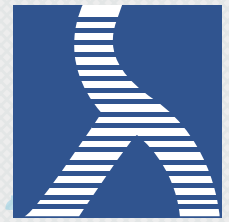



ASM Technologies Limited



SYNERGIC

# Annual Report 2014 -15

**HANDS ON**

LISTEN | LEARN |  INNOVATE | LEVERAGE

Engineering Services

Business Systems

IT Infrastructure

Technnology Solutions

[www.asmltd.com](http://www.asmltd.com)

### Board of Directors

Mr. M.R. Vikram	Chairman
Mr. Rabindra Srikantan	Managing Director
Prof. B.S. Sonde	Director
Mr. Shekar Viswanathan	Director
Ms. Preeti Rabindra	Director
(Apptd. w.e.f. 28-3-2015)	

### Audit Committee

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

### Stakeholders Relationship & Share Transfer Committee

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

### Nomination & Remuneration Committee

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

### CSR Committee

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

### Risk Management Committee

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

### Chief Financial Officer

Mr. Narsingh Rathod  
(Apptd. w.e.f. 26-5-2015)

### 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

### Tax Advisors

Mr. Paul Schweer  
USA

Mr. Subash B. Desai  
USA

### Company Law Advisor

Ms. Mangala Rohith  
Practicing Company Secretary  
Bangalore, India

### Legal Advisors

ARA LAW  
Advocates & Solicitors  
Mumbai

The Law Office of Anthony Abear P.C.  
Attorney  
USA

R. Lamar Frederick LLC.  
Solicitors  
USA

### Bankers

State Bank of India  
Overseas Branch, Bengaluru, India

Indian Bank  
Singapore

DBS Bank Ltd.,  
Ulsoor Road Branch, Bengaluru, India

State Bank of India  
San Jose, CA

Bank of America  
Mountain View, CA, USA

First Federal Bank  
Ohio, USA

State Bank of India  
King Street, London

Bank of Baroda  
Palace Orchard Branch, Bengaluru, India

### 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

### Stock Code

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  
compliance.officer@asm ltd.com

### Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot No. 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad – 500032  
Tel: 040 67161564  
einward.ris@karvy.com

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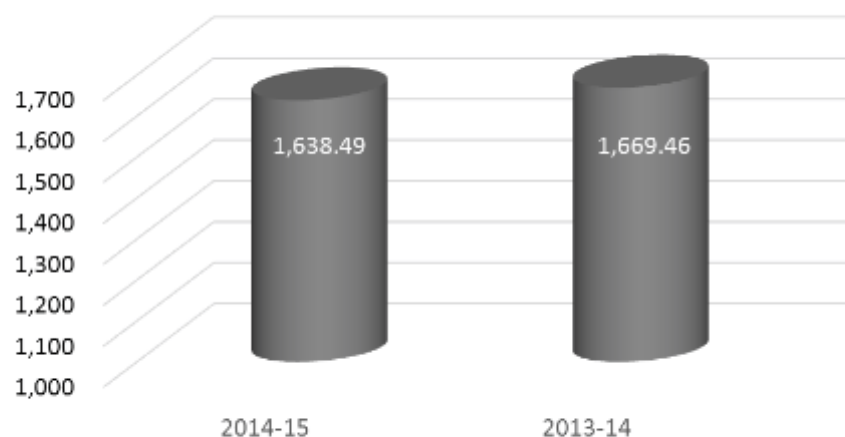
## Corporate Vision

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

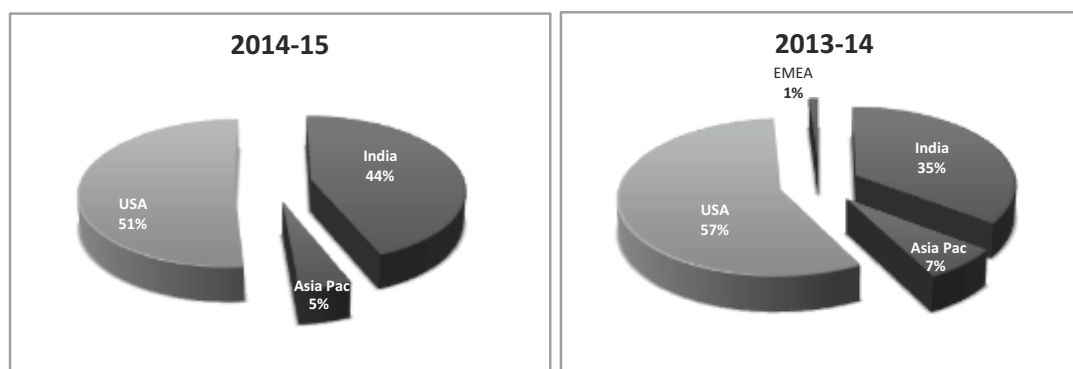
## ASM GROUP INFORMATION

### ASM GROUP REVENUE (NET OF INTER COMPANY SALES)

₹ in Million



### 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)



Dear Fellow Shareholder,

The global economy in the year 2014 continued to move along its growth trajectory but at a moderate rate of 3.4%. Global IT services grew moderately at 3.5% to reach US\$657 billion in 2014. Emerging Technologies Like Social, Mobility, Analytics and Cloud (SMAC), Internet of Things (IOT) are bringing major transformations to the traditional IT needs. Advanced Software technologies and technology-enabled services are fuelling the rapid digitization of business processes and information. Traditional business models are being disrupted in every industry with digital and software based business models.

The Indian IT Industry continues to grow in double digit and as per Nasscom is estimated to have reached US\$ 146 billion in FY15, a growth of around 13% over FY14. Of the total Indian IT Industry the IT services segment which is the largest contributor to the industry is estimated to have reached US\$68.6 billion in FY15, a growth of 12.1% over FY14. The IT services segment in India has fast evolved from being an application development and management to a full service provider. As per Nasscom strategy & 2014 survey there is a rising trend of openness amongst customers to offshore both low-to-medium complexity work as well as high complexity work. As a result, there is a steady growth in global sourcing of Engineering R & D services. India, currently holds around 22-25% share of the global spend in sourcing of Engineering R & D services.

India continues to be the topmost off shoring destination for IT companies followed by China and Malaysia in second and third position, respectively. Emerging technologies present an entire new gamut of opportunities for IT firms in India. Social, mobility, analytics and cloud (SMAC) collectively provide a US\$ 1 trillion opportunity. The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energising the higher education sector especially in engineering and computer science. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market.

On the standalone front your company registered a total revenue of ₹ 10941.74 lakhs for the year ended 31st March 2015, a growth of 4.8% over the same period the previous year. Domestic sales was ₹ 4190.92 lakhs while Export sales was ₹ 6750.83 lakhs, EBIDTA was at ₹ 1664.53 lakhs, while Profit after tax was ₹ 828.16 lakhs.

The Consolidated total revenue for the year ended 31st March 2015 was ₹ 16,384.92 lakhs. EBIDTA was at ₹ 1676.66 lakhs while Profit after tax was ₹ 503.53 lakhs.

With a view to augment resources for long term growth your Directors have recommended for approval of the members a final dividend of ₹ 0.80/- per equity share of ₹ 10/- each for the financial year 2014-2015. The dividend amount paid out if approved by members will be ₹ 40.00 lakhs, interim paid ₹ 60.00 lakhs, while ₹ 20.14 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.

### **Future Outlook**

We are in the exciting times the way business is done across the world, what with the proliferation of the Digital Technology, Mobility Apps, Social Media and the Analytics both for an enterprise and the end-users perspective.

In the cusp of this accelerated growth phase, New Technologies are changing the "Traditional" Practise to "Smart" Practise and this is accentuated by the early adoption in the Enterprises and the Government.

The stage is set for an exponential growth aided by the New Generation Entrepreneurs / Start-Ups. All of this means that there is a new wave of "innovation". There is a convergence of Engineering R&D, Hardware, Software, Telecommunication, Internet which is setting the pace.

ASM is well aligned and poised to capitalise on this wave by consolidating its position as an innovative and nimble organization by offering more services to the existing clients across other geographies and in the process acquiring new clients. This steep growth phase, set in a different trajectory, will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode to centre of excellence to Intellectual Property (IP) oriented Innovation.

The last one year has seen a leap frog in the value add and Innovation by ASM to its customers in both IT and Engineering fields. Thus the investments made in Ideation, Engineering Design, Prototyping and Proving the Concepts thereby setting new benchmark with the elite clientele is the testimony of the re-alignment.

In the coming year, this model will get amplified with more such Innovation and also supporting on the Supply Chain.

New client acquisitions will be through addition of specialized sales and technology & delivery and specializations in more Industry Verticals which offer high growth.

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, Bengaluru, Indian Bank, Singapore, State Bank of India, San Jose, DBS Bank Ltd, Bengaluru, Bank of Baroda, Bengaluru, for their support and guidance.
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Place : Bengaluru  
Date : 26th May, 2015

**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.

Mr. M.R.Vikram is a Director on the Board of 15 other companies including GTN Industries Limited, a listed company. He is also the Secretary Trustee of Mr. M.Venkatarangaiya Foundation, one of India's largest initiatives in eradication of child labour and bringing children to schools. He is the founder trustee of Manthan, an important intellectual group for discussion in Hyderabad.

### **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, L & T - MHPS Boilers Pvt Ltd and L & T - MHPS Turbine Generators Pvt Ltd.

### **Ms. Preeti Rabindra**

#### **Director**

Ms. Preeti Rabindra (DIN 00216818) holds a Bachelor and Masters degree in commerce from the University of Delhi. Ms. Preeti Rabindra has been on the board of IDS Systems Private Limited since 1995.

## Our Core Business

### About Us

ASM Technologies Limited 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
  - Bangalore, - INDIA
  - Chicago, Santa Clara and Toledo –USA
  - Singapore
  - London – UK
- 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

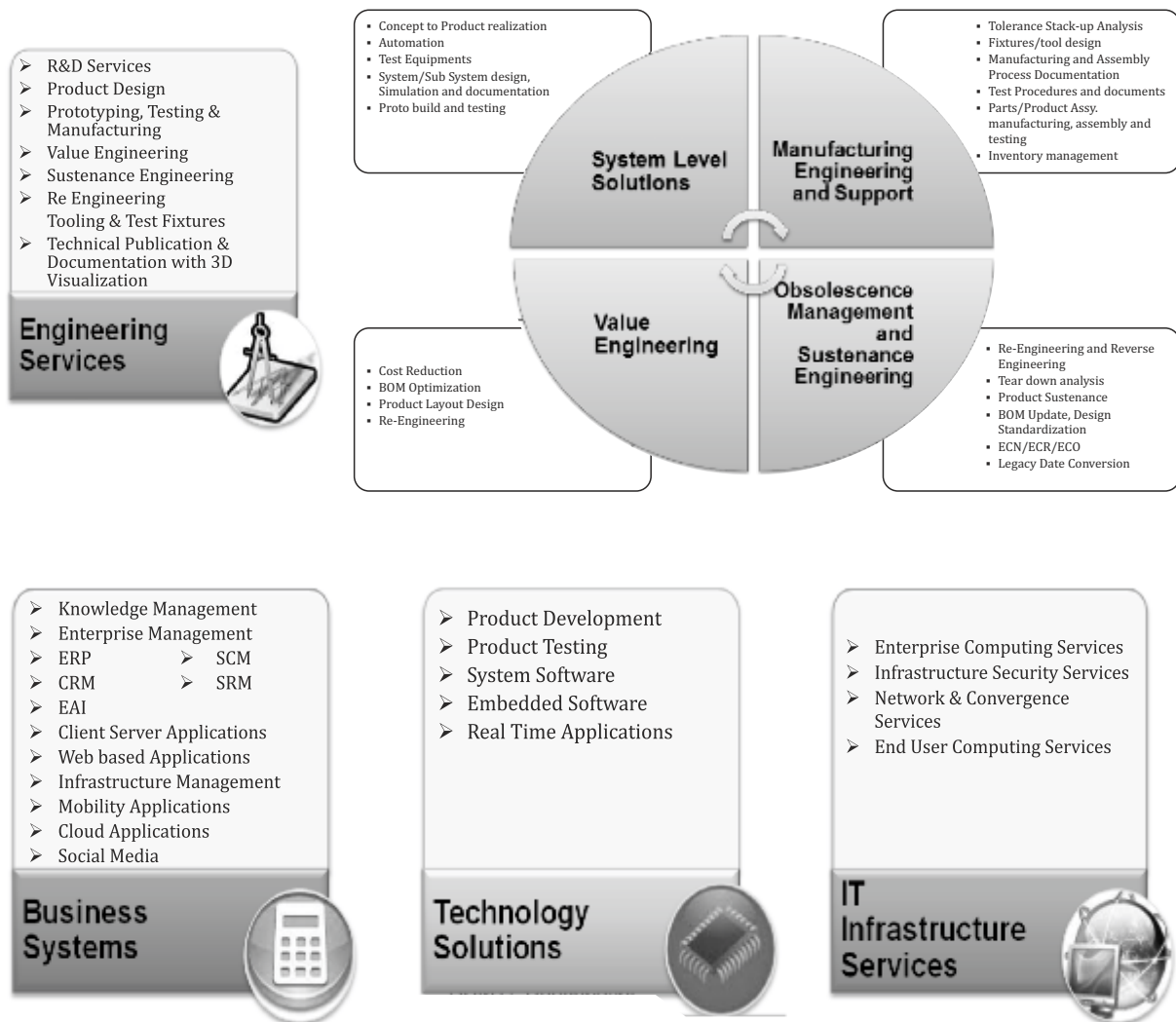
70% of customers FORTUNE 500

92% 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



## REPRESENTATIVE CLIENT LIST

### Hi - Tech



### Manufacturing



### Oil & Gas, Energy



### BFSI



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Telecom

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pernixdata



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Retail

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Consumer Products

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**Panasonic** Global  
ideas for life

**PHILIPS**

**SONY.**

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Pharma

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Health Care

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PARTNERSHIPS



----- ASM - a services partner -----

## Directors' Report

To the Members,

We are pleased to present the 23rd Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2015.

### 1. Financial Results

(₹ In lakhs)

Particulars	2014-2015	2013-2014
Income from software services and Products	10941.74	10440.53
Software development expenses	8065.24	8084.50
<b>Gross Profit</b>	<b>2876.50</b>	<b>2356.03</b>
Administrative expenses	1211.97	821.86
<b>Operating Profit before Interest Depreciation &amp; Tax (EBIDTA)</b>	<b>1664.53</b>	<b>1534.17</b>
Depreciation	157.45	117.43
Interest	389.77	234.25
Other income	167.72	213.37
<b>Profit/-Loss before Tax (EBT)</b>	<b>1285.03</b>	<b>1395.86</b>
Provision for Tax	484.80	418.76
Deferred Tax Income/-Expense	(27.93)	(11.37)
<b>Net Profit /-Loss (PAT)</b>	<b>828.16</b>	<b>988.47</b>
Profit & Loss bal brought forward	2337.96	1712.20
Amount available for appropriation	3166.13	2700.67
Interim Dividend	60.00	50.00
Proposed Final Dividend	40.00	90.00
Dividend Tax	20.14	22.71
Depreciation adjustment	88.04	-
Transfer to General Reserve	100.00	200.00
Balance in Profit & Loss A/c	2857.94	2337.96

### 2. Results of Operation

On the standalone front your company registered a total revenue of ₹ 10941.74 lakhs for the year ended 31st March 2015, a growth of 4.8% over the same period the previous year. Domestic sales was ₹ 4190.92 lakhs while Export sales was ₹ 6750.83 lakhs, EBIDTA was at ₹ 1664.53 lakhs, while Profit after tax was ₹ 828.16 lakhs.

The Consolidated total revenue for the year ended 31st March 2015 was ₹ 16,384.92 lakhs. EBIDTA was at ₹ 1676.66 lakhs while Profit after tax was ₹ 503.53 lakhs.

### 3. Dividend / Transfer to Reserves

With a view to augment resources for long term growth the Directors have recommended for approval of the members a final dividend of ₹ 0.80/- per equity share of ₹ 10/- each for the financial year 2014-2015. The dividend amount paid out if approved by members will be ₹ 40.00 lakhs, interim paid ₹ 60.00 lakhs, while ₹ 20.14 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.

Your company proposes to transfer ₹ 100.00 lakhs to General Reserve out of the amount available for appropriations and an amount of ₹ 2857.94 lakhs is proposed to be retained in the Profit & Loss Account.

### 4. Subsidiary Companies

The consolidated Accounts of your Company and its subsidiaries viz., Advanced Synergic Pte Ltd, Singapore and Pinnacle Talent Inc, USA, duly audited are presented as part of this Report in accordance with Accounting standard 21 and the Listing Agreement with the Stock Exchange, wherever applicable. The statement pursuant to the provisions to Section 129(3) of the Companies Act 2013, containing salient features of the financial statement of the Company's Subsidiaries in Form AOC1 is given in **Annexure - II**.

During the financial year under review your Company formulated and adopted a "Policy for determining Material Subsidiaries" so that your company could identify such subsidiaries and formulate governance framework for them. Copy of the Policy form part of this Report in **Annexure - III**.



## 5. Future Outlook

We are in the exciting times the way business is done across the world, what with the proliferation of the Digital Technology, Mobility Apps, Social Media and the Analytics both for an enterprise and the end-users perspective.

In the cusp of this accelerated growth phase, New Technologies are changing the “Traditional” Practice to “Smart” Practice and this is accentuated by the early adoption in the Enterprises and the Government.

The stage is set for an exponential growth aided by the New Generation Entrepreneurs / Start-Ups. All of this means that there is a new wave of “innovation”. There is a convergence of Engineering R&D, Hardware, Software, Telecommunication, Internet which is setting the pace. ASM is well aligned and poised to capitalise on this wave by consolidating its position as an innovative and nimble organization by offering more services to the existing clients across other geographies and in the process acquiring new clients. This steep growth phase, set in a different trajectory, will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode to centre of excellence to Intellectual Property (IP) oriented Innovation.

The last one year has seen a leap frog in the value add and Innovation by ASM to its customers in both IT and Engineering fields. Thus the investments made in Ideation, Engineering Design, Prototyping and Proving the Concepts thereby setting new benchmark with the elite clientele is the testimony of the re-alignment.

In the coming year, this model will get amplified with more such Innovation and also supporting on the Supply Chain.

New client acquisitions will be through addition of specialized sales and technology & delivery and specializations in more Industry Verticals which offer high growth.

## 6. Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under clause 45 (viii)(D)(1) of the Listing Agreement is disclosed separately in the Annual Report.

## 7. Board Meetings

During the year under review the Board of Directors met 12 times viz, on 03.05.2014, 28.06.2014, 29.07.2014, 30.08.2014, 27.10.2014, 29.10.2014, 17.11.2014, 16.12.2014, 20.01.2015, 11.02.2015, 28.02.2015, and 28.03.2015. The maximum interval between two meetings did not exceed 120 days.

## 8. Directors and Key Managerial Personnel

At the last Annual General Meeting of your Company held on the 28th of June, 2014, Mr. M.R.Vikram, Prof. B.S.Sonde and Mr. Shekar Viswanathan were appointed as Independent Directors, for a specific tenure in accordance with Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year under review Ms. Preeti Rabindra was appointed as an Additional Director to fulfill the requirement of appointing a Woman Director on the Board of your company and at the ensuing Annual General Meeting it is proposed to appoint her as a Director to retire by rotation.

Mr. Narsingh .L.Rathod, has been appointed as the Chief Financial Officer and also as a Key Managerial Personnel of your company with effect from 26th May, 2015.

## 9. Independent Directors

During the financial year under review your company has laid down the procedures to be followed for familiarizing the Independent Directors with their duties, functions , roles and responsibilities in the company. Your company has received the necessary declaration from the Independent Directors under Section 149(7) of the Companies Act 2013 and they have met the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013.

## 10. Director's Responsibility Statement

Pursuant to the provisions of Section 134 (5) of the Companies Act 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts, for the financial Year 2015, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- the Directors have selected such 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;
- the Directors have 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;
- the Directors have prepared annual accounts of the company on a going concern basis.
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 11. Material Changes and commitments affecting the financial position of the company.

The Board in its meeting held on February 28, 2015 subject to securing the requisite approval from shareholders through Postal Ballot, approved the proposal to sell certain portion of the Company's business pursuant to the execution of a non-binding Letter of Intent dated February 28, 2015 (“Letter of Intent”) to sell, transfer or caused to be sold and transferred through an asset deal, slump sale or acquisition of one or more of the subsidiaries of the company or special purpose vehicles to be incorporated to that effect or any other mode as approved by the Board, of certain assets of the company relating to its business, of enterprise application solution that provides implementation, up-gradation and support services to Alten SA, a company organized under the laws of France, having its office at avenue André Morizet, 92513 Boulogne-Billancourt Cedex, France by itself or through its affiliates for a consideration and other terms and conditions as set out in the Letter of Intent.

## 12. Audit Committee

The Audit committee comprises of Mr.M.R.Vikram, Chairman, Prof. B.S.Sonde and Mr. Shekar Viswanathan as members. The committee met four times during the Financial year under review and all its recommendations were accepted by the Board.

Your Company has established the Vigil Mechanism, an Ombuds process which is a channel for receiving and redressing of employees complaints. This mechanism covers questionable financial or accounting matters and reporting fraudulent financial information to the shareholders, the government or any other legal authority. This meets the requirement under Section 177(9) and 10 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## 13. Nomination and Remuneration Committee and Stakeholders Relationship and Share Transfer Committee.

During the year under Review your Company has reconstituted the Nomination and Remuneration Committee and Stakeholders Relationship and Share Transfer Committee in line with the requirements of the Companies Act 2013 and the Listing Agreement with the Stock Exchange.

The present composition of the Nomination and Remuneration Committee includes Mr. Shekar Viswanathan, Chairman, Prof. B.S. Sonde and Mr. M.R.Vikram as its members. The Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications of Independent Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. A copy of the policy forms part of this report vide

### Annexure - I.

## 14. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Mangala Rohith, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR3 for the financial year ended March 31, 2015 is annexed as **Annexure - IV** to the Report.

The following qualifications were observed by the Secretarial Auditor in her Report to which the Board has shared the following explanations:

Qualification 1: Non compliance of section 152 [6] of the Act- at the last AGM held on 28.06.2014- [ No resolution for any director to retire by rotation]

Response: Based on the following constitution of the Board there was no scope for any Director to retire by rotation -

1. 1 Executive Director (Managing Director) not liable to retire by rotation as per Articles of Association of the company
2. 3 of the Independent Directors were appointed for a period of 5 years, not to retire by rotation as per provisions of Section 149 of Companies Act 2013.

Qualification 2: Non appointment of CFO as at 31st March 2015 [section 203 non compliance]

Response: In complying with the provisions of Section 203 of the Companies Act 2013 regarding appointment of CFO your company was in the process of identifying a suitable person and accordingly has appointed Mr. Narsingh Rathod as CFO of the company effective 26th, May 2015.

## 15. Auditor's Report

There are no qualifications, reservations or adverse remarks made by M/s Sudhakar Pai Associates, Statutory Auditors in their report for the financial Year ended 31st March, 2015. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

## 16. Extract of Annual Return

As required pursuant to Section 92(3) of the Companies Act 2013, and Rule 12(1) of the Companies (Management and Administration) Rules 2014, an extract of the Annual Report in form MGT 9 is annexed as **Annexure - V** to this Report.

## 17. Conservation of energy, technology absorption and Foreign Exchange Outgo:

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 financial year under review, 62% of the revenue came from export of software services to clients in USA, Singapore and Germany resulting in a foreign exchange inflow of ₹ 6750.83 lakhs and the foreign exchange outgo on account of overseas salaries, travelling etc was ₹ 1491.97 lakhs

## 18. Public Deposits

Your Company has not accepted any deposits from the public during the financial year under review.

## 19. Disclosures as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place a Prevention of Sexual Harassment (POSH) Policy in line with the requirements of Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Your Company has through the Policy constituted a committee and has established a grievance procedure for protection against victimization. Your Company is committed to provide a healthy environment to all employees conducive to work without the fear of prejudice and gender bias.

## 20. Details of Adequacy of Internal Financial Controls

Your Company has deployed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The processes and systems are reviewed constantly and improved upon to meet the changing business environment. The

Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. The Internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

## **21. Particulars of Loans, guarantees or investments**

Your company has not granted loans or corporate guarantees in the year under review but the balance outstanding as on 31st March 2015 in respect of those granted in the earlier years is provided in Note 28 of Notes forming part of the financial statements.

## **22. Risk Management Policy**

The Risk management Policy of your company continuously evaluates the various risks surrounding business and seeks to review and upgrade its risk management process. To further the endeavour your Board constantly formulates strategies directed at mitigating these risks which get implemented at the Executive Management level and a regular update is provided to the Board.

## **23. Corporate Social Responsibility Policy (CSR)**

Your has in pursuance to the provisions of Section 135 and Schedule VII of the Companies Act 2013 constituted during the year a CSR Committee of the Board to (a) formulate and recommend a CSR policy (b) recommend the amount of expenditure to be incurred on the CSR activities and (c) monitor implementation of the CSR policy from time to time. The terms of reference of the CSR committee are in accordance with Section 135 of the Companies Act 2013. The Committee comprises of Mr. M.R.Vikram, Mr. Rabindra Srikantan, Prof. B.S. Sonde and Mr. Shekar Viswanathan. The Annual Report on CSR in the prescribed format is enclosed to this Report as **Annexure-VI**

## **24. Related Party Transactions**

During the financial year under review, in line with the requirements of the Listing Agreement entered with the Stock Exchange your company has formulated a Policy on materiality of Related Party transactions for dealing with such transactions. A copy of the Policy forms part of this Report as **Annexure- VII**

Particulars of contracts or Arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 in the format specified as Form AOC2 forms part of this Report as **Annexure- VIII**

## **25. Board Evaluation**

Pursuant to the provisions of the Companies Act 2013, Clause 49 of the Listing Agreement peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of the Committees of the Board was conducted. This evaluation was led by the Chairman of the Board and Nomination and Remuneration Committee with focus on the performance and effective functioning of the Board. The evaluation process also considered the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

## **26. Remuneration to Director and Employees**

Details/Disclosures of ratio of remuneration to each Director to median employee's remuneration as required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and details of remuneration paid to Employees vide Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure- IX**

## **27. Listing with Stock Exchanges**

Your company is current with regard to payment of Annual Listing fees with BSE where the shares of the company are listed.

## **28. Corporate Governance Report**

Your Company has taken adequate steps to adhere to all the stipulations as laid down in Clause 49 of the Listing Agreement. As required, a Report on Corporate Governance is provided elsewhere in this Annual Report along with Auditor's Certificate on compliance thereof.

## **29. 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.

## **30. 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, Bengaluru, Indian Bank, Singapore, State Bank of India, San Jose, DBS Bank Ltd, Bengaluru, Bank of Baroda, Bengaluru, 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 : Bengaluru  
Date : 26th May, 2015

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE I

### Nomination and Remuneration Policy

#### 1. Title

This Policy will be called “Nomination and Remuneration Policy”

#### 2. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Board of Directors of every listed Company and such other class or classes of companies, as may be prescribed, shall constitute the “Nomination and Remuneration Committee”. In order to align with the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Board of Directors have changed the nomenclature of the “Remuneration Committee” as “Nomination and Remuneration Committee”. The “Nomination and Remuneration Committee” has formulated the “Nomination and Remuneration policy” which has also been approved by the Board of Directors of the Company.

The “Nomination and Remuneration Committee” and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and revised Clause 49 of the Listing Agreement.

#### 3. Objective

The objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel. The Key objective of the committee would be:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

#### 4. Applicability and Commencement

This policy is applicable to Directors, Key Managerial Personnel and Senior Management. This policy will be effective from 28th March 2015.

#### 5. Definitions

- Board means the Board of Directors of the Company.
- Company means ASM TECHNOLOGIES LIMITED.
- Director means Directors of the Company.
- Policy means “Nomination and Remuneration policy” as amended from time to time.
- Committee means “Nomination and Remuneration Committee”.

##### **Key Managerial Personnel means**

- Managing Director
- Chief Financial Officer
- Company Secretary
- such other officer as may be prescribed

**Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors, comprising all members of the management one level below the Executive Directors including Functional Heads.

**Managing Director** means a Director who is in the whole time employment of the Company and includes a Whole time Director.

**Nomination & Remuneration Committee** means the Committee of the Board constituted as such under the provisions of section 178 of the Companies Act, 2013 and as per the revised Clause 49 of the Listing Agreement.

**Non-Executive Director** means a Director who is not in the whole time employment of the Company and includes an Independent Director.

**Independent Director** means a Director referred to in section 149 of the Companies Act, 2013 and as per the revised Clause 49 of the Listing Agreement.

## 6. Role and Duties of the Committee

The Role and Duties of the committee inter alia will be as follows:

- To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Formulate criteria for evaluation of the Independent Directors and the Board.
- To carry out evaluation of every Director's performance.
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## 7. Membership / Constitution of the Committee

- The Committee shall comprise of at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent. The Committee comprises of the following Directors:  
Mr. Shekar Viswanathan (Independent Director) Chairman  
Prof. B.S.Sonde (Independent Director) Member  
Mr. M.R.Vikram (Independent Director) Member
- The Chairman of the Committee shall be an Independent Director.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairman.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, Listing Agreement and any other applicable statutory requirement.

## 8. Quorum

Minimum two (2) Directors will constitute a quorum for the Committee meeting.

## 9. Frequency of Meetings

The meeting of the Committee shall be held at least once in a year.

## 10. Appointment and Removal of Directors, Key Managerial Personnel and Senior Management

### 10.1 Appointment Criteria and Qualifications:

- The person should possess adequate qualification, expertise, skills and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Before appointment, the Company shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.
- The Committee shall approve the remuneration as well as the appointment, made by the HR Department/ Company of the Senior Management personnel and put forward it the Board. The same shall be done after considering the integrity, qualification, expertise and experience of the person appointed.
- The Committee may call and seek the help of the head of HR Department or any other Company Official including the recommender or a Key Managerial Personnel while approving the appointment.

### 10.2 Term/ Tenure

- a) Managing Director/Whole-time Director/Executive Director/Manager:
  - The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive



Director or Whole Time Director for a term not exceeding three years at a time or as applicable by the respective provisions of the Companies Act 2013. No re-appointment shall be made earlier than one year before the expiry of term.

- The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Chairman/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of an independent Director, it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven Listed companies as an Independent Director and three Listed companies as an Independent Director in case such person is serving as a whole-time Director in any Listed company.

**c) Key Managerial Personnel and Senior Management:**

- A whole-time KMP of the Company cannot hold the office in any other company except in its subsidiary at the same time. However a Managing Director of the Company can hold office in one another company provided such appointment is approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting and of which meeting and of all the resolutions to be moved thereat, specific notice has been given to all the Directors there in India.
- The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR policy of the Company or as per the applicable provisions of the Companies Act 2013.

**10.3 Evaluation**

- The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

**10.4 Removal**

- Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**10.5 Retirement**

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act 2013 and in accordance with the applicable policy of the Company .

**11. Remuneration of Directors, key Managerial Personnel and Senior Management**

- a) Remuneration to Managing Director/Whole-time Director/Executive Director/Manager:
  - The Remuneration / Compensation / Commission etc. to be paid to Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) Remuneration to Non- Executive / Independent Director:
  - The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act 2013 and rules made there under or any other enactment for the time being in force.
- c) Remuneration to Key Managerial Personnel and Senior Management:
  - The Remuneration / Compensation / Commission payable to the Key Managerial Personnel and Senior Management shall be as per the prevailing HR policy of the Company or as per the provisions of the Companies Act 2013 and rules made there under or any other enactment for the time being in force.
- d) For continual long term engagement and to enhance their standard of living of KMP and Senior Management Personnel where the Committee extends benefits/welfare facilities such as group mediclaim insurance policy or indemnify them against liability, premium paid on such insurance shall not be treated as part of the remuneration payable of such personnel.

## 12. Review and Amendments

- The Committee or the Board may review the policy as and when it deems necessary.
- The Board of Directors or the Committee or the Company Secretary shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.

## ANNEXURE - II

### Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

(Pursuant to first proviso to sub-section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014- Form AOC-1)

#### Part “A”: Subsidiaries

Amount in ₹

Sl No.	Particulars	Advanced Synergic Pte Ltd, Singapore (WOS)	Pinnacle Talent Inc, USA (WOS)	ESR Associates Inc, USA ( Step down subsidiary)	Abacus Business Solutions Inc., USA ( Step down subsidiary)
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2014 - 31st March 2015	1st April 2014 - 31st March 2015	1st April 2014 - 31st March 2015	1st April 2014 - 31st March 2015
2.	Reporting Currency	SGD	USD	USD	USD
3.	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	45.498	62.59	62.59	62.59
4.	Share Capital	454,980,000	10,014,400	6,259,000	5,007,200
5.	Reserves & Surplus	108,003,734	(49,461,985)	(43,779,452)	30,679,364
6.	Total Assets	538,387,829	165,692,441	51,120,257	46,621,475
7.	Total Liabilities	384,886,123	198,824,333	88,640,709	10,934,911
8.	Investments	488,014,950	-	-	-
9.	Turnover	103,182,731	19,927,842	65,441,037	460,770,931
10.	Profit/(Loss) before taxation	9,935,279	(4,124,909)	1,052,200	1,071,666
11.	Provision for taxation	2,485,713	-	150,090	561,432
12.	Profit/( Loss) after taxation	7,449,566	(41,324,909)	902,109	510,233
13.	% of shareholding	100	100	100	100

#### Notes:

ESR Associates Inc & Abacus Business Solutions Inc are wholly owned subsidiaries of Advanced Synergic Pte Ltd, the WOS of the company.

Proposed dividend from any subsidiary is “NIL”

#### Part “B”: Associates and Joint Ventures

### Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint Ventures.

There are no associate companies and joint ventures during the current financial year.



## ANNEXURE - III

### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

#### 1. PREFACE

The Board of Directors (the “Board”) of ASM Technologies Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

#### 2. POLICY OBJECTIVE

To determine the Material Subsidiaries of ASM Technologies Limited and to provide the governance framework for such subsidiaries.

#### 3. EFFECTIVE DATE

The said policy shall come into force w.e.f 1st October 2014.

#### 4. DEFINITIONS

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of ASM Technologies Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

“**Subsidiary**” shall be as defined under the Companies Act 2013 and the Rules made thereunder.

“**Material Non Listed Indian Subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

#### 5. POLICY

A subsidiary shall be a Material Subsidiary, if any one of the following conditions are satisfied:

- If the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- If the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Based on audited consolidated and standalone annual accounts of Company and its subsidiaries, in each financial year, the Company would identify the subsidiaries which would get covered under the definition of material subsidiary as provided above and material non listed Indian subsidiary.

#### 6. PROCESS

If any subsidiary is found to be 'material', the Company should comply the followings:

- The Company will not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- The Company will not sell, dispose off and lease any assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution. However, the said approval is not required if the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.
- At least one Independent Director of the Board of the Company shall be a director on the Board of the Material Non Listed Indian Subsidiary Company.
- The Audit committee of the Company shall review the financial statements of its Non-Listed Subsidiaries in particular the investments made by such subsidiaries.
- The minutes of the Board meetings of the Non-Listed subsidiary shall be placed before the Board of the company at regular intervals.
- The Board shall also review all significant transactions and arrangements entered into by Non-Listed subsidiaries.

#### 7. DISCLOSURES

The company shall disclose this policy on the company's website and the same shall also be provided in the Annual Report of the company.

#### 8. AMENDMENT

The Board may amend or modify this Policy in whole or in part, from time to time

## ANNEXURE - IV

### Secretarial Audit Report

#### FORM-MR3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2014-2015

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT 2013 AND RULE NO 9 OF THE COMPANIES ACT (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)]

To,  
The Members,  
**ASM Technologies Limited**  
Bangalore

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ASM Technologies Limited (CIN:L85110KA1992PLC013421), Bangalore (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the Company namely:
  1. Information Technology Act 2000 and the Rules made thereunder
  2. Software Technology Parks of India- Rules and Regulations
  3. India Copyright Act, 1957
  4. The Trade Marks Act, 1999
  5. The Patents Act 1970

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - Not Applicable as the same is not notified during the year under review.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

I report that, during the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. above mentioned, save and except the following:-

- a. The company has not complied with the requirements of section 152 (6) of the Act at the time of its last Annual General Meeting convened and held on 28.06.2014;

- b. The company has not complied with the requirements of section 203 of the Act with regard to appointment of Chief Financial Officer (CFO) in respect of the period under review;

I further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Managing Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws, Competition laws & Environment laws.

I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws,

Service tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

I further report that subject to the observation of composition of the Board strength as made out herein above (Non Executive Director in the Board's strength), the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bangalore  
Date : 26th May, 2015

MANGALA ROHITH  
Company Secretary (in wholetime practice)  
ACS: 20315 CP:7438

*This report to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.*

## ANNEXURE A

To,  
The Members,  
**ASM Technologies Limited**  
Bangalore

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Bangalore  
Date : 26th May, 2015

MANGALA ROHITH  
Company Secretary (in wholetime practice)  
ACS: 20315 CP:7438

## ANNEXURE - V

### Form No. MGT - 9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	<b>L85110KA1992PLC013421</b>
ii.	Registration Date	10/08/1992
iii.	Name of the Company	ASM Technologies Limited
iv.	Category/Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	80/2, Lusanne Court Richmond Road Bengaluru-560025 Ph no: 80- 66962301/02/03
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Unit: ASM Technologies Ltd Karvy Selenium Tower B, Plot number 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SL.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer Programming, Consultancy & Related Activities	620	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Advanced Synergic Pte Ltd	NA	Wholly owned subsidiary	100	2(87)(ii)
2.	Pinnacle Talent Inc	NA	Wholly owned subsidiary	100	2(87)(ii)
3.	ESR Associates Inc	NA	Step down subsidiary	100	2(87)(ii)
4.	Abacus Business Solutions Inc	NA	Step down subsidiary	100	2(87)(ii)

## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2103667	-	2103667	42.07	2103667	-	2103667	42.07	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	330214	-	330214	6.60	338502	-	338502	6.77	0.17
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	649724	-	649724	12.99	649724	-	649724	12.99	-
Sub-total(A)(1):-	3083605	-	3083605	61.67	3091893	-	3091893	61.84	0.17
<b>2) Foreign</b>									
g) NRIs - Individuals	-	-	-	-	-	-	-	-	-
h) Other - Individua	-	-	-	-	-	-	-	-	-
I) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	800	800	0.02	-	800	800	0.02	-
b) Banks / FI	-	1100	1100	0.02	-	1100	1100	0.02	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companie	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	1900	1900	0.04	-	1900	1900	0.04	-
<b>2. Non Institutions</b>									
a) Bodies Corp. (I) Indian (ii) Overseas	64173	3300	67473	1.35	53363	3300	56663	1.13	-0.22

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
b) Individuals									
(I) Individual shareholders holding nominal share capital upto ₹ 1 lakh	455318	394788	850106	17.00	457035	385988	843023	16.86	-0.14
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	932211	-	932211	18.64	938567	-	938567	18.77	0.13
c) Others(Specify)	6305	58400	64705	1.30	9554	58400	67954	1.36	0.06
Sub-total(B)(2)	1458007	456488	1914495	38.29	1458519	447688	1906207	38.12	-0.17
Total Public Shareholding (B)=(B)(1)+(B)(2)	1458007	458388	1916395	38.33	1458519	449588	1908107	38.16	-0.17
C.Shares heldby Custodian for GDRs&ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4541612</b>	<b>458388</b>	<b>500000</b>	<b>100</b>	<b>4550412</b>	<b>449588</b>	<b>5000000</b>	<b>100</b>	<b>-</b>

## II. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1.	S RABINDRA	2103667	42.07	-	2103667	42.07	-	-
2.	R PREETI	380524	7.61	-	380524	7.61	-	-
3.	IDS SYSTEMS PVT LTD	330214	6.60	-	338502	6.77	-	0.17
4.	AKHIL R	134600	2.69	-	134600	2.69	-	-
5.	NIKHIL R	134600	2.69	-	134600	2.69	-	-
<b>Total</b>		<b>3083605</b>	<b>61.67</b>	<b>-</b>	<b>3091893</b>	<b>61.84</b>	<b>-</b>	<b>0.17</b>

### III. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name of the shareholder	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	<b>IDS SYSTEMS PVT LTD</b>				
	A the beginning of the year	330214	6.6	330214	6.60
	Purchase of shares on 1.4.14	35	0.00	330249	6.60
	Purchase of shares on 2.4.14	75	0.00	330324	6.61
	Purchase of shares on 3.4.14	375	0.01	330699	6.61
	Purchase of shares on 4.4.14	65	0.00	330764	6.62
	Purchase of shares on 5.4.14	757	0.02	331521	6.63
	Purchase of shares on 7.4.14	186	0.00	331707	6.63
	Purchase of shares on 9.4.14	231	0.00	331938	6.64
	Purchase of shares on 10.4.14	183	0.00	332121	6.64
	Purchase of shares on 11.4.14	318	0.01	332439	6.65
	Purchase of shares on 15.4.14	250	0.01	332689	6.65
	Purchase of shares on 16.4.14	269	0.01	332958	6.66
	Purchase of shares on 21.4.14	270	0.01	333228	6.66
	Purchase of shares on 22.4.14	367	0.01	333595	6.67
	Purchase of shares on 23.4.14	191	0.00	333786	6.68
	Purchase of shares on 25.4.14	81	0.00	333867	6.68
	Purchase of shares on 12.5.14	224	0.00	334091	6.68
	Purchase of shares on 13.5.14	240	0.00	334331	6.69
	Purchase of shares on 14.5.14	350	0.01	334681	6.69
	Purchase of shares on 15.5.14	10	0.00	334691	6.69
	Purchase of shares on 16.5.14	760	0.02	335451	6.71
	Purchase of shares on 27.5.14	411	0.01	335862	6.72
	Purchase of shares on 29.5.14	150	0.00	336012	6.72
	Purchase of shares on 2.6.14	150	0.00	336162	6.72
	Purchase of shares on 4.6.14	100	0.00	336262	6.73
	Purchase of shares on 5.6.14	200	0.00	336462	6.73
	Purchase of shares on 6.6.14	100	0.00	336562	6.73
	Purchase of shares on 9.6.14	150	0.00	336712	6.73
	Purchase of shares on 10.6.14	150	0.00	336862	6.74
	Purchase of shares on 11.6.14	20	0.00	336882	6.74
	Purchase of shares on 12.6.14	150	0.00	337032	6.74
	Purchase of shares on 13.6.14	105	0.00	337137	6.74
	Purchase of shares on 16.6.14	100	0.00	337237	6.74
	Purchase of shares on 17.6.14	50	0.00	337287	6.75
	Purchase of shares on 18.6.14	175	0.00	337462	6.75
	Purchase of shares on 19.6.14	90	0.00	337552	6.75
	Purchase of shares on 20.6.14	90	0.00	337642	6.75
	Purchase of shares on 23.6.14	120	0.00	337762	6.76
	Purchase of shares on 24.6.14	100	0.00	337862	6.76
	Purchase of shares on 25.6.14	155	0.00	338017	6.76
	Purchase of shares on 26.6.14	275	0.01	338292	6.77
	Purchase of shares on 27.6.14	210	0.00	338502	6.77
	A the end of the year			338502	



**IV. Shareholding Pattern of top ten Shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the shareholder	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
1	Kannan Sundar				
	At the beginning of the year	600842	12.02	600842	12.02
	Purchase of Shares	2442	0.05	603284	12.07
	At the end of the year (or on the date of separation, if separated during the year)			603284	
2	Amarnath Kamath				
	At the beginning of the year	66679	1.33	66679	1.33
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			66679	
3	Anantha Rama Krishna				
	At the beginning of the year	50009	1.00	50009	1.00
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			50009	
4	Garima Sathi Vashistha				
	At the beginning of the year	25322	0.51	25322	0.51
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			25322	
5	Rukmani Vishwanathan				
	At the beginning of the year	20000	0.40	20000	0.40
	Purchase of shares	3450		23450	0.47
	Sale of shares	3450		20000	0.40
	Sale of shares	500		19500	0.39
	At the end of the year (or on the date of separation, if separated during the year)			19500	
6	Ajay Gokuldas Shah	21199	0.42	21199	0.42
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			21199	
7	M Anandam Consultancy Services Private Limited	21969	0.44	21969	0.44
	Purchase of shares	1000	0.02	22969	0.46
	At the end of the year (or on the date of separation, if separated during the year)			22969	
8	Ajay Gokuldas Shah	24000	0.48	24000	0.48
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			24000	
9	Sundar Ramanathan	20000	0.40	20000	0.40
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			20000	
10	Vivek Kaushal	24037	0.48	24037	0.48
	No change during the year				
	At the end of the year (or on the date of separation, if separated during the year)			24037	

## V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year No.	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	M R Vikram, Director	NIL	NIL	NIL	NIL
	Prof B S Sonde, Director	NIL	NIL	NIL	NIL
	Shekar Viswanathan, Director	NIL	NIL	NIL	NIL
	Rabindra Srikantan, Managing Director	2103667	42.07	2103667	42.07
	N L Rathod, CFO	NIL	NIL	NIL	NIL
	P N Lakshmi, Company Secretary	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment ₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1915.73	79.77	nil	1995.50
I) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	216.09	297.28	nil	513.36
- Addition				
- Reduction				
Net Change	216.09	297.28	nil	513.36
Indebtedness at the end of the financial year	2131.82	377.05	nil	
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	2508.86			
Total (i+ii+iii)	2131.82	377.05	nil	2508.86

## VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager Amount in ₹

Sl. No.	Particulars of Remuneration	Rabindra Srikantan Managing Director	Total Amount
1.	Gross salary	6,953,333	6,953,333
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	6,953,333	
	Ceiling as per the Act	8,400,000	-

Note: The remuneration paid to the Managing Director is as per Part II Section II(A)ii of Schedule V, based on the effective capital

**B. Remuneration to other Directors:**

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of MD/WTd/ Manager			Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	M R Vikram 115,000	B S Sonde 110,000	Shekar Viswanathan 80,000	305,000
	Total (1)				
	Other Non-Executive Directors · Fee for attending board c Committee meetings · Commission · Others, please specify	Preeti Rabindra			Nil
	Total (2)				
	Total (B)=(1+2)				305,000
	Total Managerial Remuneration				7,258,333
	Over all Ceiling as per the Act				(11% of NP) 9109763

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTd**

Amount in ₹

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6,953,333 - -	600,000 - -	NIL - -	7,553,333 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	- - -	- - -	- - -	- - -
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>6,953,333</b>	<b>600,000</b>	<b>NIL</b>	<b>7,553,333</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers In Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## ANNEXURE - VI

### Annual Report on CSR Activities

1. Social and environmental responsibility has always been at the forefront of ASM's operating philosophy and as a result has been contributing to such socially responsible activities. For ASM, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees consumers and society in which it operates.
2. The CSR Committee comprises of the following members:  
Prof. B.S.Sonde - Chairman  
Mr. M.R.Vikram  
Mr. Shekar Viswanathan  
Mr. Rabindra Srikantan
3. Average Net profits of the company for the last three financial years-is ₹ 90,220,821/- ( Rupees Nine crores two lakhs twenty thousand eight hundred and twenty one.)
4. Prescribed CSR expenditure ( two percent of the amount as in item 3 above) is ₹ 1,804,416/- (Eighteen lakhs four thousand four hundred and sixteen)
5. Details of CSR spent during the financial year 2014-15:  
Total amount to be spent for the financial year 2014-15 was ₹ 1,804,416/-  
Amount unspent is - ₹ 1,228,416/-

Manner in which the amount was spent in 2014-15 is detailed below-

Amount in ₹

SI No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1.Local area or other 2.Specify the state and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub heads: 1.Direct expenditure on projects /programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Promoting education in children*	Promoting education	Project in Bangalore	76,000/-	-	76,000/-	76,000/- Direct
2.	Towards support under the Rahul Dravid Athelete Mentorship Programme for training of para athelete for the 2016 Paralympic games.	Training to promote rural, nationally recognized, paraolympic or Olympic sports	Project in Bangalore	200,000/-	-	200,000/-	2,00,000/- GoSports Foundation
3.	Towards accommodation, education and improving the vocational skills of the differently abled.	Promoting special education and enhancing vocation skills of the differently abled	Project in Bangalore	300,000/-	-	300,000/-	300,000/- Samarthanam Trust for the Disabled

\* During the year 2013-14 the company instituted the "Dr. R.P.Shenoy award for Excellence in Science" in memory of its Director, Dr. R.P. Shenoy, a Distinguished Scientist of Defence Research & Development Organization (DRDO) of the Government of India. The award is given each year to students of Grade 8th & 9th, Kendriya Vidyalaya, DRDO complex, Bangalore, who have secured A1 Grade in Science. The award includes a cheque for ₹ 1000/- a certificate and write up of Dr. Shenoy & ASM.

6. Reasons for not spending the proposed CSR expenditure: The shortfall in CSR expenditure for the financial year 2014-15 is ₹ 1,228,416/-

The Company could not spend the specified CSR amount as it was in the process of determining specific activities and identifying specific partners that would be aligned with your Company's CSR Policy. The Directors believe that this process should be completed in the coming financial year and the CSR amount as stipulated by the Companies Act will be spent on qualifying activities accordingly.

The Directors would also like to take this opportunity to state that CSR through financial inclusion has always been a fundamental part of your Company's business philosophy and culture and the Company takes its social responsibilities extremely seriously.

7. The CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place : Bengaluru  
Date : 26th May, 2015

Rabindra Srikantan  
Managing Director

Prof. B.S. Sonde  
Chairman of the CSR Committee

## ANNEXURE - VII

### Policy on Materiality of Related Party Transactions and dealing with related party transactions

(as per Clause 49 (VII) (C) of the Equity Listing Agreement with Securities and Exchange Board of India.)

#### 1. INTRODUCTION

The policy shall be called “Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.”

ASM technologies Limited (the “Company”) is a IT consulting and software services company with the track record of serving software vendors and enterprise customers around the globe. The Company has established branches and subsidiaries across the World in various countries such as US, UK and Singapore. The Company has been successfully operating in many countries to deliver enhanced and sustained value to every customer and accomplish its goals and vision. Therefore, it is imperative for the Company to formulate this Policy to keep a track of all the transactions with the Related Party(s) and carry out our business activities in full fledged force without any hitch in the matter of compliances of all the applicable provisions to the Company.

#### 2. OBJECTIVE

In line with the requirements Considering as prescribed under the Companies Act, 2013 (“Act”) read with Rules framed there under and Clause 49 of the Listing Agreement (as amended from time to time), ASM Technologies Limited (“ASM”) has formulated guidelines for identification of Related Parties and the proper conduct and documentation of all Related Party Transactions.

In the light of the above, the Board of Directors (the “Board”) of ASM have devised and adopted the following policy and procedures to regulate and govern materiality of Related Party Transactions and in general, the Related Party Transactions of the Company.

Laws and Regulations applicable to the Company in dealing with Related Party Transactions shall be complied with, in addition to adherence to this Policy.

The Company in addition to the above mentioned compliances, will also have to comply with the provisions of Accounting Standard - 18 relating to RPT. Hence, in order to comply with the said Corporate Governance norms and Accounting Standards - 18, the Company has formulated this Policy, which is mandatory requirement for a Listed Company.

#### 3. SCOPE

This Policy shall be applied in:

- a. Identifying Related Parties, updating and maintaining the database of such persons/entities;
- b. Identifying the Ordinary Course of Business and Arms' Length Transactions in relation to the Company and such persons/entities;
- c. Identifying RPT;
- d. Obtaining approval/ratifications (as the case may be) for entering into any transactions with such persons/entities;
- e. Obtaining disclosures from the Directors who are interested either directly or indirectly in the RPT and refraining such Directors from participating in the discussions related to RPT;
- f. Documenting the Arms' Length pricing of transactions; and
- g. Disclosing these transactions in Annual Report or any such documents as prescribed under the applicable Laws.

#### 4. EFFECTIVE DATE

In the context of the aforesaid objectives, this Policy has been formulated by the Company and adopted by the board of directors of the Company on 28 March 2015 and this date will be deemed to be the effective date of this Policy.

#### 5. DEFINITIONS /IMPORTANT CONCEPTS

- 1) “Act” means the Companies Act, 2013 (as amended from time to time) and rules prescribed thereunder;
- 2) “Arm's Length Transaction” means the transactions carried out between the Related Parties as if they are not related to each other avoiding the 'conflict of interest'.
  - (a) The transactions carried between the Company and the Related Party on similar terms and conditions as of unrelated party, including the price; and
  - (b) Such price charged for the transactions with a Related Party, has in no case been influenced by the relationship and meets the criteria prescribed in Transfer Pricing Guidelines under the Income Tax Act, 1961;
- 3) “Board” means the Board of Directors of ASM Technologies Limited;
- 4) “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time);
- 5) “Director” means the Director appointed to the Board of the Company;
- 6) “Material Transactions” means the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

7) “Ordinary Course of Business”:

The term “Ordinary Course of Business” shall mean and include:

- (i) the normal transactions, customs and practices carried on generally in the IT Industry and also by the Company as well, however it shall not include the following transactions:
  - a. Complex equity transactions such as Corporate Restructuring or Acquisitions, Merger, De-Merger and Amalgamation;
  - b. Sales transactions with unreasonably large discounts or returns;
  - c. Transactions under contracts, whose terms are changed before expiry having material adverse impact on the Company.
- (ii) In regard to the above mentioned point, following transactions shall inter alia be deemed to have been made in the Ordinary Course of Business:
  - a. Any transaction covered in the Main Objects or the objects incidental to attainment of the Main Objects as envisaged in the Memorandum of Association of the Company,
  - b. Any transaction which is usually carried on by any Software Development Company within India or Overseas.
  - c. Any transaction which has been done by the Company frequently in last three years,
  - d. Any transactions done with a Related Party on a similar basis as of a third party.
  - e. Any transaction or activity that is necessary, normal, regular and incidental to the business and involves significant amount of money by allocating resources which generates income for the Company.

8) “SEBI” means Securities and Exchange Board of India;

9) “Policy” means this Related Party Transaction Policy adopted by the Board;

10) “Related Party” with reference to a company, means—

- (i) a director or his Relative;
- (ii) a key managerial personnel or his Relative;
- (iii) a firm, in which a director, manager or his Relative is a partner;
- (iv) a private company in which a director or manager or his Relative is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his Relatives, more than two percent of its paid-up share capital;
- (vi) any Body Corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) Any company which is –
  - A. a holding, subsidiary or an associate company of such company; or
  - B. a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such entity is a related party under the applicable Accounting Standards

Explanations - 1) for the purpose of Related Party definition under this Policy, KMP of the Company excludes Directors of the Company;

2) if KMP of the Company is a Director in other company, then such company will not be deemed to be a Related Party. The Act does not bring such companies under the purview of Related Party;

11) “Relative” with reference to any person means, any person who is related to another, if –

- i. they are members of HUF;
- ii. they are husband and wife; or
- iii. One person is related to other in following manner:
  - Father (includes step-father)
  - Mother (includes step-mother)
  - Son (includes step-son)

- Son's wife
- Daughter
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

12) **“Related Party Transaction”** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged. A transaction with a Related Party shall be construed to include single transaction or group of transactions in a contract. It shall also explicitly include the following transactions -

- i) Sale, purchase or supply of any goods or materials;
- ii) Selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary Company or associate company; and
- vii) underwriting the subscription of any securities or derivatives thereof, of the Company;

**Note: i)** Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or Listing Agreement shall have the meaning respectively assigned to them therein.

## 6. IDENTIFICATION OF POTENTIAL RPT

- (a) Each Director, Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential RPT involving himself or his relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this Policy.
- (b) The Company strongly prefers to receive such notice of any potential RPT well in advance so that the Audit Committee/ Board has adequate time to obtain and review information of the proposed transaction.

## 7. APPROVALS REQUIRED

### 1) Approval of Audit Committee

- (a) The Company shall not enter into any RPT without prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for RPT proposed to be entered into by the Company subject to the following conditions:
  - In case of transactions that are repetitive in nature, the Audit Committee, at their discretion, shall lay down certain criteria(s) that help them in determining and analyzing the consequences of granting the omnibus approval and such criteria(s) shall be in accordance with this Policy.
  - The Audit Committee shall lay down valid grounds while making a decision for the need for such omnibus approval and see to it that such approval is in the best interest of the Company;
  - Such omnibus approval shall specify-
    - (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
    - (ii) the indicative base price / current contracted price and the formula for variation in the price if any; and
    - (iii) such other conditions as the Audit Committee may deem fit, provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore (One Crore) per transaction.
  - Audit Committee shall review the details of RPTs entered into by the Company pursuant to approval given to each of the omnibus transaction, atleast on a quarterly basis;
  - Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"
- (b) The prior approval of the Audit Committee is not required in case of transactions entered into between the Company and its wholly -owned Subsidiary whose accounts are consolidated with the Company's accounts and such consolidated accounts are placed before the Shareholders at the General Meeting for approval;



- (c) The notices referred in the above point no. VI (a) received by the Company from the Directors and KMP shall be forwarded to the Company Secretary ("CS") of the Company, with a request to arrange for an Audit Committee Meeting;
  - (d) The CS shall organize Audit Committee Meetings upon receipt of notice as mentioned in the above point (b) and shall place such notice along with all relevant information/documents relating to the proposed RPT before the Audit Committee, which inter alia shall include :
    - I. The name of the Related Party and nature of the relationship;
    - II. The nature and duration of the Contract and particulars of the Contract or arrangement;
    - III. The material terms of the Contract or an Agreement including the value, if any;
    - IV. Any advance paid or received for a Contract or arrangement, if any;
    - V. The manner of determining the pricing and other commercial terms, both included as part of Contract and not considered as a part of the Contract;
    - VI. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with rationale for not considering those factors; and
    - VII. Any other information relevant or important for the Audit Committee and/or Board to take decision on proposed transaction.
  - (e) Any member of the Audit Committee who is covered under the ambit of the Related Party, such member shall abstain from voting, irrespective of the fact that whether such member is a party to the particular transaction or not."
- 2) Approval of the Board
- (a) The following RPT shall be placed before the Board for approval, after the approval of the Audit Committee:
    - (i) Transactions not in Arm's Length;
    - (ii) Transactions not in Ordinary Course of Business; and
    - (iii) Material RPT
  - (b) Board shall consider the information/documents placed before it and either approve or reject the proposed RPT.
  - (c) In case approval is proposed to be sought through postal ballot or at a General Meeting, the Board shall approve the notice and the Explanatory Statement [including the particulars mentioned in rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014] of the same.
  - (d) A Director who is directly or indirectly interested in the proposed RPT shall disclose the nature of his concern or interest at the Meeting of the Board in which such Contract or arrangement is discussed and shall not be allowed to participate in such Meeting. Provided that where any Director who is not interested at the time of entering into the such Contract or arrangement, he shall, if he becomes interested after the Contract or arrangement is entered into, disclose his interest forthwith when he becomes interested or at the first Meeting of the Board held after he becomes so concerned or interested.
  - (e) If any Director or employee of the Company has entered into a Contract or arrangement without the prior consent of the Board (when required) then such Contract or arrangement shall be ratified by the Board at a Meeting within three months from the date on which such Contract or arrangement was entered into.
- 3) Approval of the Shareholders:
- (a) No transaction, Contract or arrangement shall be carried out or entered into with a Related Party, without the prior approval of Shareholders by way of Special Resolution if the transactional value exceeds the limits that are given in the tabular column under the head 'Transactional Value'.
  - (b) All Material RPT's shall be approved by the Shareholders by way of Special Resolution.
  - (c) The approval of the Shareholders is not required in case of transactions entered into between the Company and its wholly - owned Subsidiary whose accounts are consolidated with the Company's accounts and such consolidated accounts are placed before the Shareholders at the General Meeting for approval;
  - (d) If any Director or employee of the Company has entered into a Contract or arrangement without the prior consent of the Shareholders (when required) then such Contract or arrangement shall be ratified by the Shareholders at a Meeting within three months from the date on which such Contract or arrangement was entered into.
  - (e) Any Shareholder, who falls under the definition of Related Parties shall abstain from voting, irrespective of the fact that whether such Shareholder is a party to the particular transaction or not.

## 8. TRANSACTIONAL VALUE

1.	Sale, purchase or supply of any goods or materials directly or through appointment of agent	10% of Annual Turnover or ₹ 100 Crore (whichever is lower)
2	Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent	10% of Net Worth of the Company or ₹ 100 Crore (whichever is lower)
3.	Leasing property of any kind	10% Turnover or Net Worth of the Company or ₹ 100 Crore (whichever is lower)
4.	Availing or rendering of any services directly or through agents	Exceeding 10% of turnover or ₹ 50 Crore, whichever is lower
5.	Related party appointment to any office or place of profit in the company or subsidiaries	Monthly remuneration exceeding ₹ 2.50 lakhs
6.	Remuneration for underwriting the subscription of any securities or derivatives of the company	Exceeding 1% of Net Worth
7.	Clause 49 of Listing agreement Material transaction	Exceeding 10% of the annual consolidated turnover of the last audited financial statements

Note: The limit as specified above shall apply to transactions entered into individually or taken together with the previous transactions during the financial year.

## GUIDING PRINCIPLES

1. The transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/ Act, will not attract the requirements of Section 188 of the Act;
2. Contracts entered into by the Company after making necessary compliances under Section 297/299 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Act, will not require fresh approval under the said Section till the expiry of the original term of such Contracts. Thus, if any modifications in such Contract is made on or after 1st April, 2014, the requirements under Section 188 will have to be complied with.
3. All existing Contracts or arrangements dealing with Material Transactions with the Related Party as on April 17, 2014 which are likely to continue beyond March 31, 2015 shall be placed for approval of the Shareholders in the first General Meeting of Company subsequent to October 1, 2014.

## 9 DISCLOSURES

1. Section 188 (2) of the Act to be included in disclosures, which states that all Related Party Contracts and arrangements shall be referred to in Board's Report with its prior approval along with the justification for entering in to such Contract or arrangement. The Company shall also take the approval on each of such RPT from the Board and shall also get it approved in advance from the duly constituted Audit Committee of the Company.
2. As per Clause 49 of the Equity Listing Agreement, all RPT's to be disclosed quarterly along with the compliance report on corporate governance. This Policy shall be made available on the Company's web site and shall be provided in the Annual Report.
3. Disclosure of materially significant RPT that may have potential conflict of interest of the Company at large to be included in the report of Corporate Governance in the Annual Report of the Company.

### Disclosures under AS – 18:

As per Accounting Standard -18 RPT's and outstanding balances with other entities in a group need to be disclosed in the financial statements of the Company. Related Party disclosure requirements as laid down in this Standard do not apply in circumstances where providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority. No disclosure is required in consolidated financial statements in respect of intra-group transactions. No disclosure is required in the financial statements of state-controlled enterprises as regards Related Party relationships with other state-controlled enterprises and transactions with such enterprises. Name of the Related Party and nature of the Related Party relationship where control exists should be disclosed irrespective of whether or not there have been transactions between the Related Parties.

If there have been transactions between Related Parties, during the existence of a Related Party relationship, the reporting enterprise should disclose the following:

- I. the name of the transacting Related Party;
- II. a description of the relationship between the Related Parties;
- III. a description of the nature of transactions;

- IV. volume of the transactions either as an amount or as an appropriate proportion;
- V. any other elements of the RPT necessary for an understanding of the financial statements;
- VI. the amounts or appropriate proportions of outstanding items pertaining to Related Parties at the balance sheet date and provisions for doubtful debts due from such parties at that date; and
- VII. amounts written off or written back in the period in respect of debts due from or to Related Parties.

#### **10. REGISTER OF CONTRACTS**

1. The Company shall maintain a Register of Contracts giving particulars of Contracts/ arrangements entered into by the Company in accordance with the provisions of the Act;
2. However entries are not required to be made in the Register if Contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed five lakh rupees in the aggregate in any year;
3. Every Director or KMP of the Company shall, within a period of thirty days of his appointment, or relinquishment of, his office, as the case may be, disclose to the company the particulars relating to his concern or interest in the other associations which are required to be included in the register of contracts or arrangements in which Directors or KMP are interested.

#### **11. INDEMNITY**

Where any Contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval by a Special Resolution in the General Meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such Contract or arrangement was entered into, such Contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to authorize any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

#### **12. AMENDMENT**

This Policy shall be amended in accordance with the amendments made vide notifications / circulars as may be published in Official Gazette of India from time to time.

## ANNEXURE - VIII

### Particulars of contracts/ arrangements made with related parties

Pursuant to clause(h) of Sub section(3) of Section 134 of the Act and Rule8(2) of the Companies (Accounts) Rules, 2014 – Form AOC-2

Form for disclosure of particulars of contracts/ arrangements entered into by the compaby with related parties referred to in sub-section (1) of Section 188 of Companies Act 2013 including certain arms length transactions.

1. Details of contracts or arrangement or transactions not at arms length basis

There was no contract/arrangement/transaction entered into during the financial year ended 31st March 2015 which were not at arm`s length basis.

2. Details of material contracts or arrangements or transactions at arm`s length.

The details of material contracts or arrangements or transactions at arm`s length basis for the financial year ended March 31st, 2015 is as follows:

Amount in ₹

Pa rticulars	Advanced Synergic Pte Ltd, Singapore	Pinnacle Talent Inc, USA	ESR Associates Inc USA	Abacus Business Solutions Inc.USA	IDS Systems Pvt Ltd
Nature of relationship	Wholly owned subsidiary	Wholly owned Subsidiary	Step down subsidiary	Step down subsidiary	Promoter group company
<b>Nature of contracts/ arrangements/transactions</b>					
Rendering of services	500,183	-	-	37,516,532	186,135,907
Guarantees given on behalf of subsidiary	242,504,340	-	-	43,813,000	-
Purchase of Service	-	13,296,983	-	-	-

Notes:

1. The duration of the above contracts/arrangements/transactions with subsidiaries are all ongoing.
2. Salient terms of the contracts or arrangements or transactions as mentioned above are all based on transfer pricing guidelines.
3. Appropriate approvals have been taken for these related party transactions.
4. Advances paid have been adjusted against billings, wherever applicable.

For and on behalf of the Board of Directors

Place :Bengaluru  
Date : 26th May, 2015

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE - IX

### PARTICULARS OF EMPLOYEES

a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel,) Rules, 2014

(i & ix) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial year and percentage increase in remuneration of each Director as against previous year and also the comparison of remuneration of each such person against the performance of the Company.

Name of Directors	Designation	% of increase compared to previous year	Ratio to median remuneration of employees	% of revenues	% of profits after tax
M.R.Vikram	Chairman	820	0.23	0.011	0.139
Rabindra Srikantan	Managing Director	NIL #	13.81	0.635	8.396
Prof. B.S.Sonde	Independent Director	1367	0.22	0.010	0.133
Shekar Viswanathan	Independent Director	433	0.16	0.007	0.096
Preeti Rabindra*	Director	NA	NA	NA	NA

Note:

- \* 1. Appointed as a Director w.e.f. 28th March, 2015
- 2. Independent Directors are paid remuneration only by way of sitting Fees.
- # 3. Salary paid to Managing Director in 2013-14 included arrears of previous year.

(ii & ix) The percentage increase in remuneration of Chief Financial Officer & Company Secretary in the Financial Year and also the comparison of such remuneration against the performance of the Company.

Name of person	Designation	% of increase compared to previous year	% of revenues	% of profits after tax
N.L.Rathod*	Chief Financial Officer	NA	NA	NA
P.N.Lakshmi	Company Secretary	NIL	0.055	0.72

- \* Appointed as CFO w.e.f. 26th May, 2015

(iii) The percentage increase in median remuneration of employees in the Financial year:

The percentage increase in the median remuneration of the company during the Financial year is 8%. This has been arrived at by comparing the median remuneration.

(iv) The number of permanent employees on the rolls of company:

The number of permanent employees on the rolls of the company as on 31st March 2015 was 991.

(v) The explanation on the relationship between average increase in remuneration and company performance:

The increase in Company's revenue for the Financial Year 14-15 over 13-14 was 4.8% and the average increase given to employees were 8%. The average increase in remuneration is not based on Company's performance alone, but also takes consideration other factors like market benchmark data, the average increases being given by peer companies and overall budgetary impact within the Company.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The remuneration of the Key Managerial Personnel was 0.69% of Revenues and 9.12% of Profits after tax.

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	1994-1995	2013-2014	2014-2015
Share price as on March 31	₹ 12	₹ 89.90	₹ 129.90
No. of Equity shares	2,925,600	5,000,000	5,000,000
Earnings Per share (EPS)	₹ 2.23	₹ 19.77	₹ 16.56
PE ratio (Share Price / EPS)	₹ 5.38	₹ 4.54	₹ 7.84
Market Capitalisation (₹ in lacs)	351.07	4495.00	6495.00
The Company's last public offer was in 1994 - 1995			

viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase was 9% for all employees who went through the compensation review cycle in the year and for the managerial personnel the average percentage increase was 7% on the fixed and variable components. The compensation decisions for each year is taken after comparing the salaries at various levels with benchmark data..

(x) The key parameters for any variable component of remuneration availed by the Directors:

The key parameters for variable components of remuneration to Directors , if any, are the Company's Profits After Tax, EBIDTA, Revenues.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable as there is no employee getting paid more than the highest paid Director during the Current Financial Year.

(xii) Affirmation that the remuneration is as per the remuneration policy of the company.:

Your company affirms that the remuneration is as per the remuneration policy of the Company.

b) Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Name	Designation	Educational Qualification	Age	Joining date	Experience (yrs)	Gross Remuneration ₹	Previous employment, designation
<b>Rabindra Srikantan</b>	Managing Director	M.S., Computer Engineering & Computer Science	54	10.08.1992	24	6,953,333	Center of Advanced Computer Studies, USA

Notes:

1. Remuneration comprises basic salary, allowances, taxable value of perquisites and Company's contribution to PF.
2. Mr. Rabindra Srikantan is related Ms. Preeti Rabindra, Director of the Company.
3. The equity shares held are not attracted under clause(iii) of sub rule2.

For and on behalf of the Board of Directors

Place : Bengaluru  
Date : 26th May, 2015

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

### Overview

ASM along with its subsidiaries provides business IT services, comprising Business Systems, Engineering Services, Technology Services and IT Infrastructure Services. The company is a public limited company incorporated in India and having its registered office in Bengaluru, Karnataka, India. The company's shares are listed with BSE Limited.

These financial statements have been prepared in line with the requirements as specified under Generally Accepted Accounting Principles in India (GAPP) which comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and guidelines issued by the Securities and exchange Board of India (SEBI).

### 1. Industry Structure and Development

Banking on a sustained focus on customers, with add-on services, using innovative technologies, the \$120 billion Indian IT Industry witnessed a turnover of fortune in 2014. As per Nasscom estimates the industry is projected to register 15% export growth this physical (2014-15) with revenues of \$13-14 billion as against 13% last fiscal (2013-14) with revenues of \$118 billion achieved. Although the industry had to face the headwinds of the economic slump globally in the first half of the year and its effects on the cut in government expenditure the current fiscal year demonstrated robust growth by the industry, which is constantly evolving and fuelling growth for the industry. The Nasscom Strategic Review 2015 also showed a shift in which segments like engineering, research and development, and digital emerged as out performers. Engineering, research and product development revenues were \$20 billion. Business process management was at \$26 billion and digital revenue, which represents social, mobility, analytics and cloud computing, grew from 4 per cent of the industry's export revenues to 12-14 per cent in 2014-15. As per Nasscom report IT services grew 12.6 per cent, BPM 11 per cent and engineering R&D as well as product development 13.2 per cent. The domestic market grew 14 per cent, fuelled by e-commerce revenues of \$14 billion to reach \$48 billion. The industry now employs 35 lakh professionals and added 2.30 lakh employees in 2014-15.

The future looks very promising as the Industry is gearing itself well to phase of challenges. Digitisation, disruptive technologies and innovation will fuel growth with new opportunities in the years ahead. As businesses look to newer areas and new economies, new and intelligent systems are required to be built with next-generation technologies and with superior cost-benefit performance.

### 2. Opportunities

India continues to be the topmost offshoring destination for IT companies followed by China and Malaysia in second and third position, respectively. Emerging technologies present an entire new gamut of opportunities for IT firms in India. Social, mobility, analytics and cloud (SMAC) collectively provide a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 650-700 billion by 2020. Social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020. The US\$ 12 billion plus rising Indian e-commerce business market is witnessing a rush of hiring and may need 100,000 people over the next six months, as per industry experts. The industry offers a slew of opportunities and scope for innovation thereby attracting the young mind to push their limit. Exports to the US, the largest market, grew above industry average during FY15 aided by economic revival and higher technology adoption.

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. Our specific industry, domain and technology expertise allows us to enable clients to transform their businesses through innovative strategies and solutions. We have continuously invested in broadening our offerings to span consulting, IT services and business process management. Our suite of end-to-end business solutions includes business and technology consulting, enterprise solutions, system integration, application maintenance and product support, infrastructure management, product engineering, business process management and business solutions.

### 3. Outlook

This has been provided elsewhere in the Annual Report.

### 4. Risks and Concerns

#### a. Competition Risk

India's top IT outsourcing service providers, have thrived by offering infrastructure management and application development services to U.S. and European clients. Faced with increased competition and pressure on prices for routine services, companies are now looking to move up the value chain and boost growth by tapping high-margin businesses



including artificial intelligence and automation, to tap some of those opportunities. Demand from Europe remained strong during the first half of FY15 but softened during the second half of the year due to currency movements and economic challenges. Manufacturing, utilities and retail growth remained strong as clients increased discretionary spend on customer experience, digital, analytics, ERP updates and improving overall efficiency.

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. North America may account for the lion's share of India's IT exports but Europe is growing faster than the US and this will only gain momentum. 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.

We compete with other technology service providers in response to requests for proposals and in certain services there is increased competition resulting in pressures in pricing. 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.

#### **b. Financial Risk.**

During the financial year 2015 Indian rupee witnessed steep decline against dollar and the key beneficiary was the IT industry which reported improved earning in rupee terms. Cross currency headwinds seems to be the major deterrent to impact the dollar revenue growth of technology companies. As rupee strengthened most market observers expected that IT companies would report weak set of numbers. However the management of these companies showed optimistic view on the backdrop of increased client spending and higher contract wins as the macro-economic environment improved in the United States and Europe. Further payment delays or defaults, wage inflation and other cost escalations could also reduce the Company's earnings. With a significant portion of the company's revenues coming from exports, volatility in exchange rates may impact Company's business adversely. The company however 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 if need be.

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

In 2015-16, Nasscom expects the industry to add incremental revenues of \$20 billion to the existing revenues of \$146 billion with export revenues projected to grow 12-14 per cent and reach \$110-112 billion. The driving force behind the exports is discretionary spending. Companies are now opting to spend on IT and are not just confined to absolute essentials. App modernization and transformation, as well as cloud and infrastructure management should drive most of the growth.

Technologies in cloud, big data, analytics, mobility, social media and the Internet of Things(IoT) have become the order of the day. Indian companies are keeping track of these trends and gearing up to change their products and services to accommodate these areas where clients are looking for more innovations to enhance delivery. Digital also became mainstream during the year, with the industry increasingly investing in digitized solutions to drive future growth opportunities. Digital solutions in the year accounted for 12-14 % of the industry revenues. The year also witnessed hyper growth in technology start-up and product landscape and as per Nasscom India is already ranked as the fourth largest start-up hub in the world.

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. 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**

Europe despite the economic crisis, demonstrated higher acceptance of global sourcing with markets such as Germany or France increasing outsourcing as a way to keep their costs under control and gain greater flexibility in light of the increasingly volatile markets in the euro zone and beyond. At the same time, the industry explored increasing opportunities in Asia, Africa and Latin America. Customer centricity was the key focus as the industry expanded its global delivery model accounting for 580 global centres across 75 countries.

For Indian IT companies there has been an increased focus on Europe as an outsourcing market to insure against a possible tightening of US immigration laws. Slowdown in the global economic environment and corporate IT spending budget could impact the company's business. Business environment in the past year has been volatile and uncertain. There has been stagnant and sluggish growth in some of the key markets like India and Europe. FY 2014 is characterized as the year of rapid transition and transformation leading the industry into expanding into newer verticals and geographies, attracting new customer segments, and transforming from technology partners to strategic business partners.

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 company moreover derives most of the revenues from off shoring business resulting in a healthier bottom line and protection from risks from any downward spiral in any economy. The company's growth is not dependent on any specific geographic area or specified industry segment.

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

The Company has deployed adequate Internal Control Systems in place to ensure uninterrupted functioning of its business. 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 existing internal control systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment.

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 ₹ 10/- each, constituting to ₹ 700.00 lakhs. There was no increase in the issued, subscribed and paid up capital of ₹ 500.00 lakhs during the year under review.

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

The company has voluntarily transferred ₹ 100 lakhs representing 12.07% of the profits for the year ended 31st March 2015, (previous year ₹ 200 lakhs) to General Reserve Account from the Profit and Loss account.

##### **c. Shareholder Funds**

The total shareholder funds increased to ₹ 4791.25 lakhs as at 31st March, 2015 from ₹ 4171.27 lakhs as of the previous year end.

##### **d. Profit & Loss account**

The balance retained in the Profit & Loss Account as at 31st March 2015 is ₹ 2857.94 lakhs after providing dividend for the year of ₹ 100 lakhs and dividend tax of ₹ 20.14 lakhs thereon. The total amount of profits appropriated to dividend including dividend tax was ₹ 120.14 lakhs.

**e. Fixed Assets**

During the year 2014-2015 the Company has added ₹ 238.31 lakhs to the gross block of assets.

**f. Net Worth**

The return on Net worth (RONW) for the year ended 31st March 2014 was 17.28 %.

**g. Income**

Of the total revenues for the year ended 31st March, 2015, ₹ 6,750.83 lakhs was derived from export operations and ₹ 4190.92 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 ₹ 1664.52 lakhs representing 15.21% of total revenues as compared to ₹ 1534.17 lakhs representing 14.69% of total revenues, during the previous year.

**i. Earnings per share**

Earnings per share was ₹ 16.56 for the financial year under consideration.

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

The employee strength of the company as on 31st March, 2015 was 991 while in respect of the ASM group, the total strength including contractual employees was 1021. 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.

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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**

Bengaluru 560 025

We have examined the compliance of conditions of Corporate Governance by ASM TECHNOLOGIES LIMITED ("the Company"), for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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 explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

Place: Bengaluru

Date : 26th May, 2015

For **Sudhakar Pai Associates,**  
Chartered Accountants,

(CA B Sudhakar Pai)  
Partner

Membership No. 018187  
Firm Regn. No. 004171S

## 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. These values and principles set the context to manage our Company affairs in a fair and transparent manner. We believe that sound corporate governance is critical to enhance and retain investor trust.

Effectual Corporate governance requires a clear understanding of the respective roles of the Board and the senior management and their relationships with others in the corporate structure. 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. At the core of its corporate governance practice is the board, which is responsible for safeguarding and advancing the interests of the shareholders, acting as their representative in establishing corporate policies and reviewing management's execution of those policies. The Board of Directors fully support and endorse Corporate Governance practices and attempt to go beyond the statutory requirements.

### II BOARD OF DIRECTORS

The Board is primarily responsible for the overall management of the Company's business.

The present Board comprises of 5 members, three of whom are Independent directors, one Executive Director and one Non-Executive Women 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 Bengaluru, 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 2014-2015 12 meetings of the Board were held, on 03.05.2014, 28.06.2014, 29.07.2014, 30.08.2014, 27.10.2014, 29.10.2014, 17.11.2014, 16.12.2014, 20.01.2015, 11.02.2015, 28.02.2015, and 28.03.2015.

Details of Director's attendance during the Financial Year, directorships/committee memberships held by them as on 31st March, 2015 are given below:

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships of other public companies	No. of Committee Positions held in Other companies #	
						Member	Chairman
Mr. M R Vikram Chairman	Independent-Non Executive Director	12	12	Yes	7	5	-
Mr. Rabindra Srikantan Managing Director	Promoter, Executive Director	12	12	Yes	-	1	-
Prof. B. S. Sonde Director	Independent-Non Executive Director	12	10	Yes	-	-	-
Mr. Shekar Viswanathan Director	Independent-Non Executive Director	12	8	No	1	-	2
Ms. Preeti Rabindra Director (Appointed w.e.f. 28.03.2015)	Non Independent Non - Executive Director	N.A	N.A	N.A	-	-	-

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

### III. BOARD COMMITTEES

The Board has four committees namely, Audit committee, Share transfer and Investor grievance committee, Nomination & Remuneration committee and Corporate Social Responsibility (CSR) 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. 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 of assets, investments, subsidiaries of material nature, not in the regular course of business.

#### 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 exchange.

##### ♦ Terms of Reference

The Board has constituted the Audit Committee and terms of reference include:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters.
- i) to oversee the vigil mechanism as prescribed by the rules.
- j) To discuss issues with internal and statutory auditors.

##### ♦ Composition:

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

\* Members having financial and accounting knowledge

##### Secretary

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

##### By Invitation

The Chief Financial Officer and senior members of the Accounts department are present at the meetings. The representatives of the Statutory Auditors and Internal Auditors are also invited to the Audit meeting.

Meeting and attendance during the year

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

## 2. Stakeholder Relationship & Share Transfer 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	Status
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*

Meeting and attendance during the year

Sr. No.	Members	No. of Meetings held	No. of Meetings attended
1.	Prof. B.S.Sonde	4	4
2.	Mr Shekar Viswanathan	4	4

During the year 2014-2015 91 complaints were received all of which were resolved with nothing pending as on 31st March 2015. The shareholding in dematerialized mode as on March 31st, 2015 as being 91.01 %.

BSE has confirmed that as on 31.03.2015 there is no investor Complaints/queries pending to be solved by the Company/ Registrars & Share Transfer Agents.

## 3. Nomination and Remuneration Committee

The Managing Director, being the only Executive Director is paid remuneration within the limits envisaged under Schedule V of the Companies Act 2013. 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.

### ♦ 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 Shekar Viswanathan	Member	Chairman
2.	Mr. M.R.Vikram	Member	Independent Director
3	Prof. B.S. Sonde	Member	Independent Director

Meeting and attendance during the year

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

Details of Remuneration payable to Directors for the year FY2014-15

Amount in ₹

Sl. No.	Name of Director	Salary & perquisites	Sitting Fees
1.	Mr. M.R. Vikram	-	115,000
2.	Mr. Rabindra Srikantan	6,953,333	-
3	Prof. B.S. Sonde	-	110,000
4.	Mr Shekar Viswanathan	-	80,000

Shareholding in the Company of Non-Executive Directors as on 31.03.2015

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

#### 4. Corporate Social Responsibility “CSR” Committee

The Committee was constituted on 29th July, 2014

##### ♦ Terms of Reference

1. To formulate and recommend to the Board a CSR Policy which shall indicate the activities undertaken by the Company.
2. Recommend the amount of expenditure to be incurred on CSR activities and
3. Monitor the CSR Policy of the company from time to time.

##### ♦ Composition

Sl. No.	Name of Director	Position	Status
1.	Prof. B.S. Sonde	Chairman	Independent Director
2.	Mr Shekar Viswanathan	Member	Independent Director
3	Mr. M.R.Vikram	Member	Independent Director
4.	Mr. Rabindra Srikantan	Member	Executive Director

Meeting and attendance during the year

Sl. No.	Members	No. of Meetings held	No. of Meetings attended
1.	Prof. B.S.Sonde	1	1
2.	Mr Shekar Viswanathan	1	1
3	Mr. M.R. Vikram	1	1
3	Mr Rabindra Srikantan	1	1

#### IV. SHAREHOLDERS MEETINGS

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

Year	Date & Time	Venue	Special resolution Passed
2011 - 2012	27 <sup>th</sup> June, 2012	Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block Jayanagar, Bengaluru - 560 011	Re - appointment and increase in remuneration payable to the Managing Director
2012 - 2013	28 <sup>th</sup> June, 2013	Pai Vijay Hall, 33rd Cross, 11th Main 4th, Block Jayanagar, Bengaluru - 560 011	NIL
2013 - 2014	28 <sup>th</sup> June, 2014	Pai Vijay Hall, 33rd Cross, 11th Main 4th, Block Jayanagar, Bengaluru - 560 011	Appointment of Independent Directors, Re-appointment of Managing Director and Increase in borrowing powers of Board



- ❖ Whether special resolutions were put through postal ballot last year- details of voting pattern, person who conducted the postal ballot exercise.

YES. Resolution passed for obtaining approval under Section 180(1)(a) for Creation of Charge/Mortgage on the Assets of the Company and Divestment of certain businesses of the company.

**Details of voting pattern are as follows:**

Particulars	Total Physical Ballot Forms and electronic voting	No. of Equity Shares of Rs. 10/- each (votes)	% of valid votes received
Total valid Postal Ballots/ Votes received	154	3182780	100
Assent to resolution	115	3181751	99.962
Dissent to resolution	33	299	0.009
Invalid Votes	6	730	0.0229

Person who conducted the Postal Ballot exercise:

Ms. Mangala Rohith , Practicing Company Secretary was appointed as Scrutinizer for the purpose of conducting Postal Ballot.

- ❖ Whether any Special Resolution proposed to be conducted through postal ballot and if so procedures for postal ballot.-  
NO

## V. DISCLOSURES

- 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 27 forming part of Notes of the Financial Statements in accordance with provisions of Accounting Standard 18 and in Annexure VIII (Form AOC-2) of the Director's report under Particulars of contracts/ arrangements made with related parties.

- 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 Line and also in Sanjayvani, a regional daily published from Bengaluru. The results are also posted on the official website of the Company, [www.asmltd.com](http://www.asmltd.com), Quarterly reports are also sent to each shareholder via email.

## VII. MANDATORY/NON-MANDATORY REQUIREMENTS

During the financial year 2014-15, the Company

- 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 2015-16.

Sd/-

Place : Bengaluru  
Date : 26th May, 2015

**Rabindra Srikatan**  
Managing Director

## IX SHAREHOLDER'S INFORMATION FOR THE FY 2014-2015

### 23rd Annual General Meeting

1. Date & Time : 14th August, 2015 at 9.00 a.m.
2. Venue : Pai Vista, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bengaluru – 560070
3. Date of Book Closure : 13.08.2015- 14.08.2015 (Both days inclusive)
4. Dividend Payment Date : On or after 14th August, 2015 subject to shareholders' approval.
5. Financial year of Company : April to March
6. Corporate & Registered Office : No. 80/2 Lusanne Court, Richmond Road, Bengaluru- 560 025
7. Exchanges Listed at : Bombay Stock Exchange Limited (BSE), P J Towers, No. 25 Dalal Street, Mumbai – 400 001  
: The Listing fees for the financial year 2015-2016 has been paid
8. Stock Code : BSE - 526433
9. De-mat ISIN No. in NSDL & CDSL for Equity Shares : INE867C01010
10. Unclaimed Dividend

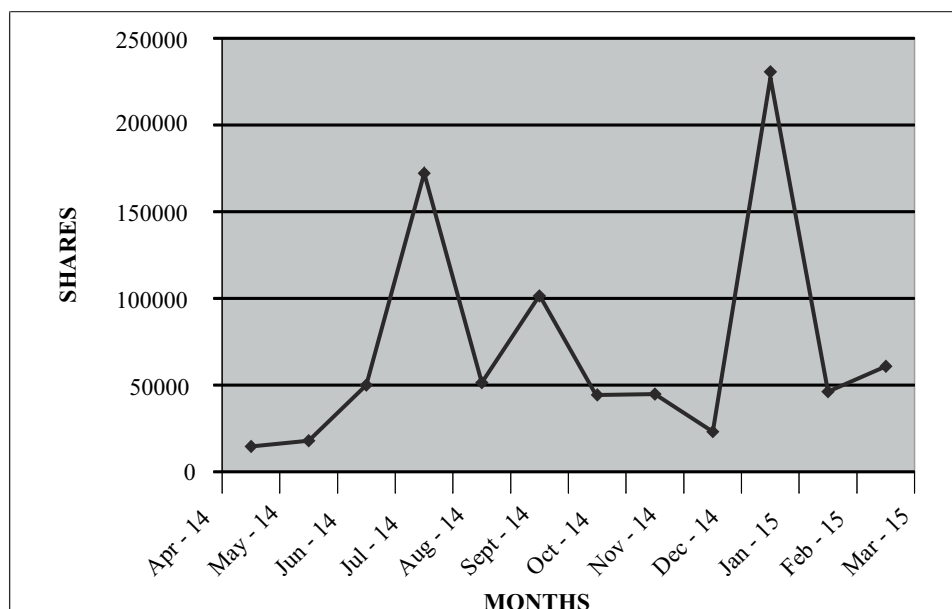
Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within the period of seven years will be transferred to IEPF.

Year	Dividend per share of ₹.10/-	Date of declaration	Unpaid Amt as on 31.3.2015 (₹)	7 year period From transfer to unpaid A/c	Due date for transfer to IEPF
2007-2008	₹ 0.75	4 <sup>th</sup> June, 2008	112675.00	7 <sup>th</sup> July 2015	6 <sup>th</sup> August, 2015
2008-2009	₹ 1.00	20 <sup>th</sup> June, 2009	169348.00	23 <sup>rd</sup> July 2016	22 <sup>nd</sup> Aug, 2016
2009-2010	₹ 1.20	10 <sup>th</sup> July, 2010	242962.00	12 <sup>th</sup> Aug 2017	11 <sup>th</sup> Sept., 2017
2010-2011	₹ 2.00	11 <sup>th</sup> July, 2011	411780.00	13 <sup>th</sup> Aug 2018	12 <sup>th</sup> Sept, 2018
2011-2012	₹ 2.50	27 <sup>th</sup> June, 2012	456454.00	30 <sup>th</sup> July 2019	27 <sup>th</sup> August, 2019
2012-2013 Interim	₹ 1.20	31 <sup>st</sup> Oct, 2012	268187.00	3 <sup>rd</sup> Dec 2019	2 <sup>nd</sup> Jan, 2019
2012-2013 Final	₹ 1.30	28 <sup>th</sup> June 2013	291083.00	31 <sup>st</sup> July 2020	30 <sup>th</sup> August, 2020
2013-2014 Interim	₹ 1.00	28 <sup>th</sup> Oct, 2013	213380.00	30 <sup>th</sup> Nov 2020	29 <sup>th</sup> Dec. 2020
2013-14 Final	₹ 1.80	28 <sup>th</sup> June 2014	424390.00	31 <sup>st</sup> July 2021	30 <sup>th</sup> August, 2020
2014-15 Interim	₹ 1.20	29 <sup>th</sup> Oct, 2014	308589.00	1 <sup>st</sup> Dec 2021	31 <sup>st</sup> Dec 2021

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 2014- March 2015 is given below:

Month	High (₹)	Low (₹)	Volume
April 2014	94	82	14,276
May 2014	93.65	75.2	17,701
June 2014	98.7	85.1	49,751
July 2014	179.5	96.8	1,72,059
August 2014	163.5	128	51,071
Sept 2014	230	139.05	1,01,238
Oct 2014	204.8	173	44,069
Nov 2014	190.9	165	44,389
Dec 2014	172.2	147.1	23,067
Jan 2015	228.7	145	2,27,145
Feb 2015	180	127.1	45,959
March 2015	166	121.3	60,582

## ASML- Volume of shares traded at BSE



12. Dematerialisation of Shares : 91.01 % of the capital has been dematerialised as on 31.3.2015
13. Market Capitalisation as on 31.3.2015 : ₹ 6495 Lakhs (as per closing price in BSE)
14. No. of Employees as on 31.03.2015 : 991  
No. of Employees (Group) : 1021  
(including contractual staff)
15. No. of Shareholders as on 31.03.2015 : 4235
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 1002 physical transfer of shares.
17. Distribution of shareholding as on 31.03.2015.

No. of shares From To	No. of shareholders	% of holders	No. of Shares	% to total shares
1 - 5000	3976	93.88	501648	10.03
5001 - 10000	120	2.83	97237	1.94
10001 - 20000	53	1.25	78525	1.57
20001 - 30000	25	0.59	61956	1.24
30001 - 40000	13	0.31	46104	0.92
40001 - 50000	5	0.12	22960	0.46
50001 - 100000	21	0.50	148394	2.97
100001 & above	22	0.52	4043176	80.86
<b>TOTAL</b>	<b>4235</b>	<b>100</b>	<b>5000000</b>	<b>100</b>

18. Share holding in Physical & Electronic form as on 31.03.2015 :

Particulars	No. of shares	% of holding
Physical	449588	8.99
Electronic	4550412	91.01
<b>Total</b>	<b>5000000</b>	<b>100.00</b>

19. Shareholding pattern as on 31.03.2015:

Category	No. of shares	%age
Indian Promoters (including Persons acting in concert)	3091893	61.84
Mutual Funds & UTI	800	0.02
Institutions/Banks	1100	0.02
Private Corporate Bodies	56663	1.13
Indian Public	1787345	35.75
NRI's/OCB's	62199	1.24
<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.  
Karvy Selenium Tower B, Plot No. 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad – 500032  
Tel: 040-67161564

Compliance Officer

Ms. P.N.Lakshmi  
Company Secretary  
80/2, Lusanne Court, Richmond Road  
Bengaluru- 560025  
Tel: 080-6696 2309

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**CEO/CFO CERTIFICATION**

To

The Board of Directors

**ASM TECHNOLOGIES LTD**

We hereby certify the following:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2014-2015 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - i. significant changes if any in internal control over financial reporting during the year;
  - ii. significant changes if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For ASM Technologies Ltd

Rabindra Srikantan  
Managing Director

Narsingh Rathod  
Chief Financial Officer

Place : Bengaluru  
Date : 26th May, 2015

## INDEPENDENT AUDITORS' REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of, ASM TECHNOLOGIES LIMITED ('the company') which comprise the Balance Sheet as at March 31, 2015 and 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**

The company's Board of directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013. ("the act ") with respect to 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 the accounting standard specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules ,2014.

This responsibility also includes 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; selection and application of the appropriate accounting policies ; making judgments' and estimates that are reasonable and prudent ;and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material miss statements ,whether due to fraud and error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with standards on auditing specified under Section 143(10) of the Act. 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 misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the company's preparation of financial statement's that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's boards of directors, 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 on the financial statements.

### **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, of the state of affairs of the Company as at 31<sup>st</sup> March 2015, and its profit/loss and its cash flows for the year ended on that date.

### **Report on Other Legal and regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2015("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it 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 agreement with the books of account.
- (d) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors ) Rules, 2014, in our opinion and best of our information and according to the explanation given to us :
  - (i) The company has disclosed the impact of pending litigations on its financial statements as of March 31, 2015;
  - (ii) The company has made provisions on its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts ;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor education and protection fund by the company

Place : Bengaluru  
Date : 26th May, 2015

For Sudhakar Pai Associates  
Chartered Accountants

Sd/-  
(CA B Sudhakar Pai)  
Membership No. 018187  
Firm's Registration No.: 004171S

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the fixed assets of the Company:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
4. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
5. The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
6. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - (c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made there under within time.
7. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
9. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by a subsidiary from a bank is not *prima facie* prejudicial to the interest of the Company.
10. According to the information and explanations given to us, the Company has availed term loan which is being used for purpose which they have availed and according to information and explanation given to us long term loan has not been used for short term purposes.
11. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Sudhakar Pai Associates  
Chartered Accountants

Sd/-

(CA B Sudhakar Pai)

Membership No. 018187

Firm's Registration No.: 004171S

Place : Bengaluru  
Date : 26th May, 2015



## Balance Sheet

(Amount in ₹)

Particulars	Note	As at March 31,	
		2015	2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	5,00,00,000	5,00,00,000
(b) Reserves and surplus	4	429,125,476	367,127,920
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	35,061,264	12,148,365
(b) Long-term provisions	6	18,991,252	163,85,249
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	215,824,866	187,401,735
(b) Trade payables	8	28,754,976	17,931,102
(c) Other current liabilities	9	41,469,904	37,182,268
(d) Short-term provisions	10	69,578,242	68,244,006
<b>TOTAL</b>		<b>888,805,981</b>	<b>756,420,646</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	87,164,166	87,882,600
(b) Non-current investments	12	77,794,714	77,794,714
(c) Deferred tax assets (net)		5,386,535	2,592,983
(d) Long-term loans and advances	13	6,506,470	3,676,548
<b>2 Current assets</b>			
(a) Trade receivables	14	344,429,327	410,452,187
(b) Cash and cash equivalents	15	85,902,157	74,861,819
(c) Short-term loans and advances	16	205,599,763	19,293,938
(d) Other current assets	17	76,022,848	79,865,858
<b>TOTAL</b>		<b>888,805,981</b>	<b>756,420,646</b>

For ASM Technologies Limited

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  
  
**Narsingh Rathod**  
Chief Financial Officer

**Prof B.S. Sonde**  
Director  
  
**P N Lakshmi**  
Company Secretary

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

Place : Bengaluru  
Date : 26th May, 2015

## Statement of Profit and Loss

(Amount in ₹)

Particulars	Note	For the Year ended March 31,	
		2015	2014
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		1,094,174,911	1,044,052,778
2 Other income	18	16,772,272	21,337,721
3 <b>Total revenue (1+2)</b>		<b>1,110,947,183</b>	<b>1,065,390,499</b>
<b>4 Expenses</b>			
(a) Employee benefits expense	19	683,600,734	598,587,609
(b) Finance costs	20	38,977,152	23,425,254
(c) Depreciation and amortisation expense	11	15,745,784	11,743,622
(d) Other expenses	21	244,121,861	292,048,499
<b>Total expenses</b>		<b>982,445,531</b>	<b>925,804,984</b>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		128,501,652	139,585,514
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		128,501,652	139,585,514
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		<b>128,501,652</b>	<b>139,585,514</b>
10 Tax expense:			
(a) Current tax expense for current year		34,636,406	41,875,654
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		13,842,772	-
(d) Net current tax expense		-	-
(e) Deferred tax		(2,793,553)	(1,137,079)
11 <b>Profit / (Loss) for the year (9 +10)</b>		<b>82,816,026</b>	<b>98,846,939</b>
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations			
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
<b>C TOTAL OPERATIONS</b>			
14 Profit / (Loss) for the year (11 + 13)		<b>82,816,026</b>	<b>98,846,939</b>

For ASM Technologies Limited

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015

## Statement of Profit and Loss

(Amount in ₹)

Particulars	Note	For the Year ended March 31,	
		2015	2014
<b>15.i Earnings per share (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		16.56	19.77
(ii) Total operations		16.56	19.77
(b) Diluted			
(i) Continuing operations		16.56	19.77
(ii) Total operations		16.56	19.77
<b>15.ii Earnings per share (excluding extraordinary items) (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		16.56	19.77
(ii) Total operations		16.56	19.77
(b) Diluted			
(i) Continuing operations		16.56	19.77
(ii) Total operations		16.56	19.77

For **ASM Technologies Limited**

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015

## Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year ended March 31,	
	2015	2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	828.16	988.47
Adjustments for :		
Depreciation	157.46	117.44
Profit on sale of fixed asset	-	0.04
Interest Income	(66.12)	(60.02)
Deferred Taxation ( Net)	(27.94)	(11.37)
Finance cost	389.77	234.25
Effect of exchange differences on translation of foreign currency		
Cash & Cash equivalent	(100.31)	(146.87)
<b>Operating profit before working Capital changes</b>	<b>1181.02</b>	<b>1121.93</b>
Adjustment for		
Trade payables	190.52	245.41
Trade & other receivables	(1192.70)	(1579.89)
Working capital finance	14.61	703.40
<b>Net cash from operating activities - A</b>	<b>193.44</b>	<b>490.85</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(228.32)	(117.12)
Investment	-	(7.51)
Proceeds on Disposal of Fixed Asset	-	2.10
Interest Income	66.12	60.02
<b>Net cash from Investing activities - B</b>	<b>(172.20)</b>	<b>(62.51)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	498.75	(74.51)
Dividend and Dividend Tax paid during the period	(120.14)	(162.71)
Finance Cost	(389.77)	(234.25)
<b>Net cash from Finance activities - C</b>	<b>(11.16)</b>	<b>(471.48)</b>
Effect of exchange differences on translation of foreign currency		
Cash & Cash equivalent	100.31	146.87
Net increase in cash and cash equivalents (A+B+C)	110.39	103.73
Cash & cash equivalents as at the beginning	748.62	644.88
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>859.01</b>	<b>748.62</b>

**M R Vikram**  
Chairman

Place : Bengaluru  
Date : 26th May, 2015

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**Prof B.S. Sonde**  
Director

**P N Lakshmi**  
Company Secretary

### AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of ASM Technologies Limited, for the period ended 31st March, 2015. 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 period ended 31st March 2015

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

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

Place : Bengaluru  
Date : 26th May, 2015

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

ASM Technologies Limited., established in 1992, is a pioneer in providing world Class Consulting Services in Enterprise Solutions for the Packaged ERP Products and in Enterprise Product Development for SMB Segment and in Technology Solutions covering Embedded Systems and System Software to its Global Clientele.

ASM offers a broad spectrum of enterprise services such as configuration, implementation, customization, end-user training and documentation, Post Implementation Support & Maintenance across leading commercial off-the-shelf products like SAP, Oracle Applications, PeopleSoft, JDEdwards and Microsoft Enterprise products. ASM has been providing consulting Services (Product Engineering, Development, Product Support, Porting, Testing and Test Automation) to its Global Clientele in the Embedded Software and System Software space.

ASM has been running ODCs both in India and Overseas successfully for its International Clients providing cost effective Onsite, Offsite and Offshore Services through a team of experienced Engineers and Consultants with extensive technical and Domain expertise, which reinforces its ability to provide solutions to Client needs.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

#### b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

#### c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

#### d) Depreciation / Amortisation

Depreciation is provided on straight-line method at the rates specified in schedule II of the Companies Act, 2013. 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.

#### e) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis

#### f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

#### g) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

#### h) Employee benefits

##### (i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Revenue recognition

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation the same is recognised over the life of the contract using the proportionate completion method.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

j) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

k) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward and currency option contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

l) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

m) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

		Amount in ₹	
		As at March 31,	
		2015	2014
<b>3. SHARE CAPITAL</b>			
The Authorised, Issued, subscribed and fully paid up share capital comprises of equity shares having at par value of ₹ 10 each as follows			
<b>Authorised</b>			
70,00,000 Equity shares of ₹ 10 each		70,000,000	70,000,000
		70,000,000	70,000,000
<b>Issued, Subscribed &amp; Paid up</b>			
50,00,000 equity shares of ₹ 10 each		50,000,000	50,000,000
<b>Total</b>		<b>50,000,000</b>	<b>50,000,000</b>
		As at March 31,	
		2015	2014
<b>4. RESERVES &amp; SURPLUS</b>			
a. Capital reserve			
Profit on reissue of forfeited shares		331,200	331,200
Share Premium Account		33,000,000	33,000,000
		33,331,200	33,331,200
b. General Reserve		110,000,000	100,000,000
c. Surplus in statement of profit and loss			
(i) Opening Balance		233,796,720	171,220,932
(ii) Add : Profit for the Year		82,816,026	98,846,939
		316,612,747	270,067,870
(iii) Less : Appropriations			
(a) Interim dividends on equity shares		6,000,000	5,000,000
(b) Proposed final dividend on equity shares		4,000,000	9,000,000
(c) Dividend on redeemable preference shares		-	-
(d) Tax on dividend		2,014,047	2,271,150
(e) Depreciation Adjustment		8,804,424	-
(f) General reserve		10,000,000	20,000,000
		30,818,471	36,271,150
		285,794,276	233,796,720
<b>Total</b>		<b>429,125,476</b>	<b>367,127,920</b>
		As at March 31,	
		2015	2014
<b>5 LONG TERM BORROWINGS</b>			
Long Term borrowing consists of the following			
Term loans			
- from Bank			
Secured		685,462	12,168,577
Unsecured		3,949,441	-
- from Others			
Secured		19,507,050	-
Unsecured		10,919,311	(20,212)
<b>Total</b>		<b>35,061,264</b>	<b>12,148,365</b>

Term Loans referred above to the extent of:

a. ₹ 6.85 Lakhs by way of hypothecation of Vehicles owned by the company

b. ₹ 195.07 Lakhs are secured by way of mortgage of the immovable property of the company situated at Rajanakunte, Yelahanka.



**6 LONG TERM PROVISIONS**

	As at March 31,	
	2015	2014
Provision for employee benefits:		
Provision for gratuity	18,991,252	16,385,249
<b>Total</b>	<b>18,991,252</b>	<b>16,385,249</b>

**7 SHORT TERM BORROWINGS**

Short term borrowings consist of the following:

	As at March 31,	
	2015	2014
From Bank		
Secured	189,342,291	179,404,506
Unsecured	4,869,943	6,188,747
From Others		
Secured	3,646,809	-
Unsecured	17,965,823	1,808,482
<b>Total</b>	<b>215,824,866</b>	<b>187,401,735</b>

Short Term secured loan referred above are secured by way of lien on the fixed deposit of the company, hypothecation of receivables, other current assets of the company and personnel guarantee of Managing Director of the Company.

**8 TRADE PAYABLES**

Trade Payables consist of the following :

	As at March 31,	
	2015	2014
Micro, Small and Medium Enterprise	-	-
Others	28,754,976	17,931,102
<b>Total</b>	<b>28,754,976</b>	<b>17,931,102</b>

**9 OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following :

	As at March 31,	
	2015	2014
(a) Interest accrued but not due on borrowings	-	-
(b) Unpaid dividends	2,908,798	2,269,553
(c) Other payables	-	-
(i) Statutory remittances due	34,197,284	34,625,904
(ii) Interest accrued on others	4,363,822	63,112
(iii) Advances from customers	-	-
(iv) Other Payables	-	223,700
<b>Total</b>	<b>41,469,904</b>	<b>37,182,268</b>

**10 SHORT TERM PROVISIONS**

Short term provisions consist of the following:

	As at March 31,	
	2015	2014
Provision for Salary	44,432,948	53,607,471
Provision for Employee Incentives	-	-
Provision for Expenses	20,330,894	4,176,511
Provision for Taxation	-	-
Provision for Proposed Dividend	4,000,000	9,000,000
Provision for Tax on Proposed Dividend	814,400	1,460,025
<b>Total</b>	<b>69,578,242</b>	<b>68,244,006</b>

## 11. FIXED ASSETS

(Amount in ₹)

	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2014	Additions	Deletion	As on 31.03.2015	As on 01.04.2014	For the Year	Deduction/ Adjustment	As on 31.03.2014	As on 31.03.2015
Particulars									
Land-free- hold	20,513,786	-		20,513,786	-	-	-	-	20,513,786
Building	16,248,154	-	-	16,248,154	4,038,224	226,181	-	4,264,405	11,983,749
Machinery & Systems	59,129,574	22,790,862	-	81,920,436	32,536,381	9,328,403	6,512,485	48,377,269	33,543,167
Electrical Fittings	5,135,835	81,295	-	5,217,130	1,285,111	479,403	117,984	1,882,498	3,334,632
Furniture & Fixtures	17,700,780	153,400	-	17,854,180	6,794,216	1,867,050	47,771	8,709,037	9,145,143
Office Equipment	11,769,780	806,218	-	12,575,998	2,873,396	2,872,412	2,126,184	7,871,992	4,704,006
Vehicles	4,287,253	-	-	4,287,253	718,664	583,093	-	1,301,757	2,985,496
Generator	1,489,651	-	-	1,489,651	146,222	389,242	-	535,464	954,187
<b>Total</b>	136,274,813	23,831,775	-	160,106,588	48,392,213	15,745,784	8,804,424	72,942,421	87,164,166
<b>Previous Year</b>	124,889,102	11,747,030	361,319	136,274,813	48,392,213	11,743,621	112,231	48,392,213	87,882,600
									88,128,279

		Amount in ₹	
		As at March 31,	
		2015	2014
<b>12 NON -CURRENT INVESTMENTS</b>			
Non- current investmtnets consist of the following:			
A TRADE INVESTMENTS (at cost)			
(i) Subsidiary Companies			
Fully paid equity shares (Unquoted)			
a. Advanced Synergic Pte Ltd., Singapore			
10,00,000 equity shares of SGD 1 each		34,522,590	34,522,590
b. Pinnacle Talent Inc. USA			
1,60,00,000 equity shares of USD 0.01 each		9,938,726	9,938,726
B OTHERS			
Investment in Property		33,333,398	33,333,398
<b>Total</b>		<b>77,794,714</b>	<b>77,794,714</b>

		As at March 31,	
		2015	2014
<b>13 LONG TERM LOANS &amp; ADVANCES</b>			
Long term loans and advances (unsecured) consist of the following:			
(a) Security deposits			
Secured, considered good		6,506,470	3,676,548
Unsecured, considered good		-	-
Doubtful		-	-
(b) Loans and advances to related parties			
Secured, considered good		-	-
Unsecured, considered good		-	-
Doubtful		-	-
<b>Total</b>		<b>6,506,470</b>	<b>3,676,548</b>

		As at March 31,	
		2015	2014
<b>14 TRADE RECEIVABLES</b>			
Trade Receivables (unsecured) consist of the following			
Over Six months			
(i) considered good		318,789	3,330,410
(ii) considered Doubtful		-	585,639
		318,789	3,916,049
Less: Provision for bad debt		-	585,639
		318,789	3,330,410
Others			
(i) considered good		344,110,538	407,121,776
(ii) considered Doubtful		-	-
		344,110,538	407,121,776
Less: Provision for bad debt		-	-
<b>Total</b>		<b>344,110,538</b>	<b>410,452,187</b>

		As at March 31,	
		2015	2014
<b>15 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances consist of the following:			
Cash on hand		22,980	28,437
Balance with Scheduled banks:			
1. In current account		3,230,682	10,471,123
2. In deposit account		82,648,495	64,362,259
(Maturing within 12 months and same is held as margin money deposit against loans)			
3. Remittances in transit		-	-
<b>Total</b>		<b>85,902,157</b>	<b>74,861,819</b>

Amount in ₹

**16 SHORT TERM LOANS & ADVANCES**

Short term loans and advances (unsecured) consist of the following

As at March 31,	
2015	2014
Considered good	
Advance to Employees	2,960,883
Tax deducted at source	2,244,595
Prepaid Expenses	28,950,026
Vendor Advances	14,404,073
	6,189,739
	1,574,362
	1,070,908
<b>Total</b>	<b>205,599,763</b>
	<b>19,293,938</b>

**17 OTHER CURRENT ASSETS**

Other current assets consist of the following

As at March 31,	
2015	2014
Unbilled revenue	70,084,844
Interest Accrued but not received	70,957,867
	5,938,004
	8,907,990
<b>Total</b>	<b>76,022,848</b>
	<b>79,865,857</b>

**18 OTHER INCOME**

Revenue form operations consist of revenue from:

As at March 31,	
2015	2014
Interest Income	6,611,945
Exchange Fluctuation Gain/(loss)	6,002,021
Miscellaneous Income	10,030,821
	14,687,126
	129,506
	648,573
<b>Total</b>	<b>16,772,272</b>
	<b>21,337,721</b>

**19 EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses consist of the following:

As at March 31,	
2015	2014
Salaries and Incentives	648,399,494
Contribution to Provident Fund	560,365,314
Insurance and Other Benefits	28,947,825
Staff Welfare	28,120,825
	3,690,128
	5,784,968
	2,563,287
	4,316,502
<b>Total</b>	<b>683,600,734</b>
	<b>598,587,609</b>

**20 FINANCIAL CHARGES**

Finance costs consist of the following

As at March 31,	
2015	2014
Bank charges	2,225,414
Interest	1,474,970
	36,751,738
	21,950,284
<b>Total</b>	<b>38,977,152</b>
	<b>23,425,254</b>

**21 OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:

	As at March 31,	
	2015	2014
Travelling and conveyance expenses	65,491,237	36,135,240
Services rendered by business associates and others	122,923,972	209,862,497
Software, hardware and material costs	1,166,029	2,753,935
Communication expenses	6,074,376	5,779,595
Professional Fee	11,669,025	8,857,105
Rent	12,369,309	9,935,386
Repair and Maintenance	3,787,867	2,664,309
Electricity Expenses	2,973,505	2,090,817
Advertisement and Business Promotions	6,625,369	5,903,372
Bad Debt	720,323	-
Insurance charges	1,558,230	738,486
Membership & subscription	1,741,557	1,517,733
Office Maintenance	3,769,134	3,099,592
Printing & stationery	885,019	654,133
Rates & Taxes	1,089,077	1,159,302
Other Expense	1,277,833	893,190
Loss on sale of asset	-	3,806
<b>Total</b>	<b>244,121,861</b>	<b>292,048,499</b>

**22 PAYMENT TO AUDITORS**

	As at March 31,	
	2015	2014
Audite Fee	180,000	170,000
Tax Audit Fee	20,000	20,000
Other fee	127,500	127,500
(Exclusive of Service Tax)		
<b>Total</b>	<b>327,500</b>	<b>317,500</b>

**23 MANAGING DIRECTOR'S REMUNERATION**

	As at March 31,	
	2015	2014
Salary	6,619,573	9,494,668
Contribution to Provident Fund	333,760	489,200
<b>Total</b>	<b>6,953,333</b>	<b>9,983,868</b>

**24 FOREIGN CURRENCY TRANSACTION**

	As at March 31,	
	2015	2014
Earnings in Foreign Currency	675,083,375	643,198,248
Foreign currency expenditure		
Overseas Travel expenses	24,046,969	14,860,133
Service rendered by business associates to ASM branch office outside India	118,468,574	176,011,542
Other expenditure at branch office outside India	6,681,473	7,108,750

**25 EARNING PER EQUITY SHARE (EPS)**

	As at March 31,	
	2015	2014
Net profit for the year	82,816,026	98,846,939
Less; Preference share dividend (including dividend tax)	-	-
Amount available for equity shareholders	82,816,026	98,846,939
Weighted Average number of shares	5,000,000	5,000,000
Earnings per share basic and diluted	16.56	19.77
Face value per Equity share	10.00	10.00

## 26 RELATED PARTY TRANSACTIONS (AS 18)

### A. Following is the list of related parties

1. Wholly owned subsidiaries
  - a. Pinnacle Talent Inc, USA
  - b. Advanced Synergic Pte Ltd, Singapore
2. Step down subsidiaries
  - a. Abacus Business Solutions Inc, USA
  - b. ESR Associates Inc, USA
3. Associate company : IDS Systems Pvt Ltd
4. Directors : ASM Technologies Ltd  
Mr. M R Vikram, Mr. Rabindra Srikantan, Prof. B S Sonde and Mr. Shekar Viswanathan
5. Key management personnel : Mr. N Krishnan, Mr. Pramod, Mr. Kumar Vaibhav, Ms. Vani, Ms. P N Lakshmi,  
Mr. SLN Murthy, Mr. Srinivasa Murthy Seshadri

(₹ in lakhs)

B Summary of Transaction with Related Parties	As at March 31,	
	2015	2014
Remuneration to Directors	72.38	99.65
Remuneration to Key Management Personnel	177.50	228.39
Sale of Services		
Abacus Business Solutions Inc	375.17	277.72
Advanced Synergic Pte Ltd	5.00	31.84
IDS systems Pvt Ltd	1,861.36	2,297.19
Purchase of Services		
Pinnacle Talent Inc (service provided to ASM branch at USA)	132.97	1,543.69

## 27 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 IT 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.

(₹ in lakhs)

	As at March 31,	
	2015	2014
<b>GEOGRAPHIC SEGMENT</b>		
Export Sales	6,750.83	6,431.98
Domestic Sales	4,190.92	4,008.55
<b>Total</b>	<b>10,941.75</b>	<b>10,440.53</b>
<b>Other Income</b>		
Interest	66.12	60.61
Others	100.31	113.17
<b>Total</b>	<b>166.43</b>	<b>173.78</b>
<b>PARTICULARS OF SEGEMENT ASSET AND LIABILITY</b>		
<b>Segment Assets</b>		
Outside India	3,192.51	1,711.17
India	5,250.94	5,853.03
<b>Investments</b>		
Outside India	444.61	444.61
India	333.33	333.33
<b>Segment Liabilities</b>		
Outside India	189.21	58.92
India	8,698.85	7,505.29

(₹ in lakhs)

**28 CONTINGENT LIABILITIES**

	As at March 31,	
	2015	2014
Corporate guarantee given to Indian Bank, Singapore (on behalf of wholly owned subsidiary, Advanced Synergic Pte Ltd)	2,425	2,164
Corporate guarantee given to State Bank of India, San Jose, USA (on behalf of step down subsidiary, Abacus Business Solutions Inc)	438	358
Service Tax claim (Company filed appeal against the order)	159	-

**29 Previous year's figures have been recast/regrouped wherever necessary to confirm to the current year's classifications/presentation**For **ASM Technologies Limited**

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015



## INDEPENDENT AUDITORS' REPORT

To The Board of Directors of

M/s. ASM Technologies Limited

### Report of Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of, ASM TECHNOLOGIES LIMITED ("the company") and its subsidiaries (the company and subsidiaries constitute "the group"), which comprise Consolidated Balance Sheet as at March 31<sup>st</sup> 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated financial statements

The company's Board of directors is responsible for the preparation of these Consolidated Financial statements in terms of the requirements of Companies Act, 2013("the Act") that give a true and fair view of the consolidated financial position, and consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standard specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules, 2014. The respective Board of Directors of the company and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities ; the selection and application of appropriate accounting policies making judgments' and estimates that are reasonable and prudent; and the design , implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with standards on auditing specified under Section 143(10) of the Act. Those standards require we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the irresponsibleness' of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2015, and the consolidated profit and its consolidated cash flows for the year ended on that date.

### Other matter

We did not audit the financial statement of certain subsidiaries, whose financial statements reflect total assets of ₹ 5383.87 Lakhs as at march 31, 2015, total revenues of ₹1031.82 Lakhs and net cash inflows amounting to ₹ 96.93 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub section (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid subsidiaries in based solely n the reports of the other auditors.

Our opinion on the Consolidated financial statements and our report and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2015("the order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, based on the comments in the auditor's report of the company and on the auditors reports issued in accordance with the Order on subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
  - (b) In our opinion, proper books of accounts as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - (c) The consolidated balance sheet, the consolidated Statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the Directors of the company as on March 31, 2015 taken on record by the board of directors of the company and the reports of auditors of its subsidiary companies incorporated in India, none of the directors of the companies and its subsidiaries, incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Sec 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and best of our information and according to the explanation given to us :
    - (1) The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2015.
    - (ii) The group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company and its subsidiary company's incorporated in India.

Place : Bengaluru  
Date :26th May, 2015

For **Sudhakar Pai Associates**  
Chartered Accountants

(CA B Sudhakar Pai)  
Partner  
Membership No. 018187  
Firm Regn.No.004171S

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

*(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

Our reporting on the Order includes subsidiary companies incorporated in India on which the auditors have reported on in accordance with the Order. Our report in respect of these subsidiaries is based solely on the reports of their auditors.

1. In respect of the fixed assets of the Company and its aforesaid subsidiaries:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular program of verification which, in our opinion and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, no material discrepancies were noticed on such verification.
2. The Company and its aforesaid subsidiaries have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Registers maintained under Section 189 of the Act by the respective entities.
3. In our opinion and according to the information and explanations given to us and based on the auditors' reports of subsidiaries there is an adequate internal control system commensurate with the size of the Company and its aforesaid subsidiaries and the nature of their business respectively with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audits and based on auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, we have not observed any major weakness in such internal control system.
4. In our opinion and according to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the Company and its aforesaid subsidiaries have not accepted deposits during the year and do not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company and its aforesaid subsidiaries.
5. The provisions of clause 3(vi) of the Order are not applicable to the Company and its aforesaid subsidiaries as the respective entities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
6. According to the information and explanations given to us and based on auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, in respect of statutory dues of the Company and its aforesaid subsidiaries:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - (c) There were no dues of Wealth Tax, duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2015 on account of dispute.
  - (d) The Company and its aforesaid subsidiaries have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made there under within time.
7. The Group does not have accumulated losses. The Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
8. In our opinion and according to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the respective entities have not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
9. In our opinion and according to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the Company and its aforesaid subsidiaries have not given guarantees for loans taken by others from banks and financial institutions. Therefore, the provisions of the clause 3 (x) of the Order are not applicable to the Group.

10. According to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, the respective entities has availed term loan which is being used for purpose which they have availed and according to information and explanation given to us long term loan has not been used for short term purposes.
11. To the best of our knowledge and belief and according to the information and explanations given to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, no fraud by the Company and its aforesaid subsidiaries and no material fraud on the Company and its aforesaid subsidiaries has been noticed or reported during the year.

For Sudhakar Pai Associates  
Chartered Accountants

Place : Bangaluru  
Date : 26th May, 2015

(CA B Sudhakar Pai)  
Partner  
Membership no 018187  
Firm Reg no 004171S

## Consolidated Balance Sheet

(Amount in ₹)

Particulars	Note	As at March 31,	
		2015	2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	50,000,000	50,000,000
(b) Reserves and surplus	4	470,944,431	451,382,699
(c) Money received against share warrants			
<b>2. Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	126,392,629	176,195,830
(b) Long-term provisions	6	18,991,252	16,385,249
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	303,898,906	266,911,188
(b) Trade payables	8	87,490,794	84,120,179
(c) Other current liabilities	9	42,913,826	40,373,661
(d) Short-term provisions	10	77,422,663	85,993,261
<b>TOTAL</b>		<b>1,178,054,500</b>	<b>1,171,362,067</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	97,964,937	100,070,943
(ii) Goodwill on Consolidation		476,408,265	499,185,915
(b) Non-current investments	12	33,333,398	33,333,398
(c) Deferred tax assets (net)		5,386,535	2,592,983
(d) Long-term loans and advances	13	7,065,116	4,319,605
<b>2 Current assets</b>			
(a) Trade receivables	14	322,666,567	333,950,563
(b) Cash and cash equivalents	15	99,994,511	83,283,265
(c) Short-term loans and advances	16	46,359,404	23,052,471
(d) Other current assets	17	88,875,766	91,572,924
<b>TOTAL</b>		<b>1,178,054,500</b>	<b>1,171,362,067</b>

For ASM Technologies Limited

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015

## Consolidated Statement of Profit and Loss

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2015	2014
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		1,638,492,561	1,669,460,292
2 Other income	18	758,313	18,652,746
<b>3 Total revenue (1+2)</b>		<b>1,639,250,874</b>	<b>1,688,113,038</b>
<b>4 Expenses</b>			
(a) Employee benefits expense	19	929,856,095	893,914,636
(b) Finance costs	20	53,818,370	40,885,068
(c) Depreciation and amortisation expense	11	17,133,355	13,187,021
(d) Other expenses	21	541,389,116	620,369,620
<b>Total expenses</b>		<b>1,542,196,936</b>	<b>1,568,356,345</b>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		97,053,938	119,756,693
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		97,053,938	119,756,693
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		<b>97,053,938</b>	<b>119,756,693</b>
10 Tax expense:			
(a) Current tax expense for current year		35,651,119	41,875,654
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		13,842,772	-
(d) Net current tax expense		-	-
(e) Deferred tax		(2,793,553)	(1,137,079)
<b>11 Profit / (Loss) from continuing operations (9 + 10)</b>		<b>50,353,600</b>	<b>79,018,118</b>
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations			
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
<b>C TOTAL OPERATIONS</b>			
14 Profit / (Loss) for the year (11 + 13)		<b>50,353,600</b>	<b>79,018,118</b>

For ASM Technologies Limited

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015

## Consolidated Statement of Profit and Loss

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2015	2014
<b>15.I Earnings per share (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		10.07	15.80
(ii) Total operations		10.07	15.80
(b) Diluted			
(i) Continuing operations		10.07	15.80
(ii) Total operations		10.07	15.80
<b>15.ii Earnings per share (excluding extraordinary items) (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		10.07	15.80
(ii) Total operations		10.07	15.80
(b) Diluted			
(i) Continuing operations		10.07	15.80
(ii) Total operations		10.07	15.80

For **ASM Technologies Limited**

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015



## Consolidated Cash Flow Statement

(Amount in ₹)

Particulars	For the year ended March 31,	
	2015	2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	503.54	790.18
Adjustments for :		
Depreciation	171.33	131.87
Profit on sale of fixed asset	-	0.04
Interest Income	(66.41)	(60.61)
Deferred Taxation ( Net)	(27.94)	(11.37)
Finance cost	538.18	408.85
Effect of exchange differences on translation of foreign currency		
Cash & Cash equivalent	63.02	(113.17)
<b>Operating profit before working Capital changes</b>	<b>1,181.71</b>	<b>1,145.78</b>
Adjustment for	-	-
Trade payables	(0.54)	(276.02)
Trade & other receivables	(120.71)	(710.39)
Working capital finance	100.25	738.15
<b>Net cash from operating activities – A</b>	<b>1,160.71</b>	<b>897.52</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(238.32)	(117.10)
Investment	-	(7.51)
Proceeds on Disposal of Fixed Asset	-	2.10
Interest Income	66.41	60.60
<b>Net cash from Investing activities – B</b>	<b>(171.91)</b>	<b>(61.91)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	(228.41)	(218.54)
Dividend and Dividend Tax paid during the period	(120.14)	(162.71)
Finance Cost	(538.18)	(408.85)
<b>Net cash from Finance activities – C</b>	<b>(886.73)</b>	<b>(7.90)</b>
Effect of exchange differences on translation of foreign currency		
Cash & Cash equivalent	(63.02)	1.13
Effect of exchange differences on consolidation	128.04	(260.62)
Net increase in cash and cash equivalents (A+B+C)	167.10	(101.94)
Cash & cash equivalents as at the beginning	832.83	934.77
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>999.93</b>	<b>832.83</b>

**M R Vikram**  
Chairman

Place : Bengaluru  
Date : 26th May, 2015

**Rabindra Srikantan**  
Managing Director

**Narsingh Rathod**  
Chief Financial Officer

**Prof B.S. Sonde**  
Director

**P N Lakshmi**  
Company Secretary

### AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of ASM Technologies Limited, for the period ended 31st March, 2015. 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 period ended 31st March 2015.

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

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

Place : Bengaluru  
Date : 26th May, 2015

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

ASM Technologies Limited along with its wholly-owned and controlled subsidiaries Advanced Synergic Pte Ltd, Singapore and Pinacle Talent Inc, USA and Abacus Business Solutions Inc, USA and ESR Association Inc, USA wholly-owned and controlled subsidiaries of Advanced Synergic Pte Ltd, Singapore is a pioneer in providing world Class Consulting Services in Enterprise Solutions for the Packaged ERP Products and in Enterprise Product Development for SMB Segment and in Technology Solutions covering Embedded Systems and System Software to its Global Clientele.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended], the provisions of the Companies Act 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

#### c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition. Goodwill arising on consolidation or acquisition is not amortised but is tested for impairment.

#### d) Depreciation / Amortisation

Depreciation is provided on straight-line method at the rates specified in schedule II of the Companies Act, 2013. Depreciation for the assets purchased/sold during the year is proportionately charged. Individual assets acquired for less than ₹ 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 the computers and 33.33% of the office equipments. In ESR Associates Inc, depreciation on computer and software is provided on straight-line method at 20% and Goodwill is amortised over a period of 15 years.

#### e) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis

#### f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

#### g) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

h) Employee benefits

(I) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Revenue recognition

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation the same is recognised over the life of the contract using the proportionate completion method.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

j) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

k) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are

translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward and currency option contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

l) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

m) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### 3. SHARE CAPITAL

The Authorised, Issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10 each as follows

**Authorised**

70,00,000 Equity shares of ₹ 10 each

**Issued, Subscribed & Paid up**

50,00,000 equity shares of ₹ 10 each

**Total**

Amount in ₹

As at March 31,	
2015	2014
70,000,000	70,000,000
70,000,000	70,000,000
50,000,000	50,000,000
<b>50,000,000</b>	<b>50,000,000</b>

### 4. RESERVES & SURPLUS

a. Capital reserve

Profit on reissue of forfeited shares

Share Premium Account

b. General Reserve

c. Foreign Currency translation reserve

c. Surplus in statement of profit and loss

(i) Opening Balance

(ii) Add : Profit for the Year

(iii) Less : Appropriations

(a) Interim dividends on equity shares

(b) Proposed final dividend on equity shares

(c) Tax on dividend

(d) Depreciation Adjustment

(e) General reserve

**Total**

As at March 31,	
2015	2014
331,200	331,200
33,000,000	33,000,000
33,331,200	33,331,200
110,000,000	100,000,000
(316,155)	9,657,242
308,394,257	265,647,289
50,353,600	79,018,118
358,747,857	344,665,407
6,000,000	5,000,000
4,000,000	9,000,000
2,014,047	2,271,150
8,804,424	-
10,000,000	20,000,000
30,818,471	36,271,150
327,929,386	308,394,257
<b>470,944,431</b>	<b>451,382,699</b>

		Amount in ₹	
		As at March 31,	
		2015	2014
<b>5 LONG TERM BORROWINGS</b>			
Long Term boorowing cosnists of the following			
Term loans			
- from Bank			
Secured		92,016,827	176,216,042
Unsecured		3,949,441	-
- from Others			
Secured		19,507,050	-
Unsecured		10,919,311	(20,212)
<b>Total</b>		<b>126,392,629</b>	<b>176,195,830</b>

Term Loans referred above to the extent of:

- Rs.913.32 Lakhs by way of mortgage of office buliding of the company situated at Richmond Road, Bengaluru, Corporate Gurantee by ASM Technologies Ltd and Pinnacle Talent Inc and personal gurantee of Managing Director of the company
- Rs. 6.85 Lakhs by way of hypothecation of Vehicles owned by the company
- Rs. 195.07 Lakhs are secured by way of mortgage of the immovable property of the company situated at Rajanakunte, Yelahanka.

		As at March 31,	
		2015	2014
<b>6 LONG TERM PROVISIONS</b>			
Provision for employee benefits:			
Provision for gratuity		18,991,252	16,385,249
<b>Total</b>		<b>18,991,252</b>	<b>16,385,249</b>

		As at March 31,	
		2015	2014
<b>7 SHORT TERM BORROWINGS</b>			
Short term borrowings consist of the following:			
From Bank			
Secured		277,416,331	258,913,959
Unsecured		4,869,943	6,188,747
From Others			
Secured		3,646,809	-
Unsecured		17,965,823	1,808,482
<b>Total</b>		<b>303,898,906</b>	<b>266,911,188</b>

Short Term secured loan referred above are secured by way of lein on the fixed deposit of the company, hypothecation of receivables, other current assets of the company, Corporate gurantee by ASM Technologies Ltd and personnel gurantee of Managing Director of the Company.

		As at March 31,	
		2015	2014
<b>8 TRADE PAYABLES</b>			
Trade Payables consist of the following :			
Micro, Small and Medium Enterprise		-	-
Others		87,490,794	84,120,179
<b>Total</b>		<b>87,490,794</b>	<b>84,120,179</b>

		As at March 31,	
		2015	2014
<b>9 OTHER CURRENT LIABILITIES</b>			
Other current liabilities consist of the following :			
(a) Interest accrued but not due on borrowings		-	-
(b) Unpaid dividends		2,908,798	2,269,553
(c) Other payables		-	-
(i) Statutory remittances due		35,641,206	37,457,050
(ii) Interest accrued on others		4,363,822	63,112
(iii) Advances from customers		-	-
(iv) Other Payables		-	583,946
<b>Total</b>		<b>42,913,826</b>	<b>40,373,661</b>

**10 SHORT TERM PROVISIONS**

Short term provisions consist of the following:

	As at March 31,	
	2015	2014
Provision for Salary	50,602,816	61,747,512
Provision for Employee Incentives	-	-
Provision for Expenses	22,005,447	13,785,724
Provision for Taxation	-	-
Provision for Proposed Dividend	4,000,000	9,000,000
Provision for Tax on Proposed Dividend	814,400	1,460,025
<b>Total</b>	<b>77,422,663</b>	<b>85,993,261</b>

**12 NON -CURRENT INVESTMENTS**

Non- current investmets consist of the following:

	As at March 31,	
	2015	2014
A TRADE INVESTMENTS (at cost)	-	-
B OTHERS		
Investment in Property	33,333,398	33,333,398
<b>Total</b>	<b>33,333,398</b>	<b>33,333,398</b>

**13 LONG TERM LOANS & ADVANCES**

Long term loans and advances (unsecured) consist of the following:

	As at March 31,	
	2015	2014
(a) Security deposits		
Secured, considered good	7,065,116	4,319,605
Unsecured, considered good	-	-
Doubtful	-	-
(b) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
<b>Total</b>	<b>7,065,116</b>	<b>4,319,605</b>

**14 TRADE RECEIVABLES**

Trade Receivables (unsecured) consist of the following :

	As at March 31,	
	2015	2014
Over Six months		
(i) considered good	318,789	3,330,410
(ii) considered Doubtful	-	824,284
	318,789	4,154,695
Less: Provision for bad debt	-	824,284
	318,789	3,330,410
Others		
(i) considered good	322,347,778	330,620,152
(ii) considered Doubtful	-	-
	322,347,778	330,620,152
Less: Provision for bad debt	-	-
<b>Total</b>	<b>322,666,567</b>	<b>333,950,563</b>

**15 CASH AND CASH EQUIVALENTS**

Cash and bank balances consist of the following:

	As at March 31,	
	2015	2014
Cash on hand	22,980	253,817
Balance with Scheduled banks:		
1. In current account	17,323,036	9,006,730
2. In deposit account	82,648,495	74,022,718
(Maturing within 12 months and same is held as margin money deposit against loans)	-	-
3. Remittances in transit	-	-
<b>Total</b>	<b>99,994,511</b>	<b>83,283,265</b>

## 11. FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.2014	Additions	Deletion	As on 31.03.2015	As on 01.04.2014	For the Period	Deletion/ Adjustment	As on 31.03.2015	As on 31.03.2014
Land-free-hold	20,513,786	-	-	20,513,786	-	-	-	20,513,786	20,513,786
Building	16,248,153	-	-	16,248,153	4,038,224	226,181	-	11,983,748	12,209,929
Machinery & Systems	75,358,218	22,790,862	-	98,149,080	46,951,142	9,336,056	6,512,485	35,349,397	28,407,076
Electrical Fittings	5,135,835	81,295	-	5,217,130	1,285,110	479,403	117,984	1,882,497	3,850,725
Furniture & Fixtures	17,700,780	153,400	-	17,854,180	6,794,216	1,867,050	47,771	8,709,037	10,906,564
Office Equipment	11,819,174	806,218	-	12,625,392	2,922,728	2,872,412	2,126,184	7,921,324	8,896,446
Vehicles	4,287,253	-	-	4,287,253	718,666	583,093	-	1,301,759	3,568,587
Generator	1,489,651	-	-	1,489,651	146,222	389,242	-	535,464	1,343,429
Goodwill	17,249,240	-	-	17,249,240	6,874,841	1,379,919	-	8,254,760	10,374,399
<b>Total</b>	<b>169,802,090</b>	<b>23,831,775</b>	<b>-</b>	<b>193,633,865</b>	<b>69,731,149</b>	<b>17,133,355</b>	<b>8,804,424</b>	<b>95,668,928</b>	<b>100,070,941</b>
<b>Previous Year</b>	<b>158,416,379</b>	<b>11,747,030</b>	<b>361,319</b>	<b>169,802,090</b>	<b>56,654,922</b>	<b>13,187,021</b>	<b>112,231</b>	<b>100,070,943</b>	<b>101,761,457</b>



**16 SHORT TERM LOANS & ADVANCES**

Short term loans and advances (unsecured) consist of the following

As at March 31,	
2015	2014
Considered good	
Advance to Employees	4,102,164
Tax deducted at source	28,133,035
Prepaid Expenses	14,124,205
Vendor Advances	-
<b>Total</b>	<b>46,359,404</b>
	<b>23,052,471</b>

**17 OTHER CURRENT ASSETS**

Other current assets consist of the following

As at March 31,	
2015	2014
Unbilled revenue	82,932,512
Interest Accrued but not received	5,943,255
<b>Total</b>	<b>88,875,766</b>
	<b>91,572,924</b>

**18 OTHER INCOME**

Revenue form operations consist of revenue from:

As at March 31,	
2015	2014
Interest Income	6,641,155
Exchange Fluctuation Gain/(loss)	(6,301,600)
Miscellaneous Income	418,758
<b>Total</b>	<b>758,313</b>
	<b>18,652,746</b>

**19 EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses consist of the following:

As at March 31,	
2015	2014
Salaries and Incentives	871,086,497
Contribution to Provident Fund	32,444,073
Insurance and Other Benefits	23,690,127
Staff Welfare	2,635,397
<b>Total</b>	<b>929,856,095</b>
	<b>893,914,636</b>

**20 FINANCIAL CHARGES**

Finance costs consist of the following

As at March 31,	
2015	2014
Bank charges	2,846,964
Interest	50,971,406
<b>Total</b>	<b>53,818,370</b>
	<b>40,885,068</b>

**21 OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:

	As at March 31,	
	2015	2014
Travelling and conveyance expenses	73,402,591	44,168,782
Services rendered by business associates and others	388,270,039	501,947,282
Software, hardware and material costs	1,171,899	2,772,128
Communication expenses	8,102,882	8,016,100
Professional Fee	21,341,951	15,461,405
Rent	17,678,176	14,862,213
Repair and Maintenance	4,442,899	3,287,803
Electricity Expenses	3,089,140	2,228,330
Advertisement and Business Promotions	6,875,265	6,149,479
Bad Debt	810,851	2,048,866
Insurance charges	5,370,507	3,828,036
Membership & subscription	2,624,995	3,319,495
Office Maintenance	3,880,773	3,971,940
Printing & stationary	900,929	799,284
Rates & Taxes	1,271,640	3,365,185
Other Expense	2,154,580	4,139,487
Loss on sale of asset	-	3,806
<b>Total</b>	<b>541,389,116</b>	<b>620,369,620</b>

**25 EARNING PER EQUITY SHARE (EPS)**

	As at March 31,	
	2015	2014
Net profit for the year	50,353,600	79,018,118
Less; Preference share dividend (including dividend tax)	-	-
Amount available for equity shareholders	50,353,600	79,018,118
Weighted Average number of shares	5,000,000	5,000,000
Earnings per share basic and diluted	10.07	15.80
Face value per Equity share	10.00	10.00

**26 RELATED PARTY TRANSACTIONS (AS 18)****A. Following is the list of related parties**

- Wholly owned subsidiaries
  - Pinnacle Talent Inc, USA
  - Advanced Synergic Pte Ltd, Singapore
- Step down subsidiaries
  - Abacus Business Solutions Inc, USA
  - ESR Associates Inc, USA
- Associate company : IDS Systems Pvt Ltd
- Directors : ASM Technologies Ltd  
Mr. M R Vikram, Mr. Rabindra Srikantan, Prof. B S Sonde and Mr. Shekar Viswanathan  
Mr. Venkataramiyer Sivarmakrishnan
- Key management personnel : Mr. N Krishnan, Mr. Pramod, Mr. Kumar Vaibhav, Ms. Vani, Ms. P N Lakshmi, Mr. SLN Murthy, Mr. Srinivasa Murthy Seshadri, Mr. Sundar Ramanathan, Mr. Shalabh Singh, Mr. John Seitz, Mr. Jay Belur, Mr. David Joffe, Mr. Dharmesh Parikh, Mr. Alex Marzano

₹ in Lakhs

**B Summary of Transaction with Related Parties**

	As at March 31,	
	2015	2014
Remuneration to Directors	75.50	100.06
Remuneration to Key Management Personnel	1,145.57	1,076.44
Sale of Services IDS systems Pvt Ltd	1,861.36	2,297.19

(₹ in lakhs)

**27 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 IT 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.

**GEOGRAPHIC SEGMENT**

**Export Sales**  
**Domestic Sales**

**Total****Other Income**

Interest  
Others

**Total****PARTICULARS OF SEGMENT ASSET AND LIABILITY****Segment Assets**

Outside India  
India

**Investments**

Outside India  
India

**Segment Liabilities**

Outside India  
India

As at March 31,	
2015	2014
12,194.01	12,686.05
4,190.92	4,008.55
<b>16,384.93</b>	<b>16,694.60</b>
66.41	60.61
(63.02)	113.17
<b>3.40</b>	<b>173.78</b>

**28 CONTINGENT LIABILITIES**

Corporate guarantee given to Indian Bank, Singapore  
(on behalf of wholly owned subsidiary, Advanced Synergic Pte Ltd)  
Corporate guarantee given to State Bank of India, San Jose, USA  
(on behalf of step down subsidiary, Abacus Business Solutions Inc)  
Service Tax claim (Company filed appeal against the order)

As at March 31,	
2015	2014
2,425	2,164
438	358
159	-

**29 Previous year's figures have been recast/regrouped wherever necessary to confirm to the current year's classifications/presentation**For **ASM Technologies Limited**

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

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bengaluru  
Date : 26th May, 2015



**ASM's participation in India Electronics and Semiconductors Association Vision Summit**

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## NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Friday 14th of August, 2015 at 9.00 a.m. at Pai Vista, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bengaluru – 560070 transact the following business.

### ORDINARY BUSINESS

#### 1. Adoption of Accounts

To receive, consider and adopt the financial statements of the company for the year ended March 31, 2015 including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare a final dividend of Rs. 0.80 per equity share and to approve the Interim dividend of Rs. 1.20 per equity share, already paid for the year ended 31st March, 2015.

#### 3. Appointment of Statutory Auditors

RESOLVED THAT pursuant to provisions of Sections 139,142 & other applicable provisions of the Companies Act 2013 and the Companies (Audit & Auditor's) Rules 2014 M/s Sudhakar Pai Associates, Chartered Accountants (ICAI Registration No.004171S) be and are hereby appointed as Statutory Auditors of the company to hold office for two consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 25th AGM of the Company in the calendar year 2017 subject to ratification of the shareholders at every AGM at such remuneration as shall be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS

#### 4. Appointment of Ms. Preeti Rabindra as Director, liable to retire by rotation

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 149(1), 152, Section 160 and all other applicable provisions of Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Preeti Rabindra ( DIN 00216818) who was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act 2013 and Article 115 of Articles of Association of the company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Director, subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution.

#### **5. Approve Materially Related Party Transaction**

To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to provisions of Section 188(1)(d) and other applicable provisions of the Companies Act, 2013 and the Rules made there under, Clause 49(VII)(C) of the Listing Agreement with stock exchange, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authority as may be necessary, approval of the members of the Company be and is hereby accorded to the Board of Directors to continue the contract for availing or rendering of services entered into with M/s IDS Systems Private Ltd, a Related Party under Section 2(76) of the Companies Act, 2013 and Clause 49(VII)(B)(2) of the Listing Agreement.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

#### **6. 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 143 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors be and is hereby authorized 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 2015-2016 on such remuneration, terms and conditions as the Board may deem fit or authorize the Statutory Auditors of the Company to audit the branch Accounts and comply with the provisions of the Companies Act 2013."

**REGD. OFFICE**  
80/2, Lusanne Court  
Richmond Road  
Bengaluru - 560 025

By Order of the Board

Sd/-  
RABINDRA SRIKANTAN  
Managing Director

Date: 26.05.2015



1. The relative Statement (Explanatory Statement) pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy and vote on a poll instead of himself 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the share capital 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, Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Members holding shares in electronic form are requested to direct change of address notifications and updation of their bank account details to their respective depository participants.
4. The Register of Members and Share transfer books of the Company will remain closed from 13.8.2015 to 14.8.2015 (both days inclusive) in terms of provisions of Section 91 of the Companies Act 2013 and Clause 16 of the Listing Agreement with Stock exchange for determining the names of members eligible for final dividend on Equity shares, if declared at the meeting .
5. Members /Proxies are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. 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.
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. 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.
9. Brief resume of the Director recommended for appointment is as follows- Ms. Preeti Rabindra ( DIN 00216818) holds a bachelor and masters degree in commerce from the University of Delhi. Ms. Preeti Rabindra has been on the board of IDS Systems Private Limited since 1995.
10. Subject to the provisions of the Companies Act 2013, final dividend as recommended by the Board of Directors, if declared at the meeting , will be payable within a period of 30 days from the date of declaration to those members whose names appear on the Register of Members as on 12th of August , 2015.
11. 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 12th of August, 2015 to the Registrars, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Nanakramguda , Serilingampally Mandal, Hyderabad - 500032

- b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository participants.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the Depository. Members who have not registered their e-mail address with the company are requested to submit their request with their valid e-mail address to M/s Karvy Computershare Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant.
13. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Compliance Officer/Company Secretary at the Company's Registered Office. 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 124 of the Companies Act 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The company has vide notification dated 10th May 2012 of Ministry of Company Affairs, (MCA) uploaded the information in respect of unclaimed dividends as from the financial year 2008 on the website of the company.
14. Copies of the Annual Report 2015 are being sent by electronic mode to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
15. In compliance with Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015 and clause 35B of the Listing Agreement the company is providing the e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the notice. The facility for voting through ballot paper will also be made available to members attending the AGM and who have not already cast their votes by remote e-voting. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. Instructions for e-voting are annexed to the Notice.
16. The Notice of 23rd AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the 23rd AGM and Annual Report 2015 will be available on the company's website, [www.asmltd.com](http://www.asmltd.com), for their download.
17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the company.

#### **Statement Pursuant to Sec. 102(1) of the Companies Act 2013**

##### **Item No. 4**

At the meeting of the Board of Directors of the company held on the 28th of March, 2015 Ms. Preeti Rabindra, was appointed as an Additional director to hold office upto the ensuing Annual General Meeting of the company, pursuant to provisions of Section 161 of the Companies Act, 2013 and Article 115 of the Article of Association of the company.

The company has received notice in writing under provision of section 160 of Companies Act, 2013, from a member along with a deposit of requisite amount proposing the candidature of Ms. Preeti Rabindra for the office of Non-Executive, Non Independent Director, to be appointed as such under the provision of Section 149 (1) of the Companies Act, 2013.

The Company has received from Ms. Preeti Rabindra (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Director) Rules 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that she is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Preeti Rabindra as a Non-executive, Non Independent Director of the company until the next AGM, pursuant to section 149(1) and other applicable provisions of the Companies Act 2013 and the Rules made there under. She is liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Preeti Rabindra, proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under. The Board considers that her association would be of immense benefit to the company and it is desirable to avail the services of Ms. Preeti Rabindra.

No Director, Key Managerial personnel or their relatives, except Mr. Rabindra Srikantan KMP, related to Ms. Preeti Rabindra, to whom the resolution relates, are interested or concerned in the resolution.

The Board commends the Ordinary resolution set forth in Item No. 4 for the approval of the members.

#### **Item No. 5**

The Company had entered into contract with M/s. IDS Systems Pvt Limited before the financial year under for availing or rendering of services and intends to continue the transactions. IDS Systems Pvt Limited, is a 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) (B) (2) of the Listing Agreement. The above contracts / arrangements / transactions were approved by the Audit Committee and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

Further, the value of transactions, at arms length, as entered during the financial year under consideration having crossed the materiality limits of 10% of Net worth or ₹ 50 Cr whichever is less as per provisions of Section 188 (1) (d) of the Companies Act 2013 and 10% of the annual consolidated turnover as per the last audited financials as per Clause 49(VII) (C) the transactions require shareholder approval by ordinary/ special resolution.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under :

- |  |   |  |
|--|---|--|
| (a) Name of the related party              | : | IDS Systems Pvt Limited  |
| (b) Name of the director or Key Managerial | : | Mr. Rabindra Srikantan, Managing Director & KMP is personnel who is related related to Ms. Preeti Rabindra, who is a Director in the company and IDS Systems Pvt Ltd. Except for this, no Director or key managerial personnel is related. |
| (c) Nature of relationship                 | : | IDS Systems Pvt Limited is a Promoter group Company which holds 6.77% equity shares of the company.  |
| (d) Sale price                             | : | The price for availing or rendering of services of the Company shall be negotiated and agreed to by both   |

- parties based on estimated total costs and risk & return considering prevalent market conditions.
- (e) Payment Schedule : IDS Systems Pvt Ltd shall pay sale price within 45 days of date of invoice of the Company.
- (f) Nature, material terms and particulars : Availing or rendering of services the material value of the arrangement which during the year 2014-15 was ₹18,61,35,907/-
- (g) Duration of the contract : The contract may be terminated by either party with prior notice to the other party.
- (h) Any other information relevant or important : None  
for the members to make a decision on the proposed transaction

The Board recommends the special resolution given at item no. 5 for the approval of the members of the Company.

Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013 and clause 49(VII) (E):

Mr. Rabindra Srikantan, Managing Director, Ms. Preeti Rabindra, Director, Mr. Akhil Rabindra and Mr. Nikhil Rabindra, are relatives, hence all four are deemed to be interested in above resolution. Further, all four are part of the Promoter group of the Company including IDS Systems Pvt Ltd..

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the special resolution, wherein such contract or arrangement is considered for approval. Therefore, none of the promoter group entity will vote on the above resolution.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

#### **Item No. 6**

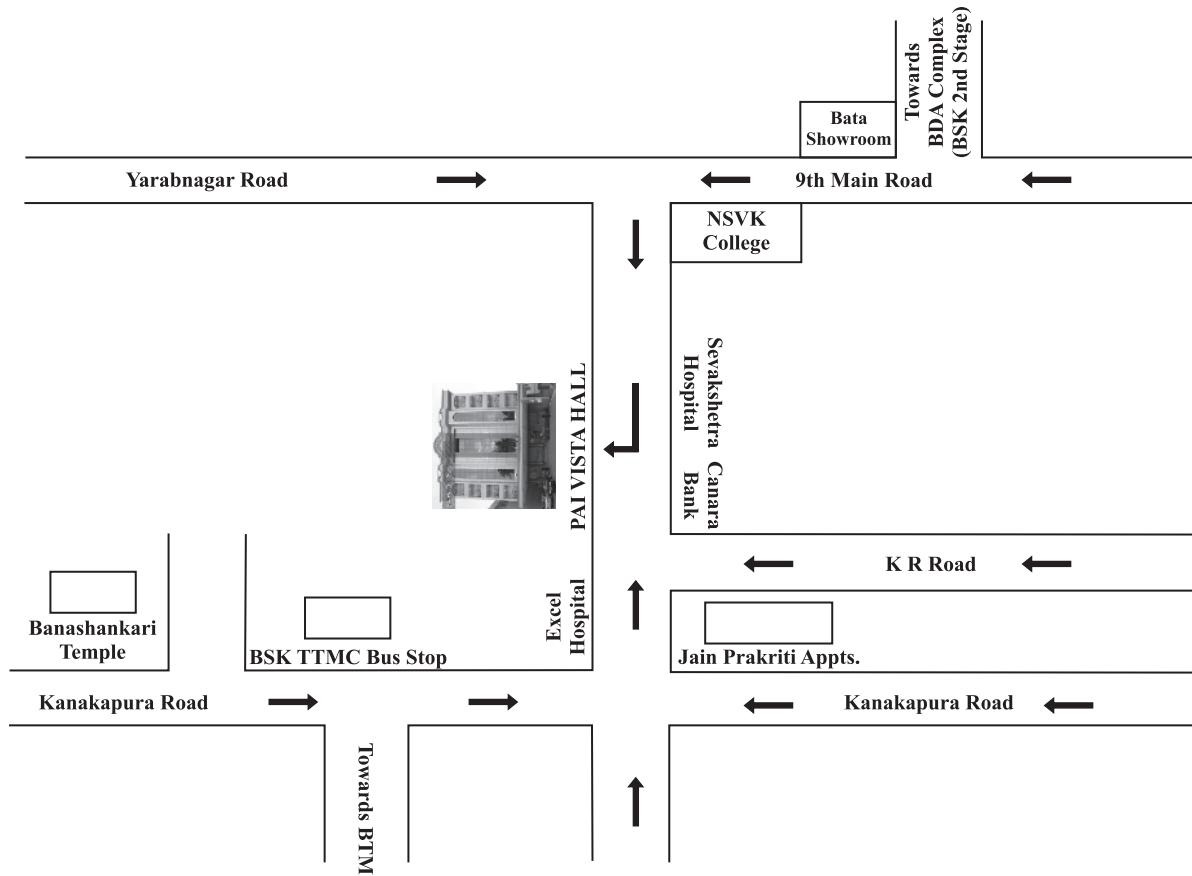
During the years 1999-2000, 2001-2002, 2011-2012 the company had opened branch offices in Chicago, USA, Santa Clara in California, USA and in the UK. It is necessary to appoint Auditors, under the provisions of Sec.143 of the Companies Act 2013 for auditing the accounts of the Branches of the company for the year 2015-2016. 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 2015-2016 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 2013.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution.

The Board commends the Ordinary resolution set forth in Item No.6 for the approval of the members.

## Route Map of the AGM Venue

Pai Vista, No.3/1, 27th Cross, End of KR Road  
Banashankari 2nd Stage, Bengaluru – 560070







(CIN L85110KA1992PLC013421)  
Regd Office: 80/2 Lusanne Court Richmond Road, Bengaluru- 560025  
Tel:080-66962300-02, Fax-08066962304  
Email:info@asm ltd.com, Website: www.asmltd.com

## PROXY FORM

### 23rd Annual General Meeting- 14th August , 2015

**Name of the member (s):**

**Registered Address:**

**E-mail id:**

**Folio/DP ID-Client ID**

I/We being the member(s) of.....shares of the above named Company hereby appoint:

Name:..... Address:.....

E-mail Id:..... Signature:.....or failing him/her

Name:..... Address:.....

E-mail Id:..... Signature:.....or failing him/her

Name:..... Address:.....

E-mail Id:..... Signature:.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Friday the 14<sup>th</sup> of August, 2015 at 9.00 a.m at Pai Vista, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bengaluru – 560070 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional * (Please mention no. of shares)	
Ordinary Business		For	Against
1.	Adoption of the financial statements of the company for the year ended March 31, 2015 including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.		
2.	Approval of final dividend for the financial year ended 31st March, 2015 and to confirm the interim dividend paid during the year 2014-2015		
3.	Appoint M/s Sudhakar Pai Associates as Auditors of the company		
Special Business			
4.	To appoint Ms. Preeti Rabindra as Director liable to retire by rotation		
5.	Approve Materially Related Party Transaction		
6.	Appointment of Branch auditors of the company		

Signed this.....day.....2015

Signature of shareholder.....

Signature of Proxy holder(s).....

Notes:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.
- \*2. It is optional to indicate your preference. If you leave the for or against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Affix  
Revenue  
Stamp not  
less than  
Re 0.15



(CIN L85110KA1992PLC013421)

Regd Office: 80/2 Lusanne Court Richmond Road, Bengaluru- 560025

Tel:080-66962300-02, Fax-08066962304 Email:info@asmltd.com, Website: www.asmltd.com

## ATTENDANCE SLIP

**23rd Annual General Meeting- 14th August, 2015**

**Name of the member/Proxy in Block Letters:**

**Folio/DP ID-Client ID:**

**No. of shares held:**

I certify that I am a member/proxy for the member of the company.

I hereby record my presence at the 23rd Annual General Meeting of the company Pai Vista, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bengaluru – 560070 on Friday the 14th of August, 2015 at 9.00 a.m

.....  
Signature of the Member/Proxy

Note:

Please fill up the 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 AGM.





(CIN L85110KA1992PLC013421)

**Regd Office:** 80/2 Lusanne Court, Richmond Road, Bengaluru- 560025

Tel:080-66962300-02, Fax-08066962304. Email:info@asm ltd.com, Website: www.asmltd.com

Serial No. :

Folio No./ DP ID/Client ID:

Name:

Address:

Joint Holder(s):

No. of Shares held:

Dear Shareholder(s)

**Subject : Instructions for e-voting**

Please find enclosed the Notice convening the 23rd Annual General Meeting of the company to be held on Friday, August 14, 2015 at 9.00 A.M.

Pursuant to provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies ( Management and Administration) Amendment, Rules 2015 and clause 35B of the Listing Agreement the company is providing the e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. The company has appointed Karvy Computershare Private Limited ('KCPL', 'Karvy' or 'Service Provider') to provide the e-voting facility.

**In this regard, please find below User ID and Password for e-voting:**

EVEN (e-voting event number)	User ID	Password

**The instructions and other information relating to e-voting are as under:**

1. A. In case a Member receives email from Karvy [for Members whose email IDs are registered with the company/ Depository Participant(s)]:
  - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - (ii) Enter the login credentials (i.e. **User ID and Password** mentioned above). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - (iii) After entering these details appropriately, Click on "LOGIN".
  - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
  - (vi) On successful login, the system will prompt you to select the "EVENT" i.e., ASM Technologies Limited.
  - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as abstained and the shares held will not be counted under either head.
  - (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: [scrutinizerasmtec@gmail.com](mailto:scrutinizerasmtec@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the company/Depository Participant(s)]:
- (i) **User ID and initial password** as provided above.
  - (ii) Please follow all steps from Sr.No. (i) to (xii) as mentioned in (A) above, to cast your vote.
2. The e-voting period commences on Saturday, August 8, 2015 at 9:00 A.M. and ends on Thursday, August 13, 2015 at 5:00 P.M. During this period, the Members of the company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, August 6, 2015, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A member may participate in the AGM even after exercising his right to vote through remote e-voting , but shall not be allowed to vote again at the AGM.
  3. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website).
  4. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the company, as on the cut-off date, being Thursday, August 6, 2015.
  5. The Board of Directors has appointed Ms. Mangala Rohith , Practicing Company Secretary ( Membership No. ACS 20315) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  6. At the AGM, at the end of the discussion on the resolutions on which voting is to be held the Chairman shall with the assistance of the Scrutinizer order voting through ballot paper for those members present but have not cast their votes electronically through remote e-voting facility.
  7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses , not in employment of the Company. The Scrutinizer shall submit a consolidated Report of the votes cast in favour or against, if any, forthwith not later than three days after the conclusion of AGM to the Chairman of the company. The Chairman, or any other person authorized by the Chairman shall declare the result of the voting forthwith.
  8. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the company ([www.asmltd.com](http://www.asmltd.com)) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman or any other person authorized and the same shall be communicated to the BSE Limited .





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