



# Annual Report 2012-13

ASM Technologies Limited

## Board of Directors

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

## Audit Committee

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

## Share Transfer & Investor Grievance Committee

Prof. B.S. Sonde	Chairman
Mr. Rabindra Srikantan	Member

## Remuneration Committee

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

## Company Secretary

Ms. P.N. Lakshmi

## Auditors

M/s. Sudhakar Pai Associates  
Chartered Accountants  
Bangalore, India

M/s. Venu & Vinay  
Chartered Accountants  
Bangalore, India

M/s. N. Rajan Associates  
Certified Public Accountant  
Singapore

Mr. Paul Schweer  
Certified Public Accountant  
USA

Subash B. Desai  
Certified Public Accountant  
USA

## Company Law Advisor

Mr. M.R. Gopinath  
Practicing Company Secretary  
Bangalore, India

## Legal Advisors

INDUSLAW  
Advocates  
Bangalore, India

M/s. Michael A. Cottleer & Associates  
Solicitors  
USA

R. Lamar Frederick LLC.  
Solicitors  
USA

## Bankers

State Bank of India  
Bangalore, India

DBS Bank Ltd.,  
Bangalore, India

Bank of Baroda  
Bangalore, India

Indian Bank  
Singapore

State Bank of India  
San Jose, CA

## Stock Exchanges

(Where the shares of the Company are listed)  
Bombay Stock Exchange Limited  
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

## Demat ISIN Number

INE867C01010

## Investor Relation Cell

Secretarial Department  
# 80/2, Lusanne Court  
Richmond Road  
Bangalore 560 025, India  
Tel : +91 80 6696 2309

## Registrars & Share Transfer Agents

Karvy Computershare Private Limited  
Plot No. 17 to 24, Near Image Hospital  
Vittalrao Nagar, Madhapur, Hyderabad 500 081, India  
Tel : 040-44655185

## CONTENTS

Corporate Vision .....	3
Revenue Highlights .....	4
CEO's Letter to the Shareholder .....	5
Board of Directors .....	6
Core Business .....	7
Annual General Meeting Notice .....	10
Directors Report .....	13
Report on Corporate Governance .....	17
Management Discussion & Analysis .....	21
Shareholder Information .....	24
Secretarial Audit Report .....	27
Audit Report .....	31
Balance Sheet .....	34
Profit & Loss Accounts .....	35
Cash Flow statement .....	36
Notes to Accounts .....	37
Consolidated Audit Report .....	47
Consolidated Financial Statements .....	48
Proxy Form & Attendance Slip .....	61

## 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”

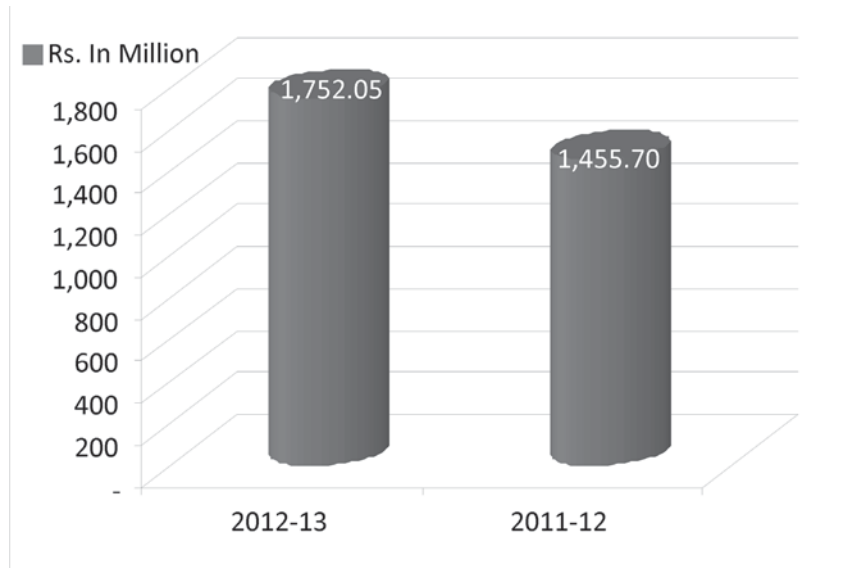
## ASM Board of Directors



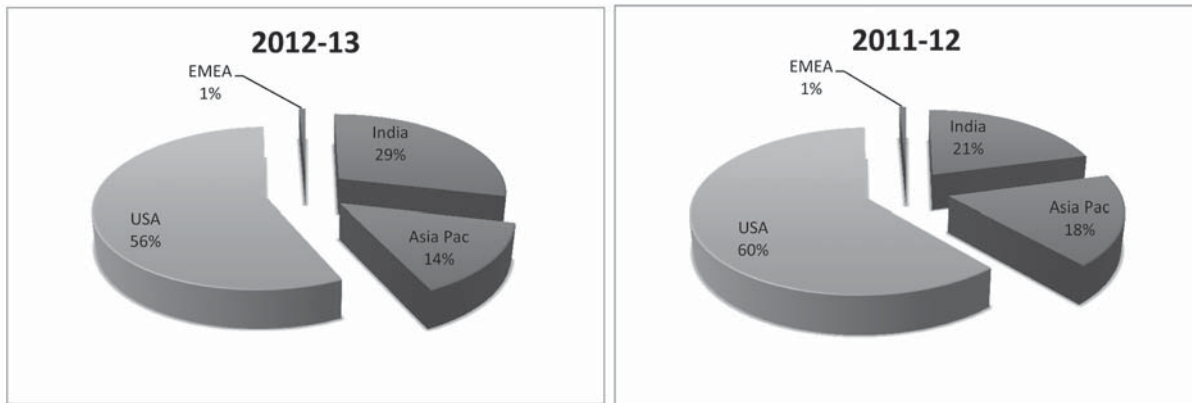
From left Prof. B.S. Sonde, Director, M.R. Vikram, Chairman,  
Rabindra Srikantan, Managing Director, Shekar Viswanathan, Director.

## ASM GROUP INFORMATION

### ASM GROUP REVENUE



### Geographical Distribution of Revenue



**NOTE : Group consists of :**

- ASM Technologies Ltd. (India)
- Pinnacle Talent Inc. (USA)
- Abacus Business Solutions Inc. (USA)
- Advanced Synergic Pte. Ltd. (Singapore)
- ESR Associates Inc. (USA)

## CEO's Letter to the Shareholder

Dear Fellow Shareholder,

The advent of 2013 does signal that the global economic crisis is bottoming out-creating a sense of cautious optimism. Technology is reshaping everything around us- businesses, consumers, countries- creating opportunities that never existed before. It is shifting from traditional process automation to strategic Business Intelligence, collaboration, customer facing technologies and the future of technology is beyond just services- a complete blend of services, solutions, products and platforms.

Globalisation continues to drive global servicing models which ensures India to remain competitive and leverage on its talent pool. Customers are opening up to offerings around cloud computing solutions, SaaS., on demand solutions, etc which enable service providers to address new customer segments. The industry in India is positioning itself to address current and emerging opportunities. IP based platforms, reinvented business models, customer centric solutions and blended delivery is helping the industry emerge as a strategic business partner to global customers. As per Gartner the IT services market in India is estimated to reach USD10.2 billion in 2013, a 12 percent increase from an estimated USD9.1 billion market in 2012. The Indian IT-ITes industry is expected grow to a \$225 billion industry by 2020 while the domestic IT-ITes market alone is expected to increase by more than double to \$41 billion by 2015. These growth estimates are testament to the emerging opportunities.

The financial results of the company have been encouraging despite headwinds faced in terms of weaker than economic recovery in the companies primary markets of US.

On the standalone front the company registered a total revenue of Rs.9061.81 lakhs for the year ended 31st March 2013, a growth of 27.38 % over the same period the previous year. Domestic sales was Rs.3562.44 lakhs while Export sales was Rs. 5499.37 lakhs an increase by 47% to that of the previous year. EBIDTA was at Rs.1392.58 lakhs, up 26.73% YoY while Profit after tax increased by 22.32 % YoY to Rs.889.99 lakhs.

The Consolidated total revenue of Rs.17520.54 lakhs for the year ended 31st March 2013 registered a growth of 20.36% over the same period the previous year. EBIDTA was at Rs.1792.24 lakhs while Profit after tax was Rs.1065.62 lakhs.

The company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders of dividend and of conserving resources to meet the company's future needs. Your Directors have recommended for approval of the members, a final dividend of 13 %, Rs.1.30/-on the par value of Rs. 10/- per share for the financial year 2012-13, subject to the approval of the shareholders at the forthcoming Annual General Meeting. This is in addition to the interim dividend of 12%, Rs. 1.20 on the par value of Rs. 10/- par share, declared during the year.

### Future Outlook

There are headwinds in the Global Economic Trend which will have an impact on the IT/Engineering spends by some of the industry verticals. While this would not lead to a recessionary outlook, it will be a challenge to meet the client & market expectations without much increase in the budgets.

ASM will continue to consolidate and grow by increasing service offerings to the existing client base across existing and new geographies along with new client acquisitions. The efforts of working towards a strategic relationship with key clients has yielded results, some of this will result in additional revenues during this fiscal.

In our effort to step up non-linear growth, some of the key designs by the Engineering Services group are being prototyped and will be manufactured in limited quantities through partner companies and delivered to strategic customers.

ASM has been developing some products as co-development with key technology companies, some of these technologies will monetize during this fiscal.

### Geographical Areas of Operation

ASM has increased its focus on Europe and is expanding into some of the African countries as well.

### New Initiatives in Engineering Services

The Engineering Services has been expanded to design prototypes for some of the new product initiatives. These key product designs will also be manufactured through partner companies and delivered to our strategic customers.

### New Initiatives in Enterprise Applications

During the year ASM signed an agreement to work with Oracle to co-develop Oracle Fusion Value Chain Planning applications. ASM, a Gold level member of Oracle Partner Network (OPN), is one of several members of OPN that will provide engineering and functional resources to assist in the development of the next generation of Oracle Fusion Value Chain Planning applications. Under this initiative, ASM will work on two separate co-development projects for the next release of Oracle Fusion Value Chain Planning applications. This is a significant investment in Oracle Fusion, benefiting, both Oracle and preparing our consulting team with the depth of knowledge they require to deploy these new products.

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

-Valuable employees of the company for their valuable contribution, efforts and spirit of dedication

- State Bank of India, Overseas Branch, Bangalore, DBS Bank Ltd, Bangalore, Bank of Baroda, Bangalore, Indian Bank, Singapore and State Bank of India, San Jose for their support and guidance.

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

Place: Bangalore  
Date: 11th May, 2013

Rabindra Srikantan  
Managing Director

## **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 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. 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.

M.R.Vikram is a Director in 13 companies including 2 listed companies. He is 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 also one of the trustees of Manthan, an important intellectual group for discussion in Hyderabad.

### **Mr. Rabindra Srikantan** **Managing Director**

Mr. 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, Mr. 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. Mr. 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.

Mr. Rabindra Srikantan is the President of Pinnacle Talent Inc. USA, Director on the Board of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. and Abacus Business Solutions Inc. USA, step down subsidiaries of the company.

### **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.

### **Mr. Shekar Viswanathan** **Director**

Mr. 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.

Mr. 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.

## Our Core Business

### About Us

ASM Technologies Limited is an IT Services organization established in 1992, is a pioneer in providing World Class Consulting Services in Business Systems, Engineering Services, IT Infrastructure Services and Technology Solutions.

### Highlights

- Publicly Listed Company in India
- Global Presence Offices
  - o Bangalore, - INDIA
  - o Chicago, Santa Clara and Toledo –USA
  - o Singapore
  - o London – UK
- Certified in ISO-9001:2000, ISO 27001- 2005 (ISMS) & Appraised at CMMI ML3.
- Successful Offshore Development & Support Centers in India and Overseas
- Industry Vertical – Hi-Tech, Manufacturing, Semiconductor, Oil & Gas, Consumer Electronics, Aerospace, Automotive, Solar, Growth Industries, Telecom, Public Utilities & Retail.

### Business Snapshot

81% of customers FORTUNE 500  
93% of business is “Repeat Business”

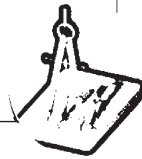
### Mission

“To commit us to the highest degree of excellence and customer support with a view to providing superior value to clients.”



## Service Offerings

### Engineering Services



- Engineering Services
- Product Design
- Systems Engineering
- Detailed Engineering
- Value Engineering
- Reliability Engineering
- Modeling and Analysis
- Reverse Engineering
- Sustainment Engineering
- Prototyping, Testing and Manufacturing
- Tooling and Test Fixtures
- Technical Publication & Documentation with 3D Visualization

### Business Systems



- Enterprise Application
- SAP
- Oracle
- Microsoft Dynamics
- Business Intelligence
- Data Warehousing
- Cloud Computing
- Enterprise Mobility
- Web Application Development

### Technology Solutions



- Technology Solutions
- Product Development
- Product Testing
- System Software
- Embedded Technologies
- Real Time Applications



REPRESENTATIVE CLIENT LIST

Hi - Tech



Manufacturing



Oil & Gas, Energy



BFSI



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Telecom

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Retail

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Consumer Products

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Pharma

Health Care

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PARTNERSHIPS



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ASM - a services partner

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## Notice

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Friday the 28th of June, 2013 at 10.00 a.m. at Pai Vijay Hall, No. 530/58, 33rd, Cross, 11th Main, 4thBlock, Jayanagar, Bangalore- 560011 transact the following business.

### ORDINARY BUSINESS

#### 1. Adoption of Accounts

To receive, consider, approve and adopt the Balance Sheet as at 31.03.2013, the Profit and Loss Account for the year ended 31.03.2013 and the Cash Flow Statement for the year ended 31.03.2013 together with the report of the Auditors and Directors thereon.

#### 2. Declaration of Dividend

To declare a final dividend for the financial year ended 31st March, 2013.

#### 3. Re-appointment of Mr. M.R.Vikram

To appoint a Director in place of Mr. M.R .Vikram who retires by rotation and being eligible offers himself for re-appointment

#### 4. Appointment of Statutory Auditors

To appoint M/s Sudhakar Pai Associates as Statutory Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS

#### 5. Appointment of Branch Auditors

To consider and if thought fit to pass with or without modification(s) 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 Offices in USA and UK to examine and audit the accounts for the financial year 2013-2014 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act 1956. ”

#### REGD. OFFICE

# 80/2, Lusanne Court  
Richmond Road  
Bangalore 560 025  
Date : 11th May, 2013

#### By Order of the Board

Sd/-  
**RABINDRA SRIKANTAN**  
Managing Director

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item 5 is 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 commencement of the Meeting at the Registered Office of the Company.
3. Members holding shares in physical form are requested to notify any change in their address to the Company/Karvy Computer-share Private Limited, Plot No. 17 to 24 , Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500081 . Members holding shares in electronic form are requested to direct change of address notifications and updations of their bank account details to their respective depository participants.
4. The Register of Members of the Company will remain closed from 24.6.2013- 28.6.2013 (both days inclusive).
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. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
8. In terms of Article 131 of the Articles of Association read with Section 256 of the Companies Act , 1956, Mr. M.R. Vikram, Director, retires by rotation at the ensuing meeting and being eligible, offers himself for re- appointment. The Board of Directors of the company commend the re-appointment,
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
11. Non-Resident Indian Members are requested to inform Karvy, the Registrars, of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank A/c maintained in India with complete name, branch ,account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided in the Report forming part of the Notice.
13. The Register of Directors` shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
14. Subject to the provisions of Section 206A of the Companies Act 1956,dividend as recommended by the Board of Directors, if declared at the meeting , will be payable on or after 28th of June, 2013, to those members whose names appear on the Register of Members as on 22nd of June, 2013.
15. Payment of Dividend through ECS:
  - a) Members holding shares in physical form are advised to submit particulars of their bank account, viz, name and address of the bank, 9 digit MICR code of the branch, type of account and account number latest by 22nd of June, 2013 to the Registrars, Karvy Computershare Pvt. Ltd, Plot No 17 to 24 Vittal Rao Nagar, Madhapur Hyderabad - 500 081.
  - b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository participants.

16. Members were informed that the Ministry of Corporate Affairs (MCA) Government of India had by its circular No. 17/2011 dated 21.04.2011 and circular No. 18/2011 dated 29.04.2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance. Recognising the spirit of the circular issued by the Ministry of Corporate Affairs we are sending documents like Annual Reports, Quarterly financial updates etc to the mail address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the Annual Reports and other documents reach you on your preferred email account.

17. Members who have not received or encashed the dividend warrants in respect of the dividend declared for the years 2007-08 to 2011-2012 are requested to correspond with the Registrars/ Company Secretary at the Company's Registered Office for obtaining payment in lieu of warrants. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 205A of the Companies Act 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1994-1995 and 1997-1998, to the IEPF.

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(V1) OF THE LISTING AGREEMENT.**

The relevant information relating to the Director proposed to be re-appointed vide Ordinary business No.3 in the Notice of the AGM is given below:

Mr. 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. 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. He is the Secretary Trustee of M.Venkatarangaiya Foundation, one of India's largest initiatives in eradication of child labour and bringing children to schools and he is one of the trustees of Manthan, an important intellectual group for discussion in Hyderabad. He serves as an Advisor, Auditor and Director of many companies, including private as well as public limited companies. Mr. Vikram does not hold shares in the company.

List of public limited companies in which Mr. M.R.Vikram holds Directorships and memberships of Committees

Directorships	Member of Board Committees
GTN Industries Ltd	Audit Committee, Remuneration Committee & Shareholders / Investor Grievance Committee
Glochem Industries Limited	Audit Committee & Remuneration Committee
Wings Infonet limited	-
Amreli Power Projects Ltd	-

**Explanatory Statement Pursuant to Sec. 173(2) of the Companies Act 1956:**

**Item No. 5**

During the years 1999-2000, 2001-2002, 2011-2012 the company had opened branch offices in Chicago, USA, Santa Clara in California, USA and in the UK. It is necessary to appoint Auditors, under the provisions of Sec.228 of the Companies Act 1956 for auditing the accounts of the Branches of the company for the year 2013-2014. Your approval is sought by the proposed resolution to be passed authorizing the Board of Directors of the company to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Offices in, USA., and UK, to examine and audit the accounts for the financial year 2013-2014 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act 1956.

None of the Directors is directly or indirectly concerned or interested in the Resolution.

Your Directors commend the resolution for your approval.

## Directors' Report

To the Members,

We are pleased to present the 21st Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2013.

### 1. Financial Results

(Rs. In lakhs)

	2012-13	2011-12
Income from software services and products	9061.81	7114.17
Software development expenses	6977.62	5638.06
<b>Gross Profit</b>	<b>2084.19</b>	1476.11
Administrative expenses	704.82	401.23
<b>Operating Profit before Interest Depreciation &amp; Tax (EBIDTA)</b>	<b>1379.37</b>	1074.88
Depreciation	99.31	71.87
Interest	219.36	178.60
Other income	181.94	178.14
<b>Profit/-Loss before Tax (EBT)</b>	<b>1242.64</b>	1002.55
Provision for Tax	350.43	272.26
Deferred Tax Income/-Expense	2.22	2.75
<b>Net Profit /-Loss (PAT)</b>	<b>889.99</b>	727.54
Profit & Loss bal brought forward	1267.49	985.23
<b>Amount available for appropriation</b>	<b>2157.48</b>	1712.77
Interim Dividend	60.00	-
Proposed Final Dividend	65.00	125.00
Dividend Tax	20.27	20.27
Transfer to General Reserve	300.00	300.00
Balance in Profit & Loss A/c	1712.21	1267.49

### 2. Results of Operation

On the standalone front the company registered a total revenue of Rs.9061.81 lakhs for the year ended 31st March 2013, a growth of 27.38 % over the same period the previous year. Domestic sales was Rs.3562.44 lakhs while Export sales was Rs. 5499.37 lakhs an increase by 47% to that of the previous year. EBIDTA was at Rs.1392.58 lakhs, up 26.73% YoY while Profit after tax increased by 22.32 % YoY to Rs.889.99 lakhs.

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### 3. Dividend

With a view to augment resources for long term growth of the company the Directors have recommended for approval of the members a final dividend of Rs.1.30 per equity share of Rs 10/-each for the financial year 2012-2013. The dividend amount paid out if approved by members will be Rs.65.00 lakhs, interim paid Rs. 60.00 lakhs, while Rs.20.28 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.

#### 4. Transfer to Reserves

The company proposes to transfer Rs.300.00 lakhs to General Reserve out of the amount available for appropriations and an amount of Rs.1712.21 lakhs is proposed to be retained in the Profit & Loss Account.

#### 5. Subsidiaries

**Advanced Synergic Pte Ltd** – achieved a gross revenue of Rs.2937.57 lakhs for the year ended 31st March, 2013 and registered a pre tax profit of Rs 241.65 lakhs for the year under review.

**Pinnacle Talent Inc, USA-** achieved a gross revenue of Rs.2188.06 lakhs and a pre tax profit of Rs.3.59 lakhs for the year ended 31st March 2013.

**ESR Associates Inc., USA** – achieved a gross revenue of Rs732.37 lakhs and a pre tax loss of Rs.61.89 lakhs for the year ended 31st March, 2013.

**Abacus Business Solutions Inc-** achieved a gross revenue of Rs.5544.56 lakhs for the period ended 31st March, 2013 and registered a pre tax profit of Rs.44.02 lakhs for the above said period.

In accordance with the general circular No.2/2011 dt. 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

#### 6. Future Outlook

There are headwinds in the Global Economic Trend which will have an impact on the IT/Engineering spends by some of the industry verticals. While this would not lead to a recessionary outlook, it will be a challenge to meet the client & market expectations without much increase in the budgets.

ASM will continue to consolidate and grow by increasing service offerings to the existing client base across existing and new geographies along with new client acquisitions. The efforts of working towards a strategic relationship with key clients has yielded results, some of this will result in additional revenues during this fiscal.

In our effort to step up non-linear growth, some of the key designs by the Engineering Services group are being prototyped and will be manufactured in limited quantities through partner companies and delivered to strategic customers.

ASM has been developing some products as co-development with key technology companies, some of these technologies will monetize during this fiscal.

##### Geographical Areas of Operation

ASM has increased focus on Europe and is expanding into some of the African countries as well.

##### New Initiatives in Engineering Services

The Engineering Services has been expanded to design prototypes for some of the new product initiatives. These key product designs will also be manufactured through partner companies and delivered to our strategic customers.

##### New Initiatives in Enterprise Applications

During the year ASM signed an agreement to work with Oracle to co-develop Oracle Fusion Value Chain Planning applications. ASM, a Gold level member of Oracle Partner Network (OPN), is one of several members of OPN that will provide engineering and functional resources to assist in the development of the next generation of Oracle Fusion Value Chain Planning applications. Under this initiative, ASM will work on two separate co-development projects for the next release of Oracle Fusion Value Chain Planning applications. This is a significant investment in Oracle Fusion, benefiting, both Oracle and preparing our consulting team with the depth of knowledge they require to deploy these new products.

#### 7. Awards

During the year the company was awarded the Winner for the category “Best Exporter- Services (Small)” at the ‘ECGC - D&B Indian Exporters’ Excellence Awards 2012’.

#### 8. Corporate Social Responsibility

During the year the company made a contribution to American Cancer Society. The company also donated 15 desk tops to Agastya International Foundation, a Bangalore-based education trust seeking to transform and stimulate the thinking of rural children and teachers

## 9. Management Discussion and Analysis Report

The Report on Management's Discussion and Analysis covering matters listed inter alia in Clause 49 of the Listing Agreement for the year under review is attached to this Report.

## 10. Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act 1956, the Directors based on all representations received from the operating management confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures:
2. The Company had selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. The Company had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts of the company are prepared on a going concern basis.

## 11. Corporate Governance Report

As required vide Clause 49 of the Listing Agreement, a Report on Corporate Governance is provided elsewhere in this Annual Report along with Auditor's Certificate on compliance thereof.

## 12. Secretarial Audit Report

As a measure of good corporate governance practice, the company appointed Mr. M.R. Gopinath, Practicing Company Secretary, to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report for the financial year ended March, 31st 2013, is provided in the Annual Report. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges and all the Regulations and Guidelines of the Securities and Exchange of India (SEBI). A copy of the report is provided elsewhere in the Annual Report.

## 13. Directors

The year 2012-2013 saw the sad demise of the senior most Director on the Board, Dr. R.P. Shenoy. The Directors place on record their sincere appreciation of the valuable services, advice and guidance given by Dr. R.P. Shenoy, during his long tenure on the Board.

As per Article 131 of the Articles of Association of the company Mr. M.R. Vikram, Director, retires by rotation and is eligible for reappointment.

Brief profile of the Director proposed for re-appointment is given after the Notice to the ensuing AGM.

## 14. Particulars of employees

Information as per Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975- Expenditure on employees employed for the year/part of the year who were in receipt of remuneration which in the aggregate is not less than Rs. 5,00,000 per month is not applicable for the year 31st March 2013. This is in view of the Notification dated 31.3.2011 by the Ministry of Corporate Affairs raising the limit of employee's salary to be disclosed in Directors Report. It is further clarified vide General Circular No.23/2011 dt. 3.5.2011 of the Ministry of Company Affairs that the above said notification is applicable to all Directors Report under Section 217 of the Companies Act 1956, approved by the Board on or after 1st of April, 2011, irrespective of the accounting year of the annual accounts being approved by the Board.

## 15. Conservation of energy, technology absorption:

The company's operations involve low energy consumption. However the efforts to conserve and optimize the use of energy through improved operational method and other means will continue.

The Company has not imported any technology during the year.

Foreign exchange earnings and outgo

During the year, the Foreign Exchange earned was Rs. 5499.37 lakhs and Foreign Exchange used was Rs 1588.47 lakhs.



## 16. Fixed Deposits

The Company has not accepted any deposits from the public during the year.

## 17. Auditors

M/s. Sudhakar Pai Associates, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to accept office if re-appointed and the company received certificate from them confirming that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment, within the meaning of Sub-sections (3) and (4) of Section 226 of the Companies Act, 1956.

## 18. Acknowledgements

Your Directors take this opportunity to express their gratitude to

- Our esteemed customers, employees, shareholders, vendors, business partners, advisors and consultants for their unstinted support.
- State Bank of India, Overseas Branch, Bangalore, DBS Bank Ltd, Bangalore, Bank of Baroda, Bangalore, Indian Bank , Singapore and State Bank of India San Jose for their support and guidance
- Central & State Governments, Software Technology Park (STPI) and NASSCOM for their continued support.

**For and on behalf of the Board**

Place : Bangalore  
Date : 11th May, 2013

**M.R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

### I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. The fundamental objective of the company's corporate governance is enhancement of long-term shareholder value while at the same time protecting the interests of other stakeholders without compromising on compliance of any laws and regulations. The Board of Directors exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in their decision making process. The company has adopted a Code of Ethics for its Senior Management and the Board of Directors, which serves as a guide on the standards of values, ethics and business principles.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the company's business and ensuring that the company pursues policies and procedures to satisfy its legal and ethical responsibilities.

### II BOARD OF DIRECTORS

The Board is primarily responsible for the overall management of the Company's business. The present Board comprises 4 members, three of whom are Independent Directors and one Promoter Director, who is the Managing / Whole-time director. The company has a Non-Executive Chairman and the number of Independent Directors is more than one third of the total number of Directors. The company is in compliance with the requirements relating to the composition of Board of Directors, in line with Clause 49 of the Listing Agreement.

The Managing Director is responsible for Corporate strategy, planning and other management matters. The Managing Director and the senior management personnel being responsible for achieving annual business targets, acquisitions, new initiatives and investments make periodic presentations to the Board on their responsibilities and performance.

Board meetings are held at our Registered Office Bangalore, India. The agenda for each Board meeting along with explanatory notes are distributed in advance to the Directors. The Board meets at least once a quarter to review the quarterly results and other items of agenda and also on the occasion of the Annual General meeting of the shareholders.

During the financial year 2012-2013 4 meetings of the Board were held, on 11.05.2012, 24.07.2012, 31.10.2012, & 31.01.2013.

Composition of the Directors and their attendance at the Board meetings during the year and at the last AGM is as follows.

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	No. of Director-ships of other public companies	No. of Committee Positions held in Other companies #	
						Member	Chairman
Mr. M R Vikram Chairman	Independent-Non Executive Director	4	4	Yes	4	5	-
Mr. Rabindra Srikantan Managing Director	Executive Director	4	4	Yes	-	-	-
Dr. R.P.Shenoy*	Independent-Non Executive Director	4	1	Yes	-	-	-
Prof. B. S. Sonde Director	Independent-Non Executive Director	4	3	Yes	-	-	-
Mr. Shekar Viswanathan Director	Independent-Non Executive Director	4	2	No	1	-	2

# Comprises Directorship, Chairmanship/Membership in Board Audit Committee, Shareholders' /Investors' Grievance Committee and Remuneration Committee in Indian Public Limited Companies.

\* Ceased to be a Director w.e.f. 16.08.2012 consequent to his demise.

The Board has complete access to any information within the company. Updates provided to the Board include the following:

- Annual operating plans, budgets, capital budgets and updates,
- Quarterly results of business operations.
- General notices of interest.
- Dividend data
- Minutes of Committee meetings.
- Materially important litigations, show cause notice, prosecution and penalty notices.
- Details of joint ventures, acquisitions of companies or collaboration agreements.
- Information on recruitment and remuneration of senior officers immediately below the Board level.

- Non-compliance of any regulatory , statutory or listing requirements including shareholder services such as non-payment of dividend and delays in share transfer.
- Any major development in the Human resources front.
- Any issue involving public or product liability claims of a sizeable nature.
- Sale assets, investments, subsidiaries of material nature , not in the regular course of business.

### III. BOARD COMMITTEES

The Board has three committees namely, audit committee, share transfer and investor grievance committee and remuneration committee. The quorum for meetings is either two members or one-third of the members whichever is higher. Usually the committees meet four times a year and the recommendations of the committees are submitted to the Board for approval.

#### 1. Audit Committee

Each member of the committee is an independent director , according to the definition laid down in Clause 49 of the Listing Agreement with the Stock exchanges.

##### Terms of Reference

The Board has constituted the Audit Committee with the following mandate:

- Oversee the Company's financial reporting process and the disclosure of its financial information.
- Recommend appointment and removal of statutory auditors, fixation of audit fee and also approve payment for other services.
- Review the adequacy of internal audit functions and adequacy of internal control systems with the Management, Statutory and Internal Auditors.
- Review the Company's financial and risk management policies.
- Review statement of significant related party transactions, and ensure compliance with accounting standards.
- Review with the Management , internal and the statutory auditor the Quarterly/Annual financial results before submission to the Board for approval.

##### Composition :

Sl. No.	Name of Director	Position	Status
1.	Mr. M.R.Vikram*	Chairman	Independent Director
2.	Dr. R.P.Shenoy**	Member	Independent Director
3.	Prof. B.S. Sonde	Member	Independent Director
4.	Mr Shekar Viswanathan*	Member	Independent Director
5.	Mr. Rabindra Srikantan (Special Invitee)		Executive Director

\* Members having financial and accounting knowledge

\*\* Ceased to be a member w.e.f. 16.08.2012 consequent to his demise.

##### Secretary

*Ms. P.N.Lakshmi - Company Secretary*

Meeting and attendance during the year

Members	No. of Meetings held	No. of Meetings attended
Mr. M.R. Vikram	4	4
Mr. R.P.Shenoy	4	1
Prof. B.S.Sonde	4	3
Mr. Shekar Viswanathan	4	2

#### 2. Share Transfer & Investor Grievance Committee

##### Role of the Committee

The Committee reviews and administers transfer of shares, transmission of shares, rematerialisation, transposition issuance of duplicate share certificates as and when required, redressal of investor complaints pertaining to transfer of shares, non-receipt of annual reports, non-receipt of dividend , etc. & reports the same to the Board periodically.

**Share Transfers in Physical Mode**

In order to expedite the process of share transfers, the Board of Directors of the Company have delegated the power to the Registrar & Share Transfer Agents, Karvy Computershare Pvt Ltd, (The R&STA). The R&STA transfer the shares received in physical mode on a fortnightly basis. Summary of the shares transferred are sent to the company to be approved by the share transfer committee and noted by the Board.

In compliance with the listing agreement and SEBI, every quarter, the system is audited by a Practicing Company Secretary and Compliance Certificate to that effect is issued and filed with the Stock Exchanges where the Company's shares are listed.

**Composition**

Sr. No.	Name of Director	Position	Stauts
1.	Prof. B.S. Sonde	Chairman	Independent Director
2.	Mr. Rabindra Srikantan	Member	Executive Director

Name and designation of Compliance Officer

Ms. P. N. Lakshmi, - Company Secretary

Share Transfer & Investor Grievance Committee Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	4	4
Mr. Rabindra Srikantan	4	4

During the year 2012-2013 34 complaints were received all of which were resolved with nothing pending as on 31st March 2013. The shareholding in dematerialized mode as on March 31st, 2013 as being 90.67 %.

BSE & BgSE have confirmed that as on 31.03.2013 there is no investor Complaints/queries pending to be solved by the Company/Registrars & Share Transfer Agents.

### 3. Remuneration Committee

The Managing Director, being the only Executive Director is paid remuneration within the limits envisaged under Schedule XIII of the Companies Act 1956. The remuneration is approved by the Board, Remuneration Committee as well as the Shareholders of the Company. The Non-Executive Directors are paid remuneration only by way of sitting Fees. The company has filed an application with Central Government seeking approval for re-appointment of Mr. Rabindra Srikantan as Managing Director for a period of three years from 8.11.2011 and increase in the payment of remuneration from Rs.2,50,000/- to Rs. 5,00,000/per year inclusive of perquisites and a commission of 1% of the Net Profits of the company. The company has not received approval from the Central Government as on date.

**Terms of reference :**

**Brief Terms of Reference is as follows-**

- to determine salaries and benefits to Senior management Employees and Directors of the Company.
- develop and recommend to the Board Corporate Governance Guidelines applicable to the Company
- lay down policies and procedures to assess the requirements for induction of new members on the Board

**Composition :**

Sr. No.	Name of Director	Position	Status
1.	Mr. M.R.Vikram	Chairman	Independent Director
2.	Dr. R.P.Shenoy*	Member	Independent Director
3.	Prof. B.S. Sonde	Member	Independent Director
4.	Mr.Shekar Viswanathan	Member	Independent Director

\* Ceased to be a member w.e.f. 16.08.2012 consequent to his demise.

The Remuneration Committee did not hold any committee meeting during the year 2012- 2013.

Details of Remuneration payable to Directors for the year FY2012-13

Name of Director	Salary & perquisites	Sitting Fees
Mr. M.R.Vikram	-	Rs. 10,000
Mr.Rabindra Srikantan	Rs.30,00,000	-
Dr. R.P.Shenoy	-	Rs.2,500
Prof. B.S.Sonde	-	Rs 7,500
Mr. Shekar Viswanathan	-	Rs.5,000

Shareholding in the Company of Non-Executive Directors as on 31.03.2013

Name	No. of Equity shares held
Mr. M.R.Vikram	NIL
Prof. B.S.Sonde	NIL
Mr. Shekar Viswanathan	NIL

#### IV. SHAREHOLDERS MEETINGS

Date, time and venue of the last three AGM's

Year	Date & Time	Venue	Special resolution Passed
2009-2010	10th July,2010, 11.30am	Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011	-Payment of commission to the non-executive directors. -Acquisition of M/s Abacus Business Solutions Inc. a US based firm.
2010-2011	11th July,2011, 11.30 am	Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011	NIL
2011-2012	27th June, 2012, 11.00 am	Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011	Re-appointment and increase in "remuneration payable to the Managing Director

Whether special resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedures for postal ballot. -

None

#### V. DISCLOSURES

a) Disclosures on materially significant related party transactions of the Company of material nature with its founders, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

Details are provided in Note 2.22 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18.

b) Details of Non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

None

#### VI MEANS OF COMMUNICATION

Quarterly Audited/Unaudited financial results and Annual results are published in a widely circulated newspaper, Business Standard and also in Sanjayvani, a regional daily published from Bangalore. The results are also posted on the official website of the Company, www.asmltd.com, Quarterly reports are also sent to each shareholder via email.

#### VII. MANDATORY/ NON-MANDATORY REQUIREMENTS

During the financial year 2012-13 the company -

(a) Duly complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.

The company did not adopt any of the non- mandatory requirements of Clause 49 of the Listing Agreement.

#### VIII CODE OF ETHICS

Annual declaration pertaining to compliance of Code of Ethics of the Company vide Clause 49(1)(d)(ii) of the Stock Exchange Listing Agreement

This is to confirm that all the Board members and senior management personnel of the company have affirmed compliance of the Code of Ethics of the Company for the Financial Year 2012-13

Place : Bangalore  
Date : 11th May, 2013

Sd/-  
**Rabindra Srikantan**  
Managing Director

## IX. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The financial statements have been prepared in line with the requirements as specified under the Companies Act 1956, Securities Exchange Board of India (SEBI) and Generally Accepted Accounting Principles in India (GAPP). The estimates and judgments relating to the financial statements have been made on a reasonable basis so that the financial statements reveal a true and fair picture of the essence of the transactions and reasonably present the state of affairs, profits and cash flow of the company for the year. Our Management accepts responsibility for the objectivity of these financial statements as well as for the estimates and judgments used therein.

### 1. Industry Structure and Development

The year 2012 was a year of uncertainty with the global economic slowdown, lower GDP growth in India, slower technology spending and a volatile currency. The IT Industry in India however maintained its growth momentum registering a double digit growth and clocking revenues of USD 108 billion in the financial year.

As per Nasscom, for the F13, the export revenues are expected to grow 11-14% while the domestic revenues will grow 13-16% considering the uncertain economic environment with delayed decision making and differentiated growth across the industry sectors and companies. IT spending in India is projected at \$71.5 billion in 2013, a 7.7% increase from the \$66.4 billion forecasted for 2012, as per a Gartner report. India like other emerging markets continues exercising strong momentum despite inflationary pressures and appreciation of local currencies. The telecommunications market is the largest IT segment in India with spending forecast to reach \$47.8 billion in 2013 followed by the IT services market with spending of \$10.3 billion. As global markets improve in 2013 and resume growth, Asia Pacific remains one of the bright spots of the global IT market, allowing organizations in the region to accelerate competitiveness. For 2013, technology researcher Gartner expects worldwide IT spending to increase 4.1% to \$3.7 trillion.

The expectations of the software services sector in India, for the current year, is of cautious optimism. US recovery is driving the optimism, hopefully seeing an end of uncertain times in Europe. The hopes for a recovery have been buoyed by strong earnings from the country's top service providers in January, 2013.

### 2. Opportunities

An increase in global technology spending and opportunities created through adoption of technologies such as social media, mobility analytics and cloud computing are expected to spur growth in 2013-14, according to Nasscom. The local IT market is expected to grow at 13-16%, driven by spends by the government and the banking, financial services and insurance (BFSI) sector. Some of the key growth drivers that are expected to open new opportunities for the industry are smart computing, anything-as-a-service, technology enablement in emerging verticals and the SMB market. The market size of the industry is expected to rise to USD 225 billion by 2020 considering India's competitive position, growing demand for exports, Government policy support, and increasing global footprint. The IT industry in India is a driving force in the economic growth and development of the country. As per Nasscom estimates, the financial year of 2011-2012 saw revenue generation of over US \$87.6 billion and opportunities in the IT industry in India are only slated to get better in the current financial year. Furthermore, Indian firms, across all other sectors, largely depend on the IT & ITeS service providers to make their business processes efficient and streamlined. Indian manufacturing sector has the highest IT spending followed by automotive, chemicals and consumer products industries.

We believe in our competitive strengths and with our Global Delivery Model and core competencies consider to address the changing economic scenarios as an opportunity to provide greater value to existing clients and add new clients.

### 3. Outlook

This has been provided elsewhere in the Annual Report.

### 4. Risks and Concerns

#### a. Financial Risk.

Cross currency headwinds seems to be the major deterrent to impact the dollar revenue growth of technology companies. Further payment delays or defaults, wage inflation and other cost escalations could also reduce the Company's earnings. However the company mitigates the risks with robust accounts receivable management, centralised framework to control expenses and currency hedging strategies by the management. The company has a defined policy for managing its foreign exchange exposure. The company tracks the foreign exchange markets closely and takes appropriate hedging decisions from time to time.

#### b. Competition Risk

While India still remains as the preferred destination for outsourcing activities, many other countries have started providing similar type of services and are fast emerging as competitive locations. The competition from countries such as China, Philippines, Vietnam, Poland, Hungary, Mexico, Brazil, and Egypt poses a great challenge for India. Currently India accounts for 20-25% of R&D off shoring whereas China is behind with 15-20% market share. Thus the Indian ITeS sector needs to make extra endeavor to remain competitive in terms of cost efficiency measures and scalability of various high end services to handle competition.

The company's capability to offer innovative and value added solutions and services by integrating its diverse domain knowledge enables it to move ahead in an environment of increasing competition. Absence of vigilance against competition could result in contraction of revenues from business. The best practices and methodologies built up by the company for development and customization of solutions ensure that projects are completed with speed, optimal resources and meet customer needs. The unrivaled

blend of engineering culture and technology skills adopted by the company and its strategic acquisitions and management resources adds to its capability to proffer innovative and value added solutions and services by integrating its diverse domain knowledge experience.. The company has derisked its business from competition by virtue of its domain expertise in providing end to end total IT solutions.

#### **c. New Technologies and Business Models**

The IT industry needs to reinvent itself and to define a compelling new business model in order to survive tough competition and a volatile demand economy. Companies are busy with diversifying and consolidating their employee base in the process focusing more on automation and outcome-focussed project delivery. The focus is now on growing non-linear practices which includes intellectual property, cloud computing, non-linear pricing models, delivery accelerators, branding, mergers and acquisitions to improve revenues. Improved IT infrastructure, increase competition among corporates and enhanced government focus has aided in greater technology adoption in India and making IT services as the fastest growing segment in the domestic market. The quality of IT infrastructure in the country has improved with enhanced Internet connectivity and introduction of 3G services. Growing usage of mobility devices, notebook and connectivity devices is expected to contribute to the hardware market growth. Further domestic software segment is also set to rise with advanced applications such as cloud, mobility etc. The focus of the Government, especially on projects involving e-governance across states, provides an opportunity for vendors to expand their foothold in the domestic market.

The company keeps itself up graded with the latest technologies solutions and assimilates changes to be successful in anticipating or responding to technological advances on timely basis. The service requirements from clients over the last two years is from a total outsourcing model to a blended outsourcing model to optimize the total cost of ownership. ASM has constantly expanded its infrastructure, technology and people skills to address the specialized markets in which is present. The acquisitions made by the company has enhanced the company`s capabilities to provide innovative and state- of- the –art services in its business segments. The company adopts various standards to ensure that information is secure and is not susceptible to disasters. In our effort to step up non-linear growth, some of the key designs by the Engineering Services group are being prototyped and will be manufactured in limited quantities through partner companies and delivered to strategic customers. The company also regularly audits and verifies its compliance with security and disaster recovery measures. ASM has centralized back up and data recovery systems and planned procedures for regular back up of all critical servers.

#### **d. Geography Risk**

The global economic uncertainties has paved the way for numerous opportunities directing the focus on underpenetrated markets like Eastern Europe, Latin America and Japan. For Indian IT companies Europe offers growth with more certainty on the debt crisis paving way for improvement while the US market for IT services has matured, which coupled with visa issues and stringent immigration makes it difficult to do business there. Slowdown in the global economic environment and corporate IT spending budget could impact the company`s business. For example, a sovereign default in Europe could have a cascading effect on the global economy. The resultant dislocation could lead to demand compression, pricing pressure and/or increased credit risk.

The company`s firm roots and prominent presence in the home market provides it an opportunity to refine its international offerings with the derived benefits of synergy across operations and optimizations of resources. The company`s well grinded skills tested in Indian markets enable it to spread efficiently its business across various geographies. The company has insulated its overall performance from the impact of slowdown with a domestic international spread of business and combinations of its various solutions and services. The growth of the company is not dependent on any specific geographic area or specified industry segment.

### **5. Internal Control System and their adequacy**

The internal control systems adopted by the company are adequate and appropriate to its operations. The system has been designed to ensure that assets and interest of the company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances.

The Company has internal audit to examine and evaluate the adequacy and effectiveness of Internal Control system. The internal audit ensures that the system designed and implemented to provide adequate internal control commensurate with the size and operations of the company. The Audit Committee of the company chaired by the independent director and consisting of other non-executive independent directors, periodically review and commend the quarterly, half yearly and annual financial statement of the company. A detailed note on the functioning of the audit committee forms part of the chapter on Corporate Governance in this Report.

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and independent Audit Committee of the Board of Directors.

### **6. Financial Condition and Operational performance**

#### **a. Share Capital**

The Company has at present only one class of shares. The authorized share capital is 70,00,000 Equity shares of Rs. 10/- each, constituting to Rs.700.00 lakhs There was no increase in the issued, subscribed and paid up capital of Rs. 500.00 lakhs during the year under review.

#### **b. Reserves and Surplus**

The company has voluntarily transferred Rs. 300 lakhs representing 33.70% of the profits for the year ended 31st March 2013, ( previous year Rs.300 lakhs ) to the general reserves account from the Profit and Loss account.

### c. Shareholder Funds

The total shareholder funds increased to Rs.3345.52 lakhs as at 31st March, 2013 from Rs. 2600.80 lakhs as of the previous year end.

### d. Profit & Loss account

The balance retained in the Profit & Loss Account as at 31st March 2013 is Rs.1777.20 lakhs after providing dividend for the year of Rs.125 lakhs and dividend tax of Rs.20.27 lakhs thereon. The total amount of profits appropriated to dividend including dividend tax was Rs. 145.27 lakhs.

### e. Fixed Assets

During the year 2012-2013 the Company has added Rs.266.55 lakhs to the gross block of assets. Additions were mainly incurred for new facility at Bangalore.

### f. Net Worth

The return on Net worth (RONW) for the year ended 31st March 2013 was 26.60 %.

### g. Income

Of the total revenues for the year ended 31st March, 2013, Rs. 5499.37 lakhs was derived from export operations and Rs.3562.44 lakhs from domestic operations.

Sales include sale of software and Software services. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Miscellaneous income mainly consists of reimbursement of expenses.

### h. Operating Profit(EBIDTA)

We earned an operating profit Rs.1379.36 lakhs representing 15.22% of total revenues as compared to Rs.1074.88 lakhs representing 15.11 % of total revenues, during the previous year.

### i. Earnings per share

Our earnings per share increased by 22.33 % during the year to Rs.17.80 from Rs.14.55 per share the previous year.

### j. Developments in Human Resources/ Industrial Relations

The employee strength of the company as on 31st March, 2013 was 752 while in respect of the ASM group, the total strength including contractual employees was 905. The growth in manpower strength can be attributed to growth in new business..

It is a well recognized fact that Human Resources are the most valuable assets, deployed and valued by an organization. Your company believes that people are the primary drivers in the success of an organization and hence people and HRD remain at the forefront of its mission. In this pursuit, the Company is providing timely and cost effective recruitment system for attracting the cream of talented professionals, ensuring a clear compensation and benefit policy in tune with the latest IT market trends. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. CEO's Letter to the Shareholder

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## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

(under Clause 49 of the listing agreement)

To The Members of  
**M/s. ASM Technologies Limited**  
Bangalore 560 025.

We have examined the compliance of conditions of Corporate Governance by **M/s. ASM Technologies Limited** (the Company) for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above referred Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for **Sudhakar Pai Associates**,  
Chartered Accountants,  
Firm's Registration No: 004171S

**CA. B. SUDHAKAR PAI**  
Partner  
Membership No. 018187

Place : Bangalore.  
Date : 11th May, 2013



## X. GENERAL INFORMATION FOR SHAREHOLDERS

### 21st Annual General Meeting

1. Date & Time : 28th June 2013 at 10.00.a.m.
2. Venue : No. 530/58 Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore -560011
3. Date of Book Closure : 24.6.2013- 28.6.2013 (both days inclusive)
4. Dividend Payment Date : On or after 28th of June, 2013 subject to shareholders` approval.
5. Financial year of Company : April to March
6. Corporate & Registered Office : No. 80/2 Lusanne Court, Richmond Road, Bangalore- 560 025
7. Exchanges Listed at : Bangalore Stock Exchange Limited( BgSE) Stock Exchange Towers, No. 51, 1st Cross, J.C. Road.Bangalore- 560 027  
: Bombay Stock Exchange Limited( BSE) P J Towers, No. 25 Dalal Street, Mumbai - 400 001  
: The Listing fees for the financial year 2013-2014 has been paid
8. Stock Code : BgSE- ADVSYNER, BSE - 526433
9. D`mat ISIN No. in NSDL & CDSL for Equity Shares : INE867C01010

### 10. Unclaimed Dividend

Section 205 of the Companies Act , 1956, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund ( IEPF) . In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within the period of seven years will be transferred. to IEPF.

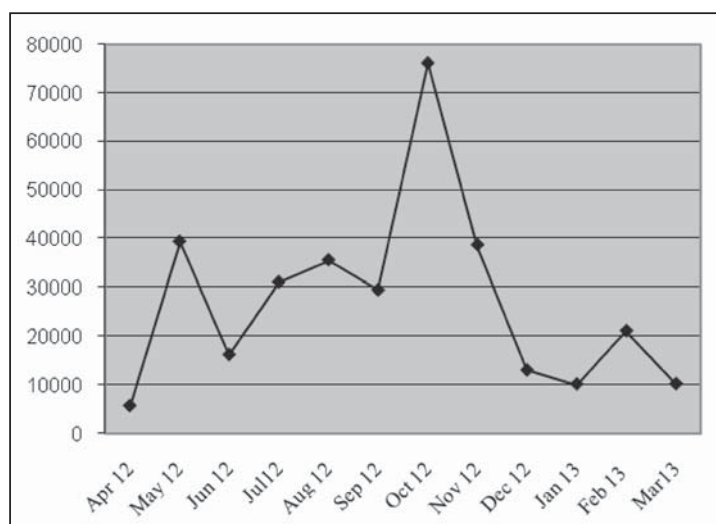
Year	Dividend per share of Rs.10/-	Date of declaration	Unpaid Amt as on 31.3.2013 (Rs.)	Due date for transfer to IEPF
2007-2008	Rs 0.75	4th June, 2008	117901.00	10th July,2015
2008-2009	Rs.1.00	20th June, 2009	179674.00	27th July,2016
2009-2010	Rs.1.20	10th,July, 2010	256347.00	15th August,2017
2010-2011	Rs.2.00	11th July,2011	427986.00	16th August, 2018
2011-2012	Rs.2.50	27th June, 2012	489737.00	2nd August ,2019
2012-2013 Interim	Rs.1.20	31st October, 2012	287751.00	6th Dec, 2019

### 11. Market Price Data

: The month wise high and low prices and volume of shares of the Company traded on the Mumbai Stock Exchange (BSE) for the period April 2012- March 2013 is given below:

Months	High (Rs.)	Low ( Rs.)	Volume
April 2012	70.00	58.00	5709
May 2012	72.00	56.85	39421
June 2012	74.90	57.05	16219
July 2012	80.00	65.00	31107
August 2012	83.50	69.00	35613
September 2012	82.90	65.20	29497
October 2012	97.70	72.05	76119
November 2012	94.00	81.65	38725
December 2012	85.50	78.45	13050
January 2013	85.30	79.10	10186
February 2013	80.00	58.20	21147
March 2013	77.00	55.00	10238

## ASML Volume of shares traded at BSE



12. Dematerialisation of Shares : 90.67 % of the capital has been dematerialised as on 31.03.2013
13. Market Capitalisation as on 31.03.2013 : Rs. 3201 Lakhs ( as per closing price in BSE)
14. No. of Employees as on 31.03.2013 : 752  
 No. of Employees (Group) : 905  
 (including contractual staff)
15. No. of Shareholders as on 31.03.2013 : 3994
16. Share Transfers : Physical shares sent for transfers or dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. During the year there were physical transfer of shares.
17. Distribution of shareholding as on 31.03.2013.

No. of shares		No. of shareholders	% of holders	No. of shares	% to total shares
From	To				
1	5000	3709	92.87	494669	9.89
5001	10000	132	3.30	108073	2.16
10001	20000	63	1.58	94129	1.88
20001	30000	24	0.60	61924	1.24
30001	40000	12	0.30	42023	0.84
40001	50000	10	0.25	44491	0.89
50001	100000	20	0.50	140996	2.82
100001	& above	24	0.60	4013695	80.28
TOTAL		3994	100.00	5000000	100.00

18. Share holding in Physical & Electronic form as on 31.03.2013

Particulars	No. of shares	% of holding
Physical	466288	9.33
Electronic	4533712	90.67
Total	5000000	100.00

19. Shareholding pattern as on 31.03.2013 :

Category	No. of shares	%age
Indian Promoters (including Persons acting in concert)	3046894	60.94
Mutual Funds & UTI	800	0.02
Institutions/Banks	1100	0.02
Private Corporate Bodies	74173	1.48
Indian Public	1814313	36.29
NRI`s/OCB`s	62720	1.25
<b>TOTAL</b>	<b>5000000</b>	<b>100.00</b>

20. Investor Correspondence : All enquiries clarifications and Correspondences Should be addressed to Registrars & Share Transfer Agents or to the Compliance Officer at the Following address:

Registrars & Share Transfer Agents  
Karvy Computershare Pvt Ltd  
Plot No. 17, to 24,  
Near Image Hospital.  
Vittalrao Nagar, Madhapur ,  
Hyderabad- 500081  
Tel: 040-44655185

Compliance Officer  
Ms. P. N. Lakshmi  
Company Secretary  
80/2 , Lusanne Court,  
Richmond Road,  
Bangalore- 560 025  
Tel: 080-66962309/  
Fax-08022273606

## SECRETARIAL AUDIT REPORT

To the Board of Directors  
ASM TECHNOLOGIES LIMITED  
80/2, Lusanne Court,  
Richmond Road,  
BANGALORE – 560 025.

I have examined the registers, records, books and papers of ASM TECHNOLOGIES LIMITED (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013.

The Authorised Capital of the Company is Rs.7,00,00,000(Rupees Seven Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each.

The Issued, Subscribed and Paid up Capital of the Company is Rs.5,00,00,000(Rupees Five Crores) divided into 50, 00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each.

In accordance with sub rule(3) of Companies(Appointment & Qualification of Secretary) Rules 1988 as amended in 2009, a company having paid up share capital of Rs.10,00,000 or more but less than Rs.5,00,00,000, if has appointed an individual who possess the qualification of membership of ICSI need not obtain a secretarial compliance certificate and ASM Technologies Ltd has appointed a qualified Company Secretary and therefore the provision of obtaining a Secretarial Compliance Certificate do not apply to the company.

However this Secretarial Audit Report is furnished to the company though the company statutorily need not obtain such a report, the company has informed that keeping good corporate governance in mind the company has obtained this report.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the financial year 01.04.2012 to 31.03.2013.

### 01. MAINTENANCE OF REGISTERS

The company has kept and maintained all Registers as stated in Annexure A to this certificate as per the provisions of the Companies Act, 1956 and the Rules made there under and entries therein have been duly recorded.

### 02. FILING OF RETURNS

The Company has filed all necessary returns that are to be filed under various sections with Registrar of Companies, Karnataka.

### 03. BOARD MEETINGS (Sec.285)

The Company has duly complied with the provisions of sections 285,286, 287,288 and 289 of the Companies Act. The company has held board meetings during the year under report as under: -

SI No.	Dates	No. of Meetings in a year
01	11.05.2012	FOUR
02	24.07.2012	
03	31.10.2012	
04	31.01.2013	

### 04. CLOSURE OF REGISTER OF MEMBERS (Sec.154)

During the year under report the company has closed the Register of members from 20.06.2012 to 27.06.2012 after duly complying with the provisions of sec. 154 of the Companies Act, 1956.

### 05. ANNUAL GENERAL MEETING (Sec.166/210)

The Twentieth AGM, for the year 2011-2012, has been held on 27.06.2012 by duly complying with Section.166 and 210 of the Companies Act, 1956. The company has also complied with section 159 and 220 of the Companies Act, 1956 relating to filing of the Annual Return and Annual Accounts with ROC Bangalore.

### 06. EXTRAORDINARY GENERAL MEETINGS (Sec.165)

During the year under report the company has not held any EGM.

### 07. LOANS (Sec.295)

During the year under the report according to the information and explanations given to me, the company has not granted any loan to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956

#### 08. CONTRACTS IN WHICH DIRECTORS ARE INTERESTED (Sec.297)

During the year the company has not entered into any contract which falls under the provisions of Section.297 of the Companies Act, 1956.

#### 09. MAINTENANCE OF REGISTER OF CONTRACTS (Sec.301)

During the year the company has not entered into any contract or arrangement which necessitates making entries in the register of contract maintained under Section 301 of the Companies Act 1956.

#### 10. APPROVALS (Sec.314)

During the year there was no requirement of passing of resolutions or obtaining approvals under Section.314 as no director or relative of director has been appointed to the Office or place of profit.

#### 11. ISSUE OF DUPLICATE SHARE CERTIFICATES (Issue of Share Certificate Rules 1960)

During the year under report the company has issued duplicate share certificates and has complied with the provisions of Issue of Share Certificate Rules 1960 in connection therewith.

#### 12. DELIVERY OF SHARE CERTIFICATES, DEPOSIT OF DIVIDEND AMOUNT, POSTING OF DIVIDEND WARRANTS, TRANSFER OF UNPAID DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND AND MEETING THE REQUIREMENTS OF SEC.217 REGARDING DIRECTORS REPORT:

The Company being a listed company has:-

##### DELIVERY OF SHARE CERTIFICATES (Sec.113)

- (i) delivered all the share certificates on lodgment thereof for transfer in accordance with the provisions of the Companies Act, 1956. and as per listing agreement.

##### DEPOSIT OF DIVIDEND AMOUNT, POSTING OF DIVIDEND WARRANTS, TRANSFER OF UNPAID DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND (Sec.205)

- (ii) The company has declared dividend of 25% for the year 2011-2012 and Interim dividend of 12% for the year 2012-2013 and complied with the provisions of Section 205 of the Act.

##### REQUIREMENTS OF SEC.217 REGARDING DIRECTORS REPORT (Sec.217)

- (iii) duly complied with the requirements of Sec. 217 of the Companies Act, 1956.
- (iv) The company in addition has also complied with requirements of Clause.47-C Listing Agreement and also with In accordance to Circular No.D &CC/FITC/CIR-16/2002 dated 31.12.2002 issued by the Securities and Exchange Board of India and Certification of compliance as per SEBI Guidelines for De-materialization of shares for transfer by investors and custodians. The company has also complied with code of ethics adopted by the company for 2012-2013 as per revised Clause No.49 of the Listing Agreement with stock exchanges.

#### 13. BOARD OF DIRECTORS

The Board of Directors of the Company is duly constituted and the appointment of Directors has been duly made in accordance with the provisions of the Act.

The directors at present are: -

Name of the Director	Date. of Appointment	Date. of cessation	D.I.N.No.
1. Mr M Ravindra Vikram	30.06.1998	--	00008241
2. Mr Rabindra Srikantan	10.08.1992	--	00024584
3. Dr. R P Shenoy	26.10.2006	16-8-2012	00003179
4. Prof. B S Sonde	30.10.2002	--	00025794
5. Mr. Shekar Viswanathan	28.05.2011	--	01202587
6. Ms. P N Lakshmi	17.08.1998	Company Secretary	

#### 14. APPOINTMENT OF MANAGING DIRECTOR, WHOLETIME DIRECTOR, MANAGER (Sec.269 & Sch.XIII & 198)

During the year the company has not appointed/re-appointed managing or whole time director.

#### 15. APPOINTMENT OF SOLE SELLING AGENTS(Sec.294AA)

During the year under report the Company has not appointed sole selling agents.

**16. APPROVAL REQUIRED BY VARIOUS AUTHORITIES**

During the year there was no event which required obtaining approval from various statutory authorities.

**17. DISCLOSURE OF INTEREST BY DIRECTORS (Sec.299)**

The Company has obtained Form.24AA – Disclosure of interest by Director from all the Directors and the same has been placed before the Board Meeting and necessary entries have been made in the Register of Directors maintained for the purpose.

**18. ISSUE OF SHARE CERTIFICATES, DEBENTURES OTHER SECURITIES DURING THE FINANCIAL YEAR(Sec.113)**

During the year under report the company has not made any allotment of equity shares nor debentures and consequently compliance under this provision did not arise.

**19. BUY BACK OF SHARES (Sec.77A)**

The Company has not bought back any shares during the year under report.

**20. REDEMPTION OF PREFERENCE SHARES AND DEBENTURES (Sec.80)**

The company has not issued any redeemable preference shares or debentures.

**21. KEEPING IN ABEYANCE RIGHTS TO DIVIDEND, RIGHT SHARES, BONUS SHARES, PENDING REGISTRATION OF TRANSFERS (Sec.205)**

There is no such event or occasion during the year under report.

**22. ACCEPTANCE OF THE DEPOSITS (Sec.58A read with Acceptance of Deposit Rules 1975)**

During the year the company has not accepted any deposits from Public.

**23. BOARD'S POWERS TO BORROW (Sec.292)**

During the year the company has borrowed loans from banks and passed necessary resolutions, but continues to avail credit facilities from banks as per facilities availed earlier.

**24. INTER-CORPORATE LOANS, GUARANTEES AND INVESTMENTS (Sec.372A)**

During the year the company granted additional corporate guarantee for enhanced credit facilities granted to its wholly owned subsidiary. In our opinion the terms and conditions are prima facie not prejudicial to the interest of the company.

**25. ALTERATION OF MEMORANDUM – RELATING TO SHIFTING OF REGISTERED OFFICE FROM ONE STATE TO ANOTHER STATE (Sec.17)**

The company during the year has not altered its Memorandum of Association relating to clause II of Memorandum of Association. (Shifting of Registered Office)

**26. ALTERATION OF OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION (Sec.17)**

During the year the company has not made any amendments to Memorandum of Association.

**27. CHANGE OF NAME OF THE COMPANY (Sec.21)**

During the year the company has not changed its name of the company.

**28. ALTERATION OF SHARE CAPITAL (Sec.94)**

During the year under report the company has not altered its Authorised Capital.

**29. ALTERATION OF ARTICLES OF ASSOCIATION (Sec.31)**

During the year the company has not altered the Articles of Association

**30. PROSECUTIONS, FINES AND PENALTIES**

As informed by the company during the year under report, no prosecutions have been launched nor has the company paid any fines or penalties under the Companies Act.

**31. EMPLOYEES SECURITIES (Sec.417)**

The company has not received any security from its employees during the year under report coming under sec 417 of the Companies Act 1956

**32. DEPOSIT OF PROVIDENT FUND (Sec.418)**

The company does not have a provident fund scheme falling under sec. 418 of the Companies Act 1956.

**33. GENERAL.**

This Certificate is issued based on the information that were made available at the time of audit & verification of the records and clarifications furnished for queries raised by us and inspection of the documents, files, book, statutory & non-statutory registers and other relevant records, documents, papers made available for verification.

Place : Bangalore  
Date : 11th May, 2013

Name: M.R.GOPINATH  
Company Secretary in Wholtime Practice  
C.P.No: 1030 FCS 3812

**ANNEXURE - A**

**TO  
COMPLIANCE CERTIFICATE**

**ASM TECHNOLOGIES LIMITED**

01. Register of investments in shares or securities U/s 49 (7) and (8).
02. Register of charges U/s 143(1) – copies of instruments creating charge u/s 136.
03. Register of members U/s 150(1)
04. Register of index of members if exceeds fifty U/s 151(1)
05. Minute Books of Board of Directors and Committees of the Board U/s 193(1)
06. Minute Books of Proceedings of General Meeting U/s 193(1) and 196(1)
07. Books of Accounts and the other cost records etc., U/s 209(1) and 209A (1)
08. Register of Contracts, with Directors, Companies and Firms in which Directors are interested U/s 301(1), (5).
09. Register of Managing Directors, Manager, Secretary and Directors U/s 303(1) and 304(1).
10. Register of Director's shareholdings U/s 307(1)(5)
11. Register of investment or loans made u/s 372A

**NON STATUTORY REGISTERS MAINTAINED.**

- i) Director's attendance books
- ii) Register of transfers
- iii) Register of duplicate certificates
- iv) Register of Fixed Assets.

**ANNEXURE - B**

Forms and Returns as filed by the Company, during the financial year ended 31.03.2013 with Registrar of Companies /Central Government

Sl.No.	Forms	Purpose	Challan No.
01	23.07.2012	FORM 23 – Re-appointment and payment of remuneration to Managing Director u/s269,198,309	B43902089
02	17.08.2012	FORM 20 B- 2011-2012	P88481643
03	09.10.2012	FORM 1 7	B59224642
04	29.12.2012	FORM 8	B64886849
05	15.01.2013	FORM 23AC &23ACA XBRL 2011-2012	Q05948062

**With Regional Director**

Nil

**With Central Government or other authorities**

The company has filed an application in Form.25A vide SRN No. B28980209 dt 06.1.2012 with the Central Government MCA New Delhi U/s.269/198/309 etc., seeking the approval for re-appointment and increase in payment of remuneration to the Managing Director and the application is under process of approval.

## INDEPENDENT AUDITORS' REPORT

To The Members of  
**M/s. ASM Technologies Limited**  
Bangalore 560 025

### Report on Financial Statements

We have audited the accompanying financial statements of ASM TECHNOLOGIES LIMITED., which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Sec. 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement Profit and Loss, of the profit of the Company for the year ended on that date.
- (c) In the case of the Cash Flow statement, of the cash flows of the company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

for **Sudhakar Pai Associates,**  
Chartered Accountants,  
Firm Regn.No.004171S

Place : Bangalore.  
Date : 11th May, 2013

**(CA. B. SUDHAKAR PAI)**  
Partner  
Membership No. 018187



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the management at reasonable intervals has physically verified these fixed assets, no material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) The company is Service Company, primarily engaged in developing software and allied services. Accordingly, paragraph 4(ii) of the order is not applicable.
- (iii) (a) The company has not accepted unsecured loan from firms/ companies or any other parties referred u/s.301 of the companies Act 1956, accordingly provisions of Clause 4 (iii)(a) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (b) As there is no loan granted to Parties covered in the Register maintained under section 301 of the companies Act, 1956, the provisions of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (c) The question of receipts of principal amount and interest does not arise since no loan has been granted to parties covered in the Register maintained under section 301 of the companies Act, 1956 hence the provision of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (d) As there are no loan granted to Parties covered in the Register maintained under section 301 of the companies Act, 1956, the question of overdue does not arise and hence provisions of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company
- (iv) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase fixed assets and for the sale of services. We have not noticed any continuing failure to correct major weaknesses in internal control.
- (v) (a) In our opinion and according to the information & explanations given to us transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of such contracts or arrangements & exceeding rupees five lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion the company has an internal control system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (i) of section 209 of the Companies Act, 1956 for the reporting enterprises.
- (ix) (a) In our opinion and according to the information & explanation given to us, the company generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information given to us, there are no material dues of wealth tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in financial year and in the immediately preceding financial year.
- (xi) In our opinion according to the information & explanations given by the management, we are of the opinion that the company has not made any default in repayment of dues to a financial institution or bank and not issued any debentures, accordingly payment of interest to them does not arise.

- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund, nidhi / mutual benefit fund / societies, Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) According to the information & explanation given to us The company is not dealing or trading in shares, securities, debentures and other investments, Accordingly clause 4 (xiv) is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks of financial institutions which is prejudicial to the interest of the Company.
- (xvi) In our opinion and According to the information & explanations given to us term loans have been applied for the purposes for which they raised.
- (xvii) According to the information & explanation given to us and overall examination of the balance sheet we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
- (xviii) In our opinion and according to the explanation given to us, we are of the opinion that the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act, accordingly clause 4 (xviii) is not applicable.
- (xix) The Company has not issued any debentures accordingly clause 4 (xix) is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly clause 4 (xx) is not applicable
- (xxi) To the best of our knowledge and belief and according to the information & explanation given to us no fraud on or by the company has been noticed or reported during the year.

for **Sudhakar Pai Associates,**  
Chartered Accountants,  
Firm Regn.No.004171S

**(C.A. B. SUDHAKAR PAI)**  
Partner.  
Membership No. 018187

Place : Bangalore.  
Date : 11th May, 2013

**FINANCIALS**

**ASM Technologies Limited**  
 80/2, Lusanne Court , Richmond Road, Bangalore - 560 025

**Balance Sheet as at March 31, 2013**

(Amount in Rupees)

Particulars	Note	As At 31.03.2013	As At 31.03.2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2.1	50,000,000	50,000,000
(b) Reserves and surplus	2.2	284,552,132	210,080,447
(c) Money received against share warrants			
<b>2 Share application money pending allotment</b>		-	
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	2.3	19,599,587	19,406,324
(b) Long-term provisions		11,617,281	10,144,392
<b>4 Current liabilities</b>			
(a) Short-term borrowings	2.4	117,061,260	94,797,880
(b) Trade payables	2.5	7,971,473	4,364,738
(c) Other current liabilities	2.6	34,396,471	32,859,662
(d) Short-term provisions	2.7	61,216,636	57,651,133
<b>Total</b>		<b>586,414,839</b>	<b>479,304,575</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.8	88,128,279	72,955,341
(b) Non-current investments	2.9	77,043,326	72,803,882
(c) Deferred tax assets (net)		1,455,904	1,678,212
(d) Long-term loans and advances	2.10	3,908,595	3,904,473
(e) Other non-current assets	-	-	-
<b>2 Current assets</b>			
(a) Trade receivables	2.11	264,734,492	244,567,885
(b) Cash and cash equivalents	2.12	64,488,151	62,258,773
(c) Short-term loans and advances	2.13	15,591,176	7,780,368
(d) Other current assets	2.14	71,064,915	13,355,641
<b>Total</b>		<b>586,414,839</b>	<b>479,304,575</b>

Significant Accounting Policies &amp; Notes on Accounts 1&amp;2

As per our report of even date  
 for SUDHAKAR PAI ASSOCIATES  
 Chartered Accountants  
 Firm's Registration No: 004171S

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner  
Membership No: 018187

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

## ASM Technologies Limited

### Profit & Loss Account for the Year ended March 31, 2013

		(Amount in Rupees)	
Particulars	Note	Year Ended 31.03.2013	Year Ended 31.03.2012
1	Revenue from operations (gross)	<b>906,181,173</b>	711,417,247
2	Other income	<b>18,194,241</b>	17,814,487
3	Total revenue (1+2)	<b>924,375,414</b>	729,231,734
4	Expenses		
	(a) Employee benefits expense	<b>486,509,502</b>	412,112,542
	(b) Finance costs	<b>21,935,886</b>	17,859,397
	(c) Depreciation and amortisation expense	<b>9,931,145</b>	7,187,383
	(d) Other expenses	<b>281,735,501</b>	191,817,537
	<b>Total expenses</b>	<b>800,112,034</b>	628,976,859
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)	<b>124,263,380</b>	100,254,875
6	Exceptional items	-	-
7	<b>Profit / (Loss) before tax</b>	<b>124,263,380</b>	100,254,875
8	Tax expense:		
	(a) Current tax expense for current year	<b>34,095,012</b>	27,226,077
	(b) Current tax expense relating to prior years	<b>946,565</b>	-
	(c) Deferred tax	<b>222,304</b>	275,025
9	<b>Profit / (Loss) after tax for the year</b>	<b>88,999,499</b>	72,753,773
10	Earnings per share (of Rs.10/- each):	-	-
	(a) Basic	<b>17.80</b>	14.55
	(b) Diluted	<b>17.80</b>	14.55

Significant Accounting Policies & Notes on Accounts 1&2

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

**M R Vikram**  
Chairman

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Managing Director

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**CA. B. Sudhakar Pai**  
Partner  
Membership No: 018187

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

## ASM Technologies Limited

### Cash Flow Statement for the year ended March 31, 2013

(Rupees in Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	889.99	727.54
Adjustments for :		
Depreciation	99.31	71.87
Profit on sale of fixed asset	0.97	2.07
Interest Income	(48.13)	(23.97)
Deferred Taxation ( Net)	2.22	2.75
Finance cost	219.36	178.59
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	(120.59)	(134.62)
<b>Operating profit before working Capital changes</b>	<b>1,043.13</b>	<b>824.24</b>
Adjustment for		
Trade payables	171.54	194.49
Trade & other receivables	(856.91)	(883.38)
Working capital finance	222.63	535.27
<b>Net cash from operating activities - A</b>	<b>580.40</b>	<b>670.62</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Purchase of Fixed assets</b>	<b>(266.56)</b>	<b>(301.14)</b>
<b>Investment</b>	<b>(42.39)</b>	<b>-</b>
Proceeds on Disposal of Fixed Asset	14.56	6.22
Interest Income	48.13	23.97
<b>Net cash from Investing activities - B</b>	<b>(246.27)</b>	<b>(270.95)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	1.93	61.59
Dividend and Dividend Tax paid during the period	(215.00)	(116.60)
Finance Cost	(219.36)	(178.59)
<b>Net cash from Finance activities - C</b>	<b>(432.43)</b>	<b>(233.61)</b>
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	120.59	134.62
Net increase in cash and cash equivalents (A+B+C)	22.29	300.67
Cash & cash equivalents as at the beginning	622.59	321.91
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>644.88</b>	<b>622.58</b>

Significant Accounting Policies & Notes on Accounts 1&2

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

#### AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of ASM Technologies Limited, for the year ended 31st March, 2013. The statement has been prepared by the company in accordance with the requirement under clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company for the year ended 31st March 2013

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

Place : Bangalore  
Date : 11th May, 2013

CA. B. Sudhakar Pai  
Partner  
Membership No. 018187

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

- 1.1. The accounts of the company have been prepared using the accrual method based on the historical cost convention.
- 1.2. Income: Sales include sale of software and Software services. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Miscellaneous income mainly consists of reimbursement of expenses and the same is accounted on accrual basis.
- 1.3. Expenditure: Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
- 1.4. Fixed Assets: Fixed Assets are stated at cost of acquisition less accumulated depreciation. Capital-work-in progress comprises outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the reporting date. Goodwill arising on consolidation or acquisition is not amortized but is tested for impairment.
- 1.5. Depreciation: Depreciation is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased/sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition.
- 1.6. Gratuity Benefit payable to employees of the company as provided in the books of accounts is based on Actuarial Valuation. Table below shows present value of defined benefit obligation:

	(Amount in Rupees)
Present value of benefit obligation as at the beginning of the year	10,144,392
Benefit paid during the year	527,111
Current year provision	2,000,000
Present value of benefit obligation as at the end of the year	11,617,281

- 1.7. Foreign currency transactions: In case of sales made to clients outside India, income is accounted on the basis of the exchange rate prevailing at the end of the previous month of sale. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevailing at the end of the previous month of expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.

2. NOTES ON ACCOUNTS

	(Amount in Rupees)	
Particulars	31.03.2013	31.03.2012
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs 10 each	<b>70,000,000</b>	70,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
50,00,000 equity shares of Rs 10 each	<b>50,000,000</b>	50,000,000
<b>Total</b>	<b>50,000,000</b>	50,000,000
<p>The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.</p>		
<b>2.2 RESERVES &amp; SURPLUS</b>		
<b>a. Capital reserve</b>		
Profit on reissue of forfeited shares	<b>331,200</b>	331,200
Share Premium Account	<b>33,000,000</b>	33,000,000
<b>Closing Balance</b>	<b>33,331,200</b>	33,331,200
<b>b. General Reserve</b>		
Opening Balance	<b>50,000,000</b>	20,000,000
(+) Current Year Transfer	<b>30,000,000</b>	30,000,000
(-) Written Back in Current Year		
<b>Closing Balance</b>	<b>80,000,000</b>	50,000,000
<b>c. Surplus in statement of profit and loss</b>		
(i) Opening Balance	<b>126,749,246</b>	98,523,286
(ii) Add : Profit for the Year	<b>88,999,499</b>	72,753,773
(iii) Less : Appropriations		
(a) Interim dividend on equity shares	<b>6,000,000</b>	-
(b) Proposed final dividend on equity shares	<b>6,500,000</b>	12,500,000
(c) Dividend on redeemable preference shares	-	-
(d) Tax on dividend	<b>2,027,813</b>	2,027,813
(e) General reserve	<b>30,000,000</b>	30,000,000
<b>Closing Balance</b>	<b>177,720,932</b>	126,749,247
<b>Total</b>	<b>284,552,132</b>	210,080,447

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.3 LONG TERM BORROWINGS</b>		
Term loans		
- from Bank ( Secured )	17,687,905	19,406,324
- from Others ( Unsecured )	1,911,682	-
<b>Total</b>	<b>19,599,587</b>	<b>19,406,324</b>
Of the above		
Secured by First Charge on Land & Building and personal guarantee by Managing Director	5,000,000	9,784,198
Secured by Personal guarantee by Managing Director	3,926,632	7,193,436
Secured by Hypothecation of Vehicles and Personal guarantee by Managing Director	989,426	2,428,690
Secured by Fixed Assets other than Land and Building and personal guarantee by Managing Director	7,771,847	-
<b>Total</b>	<b>17,687,905</b>	<b>19,406,324</b>
<b>2.4 SHORT TERM BORROWINGS</b>		
Secured		
- from Bank	96,770,000	71,766,178
- from Others	-	-
(Working Capital is Secured by hypothecation of receivables, personal guarantee by Managing Director and Lien on Fixed Deposit.)		
Unsecured		
- from Bank	13,231,583	3,917,397
- from Others	7,059,677	19,114,305
<b>Total</b>	<b>117,061,260</b>	<b>94,797,880</b>
<b>2.5 TRADE PAYABLES</b>		
Sundry Creditors	7,971,473	4,364,738
<b>Total</b>	<b>7,971,473</b>	<b>4,364,738</b>
<b>2.6 OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	563,740	-
(b) Unpaid dividends	1,759,759	991,211
(c) Other payables		
(i) Statutory remittances due	30,073,718	31,353,837
(ii) Interest accrued on others	1,571,327	-
(iii) Other Payables	427,928	514,613
<b>Total</b>	<b>34,396,471</b>	<b>32,859,662</b>
<b>2.7 SHORT TERM PROVISIONS</b>		
a) Provision for Salary	38,480,923	33,776,843
b) Provision for Employee Incentives	500,000	-
c) Provision for Expenses	14,681,250	8,972,418
d) Provision for Taxation	-	374,059
e) Provision for Proposed Dividend	6,500,000	12,500,000
f) Provision for Tax on Proposed Dividend	1,054,463	2,027,813
<b>Total</b>	<b>61,216,636</b>	<b>57,651,133</b>



### ASM Technologies Limited

#### 2.8 FIXED ASSETS

Amount in Rupees

GROSSBLOCK	As on 01.04.12	Additions	Deletion	As on 31.03.13	As on 01.04.12	DEPRECIATION		As on 31.03.13	As on 31.03.12	NET BLOCK	
						For the year	Deletion			As on 31.03.13	As on 31.03.12
Land-free- hold	20,513,786	-	-	20,513,786	-	-	-	20,513,786	20,513,786	-	-
Building	9,958,161	5,756,485	-	15,714,646	3,108,219	391,412	-	3,499,631	12,215,015	6,849,942	6,849,942
Machinery & Systems	40,476,812	9,816,970	-	50,293,782	16,228,324	7,502,319	-	23,730,643	26,563,139	24,248,488	24,248,488
Electrical Fittings	3,186,569	1,688,864	-	4,875,433	870,427	182,149	-	1,052,576	3,822,857	2,316,142	2,316,142
Furniture & Fixtures	12,314,159	4,831,722	-	17,145,881	4,813,901	881,394	-	5,695,295	11,450,586	7,500,258	7,500,258
Office Equipment	8,324,110	3,072,249	-	11,396,359	1,860,378	456,483	-	2,316,861	9,079,498	6,463,732	6,463,732
Vehicles	5,646,375	-	2,186,811	3,459,564	583,382	465,461	634,953	413,890	3,045,674	5,062,993	5,062,993
Generator	-	1,489,651	-	1,489,651	-	51,927	-	51,927	1,437,724	-	-
<b>Total</b>	<b>100,419,972</b>	<b>26,655,941</b>	<b>2,186,811</b>	<b>124,889,102</b>	<b>27,464,631</b>	<b>9,931,145</b>	<b>634,953</b>	<b>36,760,823</b>	<b>88,128,279</b>	<b>72,955,341</b>	<b>72,955,341</b>
<b>Previous Year</b>	<b>103,834,665</b>	<b>22,655,881</b>	<b>26,070,574</b>	<b>100,419,972</b>	<b>45,517,597</b>	<b>7,187,383</b>	<b>25,240,349</b>	<b>27,464,631</b>	<b>72,955,341</b>	<b>58,317,068</b>	<b>58,317,068</b>

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.9 INVESTMENTS</b>		
Trade ( Unquoted) - at cost		
1. Advanced Synergic Pte Ltd., Singapore 10,00,000 equity shares of SGD 1 each in wholly owned Subsidiary.	37,137,990	37,137,990
2. Pinnacle Talent Inc. USA 1,60,00,000 equity shares of USD 0.01 each in wholly owned Subsidiary.	7,323,326	7,323,326
Non Trade - at cost		
3. Investment in Property (The company has invested in residential property located at Rajanakunte, Yelahanka, Bangalore)	32,582,010	28,342,566
<b>Total</b>	<b>77,043,326</b>	<b>72,803,882</b>
<b>2.10 LONG TERM LOANS &amp; ADVANCES</b>		
(a) Security deposits	3,908,595	3,904,473
<b>Total</b>	<b>3,908,595</b>	<b>3,904,473</b>
<b>2.11 TRADE RECEIVABLES</b>		
Over Six months		
Unsecured considered good	3,330,410	142,603
Unsecured considered Doubtful	585,639	1,563,563
<b>Total</b>	<b>3,916,049</b>	<b>1,706,166</b>
Less: Provision for bad debt	585,639	1,563,563
<b>Total (A)</b>	<b>3,330,410</b>	<b>142,603</b>
Others		
Unsecured considered good	261,404,082	244,425,282
Unsecured considered Doubtful	-	-
<b>Total</b>	<b>261,404,082</b>	<b>244,425,282</b>
Less: Provision for bad debt	-	-
<b>Total (B)</b>	<b>261,404,082</b>	<b>244,425,282</b>
<b>Total (A + B)</b>	<b>264,734,492</b>	<b>244,567,885</b>
<b>2.12 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	19,988	16,339
Balance with Scheduled banks:		
1. In current account	2,860,872	25,109,682
2. In deposit account	58,900,801	37,132,752
3. Remittance in Transit	2,706,490	-
<b>Total</b>	<b>64,488,151</b>	<b>62,258,773</b>

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.13 SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured, (Considered good -advances recoverable in cash or in kind or for the value to be received)		
Advance to Employees	1,485,722	2,043,078
Tax deducted at source	12,133,295	-
Prepaid Expenses	996,521	1,532,836
Vendor Advances	975,638	4,204,454
<b>Total</b>	<b>15,591,176</b>	<b>7,780,368</b>
<b>2.14 OTHER CURRENT ASSETS</b>		
Unbilled revenue	64,313,629	11,138,104
Interest Accrued but not received	6,751,287	2,217,538
<b>Total</b>	<b>71,064,915</b>	<b>13,355,642</b>
<b>2.15 OTHER INCOME</b>		
Interest received on deposits with banks and others	4,812,794	2,396,672
Exchange Fluctuation Gain	12,059,218	13,461,664
Miscellaneous Income	1,322,230	1,956,151
<b>Total</b>	<b>18,194,241</b>	<b>17,814,487</b>
<b>2.16 EMPLOYEE BENEFIT EXPENSE</b>		
Manpower cost		
Salaries and Incentives	455,719,048	386,704,619
Contribution to Provident Fund	22,887,236	16,462,812
Insurance and Other Benefits	2,499,051	4,562,697
Staff Welfare	5,404,167	4,382,414
<b>Total</b>	<b>486,509,502</b>	<b>412,112,542</b>
<b>2.17 FINANCIAL CHARGES</b>		
Bank charges	1,214,239	1,920,684
Interest	20,721,647	15,938,713
<b>Total</b>	<b>21,935,886</b>	<b>17,859,397</b>

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.18 OPERATING AND OTHER EXPENSES</b>		
Travelling and conveyance expenses	26,574,517	13,862,013
Services rendered by business associates and others	211,253,147	143,146,676
Software, hardware and material costs	1,427,386	3,420,998
Communication expenses	5,693,487	4,999,877
Professional Fee	9,381,798	5,820,440
Rent	11,402,863	7,683,716
Repair and Maintenance	2,364,589	3,720,030
Electricity Expenses	2,279,224	1,751,797
Advertisement and Business Promotions	4,183,113	847,712
Bad Debt	-	831,103
Insurance charges	1,086,323	1,050,053
Membership & subscription	1,554,343	1,027,458
Office Maintenance	3,092,049	1,629,082
Printing & stationary	811,039	833,182
Rates & Taxes	182,604	222,584
Other Expense	449,019	970,816
<b>Total</b>	<b>281,735,501</b>	<b>191,817,537</b>
<b>2.19 PAYMENT TO AUDITORS</b>		
Audit fee	162,200	137,000
Tax audit fee	17,000	17,000
Other fees	125,650	70,500
(Exclusive of Service tax)		
<b>Total</b>	<b>304,850</b>	<b>224,500</b>
<b>2.20 MANAGING DIRECTOR'S REMUNERATION</b>		
Salary	30,00,000	30,00,000
Contribution to Provident Fund	1,44,000	1,44,000
<b>Total</b>	<b>31,44,000</b>	<b>31,44,000</b>

**2.21 EXPENDITURE IN FOREIGN CURRENCY**

(Rupees in Lakhs)

Technical Consultancy & Living Expenses	<b>1,588.47</b>	1,002.00
Others	-	4.61
<b>Total</b>	<b>1,588.47</b>	1006.61

**2.22 Related Party Transactions – (AS – 18)**

The Company had transactions with the following related parties.

1. Wholly Owned Subsidiaries:
  1. Pinnacle Talent Inc, USA
  2. Advanced Synergic Pte Ltd, Singapore
2. Step down subsidiary :-
  1. ESR Associates Inc, USA,
  2. Abacus Business Solutions, Inc.

And
3. Associate Company: IDS Systems Private Limited
4. Directors: Mr. M R Vikram, Mr. Rabindra Srikantan, Prof. B S Sonde and Mr. Shekar Viswanathan
5. Key Management Personnel Mr. N Krishnan, Mr. Pramod Rao, Ms. Anitha Singan, Mr. Kumar Vaibhav, Ms. Vani, Mr. Basavaraja A M and Ms. P N Lakshmi.

Summary of the Transactions with the above related parties for the financial year ending 31st March 2013 is as follows.

Particulars	Rs. In Lakhs	
	As at 31.03.2013	As at 31.03.2012
Purchase of Services		
Pinnacle Talent Inc	<b>656.77</b>	1,300.28
Sale of Services		
Advanced Synergic Pte Ltd	<b>228.04</b>	472.44
Abacus Business Solutions, Inc	<b>291.52</b>	44.01
ESR Associates inc	<b>1362.50</b>	281.83
IDS Systems Private Limited	<b>2,431.78</b>	2,747.48
Directors and Key managerial persons		
Remuneration to Managing Director	<b>31.44</b>	31.44
Remuneration to Key Management Personnel	<b>177.20</b>	150.68

**Note:** The company has filed application with Central Government seeking approval for re-appointment and Increase in remuneration payable to Managing Director from Rs.31.44 Lakhs to Rs.60.00 Lakhs plus 1% of the Net Profits of the Company with effect from 1.4.2011. After the approval from the Central Government differential amount will be paid as arrears in the year of approval.

**2.23 Earnings per share**

In accordance with the Accounting Standard 20 (AS-20) “Earning per share” issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the year.

**2.24 Segment Reporting – (AS - 17)**

In accordance with the Accounting Standard – 17 (AS-17) “Segment Reporting” which became mandatory for reporting from 1st April 2001, the company states that it is in the business of software development and I T related services. The Company’s primary reporting segment is geographical as the revenues in non-software related areas are not more than 10% of the gross revenues.

## ASM Technologies Limited

Particulars	Rs. In Lakhs	
	31.03.2013	31.03.2012
Geographic Segment		
Export Sales	5,499.37	3,741.83
Domestic Sales	3,562.44	3,372.34
	9,061.81	7,114.17
Other Income		
Interest	48.13	23.96
Others	120.59	154.18
	168.72	178.14
<b>Particulars of Segment Asset and Liability</b>		
Segment Assets		
Outside India	1,085.83	1,289.39
India	4,778.31	4,077.06
Investments		
Outside India	444.61	444.61
India	-	-
Segment Liabilities		
Outside India	1.03	266.11
India	5,863.12	2,493.73

### 2.25 Contingent Liability

Particulars	(Rupees In Lakhs)	
	31.03.2013	31.03.2012
Corporate Guarantee given to Indian Bank, Singapore (on behalf of wholly owned subsidiary, Advanced Synergic Pte Ltd)	2163.78	1900.91
Corporate Guarantee given to State Bank of India, San Jose (on behalf of step down subsidiary, Abacus Business Solutions Inc.)	358.09	358.09

2.26 Previous year's figures have been recast / regrouped wherever necessary to conform to the current year's classifications/ presentation.

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner  
Membership No: 018187

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

## ASM Technologies Limited

### ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

#### REGISTRATION DETAILS

State Code	8
Registration No.	13421
Balance Sheet date	31.03.2013

#### CAPITAL RAISED DURING THE YEAR ( Rs. In thousand)

Public Issue	NIL
Rights Issue Bonus Issue	NIL
Private Placement	NIL

#### POSITION OF MOBILASITION & DEPLOYMENT OF FUNDS ( Rs. in thousand)

Total Liabilities	586,414
Total assets	586,414

#### SOURCE OF FUNDS

Paid up capital	50,000
Reserves & Surplus	284,552
Secured Loan	114,457
Unsecured Loan	22,202

#### APPLICATION OF FUNDS

Net Fixed Assets	88,128
Investments	77,043
Net Current Assets	195,232
Deferred Tax Asset	1,455
Miscellaneous Expenditure	NIL

#### PERFORMANCE OF THE COMPANY ( Rs. In thousand)

Turnover	906,181
Total Expenditure	800,112
Profit before Tax	124,263
Profit after Tax	88,999
Earning per share	17.80
Dividend rate	25%

#### GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES OF THE CO.

Item Code No.	85249009.10
Produce Description	Computer Software

## INDEPENDENT AUDITORS' REPORT

To The **Board of Directors of**  
**M/s. ASM Technologies Limited**

We have examined the attached Consolidated Balance Sheet of **M/s. ASM TECHNOLOGIES LIMITED** and its subsidiaries collectively called 'ASM Group' as at March 31, 2013, the Consolidated Profit and Loss Account of ASM Group for the year ended on that date and the Consolidated Cash Flow Statement of the ASM Group for the year then ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with the financial reporting framework generally accepted in India, and are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We did not Audit the Financial statements of the subsidiary (Advanced Synergic Pte. Ltd.), with a profit of Rs.199.45 Lakhs for the year ended 31st March, 2013. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries, is based solely on the report of the other auditors.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial statement prescribed by the Companies (Accounting Standards) Rules, 2006.
3. On the basis of the information and explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles the accounting principles generally accepted in India
  - a) In the case of the consolidated Balance Sheet, of the state of affairs of the ASM Group as at March 31, 2013.
  - b) In the case of the Consolidated Profit and Loss Account, of the profit of the ASM Group for the year ended on that date.
  - c) In the case of the Consolidate Cash Flow Statements, of the cash flows of the ASM Group for the year then ended on that date.

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

Place : Bangalore.  
Date : 11th May, 2013

**(CA. B. SUDHAKAR PAI)**  
Partner  
Membership No. 018187



**FINANCIALS****ASM Technologies Limited**

80/2, Lusanne Court , Richmond Road, Bangalore - 560 025

**Consolidated Balance Sheet as at March 31, 2013**

( Amount in Rupees)

Particulars	Note	As At 31.03.2013	As At 31.03.2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2.1	50,000,000	50,000,000
(b) Reserves and surplus	2.2	383,045,411	256,568,544
(c) Minority Interest		-	10,016,969
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	2.3	198,050,372	190,962,205
(b) Long-term provisions		11,617,281	10,144,392
<b>4 Current liabilities</b>			
(a) Short-term borrowings	2.4	193,095,918	144,003,688
(b) Trade payables	2.5	133,826,556	53,720,257
(c) Other current liabilities	2.6	40,248,452	72,519,579
(d) Short-term provisions	2.7	68,782,542	82,485,151
<b>TOTAL</b>		<b>1,078,666,531</b>	<b>870,420,785</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.8	101,761,457	87,828,107
(ii) Goodwill on Consolidation		467,533,163	325,323,029
(b) Non-current investments	2.9	32,582,010	28,342,566
(c) Deferred tax assets (net)		1,455,905	1,678,212
(d) Long-term loans and advances	2.10	4,369,974	4,113,683
(e) Other non-current assets		-	-
<b>2 Current assets</b>			
(a) Trade receivables	2.11	288,416,571	314,070,552
(b) Cash and cash equivalents	2.12	93,477,616	92,360,640
(c) Short-term loans and advances	2.13	8,830,312	5,366,459
(d) Other current assets	2.14	80,239,524	11,337,537
<b>TOTAL</b>		<b>1,078,666,531</b>	<b>870,420,785</b>

Significant Accounting Policies &amp; Notes on Accounts 1&amp;2

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner  
Membership No: 018187

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

## M/s ASM Technologies Limited

### Consolidated Profit & Loss Account for the Year ended March 31, 2013

(Amount in Rupees)

Particulars		Note	Year Ended 31.03.2013	Year Ended 31.03.2012
1	Revenue from operations (gross)		1,752,054,245	1,455,700,157
2	Other income	2.15	19,735,855	19,714,626
<b>3</b>	<b>Total revenue (1+2)</b>		<b>1,771,790,100</b>	<b>1,475,414,783</b>
<b>4</b>	<b>Expenses</b>			
	(a) Employee benefits expense	2.16	848,309,202	945,685,263
	(b) Finance costs	2.17	38,322,079	28,976,937
	(c) Depreciation and amortisation expense	2.8	11,292,489	8,708,824
	(d) Other expenses	2.18	726,381,992	340,445,698
	<b>Total expenses</b>		<b>1,624,305,762</b>	<b>1,323,816,723</b>
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		147,484,338	151,598,061
6	Exceptional items		936,780	1,851,990
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		146,547,558	149,746,071
8	Extraordinary items		-	
<b>9</b>	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>146,547,558</b>	<b>149,746,071</b>
<b>10</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		38,315,295	34,005,466
	(b) Current tax expense relating to prior years		1,448,026	
	(c) Deferred tax		222,304	275,025
<b>11</b>	<b>Profit / (Loss) after tax for the year</b>		<b>106,561,933</b>	<b>115,465,580</b>
<b>12</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		21.31	23.09
	(b) Diluted		21.31	23.09

Significant Accounting Policies & Notes on Accounts 1&2

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

M R Vikram  
Chairman

Rabindra Srikantan  
Managing Director

Prof B.S. Sonde  
Director

CA. B. Sudhakar Pai  
Partner  
Membership No: 018187

Shekar Viswanathan  
Director

P N Lakshmi  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

**ASM Technologies Limited**  
**Consolidated Financial Statements**  
**Cash Flow Statement for the year ended March 31, 2013**

(Rs in Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	1,065.62	1,154.66
Adjustments for :		
Depreciation	112.92	87.09
Profit on sale of fixed asset	(0.97)	2.07
Interest Income	(48.66)	(25.65)
Deferred Taxation ( Net)	2.22	2.75
Finance cost	383.22	289.77
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	(130.08)	(149.36)
<b>Operating profit before working Capital changes</b>	<b>1,384.27</b>	<b>1,361.33</b>
Adjustment for		
Trade payables	561.27	(345.61)
Trade & other receivables	(469.68)	(695.12)
<b>Working capital finance</b>	<b>490.92</b>	<b>864.22</b>
<b>Net cash from operating activities - A</b>	<b>1,966.79</b>	<b>1,184.82</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(274.12)	(303.28)
Investment in Subsidiary	(1,312.56)	(1,238.59)
Proceeds on Disposal of Fixed Asset	14.55	6.22
Interest Income	48.66	25.65
<b>Net cash from Investing activities - B</b>	<b>(1,523.48)</b>	<b>(1,510.01)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	70.88	856.86
Dividend and Dividend Tax paid during the period	(290.56)	(116.60)
Finance Cost	(383.22)	(289.77)
<b>Net cash from Finance activities - C</b>	<b>(602.90)</b>	<b>450.49</b>
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	130.08	149.36
Effect of exchange differences on consolidation	40.67	
Net increase in cash and cash equivalents (A+B+C)	11.17	274.65
Cash & cash equivalents - Opening Balance	923.61	648.95
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>934.78</b>	<b>923.60</b>

Significant Accounting Policies & Notes on Accounts 1&2

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

**AUDITOR'S CERTIFICATE**

We have examined the above cash flow statement of ASM Technologies Limited, for the year ended 31st March, 2013. The statement has been prepared by the company in accordance with the requirement under clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company for the year ended 31st March 2013

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants

Membership No. 018187

CA. B. Sudhakar Pai  
Partner

Membership No. 018187

Place : Bangalore  
Date : 11th May, 2013

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

The accompanying consolidated financial statements include the accounts of ASM Technologies Limited and its following wholly owned Subsidiaries:-

1. Pinnacle Talent Inc, USA
2. Advanced Synergic Pte Ltd, Singapore

And

Step down subsidiary:-

1. ESR Associates Inc, USA,
2. Abacus Business Solutions, Inc.

**A. Significant Accounting Policies**

- 1.1 Basis of Preparation of financial statements: The consolidated financial statements have been prepared using the accrual method based on the historical cost convention.

The consolidated financial statements are prepared in accordance with the principles and procedures laid out by the accounting standard on Consolidated Financial Statements issued by the ICAI.

- 1.2 Income: Sales include sale of software and Software services. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Other income mainly consisting of reimbursement of expenses and the same is accounted on accrual basis. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as unearned revenue.
- 1.3 Expenditure: Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
- 1.4 Fixed Assets: Fixed Assets are stated at cost of acquisition less accumulated depreciation. Capital-work-in progress comprises outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the reporting date. Goodwill arising on consolidation or acquisition is not amortized but is tested for impairment.
- 1.5 Depreciation: Depreciation is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased/sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. In Pinnacle Talent Inc, depreciation on Computer and Software is provided on straight-line method at 20%. In Advanced Synergic Pte Ltd depreciation is provided at 100% for Computers and 33.33% for the Office Equipments. In ESR depreciation on Computer and Software is provided on straight-line method at 20% and the Goodwill is amortized over a period of 15 Years.
- 1.6 The Gratuity Benefit payable to employees of the company as provided in the books of accounts is based on Actuarial Valuation. Table below shows present value of defined benefit obligation:

	(Amount in Rupees)
Present value of benefit obligation as at the beginning of the year	10,144,392
Benefit paid during the year	527,111
Current year provision	2,000,000
Present value of benefit obligation as at the end of the year	11,617,281

- 1.7 Foreign currency transactions: In case of sales made to clients outside India, income is accounted on the basis of exchange rate prevailing on the date of transaction. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.
- 1.8 Trade investments are investments made to enhance the Group's business interest. Investments are carried at cost, Provision for diminution in the value of long term investments is made if such decline is considered other than the temporary.
- 1.9 In accordance with the Accounting Standard 20 (AS-20) "Earning per share" issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the year.
- 1.10 Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Provision for current tax is in accordance with the provisions of the Income Tax Act, 1961.

**ASM Technologies Limited**  
**Consolidated Financial Statements**

B. NOTES ON ACCOUNTS

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs 10 each	<b>70,000,000</b>	70,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
50,00,000 equity shares of Rs 10 each	<b>50,000,000</b>	50,000,000
<b>Total</b>	<b>50,000,000</b>	50,000,000
<p>The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- . Each holder of equity shares is entitled to one vote per share.</p>		
<b>2.2 RESERVES &amp; SURPLUS</b>		
<b>a. Capital reserve</b>		
Profit on reissue of forfeited shares		
Opening Balance	<b>331,200</b>	331,200
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>331,200</b>	331,200
Share Premium Account		
Opening Balance	<b>33,000,000</b>	33,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>33,000,000</b>	33,000,000
<b>b. General Reserve</b>		
Opening Balance	<b>50,000,000</b>	20,000,000
(+) Current Year Transfer	<b>30,000,000</b>	30,000,000
(-) Written Back in Current Year	-	-
Closing Balance	<b>80,000,000</b>	50,000,000
<b>c. Foreign Currency Translation Reserve</b>	<b>4,066,922</b>	-
<b>d. Surplus in statement of profit and loss</b>		
(i) Opening Balance	<b>192,636,272</b>	102,299,577
(ii) Add: Profit for the Year	<b>106,561,933</b>	115,465,580
Transfer from Minority Interest	<b>10,976,896</b>	
(iii) Less: Appropriations		
(a) Interim dividend on equity shares	<b>6,000,000</b>	-
(b) Proposed final dividend on equity shares	<b>6,500,000</b>	12,500,000
(c) Dividend on redeemable preference shares	-	-
(d) Tax on dividend	<b>2,027,813</b>	2,027,813
(e) General Reserve	<b>30,000,000</b>	30,000,000
Closing Balance	<b>265,647,289</b>	173,237,344
<b>Total</b>	<b>383,045,411</b>	256,568,544

**ASM Technologies Limited**  
Consolidated Financial Statements

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.3 LONG TERM BORROWINGS</b>		
Term loans		
- from Bank (Secured)	196,138,690	190,962,207
- from Others (Unsecured)	1,911,682	-
<b>Total</b>	<b>198,050,372</b>	<b>190,962,207</b>
Of the above		
Secured by First Charge on Land & Building and personal guarantee by Managing Director and Corporate guarantee by Holding Company	178,450,752	171,555,879
Secured by First Charge on Land & Building and personal guarantee by Managing Director	5,000,000	9,784,198
Secured by Personal guarantee by Managing Director	3,926,632	7,193,436
Secured by Hypothecation of Vehicles and Personal guarantee by Managing Director	989,459	1,562,218
Secured by Fixed Assets other than Land and Building and personal guarantee by Managing Director	7,771,847	-
<b>Total</b>	<b>196,138,690</b>	<b>190,962,207</b>
<b>2.4 SHORT TERM BORROWINGS</b>		
Secured		
- from Bank	172,804,658	120,397,986
- from Others	-	10,837,372
(Working Capital in India is Secured by hypothecation of receivables, personal guarantee by Managing Director, Lien on Fixed Deposit. Working capital in USA is secured by hypothecation of receivables, corporate guarantee by Holding Company and personal guarantee by President of the subsidiary and the working capital in Singapore is secured by hypothecation of receivables, Lien on Fixed Deposit and Corporate Guarantee by Holding Company)		
Unsecured		
- from Bank	13,231,583	3,917,397
- from Others	7,059,676	8,276,935
<b>Total</b>	<b>193,095,918</b>	<b>144,003,690</b>
<b>2.5 TRADE PAYABLES</b>		
Trade	133,826,556	53,720,257
<b>Total</b>	<b>133,826,556</b>	<b>53,720,257</b>
<b>2.6 OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	563,740	-
(b) Unpaid dividends	1,759,759	991,211
(c) Other payables		
(i) Statutory remittances due	33,530,044	33,533,847
(ii) Interest accrued on others	1,571,327	-
(iii) Advances from customers	-	33,777,595
(iv) Other payables	2,823,583	4,216,926
<b>Total</b>	<b>40,248,452</b>	<b>72,519,579</b>
<b>2.7 SHORT TERM PROVISIONS</b>		
<b>Provisions</b>		
Provision for Salary	39,600,210	47,114,444
Provision for Employee Incentives	500,000	-
Provision for Expenses	21,127,869	13,393,348
Provision for Taxation	-	7,449,543
Provision for Proposed Dividend	6,500,000	12,500,000
Provision for Tax on Proposed Dividend	1,054,463	2,027,817
<b>Total</b>	<b>68,782,542</b>	<b>82,485,151</b>

**ASM Technologies Limited**  
Consolidated Financial Statements

**2.8 FIXED ASSETS**

Amount in Rupees

Particulars	GROSSBLOCK				DEPRECIATION				NETBLOCK	
	As on 01.04.12	Additions	Deletion	As on 31.03.13	As on 01.04.12	For the year	Deletion	As on 31.03.13	As on 31.03.13	As on 31.03.12
Land-free- hold	20,513,786	-	-	20,513,786	-	-	-	-	20,513,786	20,513,786
Building	9,958,160	5,756,485	-	15,714,645	3,108,219	391,412	-	3,499,631	12,215,014	6,849,941
Machinery & Sys- tems	56,576,174	9,946,252	-	66,522,426	30,434,695	7,636,692	-	38,071,387	28,451,039	26,141,479
Electrical Fittings	3,186,569	1,688,864	-	4,875,433	870,426	182,149	-	1,052,575	3,822,858	2,316,143
Furniture & Fixtures	12,314,159	4,831,722	-	17,145,881	4,813,901	881,394	-	5,695,295	11,450,586	7,507,590
Office Equipment	8,373,504	3,072,249	-	11,445,753	1,902,149	456,483	-	2,358,632	9,087,121	6,471,355
Vehicles	5,646,375	-	2,186,811	3,459,564	583,383	465,461	634,953	413,891	3,045,673	5,062,992
Generator		1,489,651	-	1,489,651		51,927	-	51,927	1,437,724	-
Goodwill	17,249,240	-	-	17,249,240	4,284,419	1,227,165	-	5,511,584	11,737,656	12,964,821
<b>Total</b>	<b>133,817,967</b>	<b>26,785,223</b>	<b>2,186,811</b>	<b>158,416,379</b>	<b>45,997,192</b>	<b>11,292,682</b>	<b>634,953</b>	<b>56,654,922</b>	<b>101,761,457</b>	<b>87,828,107</b>
<b>Previous Year</b>	<b>137,017,813</b>	<b>22,870,728</b>	<b>26,070,574</b>	<b>133,817,967</b>	<b>62,521,385</b>	<b>8,716,156</b>	<b>25,240,349</b>	<b>45,997,192</b>	<b>87,820,775</b>	<b>74,496,428</b>

**ASM Technologies Limited**  
**Consolidated Financial Statements**

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.9 NON-CURRENT INVESTMENTS</b>		
Investment in Property		
(The company has invested in residential property located at Rajanakunte, Yelahanka, Bangalore)	32,582,010	28,342,566
<b>Total</b>	<b>32,582,010</b>	<b>28,342,566</b>
<b>2.10 OTHER NON-CURRENT ASSETS</b>		
(b) Security deposits Secured, considered good	4,369,974	4,113,683
<b>Total</b>	<b>4,369,974</b>	<b>4,113,683</b>
<b>2.11 TRADE RECEIVABLES</b>		
Over Six months		
Unsecured considered good	3,330,410	142,603
Unsecured considered Doubtful	801,609	1,563,563
	<b>4,132,020</b>	<b>1,706,166</b>
Less: Provision for bad debt	801,609	1,563,563
	<b>3,330,410</b>	<b>142,603</b>
Others		
Unsecured considered good	285,086,161	313,927,949
Unsecured considered Doubtful	-	-
	<b>285,086,161</b>	<b>313,927,949</b>
Less: Provision for bad debt	-	-
(Unsecured considered good)	<b>285,086,161</b>	<b>313,927,949</b>
<b>Total</b>	<b>288,416,571</b>	<b>314,070,552</b>
<b>2.12 CASH AND BANK BALANCE</b>		
Cash on hand	19,988	16,339
Balance with banks:		
1. In current account	25,747,693	48,279,824
2. In deposit account	67,709,935	44,064,477
(Maturing within 12 months and the same is held as margin money deposit against loans)		
<b>Total</b>	<b>93,477,616</b>	<b>92,360,640</b>



(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
<b>2.13 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good -advances recoverable in cash or in kind or for the value to be received)		
Advance to Employees	1,757,668	1,593,689
Tax deducted at source	2,958,047	-
Prepaid Expenses	3,138,959	3,772,770
Vendor Advances	975,638	-
<b>Total</b>	<b>8,830,312</b>	<b>5,366,459</b>
<b>2.14 OTHER CURRENT ASSETS</b>		
Unbilled revenue	73,454,703	9,120,000
Interest Accrued but not received	6,784,820	2,217,537
<b>Total</b>	<b>80,239,524</b>	<b>11,337,537</b>
<b>2.15 OTHER INCOME</b>		
Interest received on deposits with banks and others	4,865,867	2,564,504
Exchange Fluctuation Gain	13,008,444	14,935,531
Miscellaneous Income	1,861,545	2,214,591
<b>Total</b>	<b>19,735,855</b>	<b>19,714,626</b>
<b>2.16 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Incentives	747,561,328	913,203,385
Contribution to Provident Fund	35,433,268	23,536,767
Insurance and Other Benefits	59,470,872	4,562,697
Staff Welfare	5,843,735	4,382,414
<b>Total</b>	<b>848,309,202</b>	<b>945,685,263</b>
<b>2.17 FINANCE COST</b>		
Bank charges	2,064,233	2,620,295
Interest	36,257,846	26,356,642
<b>Total</b>	<b>38,322,079</b>	<b>28,976,937</b>
<b>2.18 OTHER EXPENSES</b>		
Travelling and conveyance expenses	36,132,645	19,313,135
Services rendered by business associates and others	603,526,851	267,196,459
Software, hardware and material costs	2,071,033	3,420,998
Communication expenses	8,875,974	8,056,784
Legal and Professional Fee	21,594,059	10,722,807
Rent	16,577,103	11,984,143

**ASM Technologies Limited**  
**Consolidated Financial Statements**

(Amount in Rupees)

Particulars	31.03.2013	31.03.2012
Repair and Maintenance	3,673,596	4,116,226
Electricity Expenses	2,387,083	1,751,797
Advertisement and Business Promotions	4,796,307	1,619,552
Bad Debt	11,504,014	883,848
Insurance charges	4,772,039	2,993,085
Membership & subscription	3,260,812	2,945,319
Office Maintenance	3,521,992	1,924,901
Printing & stationary	793,146	833,182
Rates & Taxes	2,436,666	1,236,007
Other Expense	458,672	1,240,038
Loss on sale of asset	-	207,417
<b>Total</b>	<b>726,381,992</b>	<b>340,445,698</b>

**2.19 Related Party Transactions – (AS – 18)**

The Company had transactions with the following related parties.

1. Subsidiaries: Pinnacle Talent Inc, USA & Advanced Synergic Pte Ltd, Singapore.
2. Step down Subsidiary: ESR Associates Inc & Abacus Business Solutions, Inc.
3. Associate Company: IDS Systems Pvt Ltd
4. Directors: ASM Technologies Limited  
Mr. M R Vikram, Mr. Rabindra Srikantan, Prof. B S Sonde and Mr. Shekar Viswanathan
5. Directors: Advanced Synergic Pte Ltd  
Mr. Venkataramaiyer Sivaramakrishnan and Mr. Rabindra Srikantan
6. Key Management Personnel: Mr. Sundar Ramanathan, Mr. N Krishnan, Mr. Shalabh Singh, Mr. Pramod, Mr. Kumar Vaibhav, Ms. Anitha Singan, Ms. Vani, Mr. Basavaraja A M, Ms. P N Lakshmi, Mr. John Seitz, Mr. Jay Belur, Mr. Dharmesh Parikh, Mr. David Joffe and Mr. Alex Marzano,

Summary of the Transactions with the above related parties for the financial year ending 31st March 2013 are as follows.

(Rs. in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Remuneration to Directors	58.80	58.80
Remuneration to Key Management Personnel	926.69	685.47
IDS Systems Private Limited		
Sales & Reimbursement of expenses	3,386.57	2,747.48

**Note:** The company has filed an application with Central Government seeking approval for re-appointment and Increase in remuneration payable to Managing Director from Rs.31.44 Lakhs to Rs.60.00 Lakhs plus 1 % of the Net Profits of the Company with effect from 1.4.2011. After the approval from the Central Government differential amount will be paid as arrears in the year of approval.

## 2.20 EARNINGS PER SHARE

In accordance with the Accounting Standard 20 (AS-20) "Earning per share" issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the period.

## 2.21 SEGMENT REPORTING – (AS - 17)

In accordance with the Accounting Standard – 17 (AS-17) "Segment Reporting" which became mandatory for reporting from 1st April 2001, the company states that it is in the business of software development and I T related services. The Company's primary reporting segment is geographical as the revenues in non-software related areas are not more than 10% of the gross revenues.

Particulars	Rs. In Lakhs	
	31.03.2013	31.03.2012
<b>Geographic Segment</b>		
Export Sales	<b>13,958.11</b>	11,184.66
Domestic Sales	<b>3,562.44</b>	3,372.33
	<b>17,520.54</b>	14,556.99
Other Income		
Interest	<b>48.66</b>	-
Others	<b>148.69</b>	-
	<b>197.35</b>	197.14
<b>Particulars of Segment Asset and Liability</b>		
<b>Segment Assets</b>		
Outside India	<b>6,008.35</b>	4,180.40
India	<b>4,778.31</b>	4,814.54
<b>Segment Liabilities</b>		
Outside India	<b>4,923.55</b>	3,164.07
India	<b>5,863.12</b>	2,759.38

2.20 Previous year's figures have been recast / regrouped wherever necessary to conform to the current year's classifications/ presentation..

As per our report of even date  
for SUDHAKAR PAI ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 004171S

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B.S. Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner  
Membership No: 018187

**Shekar Viswanathan**  
Director

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11th May, 2013

**ASM Technologies Limited**

Statement pursuant to Section 212 of the Companies Act 1956

Rs. In Lakhs

Name	Financial Period	Holding company's interest as at March 31, 2013	Exchange rate as at March 31, 2013	Issued & Subscribed share capital	Reserves	Loans	Total Assets	Total Liabilities	Investments		Turnover	Profit / (Loss) before taxation	Provision for Taxation	Profit / (Loss) after taxation	Country	
									Long term	Current						
ADVANCED SYNERGIC PTE LTD	31-Mar-13	100%	1 SGD=Rs. 43.8124	446.78	810.82	2,183.97	5,558.83	5,558.83	4,699.35	-	4,699.35	2,937.57	241.65	42.20	199.45	Singapore
PINNACLE TALENT INC	31-Mar-13	100%	1 USD=Rs. 54.3893	87.64	90.04	-	1,834.48	1,834.48	-	-	-	2,188.06	3.59	-	3.59	USA
ESR ASSOCIATES INC	31-Mar-13	100%	1 USD=Rs. 54.3893	54.78	(290.32)	-	408.84	408.84	-	-	-	732.37	(61.89)	-	(61.89)	USA
ABACUS BUSINESS SOLUTIONS, INC	31-Mar-13	100%	1 USD=Rs. 54.3893	43.82	221.28	360.88	1,025.29	1,025.29	-	-	-	5,544.56	44.02	-	44.02	USA

Notes :

1. ESR Associates Inc and Abacus Business Solutions Inc are step down subsidiaries of ASM Technologies Ltd.
2. Information on subsidiaries is provided in compliance with the circular no. 2/2011 dated February 8, 2011 of the Ministry of Corporate Affairs, Government of India. We undertake to make available the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders.



## ASM Technologies Limited

Registered Office : # 80/2, Lusanne Court, Richmond Road, Bangalore 560 025

### PROXY FORM

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

I / We .....  
..... being a member / members  
of ASM Technologies Limited hereby appoint .....  
..... of ..... or failing him / her .....  
..... of ..... as my / our proxy to vote for me / us on my behalf at  
the 21st Annual General Meeting of the Company to be held on Friday, 28th June, 2013 at 10.00 a.m. and at any  
adjournment thereof.

Signed this ..... day of ..... 2013

Re. 1  
Revenue  
Stamp

**Signature**

**Note :** This form in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

## ASM Technologies Limited

Registered Office : # 80/2, Lusanne Court, Richmond Road, Bangalore 560 025

### ATTENDANCE SLIP

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 21st Annual General Meeting of the Company held at Pai Vijay Hall, 33rd Cross,  
11th Main, 4th Block Jayanagar, Bangalore 560 011 on Friday, 28th June, 2013 at 10.00 a.m.

**Member's / Proxy Name**

**Signature of Member / Proxy**

**Note :** Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL. Members are requested to bring their copies of the Annual Report to the meeting.







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Book-Post



**Registered office :**

- India : **ASM Technologies Limited**

# 80/2, Lusanne Court, Richmond Road, Bangalore 560 025, India.  
 Tel : +91 80 6696 2300-02 Fax : +91 80 2227 3606  
 Email : info@asm ltd.com

ASM Tower, 14/2, Wellington Street, Richmond Town  
 Bangalore 560025, India. Tel : +91 80 2227 4121

**Subsidiary / Branch :**

- Singapore : **Advanced Synergic Pte. Limited**

30 Toh Guan Road, # 08-03A, ODC Distri Center, Singapore 608 840  
 Tel : +65 62705737, +65 63245343 Fax : +65 6324 5345  
 Email : singapore@asm ltd.com

- USA : **Pinnacle Talent Inc.**

# 2020, Calamos Court Suite 200, Naperville IL 60563-2793, USA.  
 Tel : +1 630 799 1563 Fax : +1 630 799 1562  
 Email : usa@asm ltd.com

**ESR Associates Inc.**

# 7071, W. Central Avenue Toledo, Ohio 43617, USA.  
 Tel : +419 843 2571 Fax : +419 843 2702

**Abacus Business Solutions Inc.**

3333 Bowers Avenue, Suite 130 Santa Clara, CA 95054.  
 Phone:(408) 200 0977 Fax:(408) 748 1826

- UK : **ASM Technologies (UK) Limited**

# 24-25, Nufford Place , Marble Arch, London W1H5YN, UK.  
 Tel : +207 569 3285, Fax : +207 569 3001  
 Email : uk@asm ltd.com