

# ANNUAL REPORT

## 2017 - 2018



**FUTURE  
READY**

**ENGINEERING SERVICES • PRODUCT R&D**



ASM Technologies Limited

## Corporate Information

### Board of Directors

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

### Audit Committee

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

### Stakeholders Relationship & Share Transfer Committee

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

### Nomination & Remuneration Committee

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

### Corporate Social Responsibility Committee

Prof. B.S. Sonde	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 Rd, Malleshwaram,  
Bangalore 560055, 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  
  
Financial Express  
5241, Southwyck Blvd.Ste 100  
Toledo, Ohio - 43614, USA

### 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  
Overseas Branch, Bangalore, Karnataka, India

Indian Bank, Singapore

First Federal Bank  
Ohio, USA

State Bank of India  
King Street, London, UK

### Stock Exchanges

(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@asmtd.com

### Registrars & Share Transfer Agents

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

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Dear Fellow Shareholder,

India is the topmost offshoring destination for information technology (IT) companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients in emerging technologies, it now offers an entire new gamut of opportunities for top IT firms in India. Notwithstanding global headwinds and uncertainties, NASSCOM has projected a growth rate of 7-9 per cent for the IT industry in 2018-19 in the country as against 7.8 per cent in 2017-18.

The Future is “Digital at Scale”. Global Upswing in economic activity and increasing Digital spend defining the next phase of Industry growth. While 2017 was a year of boardroom discussions about a lot of the disruptive technologies, 2018 is predicted to be the year of action where most of the disruptive technologies will see the limelight. As per NASSCOM, exports would be at \$137 billion dollars in 2018-19 as against \$126 billion dollars in 2017-18. The industry is expecting to add 1,00,000 jobs in 2018-19. NASSCOM noted the rise of digital solutions and said that digital now forms nearly 20% of the total exports. Segments like blockchain and AI are seeing traction and expects digital services to grow 1.5-2 times the rest of businesses.

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. According to NASSCOM the global (ER&D) spend was USD 1.80 trillion in 2017, a growth of 3.2%. India (ER&D) earned a revenue of USD 26.90 billion in the financial year 2018, a growth of 12%, reaching a market of USD 70 billion by 2025. The global trend includes companies moving from analog to digital offerings, many non-tech companies re-branding themselves as tech firms and Technologies like big data analytics (data monetisation), AI/ML (intelligent products/services), IoT (connected products) being key areas of investment with, Domestic market likely to get a boost from Smart cities, IoT, Defense, Electric mobility and Semiconductors. Further, in the global ER&D, Automotive, the focus area remains Electric Vehicles, autonomous/connected cars, battery technology and mobility while the R&D spend in Semiconductor includes - IoT, VR, connectivity and transistors (10 nm/7 nm).

Globally, Industry is moving rapidly in the areas of 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 Network Security / Encryption platform.

Providing such a solution does not come without challenges. To address these opportunities, keeping in mind the challenges, ASM is well poised to bring in solutions to the industry at large. ASM is proud to be the Co-Creation Partner in these initiatives at various locations across continents.

The thrust areas for ASM will continue to be in the Semiconductor Equipment, Hi –Tech, Automotive verticals.

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-Creating 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.

Overall, on the basis of the standalone front, your company registered a total revenue of Rs. 761.91Mn for the year ended 31st March 2018. Domestic sales was Rs.64.70Mn while Export sales was Rs.697.21Mn. EBIDTA was at Rs.85.72Mn and Net profit after tax was Rs.37.03Mn.

The Consolidated total revenue for the year ended 31st March 2018 was Rs.826.26Mn. EBIDTA was at Rs.85.72Mn and Net Loss after tax at Rs.4.29Mn.

During the year 2017-18 the company declared an Interim dividend of Rs.2.50/- per equity share of Rs. 10/- each on 4th November, 2017. In keeping with the dividend policy, 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 2017-2018. The final dividend if approved by the members and paid out will be Rs. 12.50Mn, interim dividend paid Rs.12.50Mn, amounting to a total Rs. 25 Mn for the financial year 2017-18. Rs.5.16Mn 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.

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, Karnataka, India and Indian Bank, Singapore for their support and guidance
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks of India (STPI) and NASSCOM.

Place : Bangalore  
Date : 29<sup>th</sup> May, 2018

**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 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, Former 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.

## **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, Rane (Madras) Ltd., TVS Electronics Ltd, TVS Automobile Solutions Pvt. Ltd, Janaadhar (India) Pvt. Ltd. Dickinson Fowler Pvt Ltd., Leadece India Pvt. Ltd., Invest Karnataka Forum and Kostal India 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.

## **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.

## **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.



## 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



**NARSINGH RATHOD**  
CHIEF FINANCE OFFICER



**P.N. LAKSHMI**  
COMPANY SECRETARY

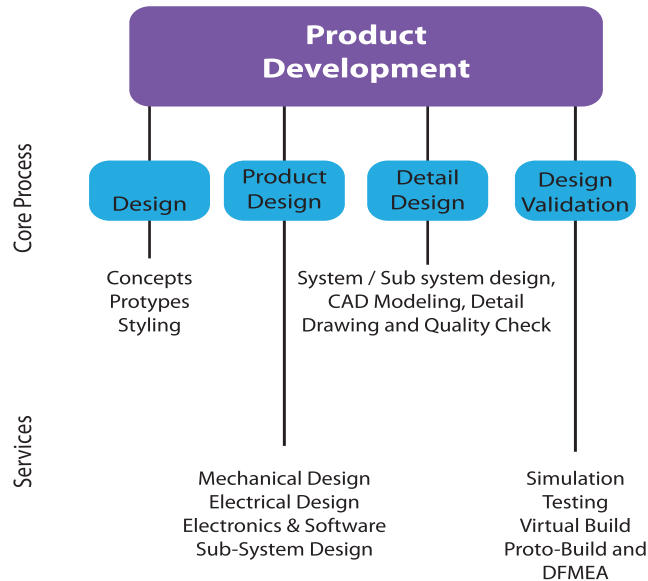
## Our Core Business

Established in 1992, ASM Technologies Limited is a publicly-listed company in India with global presence in USA, Singapore, UK, Canada and Mexico. 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 (ER&D) 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 .

## Our Core Business

### ENGINEERING SERVICES



### PRODUCT R&D SERVICES

Security & Encryption □ Networking / Wireless □ Cloud □ Virtualization □ Quality Assurance □ Release Management  
□ Test Automation □ Framework Development

