the operating profit for the year ended 31st March 02 was Rs. 12.45 million, a decrease by 51% from that of the previous year.

For ASM the unfortunate events stated above had an adverse impact on the performance of your company. There was a decrease in total revenue from Rs. 207.84 million achieved during the previous year to Rs. 133.46 million. Though the company registered an operating profit of Rs. 7.2 million for the year under review it resulted a post operative loss of Rs. 11.60 million.

During the year your company successfully completed a number of projects in the US, Germany and Asia. These projects gave us confidence in delivering end-to-end solution and also enhanced our skill sets. In addition, your company is riding the telecom wave in the country. As a part of the convergence strategy between IT and Telecom we have executed a number of infrastructure related telecom projects and are moving in the direction of interfacing the hardware and software. On ISO-9000 Certification front the procures have been finalised and being implemented. The final Certification is expected during 2002 Dec.

Despite the economic slowdown across the globe, your company has identified certain niche areas in the Enterprise Application, and System Software sectors which will be the driving force in the future. There is also a clear market with opportunity on the convergence of the software through medium of hardware and this is harnessed by the rich experience and domain knowledge on the convergent technology by the technical members. Further this will become the foundation and infrastructure for the growth of both the old and new economy organizations. Your company is well poised and can leverage this advantage for the existing line of business in providing solutions in the areas of Enterprise Applications and Communication Software.

These offerings will be taken to new markets in the other ASIAPAC (like Japan, Korea and Australia), Middle east, Europe regions as well, apart from current US, India and Singapore markets.

The company is committed to building long term shareholder value with full emphasis on Corporate Governance. In achieving this overriding objective the company has always endeavored to operate as a responsive and law abiding corporate citizen.

Your company operates in a knowledge intensive industry where People and HRD remain at the forefront of its mission. We embrace the philosophy that people are the foremost factor in the success of an organization.

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, staff of the company, advisors and consultants for their support
- Industrial Development Bank of India (IDBI) for their continued support
- State Bank of India (Industrial Finance Branch- Software Division) for their support and guidance
- Central and State Governments, Software Technology Parks (STPI) and NASSCOM

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Our Core Businesses

ASM Technologies Limited is a provider of end-to-end solutions. ASM synergises its business consulting skills with its core competency of technology to provide software solutions for an Enterprise in the New Economy. Our clients are based worldwide and work in diversified fields of business.

Our Offerings

SOFTWARE ENGINEERING DIVISION

ENTERPRISE APPLICATIONS

- Configuration
- Development and Customization
- Implementation
- Remote Support
- End-User Support Services
- SCM & CRM

IT ENABLED SERVICES

- Technical Support Centre
- Maintenance Support
- Back Office Processing

SYSTEM SOFTWARE

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Manage, deploy and protect Storage devices

- Expertise in Developing :
 - o Enterprise Storage Management Tools
 - o Desktop Storage Management Tools
 - o Custom Storage Management Tools

Networking

- Networking protocol stacks
- TCP/IP protocol suite
- ISDN, X.25
- FDDI, Fiber channel, ATM
- Multi-protocol router
- Networking applications
- Network management (SNMP, CMISE...)

Communication

- ISDN exchange
- Digital telephones
- High-speed Modems
- Mobile radio communication
- Hand-held and mobile radios
- Base-stations and remote-stations Network configuration and management

TELECOM NETWORK ENGINEERING DIVISION

- Access Technologies
- Network Engineering
- Operations & Maintenance

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Our Pride – Our Board of Directors

Dr. S. Srikantan

Dr. S. Srikantan holds a Ph.D. in Electrical Engineering from Moore School, University of Pennsylvania, USA. He is a recipient of 'Vikram Sarabhai Research Award' for his outstanding work in the field of Electronics and telecommunications. Dr. Srikantan is one of the founders of Computer Industry in India. As Managing Director of Karnataka State Electronics Development Corporation (KEONICS), he was instrumental in initiating the Software / IT / Telecom industries in the state and also in the successful development of Software Tech Park / Industrial Park for electronic industries (Electronic City) near the city of Bangalore.

Dr. R.P. Shenoy

Dr. R.P. Shenoy, a 'Distinguished Scientist' and a recipient of 'Padma Sri Award' (Presidential Award) from the Government of India, holds a Ph.D. in Electrical Engineering from University of Wisconsin, Madison, USA. Dr. R.P. Shenoy is a fellow of National Academy of Engineers and a Distinguished Fellow of the Institution of Electronics & Telecommunication Engineers. He is known for his contributions to the development and growth of radar technology in India. Dr. Shenoy has also been associated with the Indian Institute of Science, Bangalore as a distinguished scientist.

Mr. M.R. Vikram

Mr. M.R. Vikram is a leading Chartered Accountant and Financial Services consultant, partner in M. Anandam & Co., in Secunderabad. M. Anandam & Co. is one of the auditors of Reserve Bank of India and many private and public sector companies. He is on the Board of Directors of Shakhthi Roofings Ltd., Andhra Pradesh Chemicals & Minerals Ltd., Glochem Industries Ltd., and also holds Directorships in other private companies.

Mr. Rabindra Srikantan

Mr. Rabindra Srikantan holds M.S degrees in Computer Engineering and Computer Science from the University of Louisiana, USA. He has professional experience in a wide range of software systems in the areas of Engineering, manufacturing, Enterprise Applications and Internet Technologies.

Our Assets- Our Employees

At ASM Technologies, we are proud of every one of our employees. Their dedication and commitment has helped us to achieve our goals of being the chosen provider of end-to-end solutions. ASM invests in its employees, supports them with training facilities and enables them to work independently, so that they can grow as individuals and build their careers.

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NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Company will be held at 9.00 a.m. on Friday, the 27th September 2002 at PaiVijay Hall, 33rd, Cross, 11th Main, 4th Block, Jayanagar, Bangalore- 560 011 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31.03.2002, the Profit and Loss Account for the year ended 31.03.2002 and the Cash Flow Statement for the Year ended 31.03.2002 together with the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr.S. Srikantan, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint auditors and fix their remuneration. M/s Sudhakar Pai Associates, Chartered Accountants, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Office in Chicago, USA., to examine and audit the accounts for the financial year 2002-2003 on such remuneration, terms and conditions as the Board may deem fit."

5. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**.

RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Office in U.K., to examine and audit the accounts for the financial year 2002-2003 on such remuneration, terms and conditions as the Board may deem fit."

6. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

RESOLVED THAT in terms of the Amendment to Companies Act 1956 vide the Companies Amendment Act 1996 published in the gazette of India extraordinary Dt. 18.1.97 and pursuance to the powers vested in the company vide Amendment to Sec 17 of the Companies Act 1956 which came into force from 1.3.97 the Memorandum of Association of the Company shall be altered as under:

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RESOLVED THAT the following clauses will be added as Clause 5 after the existing Clause 4 of the Main Objects of the Memorandum of Association.

5. To provide consultancy and services in building of telecom infrastructure related projects, including developing hardware, telecom products and network engineering services and to carry on the business of Electronic engineers, Electricians, Contractors, Installers and Advisers and consultants in the field of electronics, electrical communication, computer based products, industrial automation and all other fields relating to it.

FURTHER RESOLVED THAT the Directors be and are hereby authorised to take the necessary steps in respect of the aforesaid alterations."

REGD. OFFICE
80/2, Lusanne Court,
Richmond Road
Bangalore 560 025

Date:2.07.2002

By Order of the Board

Sd/-
RABINDRA SRIKANTAN
Managing Director



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NOTES

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under items 4,5 & 6 set out above are annexed here to and forms part of the Notice.
2. A member entitled to attend and vote at a meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies to be valid should be deposited forty eight hours before the Meeting at the Registered Office of the Company.
3. Members are requested to notify immediately any change in their address to the Company/Karvy Consultants Limited, Share Transfer agents at T.K.N Complex, No.51/2, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore – 560004, India.
4. The Registrar of Members of the Company will remain closed from 21.9.02 to 27.9.02
5. For the convenience of the members, attendance slip is annexed to the proxy form. Members are requested to fill-in and affix their signature at the space provided and hand over the attendance slip at the entrance place of the meeting. Proxy representative of a member should mark on the attendance slip as "PROXY" or "REPRESENTATIVE" as the case may be.
6. Members desiring any information on the accounts at the AGM are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
7. As a measure of economy copies of the Annual Reports will not be distributed at the AGM. Members are requested to kindly bring copies of the Annual Report to the Meeting.
8. As per the provisions of the amended Companies Act, 1956 facility for making nominations is now available for share holders in respect of the shares held by them. Nomination forms can be obtained from the Registrars and Transfer Agents.
9. The Company has made an application to the Central Government (Department of Company Affairs) seeking approval under section 212(8) of the Companies Act 1956 for the financial year 2001-2002 in connection with furnishing the documents of the subsidiaries in the format other than those prescribed under the Companies Act, 1956.

Explanatory Statement pursuant to Sec 173 (2) of the Companies Act, 1956

10 Item No.4

In the year 1999-2000 the Company had opened a branch office in Chicago, USA. It is necessary to appoint in consultation with the Company's Auditors, branch auditors of the company under the provisions of Sec.228 of the Companies Act 1956 for auditing the accounts of the Branch for the year ending 31st March 2003. Their remuneration and terms and conditions of appointment will be as determined by the Board of Directors.

Item No.5

In the year 2001-2002 the Company had opened a branch office in UK. It is necessary to appoint in consultation with the Company's Auditors, branch auditors of the company under the provisions of Sec.228 of the Companies Act 1956 for auditing the accounts of the Branch for the year ending 31st March 2003. Their remuneration and terms and conditions of appointment will be as determined by the Board of Directors.

Item No 6

With telecom networking services making inroads in the IT sector the stage is set for a revolution in communication and allied services. Your company has since been planning for a diversification especially when the market for software services is not encrasing and now has its focus in Electronics and Telecommunication Networking Services.

The Companies Act has provided for amendment to object clause with the passing of a Special Resolution by the members in a General meeting and has done away with the requirement of approval of Company Law Board. The Special Resolution at item No.6 of the Notice is necessary having regard to Section 17 of the Companies (Amendment) Act, 1996 for amending the Main Objects of the Memorandum of Association. The Company is of the opinion that these objects will enhance the Company's prospects considerably.

None of Directors are directly or indirectly interested or concerned in the said resolutions.

The Board recommends the Special Resolution for your approval.