



# HANDS IN



ASM Technologies Limited

ANNUAL REPORT 2015-16

## Corporate Information

### Board of Directors

<b>Mr. M.R. Vikram</b>	<b>Chairman</b>
<b>Mr. Rabindra Srikantan</b>	<b>Managing Director</b>
<b>Prof. B.S. Sonde</b>	<b>Director</b>
<b>Mr. Shekar Viswanathan</b>	<b>Director</b>
<b>Ms. Preeti Rabindra</b>	<b>Director</b>
<b>Mr. M. Lakshminarayan</b>	<b>Director</b>
(Apptd. w.e.f. 31-3-2016)	

### Audit Committee

<b>Mr. M.R. Vikram</b>	<b>Chairman</b>
<b>Prof. B.S. Sonde</b>	
<b>Mr. Shekar Viswanathan</b>	

### Stakeholders Relationship & Share Transfer Committee

<b>Prof. B.S. Sonde</b>	<b>Chairman</b>
<b>Mr. Rabindra Srikantan</b>	

### Nomination & Remuneration Committee

<b>Mr. Shekar Viswanathan</b>	<b>Chairman</b>
<b>Prof. B.S. Sonde</b>	
<b>Mr. M.R. Vikram</b>	

### CSR Committee

<b>Prof. B.S. Sonde</b>	<b>Chairman</b>
<b>Mr. M.R. Vikram</b>	
<b>Mr. Shekar Viswanathan</b>	
<b>Mr. Rabindra Srikanthan</b>	

### Chief Financial Officer

Mr. Narsingh Rathod

### 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

Mr. K. Dushyantha Kumar  
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

Axis Bank Ltd.  
Corporate Banking Branch, Bengaluru, India

Indian Bank  
Singapore

First Federal Bank  
Ohio, USA

State Bank of India  
King Street, London

### Stock Exchanges

(Where the shares of the Company are listed)

**BSE Ltd**  
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 6716 2222  
einward.ris@karvy.com

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Dear Fellow Shareholder,

The global information technology (IT) market surpassed \$3.7 trillion in 2015 and is on track to reach \$3.8 trillion in 2016 (constant currency). IT Industry executives are most bullish on cloud applications, cloud infrastructure, security, mobility, and data analytics. Strong customer demand for expertise in integrating, optimizing and managing their ever-expanding technology portfolios should help propel IT services to higher than average growth.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Social, mobility, analytics and cloud (SMAC) are collectively expected to offer 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. The social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020. The Indian industry continues to develop capabilities around traditional and emerging markets, verticals and customer segments, expand global delivery presence, and increase focus on high value services including product development.

Engineering services landscape is undergoing rapid shifts from the perspective of range and nature of services. The global outsourced Engineering services market currently stands at \$26 Billion with players from US, Europe and India having an almost equal share. Indian service providers lead the pack amongst the global service providers. As of 2014 the Indian service providers deliver \$6.9 Billion worth of services which is 27% of the addressed outsourced services market. The study estimates that by 2020 the Indian outsourced ER&D services market will reach \$15 Billion growing at a CAGR of 13%. This growth will be primarily driven by addressing the increasing demand for embedded systems and software needs across all verticals.

On the standalone front your company registered a total revenue of Rs. 10,147.95 lakhs for the year ended 31<sup>st</sup> March 2016. Domestic sales was Rs. 3446.71 lakhs while Export sales was Rs. 6701.24 lakhs. EBITDA was at Rs. 688.18 lakhs and Net profit after tax was Rs. 1352.11 lakhs.

The Consolidated total revenue for the year ended 31<sup>st</sup> March 2016 was Rs. 17815.27 lakhs. EBITDA was at Rs. 428.22 lakhs and Net Profit after tax at Rs. 605.70 lakhs.

During the year 2015-16 the company declared an Interim dividend of Rs. 1.80/- on 15<sup>th</sup> October, 2015 followed by a Special 2<sup>nd</sup> Interim dividend of Rs. 6/- on 15<sup>th</sup> March 2016 and Rs.79.39 lakhs was paid towards dividend tax and surcharge thereon.

With the maturity of “Globalization of Engineering” and “Digital & Mobile Technology” over the last few years, there is an intense race to rapidly create new products across the world, causing a “New Product Revolution”. The thrust areas are in the Semiconductor Equipment, Medical Devices, Hi –Tech, Consumer Electronics, Automotive & Aerospace and telecom industries.

This “New Product Revolution” has opened opportunities for companies, like ASM, in the space of Engineering Services.

Cashing in on this opportunity, ASM, through the initiative of ARISE (ASM Research and Innovation Step for Excellence) has seen remarkable success in the “Co-Creation of IP led Product Innovation” and Platform Services for its clients. As a System Design House, ASM is fully equipped to handle complex Electronics, Mechanical and Embedded software design and development to complete the product under one roof. Further, working prototype and manufacturing results in the entire product realization for the client.

The future looks exciting and upbeat in the R&D – Products and Engineering Services Outsourcing (ESO) space. There are lot of drivers for the clients like Reducing Product Development Life Cycles, Global Competition and getting a first mover advantage by ring-fencing the IP. The clients are equally excited to collaborate with the Engineering Service providers, like ASM, to leverage their capability for global, regional and adjacent markets, thereby optimize the R&D Operations.

ASM has achieved significant growth in the past few years and in order to succeed in a fast paced techno world, software firms need to grow and evolve rapidly. I am pleased to share that in the last quarter of 2016, our Enterprise Business unit was acquired by ALTEN Calsoft Labs, a group company of Alten, France. This acquisition will help the Company focus on Engineering and R&D Services for existing and new customers.

The company continued to sustain its profitability despite a volatile and challenging external environment during the year under review with the unstinted support of its dedicated, committed and competent employees. We attribute our success to an experienced management team and to a customer- oriented organization that is dedicated to excellence. Steered by the talent of our people and vesting faith in the resilience of our business model we look forward to overcoming challenges that lie ahead of us.

On behalf of the management of the company and on my behalf, I take this opportunity to thank

- Our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their support
- Valuable employees of the company for their valuable contribution, efforts and spirit of dedication
- State Bank of India, Overseas Branch, Bangalore, Axis Bank, Bangalore and, Indian Bank, Singapore for their support and guidance.
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Place : Bangalore  
Date : 11.05.2016

**Rabindra Srikantan**  
Managing Director

## Our Board of Directors

### Mr. M R Vikram

Chairman

Mr. M.R.Vikram, is a Partner of M.Anandam & Co., Secunderabad, a leading firm of Chartered Accountants in India.

He has more than 30 years experience in Audit and Assurance Services, Banking and is an expert on Finance and Regulatory issues. He was earlier Director of Indian Bank, Indian Overseas Bank and Bank of Rajasthan. Mr. M.R.Vikram has also conducted various Special Studies for the Reserve Bank of India, Insurance Regulatory Development Authority and other leading Financial Institutions in the Country.

M.R.Vikram also serves as the Director on the Board of other Private and Public companies including Facebook India Online Services Pvt Ltd, Glochem Industries Ltd, Venture Finance & Development Corporation Ltd, GTN Engineering (India) Limited, Chettinad Cement Corporation Limited, Evertogen Life Sciences Ltd, GVR Infra Projects Limited and GTN Industries Ltd, a listed company. He is also the Secretary Trustee of M.Venkatarangaiya Foundation, one of India's largest initiatives in eradication of child labour and bringing children to schools. He is the founder trustee of Manthan, an important intellectual group for discussion in Hyderabad.

### 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 and Chief Operating officer of Pinnacle Talent Inc. USA, the Director of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. step down subsidiary of the company.

Mr. Rabindra Srikantan is a charter member of TiE, National Executive Council Member of the Indo American Chamber of Commerce (IACC) and Member, Nasscom National Engineering Council.

### 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.



## Mr. M Lakshminarayan

Director

Mr. M. Lakshminarayan is the Chairman of HARMAN International (India) Pvt. Ltd. and rose to this position after serving as the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd. In this role, he is responsible for the overall development and execution of HARMAN's strategic intent and plans for India.

His experience has spanned over 30 distinguished years in companies such as Bosch and Tata Motors. At Bosch, where he spent over 22 years, he held various leadership positions and was responsible for Bosch's tremendous growth in the automotive space in India. Prior to this, he served as a leader in the machine tools division at Tata Motors.

In addition to his current role at HARMAN, he also serves as the Director at Kirloskar Oil Engines Ltd, Carborundum Universal Ltd, Rane (Madras) Ltd. and as the Chairman of WABCO India Ltd. He is also on the Board of TVS Automobile Solutions Ltd, TVS Electronics Ltd, Janaadhar (India) Pvt Ltd and Dickenson Fowler Pvt Ltd.

He is a co-founder and currently Chairman of the 'Bengaluru City Connect' - a non-profit forum which addresses issues related to urban management in the city of Bengaluru.

Lakshminarayan has also served as the Chairman (South) at Confederation of Indian Industry (CII) and has been on the executive council team at the American Chamber of Commerce.

Lakshminarayan holds a Masters Degree in Technology from the Indian Institute of Technology Bombay.

## Ms. Preeti Rabindra

Director

Ms. Preeti Rabindra holds a Bachelor and Masters degree in commerce from the University of Delhi. She has been on the Board of IDS systems Private Limited since 1995.

# ASM: Leadership Team



Sitting L-R: Mr. Shekar Viswanathan, *Independent Director*; Mr. M.R. Vikram, *Chairman, Independent Director*; Prof. B.S. Sonde, *Independent Director*; Mr. M. Lakshminarayan, *Non executive Director*.  
Standing L-R: Ms. P.N. Lakshmi, *Company Secretary*; Ms. Preeti Rabindra, *Non executive Director*; Mr. Rabindra Srikantan, *Managing Director*; Mr. N.L. Rathod, *CFO*; Mr. M.S. Rajesha, *Finance Consultant*; Mr. Venugopal G, *Internal Auditor*.

## Our Core Business

Established in 1992, ASM Technologies Limited is a publicly-listed company in India with global presence in USA, Singapore and UK. With over 2 decades of experience ASM has been providing world class consulting and product development services in the areas of Engineering Services and Product R&D Services with successful Offshore Development & Support Centers in India and Overseas for its global clientele.

Through ARISE (ASM Research & Innovation Step for Excellence), ASM focuses on driving innovation and creating IP assets to suit industry specific needs of its customer .

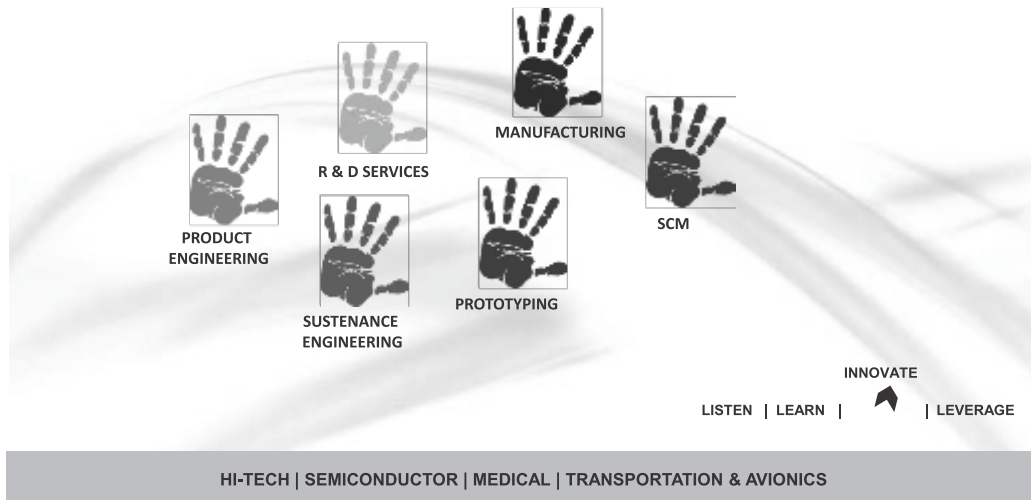
## SERVICE OFFERINGS



### ENGINEERING SERVICES



## HANDS ON



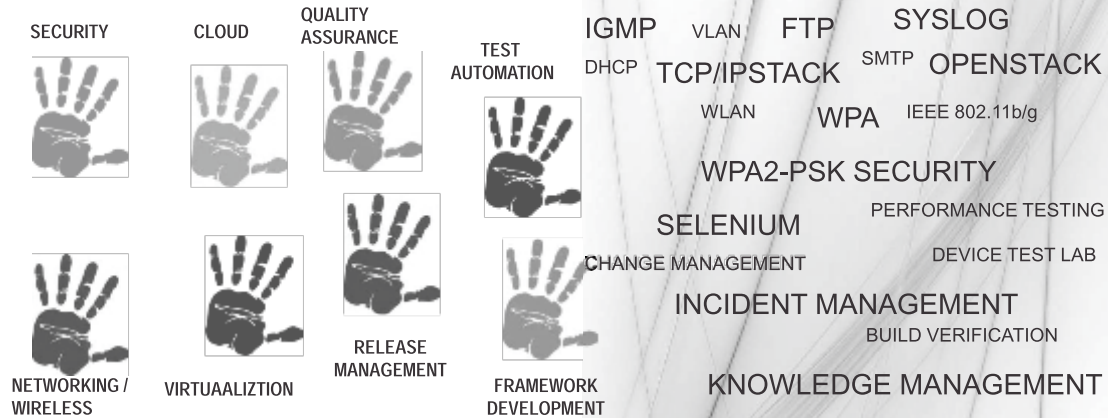
### ENGINEERING SERVICES

LISTEN | LEARN | INNOVATE | LEVERAGE

Engineering Services	Manufacturing, Sourcing and Supply Chain
<ul style="list-style-type: none"> <li>✓Product Design</li> <li>✓Value Engineering</li> <li>✓Reverse Engineering</li> <li>✓Automation</li> <li>✓Tool design</li> <li>✓Test Fixtures</li> <li>✓Prototyping, Testing &amp; Manufacturing</li> <li>✓Sustenance Engineering</li> <li>✓Embedded Software</li> <li>✓Design &amp; Development</li> <li>✓Technical Publication</li> </ul>	<ul style="list-style-type: none"> <li>✓ Supplier Identification, Verification , Validation and management</li> <li>✓ Logistics / Parts Warranty</li> <li>✓ Field Support</li> <li>✓Order Fulfillment</li> <li>✓Order Management</li> <li>✓ Component Sourcing <ul style="list-style-type: none"> <li>✓ Mechanical ,Electrical and Electronics</li> </ul> </li> <li>✓ Manufacturing of <ul style="list-style-type: none"> <li>✓ Parts, Sub systems and Systems</li> <li>✓ PCBA</li> </ul> </li> <li>✓ Test Fixtures, Assembly Fixtures and Tools</li> </ul>

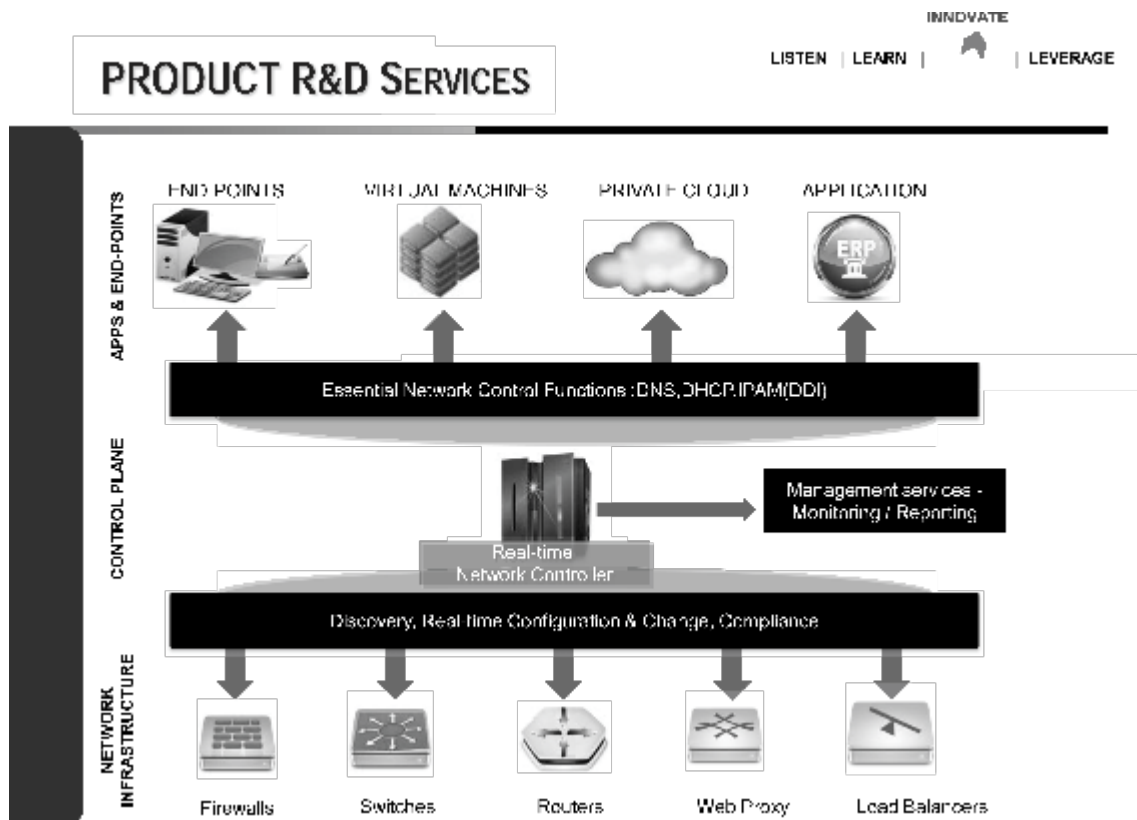


# PRODUCT R&D HANDS ON



SOFTWARE DEVELOPMENT    VERIFICATION & VALIDATION    ICM SERVICES    TRAINING    REMOTE PRODUCT SUPPORT

## PRODUCT R&D SERVICES



## Directors' Report

To the Members,

We are pleased to present the 24<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2016.

### 1. Financial Results

(₹. In lakhs)

	2015-2016	2014-2015
Income from software services and Products	10147.95	10941.74
Other operating income	21.47	1.30
Employee cost	6580.93	6836.01
Other expenditure	2900.31	2441.22
<b>Operating Profit before Interest Depreciation &amp; Tax (EBIDTA)</b>	<b>688.18</b>	<b>1665.81</b>
Depreciation	151.47	157.46
Interest	500.54	389.77
Other income	221.48	166.43
Profit/(Loss) before exceptional item	257.65	1285.01
Exceptional item	1818.60	-
<b>Profit/(Loss) before Tax (EBT)</b>	<b>2076.25</b>	<b>1285.01</b>
Current Tax	707.35	484.79
Deferred Tax Income/-Expense	16.79	(27.94)
<b>Net Profit /(Loss) (PAT)</b>	<b>1352.11</b>	<b>828.16</b>
Profit & Loss bal brought forward	2857.94	2337.96
Amount available for appropriation	4210.04	3166.13
Interim Dividend	390.00	60.00
Proposed Final Dividend	-	40.00
Dividend Tax	79.39	20.14
Depreciation adjustment	-	88.04
Transfer to General Reserve	-	100.00
Balance in Profit & Loss A/c	3740.65	2857.94

Note on discontinuing operations:

During the year Company has transferred its Enterprise Application business to Subsidiaries of Alten SA, France, for a consideration of Rs.63.02 Crores of which Rs.18.49 Crores received in India for the business transferred from the holding Company and Rs.44.53 Crores towards transfer of Abacus Business solutions Inc shares, transfer of business from Advanced synergic Pte Ltd and ESR Associates Inc. Said Consideration includes Rs.19.87 Crores to be received and is subject to fulfillment of business commitments and Representations and Warranties provided by the Company.

Amount received towards sale of business has been shown as profit from discontinuance of business after deducting the direct cost of sale and adjusting the Investment value.

### 2. Results of Operation

ASM along with its subsidiaries provides world class consulting and product development services in the areas of Engineering Services and Product R&D Services with successful Offshore Development and Support Centers in India and Overseas for its global clientele.

On the standalone front your company registered a total revenue of Rs. 10,147.95 lakhs for the year ended 31<sup>st</sup> March 2016. Domestic sales was Rs. 3446.71 lakhs while Export sales was Rs. 6701.24 lakhs. EBIDTA was at Rs. 688.18 lakhs and Net profit after tax was Rs. 1352.11 lakhs.

The Consolidated total revenue for the year ended 31<sup>st</sup> March 2016 was Rs. 17815.27 lakhs. EBIDTA was at Rs. 428.22 lakhs and Net Profit after tax at Rs. 605.70 lakhs.

### 3. Dividend/ Transfer to Reserves

During the year 2015-16 the company declared an Interim dividend of Rs. 1.80/- on 15<sup>th</sup> October, 2015 followed by a Special 2<sup>nd</sup> Interim dividend of Rs. 6/- on 15<sup>th</sup> March 2016 and Rs.79.39 lakhs was paid towards dividend tax and surcharge thereon.

With a view to augment resources for long term growth your Directors have not recommended any final dividend. The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the company to be met by internal cash accruals and the shareholders' aspirations.

#### 4. **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 Regulations 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 FormAOC1 is given in **Annexure -II**.

Your Company has 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**

With the maturity of "Globalization of Engineering" and "Digital & Mobile Technology" over the last few years, there is an intense race to rapidly create new products across the world, causing a "New Product Revolution". The thrust areas are in the Semiconductor Equipment, Medical Devices, Hi -Tech, Consumer Electronics, Automotive & Aerospace and telecom industries.

This "New Product Revolution" has opened opportunities for companies, like ASM, in the space of Engineering Services.

Cashing in on this opportunity, ASM, through the initiative of ARISE (ASM Research and Innovation Step for Excellence) has seen remarkable success in the "Co-Creation of IP led Product Innovation" and Platform Services for its clients. As a System Design House, ASM is fully equipped to handle complex Electronics, Mechanical and Embedded software design and development to complete the product under one roof. Further, working prototype and manufacturing results in the entire product realization for the client.

The future looks exciting and upbeat in the R&D – Products and Engineering Services Outsourcing (ESO) space. There are lot of drivers for the clients like Reducing Product Development Life Cycles, Global Competition and getting a first mover advantage by ring-fencing the IP. The clients are equally excited to collaborate with the Engineering Service providers, like ASM, to leverage their capability for global, regional and adjacent markets, thereby optimize the R&D Operations.

#### 6. **Management Discussion and Analysis Report**

Management Discussion and Analysis Report as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is disclosed separately in the Annual Report.

#### 7. **Board Meetings**

During the year under review the Board of Directors 6 meetings of the Board were held, on 26.05.2015, 14.08.2015, 15.10.2015, 29.10.2015, 15.02.2016, and 15.03.2016. The maximum interval between two meetings did not exceed 120 days.

#### 8. **Directors and Key Managerial Personnel**

Ms. Preeti Rabindra , Director, retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

During the year under review Mr. M Lakshminarayan was appointed as an Additional Director on the Board of your company and at the ensuing Annual General Meeting it is proposed to seek your approval to appoint him as a Non-Executive, Non-Independent Director liable to retire by rotation.

#### 9. **Independent Directors**

The 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 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 10. **Director's Responsibility Statement**

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

- a) 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;
- b) 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;
- c) 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;
- d) the Directors have prepared annual accounts of the company on a going concern basis.
- e) 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.
- f) 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**

In continuation of the execution of a non-binding Letter of Intent dated February 28, 2015, for transfer 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, the Board of Directors, during the year have signed definitive agreements for transfer and sale of identified business to M/s Alten Calsoft Labs( India) Private Limited an affiliate of M/s Alten, SA , to consummate the proposal.

**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 Regulation 22 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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**

The Stakeholders Relationship and Share Transfer Committee comprises of Prof. B.S.Sonde and Mr. Rabindra Srikantan as its members.

**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 Mr. K Dushyantha Kumar, 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, 2016 is annexed as **Annexure - IV** to the Report. There are no qualifications, reservations or adverse marks made by Secretarial Auditor in the Report.

**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 31<sup>st</sup> March, 2016. 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, 66 % of the revenue came from export of software services resulting in a foreign exchange inflow of Rs.6701.24 lakhs and the foreign exchange outgo on account of overseas salaries, travelling etc was Rs.1294.99 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 31<sup>st</sup> March 2016 in respect of those granted in the earlier years is provided in Note 30 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 company 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**

The company has in place formulated a Policy on materiality of Related Party transactions for dealing with such transactions in line with the requirements of the Listing Regulations with the Stock Exchange. 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 and Listing Regulations with the stock exchange 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 Exchange**

The SEBI on Sept 2<sup>nd</sup> 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of Capital markets. And the said regulations were effective December 1, 2015. The company has accordingly entered into the new Listing Agreement with BSE Ltd. The company is current with regard to payment of Annual Listing fees with BSE Ltd 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 Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. As required, a Report on Corporate Governance is provided elsewhere in this Annual Report along with Auditor's Certificate on compliance thereof.

## **29. Auditors**

At the AGM held on 14th August, 2015 M/s. Sudhakar Pai Associates, Chartered Accountants were appointed as statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year 2017. In terms of Section 139 of the Companies Act 2013 the appointment of as the statutory Auditors is placed for ratification by the shareholders at the ensuing AGM.

## **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, Bangalore and Axis Bank, Bangalore and Indian Bank, Singapore for their support and guidance
- Central & State Governments, Software Technology Park (STPI) and NASSCOM for their continued support.

**For and on behalf of the Board**

**Place : Bangalore**  
**Date : 11.05.2016**

**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 (Non-Executive Independent Director)  
Prof. B.S.Sonde (Non-Executive Independent Director)  
Mr. M.R. Vikram (Non-Executive Independent Director)
- 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 to 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

Sl. No.	Particulars	Advanced Synergic Pte Ltd, Singapore (WOS)	Pinnacle Talent Inc, USA (WOS)	ESR Associates Inc, USA (Step down subsidiary)
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2015-31st March 2016	1st April 2015-31st March 2016	1st April 2015-31st March 2016
2.	Reporting Currency	SGD	USD	USD
3.	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Rs. 48.89	Rs. 66.33	Rs. 66.33
4.	Share Capital	Rs. 48,890,000	Rs. 10,612,800	Rs. 6,633,000
5.	Reserves & Surplus	Rs. 20,066,509	Rs. (57,240,038)	Rs. (44,702,751)
6.	Total Assets	Rs. 246,228,912	Rs. 97,373,670	Rs. 16,209,843
7.	Total Liabilities	Rs. 177,272,402	Rs. 144,000,908	Rs. 54,279,594
8.	Investments	Rs. 7,091,495	0	0
9.	Turnover	Rs. 156,151,775	Rs. 21,118,610	Rs. 60,295,588
10.	Profit/(Loss) before taxation	Rs. (81,354,133)	Rs. (43,416,849)	Rs. 1,692,694
11.	Provision for taxation	Rs. 7,803,431	-	-
12.	Profit/( Loss) after taxation	Rs. (94,235,524)	Rs. (43,416,849)	Rs. 1,692,694
13.	% of shareholding	100	100	100

### Notes:

- ESR Associates Inc is a wholly owned subsidiary of Advanced Synergic Pte Ltd, the WOS of the company.
- Abacus Business Solutions In, wholly owned subsidiary of Advanced Synergic Pte Ltd has been acquired w.e.f 29<sup>th</sup> February, 2016.
- 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 approval 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 No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

ASM TECHNOLOGIES LIMITED

80/2, Lusanne Court, Richmond Road, Bangalore 560025

In connection with issue of a SECRETARIAL AUDIT REPORT pursuant to Sec.204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ASM Technologies Limited (Company), we wish to state as under:

- 1) ASM Technologies Limited is incorporated under the Companies Act, 1956 vide CINL85110KA1992PLC013421 dated 10.08.1992 issued by the Registrar of Companies, Bangalore, Karnataka.
- 2) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01.04.2015 to 31.03.2016 and report that the Company has complied with the various provisions of the said Act.
- 3) The Authorised Share Capital of the Company is 7,00,00,000 (Seven Crores) divided into 70,00,000 (Seventy Lakhs ) Equity Shares of 10/- (Ten) each.
- 4) The Issued, subscribed and Paid up Capital of the Company is 5,00,00,000 (Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity Shares of 10/- (Ten) each.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 and its officers during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

We 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, 2016 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and Rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- d. Secretarial Standards issued by the Institute of Company Secretaries of India under Section 118(10) of the Companies Act, 2013, and
- e. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder.
- f. The Securities and Exchange Board of India (SEBI)

We have also examined forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the rules and provisions of:

- a. Software Technology Park of India (STPI) and the Rules made thereunder,
- b. Information Technology Act, 2000 and Rules made thereunder
- c. Employees Provident Fund Scheme, 1952
- d. Income Tax Act, 1961
- e. Service Tax Rules, 1994
- f. Payment of Bonus Act, 1965
- g. Payment of Gratuity Act, 1972
- h. Payment of Wages Act, 1936
- i. The Minimum Wages Act, 1948
- j. The Contract Labour (Regulation & Abolition) Act, 1970

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-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 notices were given to all the 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.

All Board decisions have been passed without any dissent.

The Company has duly complied with the provisions of the Companies Act, 2013. The Company has held board meetings during the year under report as under :

Sl. No.	Dates	No of Meetings in a year
1.	26 <sup>th</sup> May, 2015	
2.	14 <sup>th</sup> August, 2015	
3.	15 <sup>th</sup> October, 2015	Six
4.	29 <sup>th</sup> October, 2015	
5.	15 <sup>th</sup> February, 2016	
6.	15 <sup>th</sup> March, 2016	

The Company has held Committee meetings as per the provisions of the Companies Act, and rules made thereunder.

We 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.

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

K Dushyantha & Associates  
Company Secretaries in Practice

K. Dushyantha Kumar  
C.P.No.: 6003  
FCS No.:6662

Date : 11.05.2016  
Place : Bangalore

## ANNEXURE - V

### Form No. MGT - 9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON

[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	L85110KA1992PLC013421
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 Bangalore-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 Karvy Selenium Tower B, Plot number 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032

#### 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 :

Sr. 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

Sr. 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)

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

#### I. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	2103677	-	2103677	42.07	2103677	-	2103677	42.07	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	338502	-	338502	6.77	338502	-	338502	6.77	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	649724	-	649724	12.99	649724	-	649724	12.99	-
<b>Sub-total(A)(1):</b>	<b>3091893</b>	<b>-</b>	<b>309183</b>	<b>61.84</b>	<b>3091893</b>	<b>-</b>	<b>3091893</b>	<b>61.84</b>	<b>-</b>
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
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 Companies	-	-	-	-	-	-	-	-	-
g) FIIs- -	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>-</b>	<b>1900</b>	<b>1900</b>	<b>0.04</b>	<b>-</b>	<b>1900</b>	<b>1900</b>	<b>0.04</b>	<b>-</b>
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	53363	3300	56663	1.13	45972	3300	49272	0.99	0.15
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	457035	385988	843023	16.86	498085	378878	876963	17.54	-0.68
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	938567	-	938567	18.77	917291	-	916342	18.33	0.44
c) Others (Specify)	9554	58400	64705	1.36	5220	58400	62612	1.27	0.09
<b>Sub-total(B)(2)</b>	<b>1458519</b>	<b>447688</b>	<b>1906207</b>	<b>38.16</b>	<b>1458519</b>	<b>447688</b>	<b>1906207</b>	<b>38.12</b>	<b>-</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1458519	458588	1908107	38.16	1458519	449588	1908107	38.16	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>4550412</b>	<b>449588</b>	<b>500000</b>	<b>100</b>	<b>4557522</b>	<b>442478</b>	<b>5000000</b>	<b>100</b>	<b>-</b>

**ii. Shareholding of Promoters**

Sr. 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 shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	S RABINDRA	2103677	42.07	-	2103677	42.07	-	-
2.	R PREETI	380524	7.61	-	380524	7.61	-	-
3.	IDS SYSTEMS PVT LTD	338502	6.77	-	338502	6.77	-	-
4.	AKHIL R	134600	2.69	-	134600	2.69	-	-
5.	NIKHIL R	134600	2.69	-	134600	2.69	-	-
	<b>Total</b>	<b>3091903</b>	<b>61.84</b>	<b>-</b>	<b>3091903</b>	<b>61.84</b>	<b>-</b>	<b>-</b>

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

Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S. Rabindra	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2103667	42.07	2103667	42.07
Transmission	10	0.0002	2103677	42.07
At the End of the year			2103677	42.07

**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	598400	11.97	598400	11.97
	Sale of Shares	5170	0.10	593230	11.86
	At the end of the year (or on the date of separation, if separated during the year)			593230	
2	AMARNATH KAMATH				
	At the beginning of the year	66679	1.33	66679	1.33
	Purchase of Shares	3377	0.07	70056	1.40
	Sale of shares	5704	0.11	64352	1.28
	At the end of the year (or on the date of separation, if separated during the year)			64352	
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	



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
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	ANIL SHETH K				
	At the beginning of the year	18800	0.38	18800	0.38
	No change during the year At the end of the year (or on the date of separation, if separated during the year)			18800	
6	AJAY GOKULDAS SHAH				
	At the beginning of the year	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	22969	0.45	22969	0.45
	No change during the year 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:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Rabindra Srikantan, KMP	2103677	42.07	2103677	42.07
P N Lakshmi, KMP	NIL	NIL	NIL	NIL
N L Rathod, KMP	NIL	NIL	NIL	NIL
M R Vikram, Director	NIL	NIL	NIL	NIL
Prof B S Sonde	NIL	NIL	NIL	NIL
Shekar Viswanathan	NIL	NIL	NIL	NIL
Preeti Rabindra	380524	7.61	380524	7.61

## 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				
i) Principal Amount	2131.82	377.05	-	2,508.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2131.82</b>	<b>377.05</b>	<b>-</b>	<b>2,508.87</b>
Change in Indebtedness during the financial year				
- Addition	-	36.75	-	36.75
- Reduction	818.25	-	-	818.25
Net Change	818.25	36.75	-	(781.50)
Indebtedness at the end of the financial year				
I) Principal Amount	1313.57	413.80	-	1727.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1313.57</b>	<b>413.80</b>	<b>-</b>	<b>1727.37</b>

## 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		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000/-	84,00,000/-
	(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)	84,00,000/-	84,00,000/-
	<b>Ceiling as per the Act</b>	<b>11% of NP = 14,135,181/-</b>	

**B. Remuneration to other directors :**

Amount in ₹

Sl.No.	Particulars of Remuneration	Name of MD/WTd/ Manager			Total Amount
	Independent Directors	M R Vikram	B S Sonde	Shekar Viswanathan	
	• Fee for attending board committee meetings	20,90,000/-	21,05,000/-	20,60,000/-	62,55,000/-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>20,90,000/-</b>	<b>21,05,000/-</b>	<b>20,60,000/-</b>	<b>62,55,000/-</b>
	Other Non-Executive Directors	Preeti Rabindra			
	• Fee for attending board committee meetings	20,30,000/-	-	-	20,30,000/-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total(2)</b>	<b>20,30,000/-</b>	<b>-</b>	<b>-</b>	<b>20,30,000/-</b>
	<b>Total(B)=(1+2)</b>	<b>41,20,000/-</b>	<b>21,05,000/-</b>	<b>20,60,000/-</b>	<b>82,85,000/-</b>
	<b>Total Managerial Remuneration</b>	<b>41,20,000/-</b>	<b>21,05,000/-</b>	<b>20,60,000/-</b>	<b>82,85,000/-</b>
	Overall Ceiling as per the Act	NA	NA	NA	NA

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000/-	2,50,000/-	8,50,000/-
	(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	-	-	-
	<b>Total</b>	<b>6,00,000/-</b>	<b>2,50,000/-</b>	<b>8,50,000/-</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 Rs.130,783,515/- (Rupees Thirteen crores seven lakhs eighty three thousand five hundred and fifteen.)
4. Prescribed CSR expenditure ( two percent of the amount as in item 3 above) is Rs.2,615,670/- (Twenty six lakhs fifteen thousand six hundred and seventy )
5. Details of CSR spent during the financial year 2015-16 :  
 Total amount to be spent for the financial year 2015-16 was Rs. 2,615,670/-  
 Amount unspent of 2014-15 is Rs. 1,851,358/-  
 Total amount to be spent for 2015-2016 Rs. 4,467,028/-  
 Amount unspent of 2015-16 Rs. 2,281,028/-

Manner in which the amount was spent in 2015-16 is detailed below :

Sl 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 Rs.	Amount spent on the projects or programs Sub heads: 1.Direct expenditure on projects /programs 2. Overheads Rs.	Cumulative expenditure upto the reporting period Rs.	Amount Spent: Direct or through implementing agency Rs.
1.	Promoting education in children*	Promoting education	Project in Bangalore	86,000/-	-	86,000/-	86,000/- Direct
2.	Rahul Dravid Athlete Mentorship Programme - Providing goal-based financial scholarships and customised non financial support to cover athletes' sporting needs	Training to promote rural, sports, nationally recognized sports, paraolympic sports or Olympic sports	Project in Bangalore	20,00,000/-	-	20,00,000/-	20,00,000/ Agency - GoSports Foundation
3.	Edu Daan - is a unique campaign seeking support from Corporates, Private schools, NGO's etc to support children in lesser privileged govt. schools, in urban & rural Bangalore.	Promoting education	Project in Bangalore	100,000/-	-	100,000/-	100,000/- Agency- India Cares Foundation



- \* 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 Rs. 1000/- a certificate and write up of Dr. Shenoy
6. Reasons for not spending the proposed CSR expenditure: The shortfall in CSR expenditure for the financial year 2015-16 is Rs. 22,81,028/-
- During the year, the time, efforts and focus of the Directors had to be directed towards working out the details of the proposal, to transfer certain assets of the company relating to its business of enterprise application solution, which, was consummated in the quarter ending 31<sup>st</sup> March, 2016.
- This came in the way of identifying and determining the specific activities and goals concerning CSR Policy of the company. The Directors believe that in the coming financial year this process should be completed and moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.
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 : Bangalore  
Date :11.05.2016

**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 consolidation 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. 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 Rs.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 Rs. 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 Rs. 100 Crore (whichever is lower)
3.	Leasing property of any kind	% Turnover or Net Worth of the Company or Rs. 100 Crore (whichever is lower)
4.	Availing or rendering of any services directly or through agents	Exceeding 10% of turnover or Rs. 50Crore, whichever is lower
5.	Related party appointment to any office or place of profit in the company or subsidiaries	Monthly remuneration exceeding Rs. 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 company 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 31<sup>st</sup> March 2016 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 31<sup>st</sup>, 2016 is as follows:

Amount in ₹

Particulars	Advanced Synergic Pte Ltd, Singapore	Pinnacle Talent Inc, USA	ESR Associates Inc	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
Nature of contracts/ arrangements/transactions					
Rendering of services		-	-	14,429,071	119,688,723
Guarantees given on behalf of subsidiary	-	-	-	-	-
Purchase of Service	15,705,604	49,475,729	-	-	-

#### Notes:

1. The above contracts/arrangements/transactions 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 : Bangalore  
Date : 11.05.2016

**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
Rabindra Srikantan	Managing Director	14.23	12.33	1.33	6.21
M.R.Vikram	Chairman	1717	3.07	0.33	1.55
Prof. B.S.Sonde	Independent Director	1813	3.09	0.33	1.56
Shekar Viswanathan	Independent Director	2475	3.03	0.33	1.52
Ms. Preeti Rabindra	Non-Executive Director	NA	2.98	0.32	1.50
M Lakshminarayan *	Non-Executive Director	NA	NA	NA	NA

- Note:\*
1. Appointed as a Director w.e.f. 31<sup>st</sup> March, 2016
  2. Non- executive Directors are only paid sitting fees for meetings of the Board and committee attended.
  3. Increase in sitting fee for the year 2015-16 was as a result of extra committees formed in respect of disinvestment proposal during the 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	0.04	0.18
Ms.P.N.Lakshmi	Company Secretary	NIL	0.10	0.44

- (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 31<sup>st</sup> March 2016 was 527
- (v) The explanation on the relationship between average increase in remuneration and company performance:  
There was a decrease in Company's revenue for the Financial Year 15-16 over 14-15 but the average increase given to employees was 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 1.47% of Revenues and 6.84% 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	2014-2015	2015-2016
Share price as on March 31	Rs. 12/-	Rs. 129.90	Rs. 157.50
No. of Equity shares	2,925,600	5,000,000	5,000,000
Earnings Per share( EPS)	Rs.2.23	Rs.16.56	Rs. 27.04
PE ratio ( Share Price/EPS)	Rs. 5.38	Rs. 7.84	Rs 5.82
Market Capitalisation (Rs.inlacs)	351.07	6,495.00	7,875.00
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. .

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

NA

- (x) 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.

- (xi) 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.

- (xii) 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.

**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 Remunerati on Rs.	Previous employmen, designation
Rabindra Srikantan	Managing Director	M.S.	55	10.08.1992	25	8,400,000/-	Center of Advanced Computer Studies, USA

- Notes:**
1. Remuneration comprises basic salary, allowances and taxable value of perquisites .
  2. Mr. Rabindra Srikantan is related Ms. Preeti Rabindra, Non-Executive 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 : Bangalore  
Date : 11.05.2016

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Overview

ASM along with its subsidiaries provides world class consulting and product development services in the areas of Engineering Services and Product R&D Services with successful Offshore Development and Support Centers in India and Overseas for its global clientele. The company is a public limited company incorporated in India and having its registered office in Bangalore, 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% expert growth this physical (2014-15) with revenues of \$13-14 billion as against 13% last fiscal (2013-14) with revenues of \$118 billion achieved. Indian IT spending will reach \$73.3 billion in 2015, up 9.4% from \$67.1 billion in 2014 as per Gartner Report. 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 Rs. 10/- each, constituting to Rs.700.00 lakhs. There was no increase in the issued, subscribed and paid up capital of Rs. 500.00 lakhs during the year under review.

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

The total shareholder funds was Rs.5673.96 lakhs as at 31<sup>st</sup> March, 2016 against Rs.4791.25 lakhs as of the previous year end, an increase of 18.42% YoY.

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

The balance retained in the Profit & Loss Account as at 31<sup>st</sup> March 2016 is Rs.3740.65 lakhs after providing dividend for the year of Rs.390 lakhs and dividend tax of Rs.79.39 lakhs thereon. The total amount of profits appropriated to dividend including dividend tax was Rs. 469.39 lakhs.

##### **e. Fixed Assets**

During the year 2015-2016 the Company has added Rs.44.06 lakhs to the gross block of assets.

##### **f. Net Worth**

The return on Net worth (RONW) for the year ended 31<sup>st</sup> March 2016 was 23.83 % as against 17.28%, the previous year.

**g. Income**

Of the total revenues for the year ended 31<sup>st</sup> March, 2016, Rs. 6,701.24 lakhs was derived from export operations and Rs. 3446.71 lakhs from domestic operations.

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

**h. Operating Profit (EBIDTA)**

We earned an operating profit Rs. 688.18 lakhs representing 6.78% of total revenues as compared to Rs.1664.52 lakhs representing 15.21% of total revenues, during the previous year.

**i. Earnings per share**

Earnings per share increased by 63.28 % during the year to Rs.27.04 from Rs.16.56 per share the previous year.

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

The employee strength of the company as on 31<sup>st</sup> March, 2016 was 527 while in respect of the ASM group, the total strength including contractual employees was 531. The reduction in manpower is due to the transfer of Enterprise Application business by the company during the year.

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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## COMPLIANCE CERTIFICATE

### TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **ASM TECHNOLOGIES LIMITED** ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchange for period 1st April 2015 to 30th November 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as referred to in Regulation 15(2) of Listing Regulations to the period 1st December 2015 to 31st March 2016.

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.

For Sudhakar Pai Associates  
Chartered Accountants

Date : 11.05.2015  
Place : Bangalore

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

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

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

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. 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 6 members, three of whom are Independent directors, one Executive Director, being the Managing Director and two Non-Executive Non-Independent Directors. 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.

The Chairman is primarily responsible for ensuring that the Board provides effective governance to the company and in doing so presides over meetings of the Board and shareholders of the company. The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors.

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

During the financial year 2015-2016, 6 meetings of the Board were held, on 26.05.2015, 14.08.2015, 15.10.2015, 29.10.2015, 15.02.2016, and 15.03.2016.

Details of Director's attendance during the Financial Year, directorships/committee memberships held by them as on 31<sup>st</sup> March, 2016 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 Director	6	6	Yes	8	4	-
Mr. Rabindra Srikantan Managing Director	Promoter, Executive Director	6	6	Yes	-		
Prof. B. S. Sonde Director	Independent Director	6	5	Yes	-	-	-
Mr. Shekar Viswanathan Director	Independent Director	6	3	No	2	4	1
Ms. Preeti Rabindra Director	Non Independent Non Executive Director	6	3	Yes	-	-	-
Mr. M. Lakshminarayan Director (Appointed w.e.f 31.03.2016)	Non Independent Non Executive Director	N.A	N.A	N.A	6	4	1

# Chairmanship/Membership in Board, Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### III. BOARD COMMITTEES

The Board has four committees namely, Audit committee, Stakeholders Relationship & Share transfer 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- 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 :

Sl. 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

#### 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

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

## 2. Stakeholders 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 Computer share 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

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

During the year 2015-2016, 140 complaints were received all of which were resolved with nothing pending as on 31st March 2016. The shareholding in dematerialized mode as on March 31st, 2016 as being 91.15 %.

BSE has confirmed that as on 31.03.2016 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	Chairman	Independent Director
2.	Mr. M.R. Vikram	Member	Independent Director
3.	Prof. B.S. Sonde	Member	Independent Director

Meeting and attendance during the year

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

Details of Remuneration payable to Directors for the year FY2015-16

Name of Director	Salary & perquisites	Sitting Fees
Mr. M.R.Vikram	-	₹. 2,090,000/-
Mr.Rabindra Srikantan	₹. 8,400,000/-	-
Prof. B.S.Sonde	-	₹. 2,105,000/-
Mr. Shekar Viswanathan	-	₹. 2,060,000/-
Ms. Preeti Rabindra		₹. 2,030,000/-
Mr.Lakshminarayan*	-	-

- (Appointed w.e.f 31.03.2016)

Shareholding in the Company of Non-Executive Directors as on 31.03.2016

Name	No. of Equity shares held
Mr. M.R.Vikram	NIL
Prof. B.S.Sonde	NIL
Mr. Shekar Viswanathan	NIL
Ms. Preeti Rabindra	380524
Mr. M Lakshminarayan	NIL

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

The CSR committee was constituted on 29th July, 2014 to develop the CSR policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act 2013.

##### 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

Sr. 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

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	1	1
Mr. Shekar Viswanathan	1	1
Mr. M.R.Vikram	1	1
Mr. Rabindra Srikantan	1	1

**Non- Mandatory Compliance:**

During the year the following committees were additionally formed to advice the Board on the proposal relating to transfer of identified business of the company.

1. Transaction Advisory Committee: To advice the Board on the transaction and the legal, HR and tax compliances as per the laws of the land.

- Composition

Sr. 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.	Ms. Preeti Rabindra	Member	Non Executive Director

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	5	5
Mr. Shekar Viswanathan	5	5
Mr. M.R.Vikram	5	5
Ms. Preeti Rabindra	5	5

2. Legal Diligence Committee: Counsel and advice the Board on legal compliance of the transactions

- Composition

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

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	5	5
Mr. Shekar Viswanathan	5	5
Mr. M.R.Vikram	5	5
Ms. Preeti Rabindra	5	5

3. Financial Diligence Committee- ensure compliance with the legal framework, integrity of financial accounting and reporting systems

- Composition

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



Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	5	5
Mr. Shekar Viswanathan	5	5
Mr. M.R.Vikram	5	5
Ms. Preeti Rabindra	5	5

4. HR Diligence Committee:

Terms of Reference: advice the Board on compliance with employee related regulatory authorities, proper maintenance of employee records, terms and conditions of appointment etc.

• Composition

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

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S.Sonde	5	5
Mr. Shekar Viswanathan	5	5
Mr. M.R.Vikram	5	5
Ms. Preeti Rabindra	5	5

#### IV. SHAREHOLDERS MEETINGS

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

Year	Date & Time	Venue	Special resolution Passed
2012-2013	28th June 2013	Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011	NIL
2013-2014	28th June 2014	Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011	Appointment of Independent Directors/ Re-appointment of Managing Director & Increase in borrowing powers of Board s and Increase in borrowing powers of Board
2014-2015	14th August 2015	Pai Vista, No 3/1, 27th Cross, End of K R Road, Banashankri 2nd Stage, Bangalore 560070	Approve Materially Related Party Transaction

- ❖ Whether special resolutions were put through postal ballot last year- details of voting pattern, person who conducted the postal ballot exercise. - NO

#### V OTHER DISCLOSURES

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

None

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

None

#### **Vigil Mechanism**

The company has put in place a Vigil Mechanism which covers the aspect of employees or other stakeholders in the Company to report questionable financial or accounting matter, fraudulent financial information, violation of Company rules, policies and any other legal requirements. The said Policy has been communicated to the employees and is also available on the company's website. The company affirms that no employee has been denied access to the Audit Committee during the Financial Year 2015-2016.

Weblink-

The company has in place Policy on Materiality of Related Party Transactions and Materiality of Subsidiaries and same is available on Company's website-Investor Relations-Corporate Governance-Policy Disclosures.

#### **MANDATORY/NON-MANDATORY REQUIREMENTS**

During the financial year 2015-16, the Company

- (a) Duly complied with all the mandatory requirements of Regulations as per Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### **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 Bangalore. The results are also posted on the official website of the Company, www.asmltd.com, Quarterly reports are also sent to each shareholder via email.

#### **VII DISCLOSURE OF UNCLAIMED SHARES AS PER SCHEDULE V (F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015**

Unclaimed details as on 1st April 2015		transaction during the year		unclaimed details as on 31st March 2016	
shareholders	shares	shareholders	shares	shareholders	shares
19	1900	NIL	NIL	19	1900

Note: Voting rights in these shares will be frozen till the rightful owner of such shares claims the shares

#### **VIII CODE OF CONDUCT**

Annual declaration pertaining to compliance of Code of Conduct as per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015

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 year ended 31st March, 2016.

Place : Bangalore  
Date : 11.05.2016

Sd/-  
**Rabindra Srikantan**  
Managing Director

## IX SHAREHOLDER'S INFORMATION FOR THE FY 2015-2016

### 24<sup>th</sup> Annual General Meeting

1. Date & Time : 22<sup>nd</sup> June, 2016 at 10.00 a.m.
2. Venue : Pai Vista , No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bangalore – 560070
3. Date of Book Closure : 21.06.2016 to 22.06.2016 (Both days inclusive)
4. Financial year of Company : 1st April to 31st March
5. Corporate & Registered Office : No. 80/2 Lusanne Court, Richmond Road, Bangalore- 560 025
6. Exchanges Listed at : BSE Ltd.  
P J Towers, No. 25 Dalal Street, Mumbai – 400 001
7. Stock Code : BSE - 526433
8. De-mat ISIN No. in NSDL & CDSL for Equity Shares : INE867C01010
9. Unclaimed Dividend

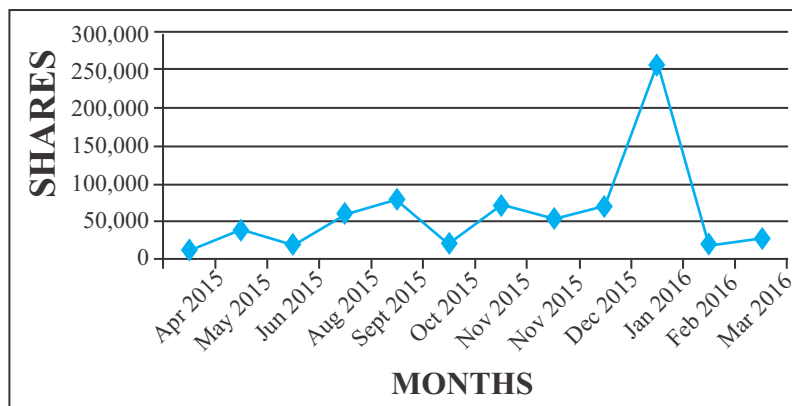
Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned 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 31.3.2016 (₹.)	7 year period from transfer to unpaid A/c	Due date for transfer to IEPF
2008-2009	₹.1.00	20th June, 2009	164,638.00	23rd July 2016	21st Aug, 2016
2009-2010	₹.1.20	10th, July, 2010	211,098.00	12th Aug 2017	11th Sept, 2017
2010-2011	₹.2.00	11th July, 2011	399,160.00	13th Aug 2018	12th Sept, 2018
2011-2012	₹.2.50	27th June, 2012	439,679.00	30th July 2019	27th August, 2019
2012-2013 Interim	₹.1.20	31st October, 2012	256,055.00	3rd Dec 2019	1st Jan, 2019
2012-2013 Final	₹.1.30	28th June 2013	283,660.00	31st July 2020	29th August, 2020
2013-2014 Interim	₹.1.00	28th October 2013	205,570.00	30th Nov 2020	29th Dec. 2020
2013-14 Final	₹.1.80	28th June 2014	414,652.00	31st July 2021	29th August, 2020
2014-15 Interim	₹.1.20	29th October 2014	302,888.00	1st Dec 2021	30th Dec 2021
2014-15 Final	₹.0.80	14th August 2015	217,452.00	22nd Sept 2021	23rd Oct 2021
2015-16 Interim	₹.1.80	15th October, 2015	479,478.00	19th November 2022	19th Dec 2022

10. 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 2015- March 2016 is given below :

Months	High (Rs.)	Low (Rs.)	Volume
Apr 2015	163.90	126.60	11,548
May 2015	150.00	96.00	37,484
Jun 2015	116.00	85.00	18,975
Jul 2015	150.00	85.00	59,323
Aug 2015	154.70	103.00	77,854
Sept 2015	120.80	96.00	20,107
Oct 2015	155.00	110.00	70,325
Nov 2015	194.50	129.00	53,251
Dec 2015	203.20	130.00	69,697
Jan 2016	219.90	142.00	256,788
Feb 2016	174.10	131.00	20,275
Mar 2016	181.00	126.50	26,865

#### ASML- Volume of shares traded at BSE



11. Dematerialisation of Shares : 91.15 % of the capital has been dematerialised as on 31.3.2016
12. Market Capitalisation as on 31.3.2016 : Rs. 7875 Lakhs (as per closing price in BSE)
13. No. of Employees as on 31.03.2016 : 527  
No. of Employees (Group) : 531  
(including contractual staff)
14. No. of Shareholders as on 31.03.2016 : 4544
15. 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 1402 physical transfer of shares.
16. Distribution of shareholding as on 31.03.2016.

No. of shares From To	No. of shareholders	% of holders	No. of Shares	% to total shares
1 - 5000	4273	94.04	512183	10.24
5001 - 10000	131	2.84	106076	2.13
10001 - 20000	55	1.22	80678	1.61
20001 - 30000	27	0.57	68076	1.36
30001 - 40000	12	0.31	41599	0.83
40001 - 50000	8	0.18	36677	0.73
50001 - 100000	17	0.38	123497	2.47
100001 & above	21	0.46	4031214	80.63
<b>TOTAL</b>	<b>4544</b>	<b>100</b>	<b>5000000</b>	<b>100.00</b>

17. Share holding in Physical & Electronic form as on 31.03.2016:

Particulars	No. of shares	% of holding
Physical	442478	8.85
Electronic	4557522	91.01
<b>Total</b>	<b>5000000</b>	<b>100.00</b>

18. Shareholding pattern as on 31.03.2016 :

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	49272	0.98
Indian Public	1794323	35.89
NRI's/OCB's	62612	1.25
<b>TOTAL</b>	<b>5000000</b>	<b>100.00</b>

19. 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 number 31 & 32,  
Financial District , Nanakramguda,  
Serilingampally Mandal , Hyderabad - 500032  
Tel: 040 67162222  
E-mail ID : einward.ris@karvy.com

**Compliance Officer**

Ms. P.N. Lakshmi  
Company Secretary  
80/2, Lusanne Court, Richmond Road  
Bangalore- 560025  
Tel: 080 66902309  
E-mail ID : laksmi.complianceofficer@asm ltd.com

## CEO/CFO CERTIFICATION

To

The Board of Directors  
ASM TECHNOLOGIES LTD  
Bangalore

We hereby certify the following:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2015-2016 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

**N.L. Rathod**  
Chief Financial Officer

Place : Bangalore  
Date : 11.05.2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**ASM TECHNOLOGIES LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ASM TECHNOLOGIES LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 and presentation of these standalone 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 Standards 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 frauds and other irregularities; selection and application of 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 misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 the 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 assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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 account 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 in agreement with the books of account;

- (d) in our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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 to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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.

For Sudhakar Pai Associates  
Chartered Accountants

Date : 11.05.2016  
Place: Bangalore

Sd/-  
(CA B Sudhakar Pai)  
Partner  
Membership No 018187  
Firm Reg No 004171S



## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at reasonable intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) 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, Sales Tax and Value Added Tax, Wealth Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities except in case of TDS & Service tax.
  - (b) No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, the following dues of income tax, service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Service tax	Service tax	15,890,315	16th June 2005 to 30th Sept 2009	CESTAT, Bangalore
Income tax	Tax on Transfer Price adjustment	19,195,000	2008-09	High Court of Karnataka

- (vii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (viii) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (ix) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sudhakar Pai Associates  
Chartered Accountants

Date: 11.05.2016  
Place: Bangalore

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

## ANNEXURE - B TO THE AUDITORS' REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **ASM TECHNOLOGIES LIMITED**("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sudhakar Pai Associates  
Chartered Accountants

Date: 11.05.2016  
Place: Bangalore

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

## BALANCE SHEET

(Amount in ₹)

Particulars	Note	As at March 31	
		2016	2015
<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	517,396,699	429,125,476
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	15,911,001	35,061,264
(b) Long-term provisions	6	23,517,487	18,991,252
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	156,825,544	215,824,866
(b) Trade payables	8	36,481,151	28,754,976
(c) Other current liabilities	9	16,779,059	41,469,904
(d) Short-term provisions	10	124,809,573	69,578,242
<b>TOTAL</b>		<b>941,720,514</b>	<b>888,805,981</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	73,333,437	87,164,166
(b) Non-current investments	12	77,794,714	77,794,714
(c) Deferred tax assets (net)		3,707,959	5,386,535
(d) Long-term loans and advances	13	6,386,470	6,506,470
<b>2 Current assets</b>			
(a) Trade receivables	14	94,797,500	344,429,327
(b) Cash and cash equivalents	15	110,158,086	85,902,157
(c) Short-term loans and advances	16	511,240,212	205,599,763
(d) Other current assets	17	64,302,136	76,022,848
<b>TOTAL</b>		<b>941,720,514</b>	<b>888,805,981</b>

For ASM Technologies Limited

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner

**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

# STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2016	2015
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		630,495,999	1,094,174,911
2 Other income	18	24,294,625	16,772,272
<b>3 Total revenue (1+2)</b>		<b>654,790,624</b>	<b>1,110,947,183</b>
4 Expenses			
(a) Employee benefits expense	19	373,145,672	683,600,734
(b) Finance costs	20	31,098,917	38,977,152
(c) Depreciation and amortisation expense	11	15,147,108	15,745,784
(d) Other expenses	21	252,202,985	244,121,861
<b>Total expenses</b>		<b>671,594,681</b>	<b>982,445,531</b>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		(16,804,057)	128,501,652
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(16,804,057)	128,501,652
8 Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		<b>(16,804,057)</b>	<b>128,501,652</b>
10 Tax expense:			
(a) Current tax expense for current year		8,438,523	34,636,406
(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		1,678,577	(2,793,553)
<b>11 Profit / (Loss) from continuing operations (9 +10)</b>		<b>(26,921,157)</b>	<b>82,816,026</b>
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		68,451,187	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		155,977,081	-
12.iii Add / (Less): Tax expense of discontinuing operations			
(a) on ordinary activities attributable to the discontinuing operations		23,738,872	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		38,557,534	-
<b>13 Profit / (Loss) from discontinuing operations (12.I + 12.ii + 12.iii)</b>		<b>162,131,862</b>	<b>-</b>
<b>C TOTAL OPERATIONS</b>			
<b>14 Profit / (Loss) for the year (11 + 13)</b>		<b>135,210,705</b>	<b>82,816,026</b>

For ASM Technologies Limited

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner

**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

**STATEMENT OF PROFIT AND LOSS**

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2016	2015
15.I Earnings per share (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(5.38)	16.56
(ii) Total operations		27.04	16.56
(b) Diluted			
(i) Continuing operations		(5.38)	16.56
(ii) Total operations		27.04	16.56
15.ii Earnings per share (excluding extraordinary items) (of Rs.10/-each):			
(a) Basic			
(i) Continuing operations		(5.38)	16.56
(ii) Total operations		27.04	16.56
(b) Diluted			
(i) Continuing operations		(5.38)	16.56
(ii) Total operations		27.04	16.56

For **ASM Technologies Limited**

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

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Partner  
Membership No.: 018187  
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**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**

Company Secretary

Place : Bangalore  
Date : 11.05.2016

## CASH FLOW STATEMENT

₹ in Lakhs

Particulars	For the year ended March 31,	
	2016	2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	1,352.11	828.16
Adjustments for :		
Depreciation	151.47	157.46
Profit on sale of Business	(1,621.32)	-
Interest Income	(99.36)	(66.12)
Deferred Taxation ( Net)	16.79	(27.94)
Finance cost	310.99	389.77
Effect of exchange differences on translation of foreign currency	(122.11)	(100.31)
Cash & Cash equivalent		
<b>Operating profit before working Capital changes</b>	(11.45)	1181.02
Adjustment for		
Trade payables	427.93	190.52
Trade & other receivables	(441.68)	(1,192.70)
Working capital finance	(589.99)	14.61
<b>Net cash from operating activities - A</b>	<b>(615.19)</b>	<b>193.44</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(44.06)	(238.32)
Proceeds on sale of Business	1,652.22	-
Interest Income	99.36	66.12
<b>Net cash from Investing activities - B</b>	<b>1707.52</b>	<b>(172.20)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	(191.50)	498.75
Dividend and Dividend Tax paid during the period	(469.39)	(120.14)
Finance Cost	(310.99)	(389.77)
<b>Net cash from Finance activities - C</b>	<b>(971.88)</b>	<b>(11.16)</b>
Effect of exchange differences on translation of foreign currency	122.11	100.31
Cash & Cash equivalent		
Net increase in cash and cash equivalents (A+B+C)	242.56	110.39
Cash & cash equivalents as at the beginning	859.02	748.62
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>1,101.58</b>	<b>859.01</b>

For ASM Technologies Limited

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

**M R Vikram**  
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Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016



## 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 the areas of Engineering Services and Product Engineering Services and Product Engineering Services with successful Offshore Development & Support centers in India and overseas for 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] 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.

### 3. SHARE CAPITAL

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

		As At March 31,	
		2016	2015
<b>Authorised</b>			
70,00,000 Equity shares of Rs 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 Rs 10 each		50,000,000	50,000,000
<b>Total</b>		<b>50,000,000</b>	<b>50,000,000</b>

### 4. RESERVES & SURPLUS

		As At March 31,	
		2016	2015
<b>a. Capital reserve</b>			
Profit on reissue of forfeited shares		331,200	331,200
Share Premium Account		33,000,000	33,000,000
		<b>33,331,200</b>	<b>33,331,200</b>
<b>b. General Reserve</b>		110,000,000	110,000,000
<b>c. Surplus in statement of profit and loss</b>			
(i) Opening Balance		285,794,276	233,796,720
(ii) Add : Profit for the Year		135,210,705	82,816,026
		<b>421,004,981</b>	<b>316,612,747</b>
(iii) Less : Appropriations			
(a) Interim dividends on equity shares		39,000,000	6,000,000
(b) Proposed final dividend on equity shares		-	4,000,000
(c) Dividend on redeemable preference shares		-	-
(d) Tax on dividend		7,939,482	2,014,047
(e) Depreciation Adjustment		-	8,804,424
(f) General reserve		-	10,000,000
		46,939,482	30,818,471
		374,065,499	285,794,276
<b>Total</b>		<b>517,396,699</b>	<b>429,125,476</b>

### 5 LONG TERM BORROWINGS

		As At March 31,	
Long Term boorowing cosnists of the following		2016	2015
Term loans			
- from Bank			
Secured		14,972,726	685,462
Unsecured		-	3,949,441
- from Others			
Secured		-	19,507,050
Unsecured		938,275	10,919,311
<b>Total</b>		<b>15,911,001</b>	<b>35,061,264</b>

Term Loans referred above to the extent of:

- Rs. 149.72 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,	
	2016	2015
<b>Provision for employee benefits:</b>		
Provision for gratuity	23,517,487	18,991,252
<b>Total</b>	<b>23,517,487</b>	<b>18,991,252</b>

**7 SHORT TERM BORROWINGS**

	As At March 31,	
	2016	2015
<b>Short term borrowings consist of the following :</b>		
From Bank		
Secured	116,383,847	189,342,291
Unsecured	-	4,869,943
	-	-
From Others	-	-
Secured	-	3,646,809
Unsecured	40,441,697	17,965,823
<b>Total</b>	<b>156,825,544</b>	<b>215,824,866</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 and personnel guarantee of Managing Director of the Company.

**8 TRADE PAYABLES**

	As At March 31,	
	2016	2015
<b>Trade Payables consist of the following :</b>		
Micro, Small and Medium Enterprise	-	-
Others	36,481,151	28,754,976
<b>Total</b>	<b>36,481,151</b>	<b>28,754,976</b>

**9 OTHER CURRENT LIABILITIES**

	As At March 31,	
	2016	2015
<b>Other current liabilities consist of the following :</b>		
(a) Interest accrued but not due on borrowings		-
(b) Unpaid dividends	6,197,189	2,908,798
© Other payables	-	-
(i) Statutory remittances due	10,581,870	34,197,284
(ii) Interest accrued on others	-	4,363,822
(iii) Advances from customers	-	-
(iv) Other Payables	-	-
<b>Total</b>	<b>16,779,059</b>	<b>41,469,904</b>

**10 SHORT TERM PROVISIONS**

	As At March 31,	
	2016	2015
<b>Short term provisions consist of the following:</b>		
Provision for Salary	32,070,792	44,432,948
Provision for Employee Incentives	-	-
Provision for Expenses	78,129,195	20,330,894
Provision for Taxation	14,609,586	-
Provision for Proposed Dividend	-	4,000,000
Provision for Tax on Proposed Dividend	-	814,400
<b>Total</b>	<b>124,809,573</b>	<b>69,578,242</b>

**11 FIXED ASSETS**

Amount in ₹

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.15	Additions	Deletion	As on 31.03.16	As on 01.04.15	For the Year	Deduction/ Adjustment	As on 31.03.16	As on 31.03.15
Land-free- hold	20,513,786	-	-	20,513,786	-	-	-	-	20,513,786
Building	16,248,154	-	-	16,248,154	4,264,405	226,803	-	4,491,208	11,983,749
Machinery & Systems	81,920,436	4,185,822	4,179,649	81,926,609	48,377,269	8,954,524	1,089,895	56,241,898	33,543,167
Electrical Fittings	5,217,130	-	-	5,217,130	1,882,498	486,587	-	2,369,085	3,334,632
Furniture & Fixtures	17,854,180	-	-	17,854,180	8,709,037	1,808,112	-	10,517,149	9,145,143
Office Equipment	12,575,998	220,311	-	12,796,309	7,871,992	2,696,081	-	10,568,073	4,704,006
Vehicles	4,287,253	-	-	4,287,253	1,301,757	584,692	-	1,886,449	2,985,496
Generator	1,489,651	-	-	1,489,651	535,464	390,309	-	925,773	954,187
<b>Total</b>	<b>160,106,588</b>	<b>4,406,133</b>	<b>4,179,649</b>	<b>160,333,072</b>	<b>72,942,421</b>	<b>15,147,108</b>	<b>1,089,895</b>	<b>86,999,634</b>	<b>87,164,166</b>
<b>Previous Year</b>	<b>136,274,813</b>	<b>23,831,775</b>	<b>-</b>	<b>160,106,588</b>	<b>48,392,213</b>	<b>15,745,784</b>	<b>8,804,424</b>	<b>72,942,421</b>	<b>87,882,599</b>

## 12 NON-CURRENT INVESTMENTS

		As At March 31,	
		2016	2015
<b>Non- current investmnets consist of the following:</b>			
<b>A TRADE INVESTMENTS (at cost)</b>			
(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>B OTHERS</b>			
	Investment in Property	33,333,398	33,333,398
<b>Total</b>		<b>77,794,714</b>	<b>77,794,714</b>

## 13 LONG TERM LOANS & ADVANCES

		As At March 31,	
		2016	2015
<b>Long term loans and advances (unsecured) consist of the following:</b>			
(a) Security deposits			
	Secured, considered good	6,386,470	6,506,470
	Unsecured, considered good	-	-
	Doubtful	-	-
(b) Loans and advances to related parties			
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
<b>Total</b>		<b>6,386,470</b>	<b>6,506,470</b>

## 14 TRADE RECEIVABLES

		As At March 31,	
		2016	2015
<b>Trade Receivables (unsecured) consist of the following</b>			
Over Six months			
(i)	considered good	1,937,599	318,789
(ii)	considered Doubtful	-	-
		1,937,599	318,789
Less: Provision for bad debt		-	-
		1,937,599	318,789
Others			
(i)	considered good	92,859,901	344,110,538
(ii)	considered Doubtful	-	-
		92,859,901	344,110,538
Less : Provision for bad debt		-	-
<b>Total</b>		<b>94,797,500</b>	<b>344,429,327</b>

## 15 CASH AND CASH EQUIVALENTS

		As At March 31,	
		2016	2015
<b>Cash and bank balances consist of the following:</b>			
Cash on hand		72,513	22,980
Balance with Scheduled banks:			
1.	In current account	29,648,309	3,230,682
2.	In deposit account	80,437,263	82,648,495
	(Maturing within 12 months and same is held as margin money deposit against loans)	-	-
3.	Remittances in transit	-	-
<b>Total</b>		<b>110,158,086</b>	<b>85,902,157</b>

**16 SHORT TERM LOANS & ADVANCES**

Short term loans and advances (unsecured) consist of the following	As At March 31,	
	2016	2015
Considered good		
Advance to Employees	1,232,420	2,960,883
Tax deducted at source	86,282,507	28,950,026
Prepaid Expenses	2,137,051	6,189,739
Vendor Advances	421,588,233	167,499,116
<b>Total</b>	<b>511,240,212</b>	<b>205,599,763</b>

**17 OTHER CURRENT ASSETS**

Other current assets consist of the following	As At March 31,	
	2016	2015
Unbilled revenue	51,872,772	70,084,844
Interest Accrued but not received	12,429,364	5,938,004
<b>Total</b>	<b>64,302,136</b>	<b>76,022,848</b>

**18 OTHER INCOME**

Revenue form operations consist of revenue from:	As At March 31,	
	2016	2015
Interest Income	9,936,335	6,611,945
Exchange Fluctuation Gain/(loss)	12,211,266	10,030,821
Miscellaneous Income	2,147,024	129,506
<b>Total</b>	<b>24,294,625</b>	<b>16,772,272</b>

**19 EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses consist of the following:	As At March 31,	
	2016	2015
Salaries and Incentives	371,226,563	648,399,494
Contribution to Provident Fund	1,199,973	28,947,825
Insurance and Other Benefits	11,292	3,690,128
Staff Welfare	707,844	2,563,287
<b>Total</b>	<b>373,145,672</b>	<b>683,600,734</b>

**20 FINANCIAL CHARGES**

Finance costs consist of the following	As At March 31,	
	2016	2015
Bank charges	1,994,886	2,225,414
Interest	29,104,030	36,751,738
<b>Total</b>	<b>31,098,917</b>	<b>38,977,152</b>

**21 OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:	As At March 31,	
	2016	2015
Travelling and conveyance expenses	58,809,191	65,491,237
Services rendered by business associates and others	119,224,892	122,923,972
Software, hardware and material costs	3,928,074	1,166,029
Communication expenses	4,886,548	6,074,376
Professional Fee	22,772,376	11,669,025
Rent	8,203,230	12,369,309
Repair and Maintenance	5,761,396	3,787,867
Electricity Expenses	2,072,766	2,973,505
Advertisement and Business Promotions	2,985,995	6,625,369
Bad Debt	-	720,323
Insurance charges	1,394,677	1,558,230
Membership & subscription	3,075,249	1,741,557
Office Maintenance	4,440,166	3,769,134
Printing & stationary	249,303	885,019
Rates & Taxes	786,425	1,089,077
Other Expense	13,612,698	1,277,833
<b>Total</b>	<b>252,202,985</b>	<b>244,121,861</b>



## 22 DISCONTINUING OPERATIONS

During the year Company has transferred its Enterprise Application business to Subsidiary of Alten SA, France, for a consideration of Rs.18.49 Crores. Amount received towards sale of business has been shown as profit from discontinuance of business after deducting the direct cost of sale.

Amount in ₹

## 23 PAYMENT TO AUDITORS

	As At March 31,	
	2016	2015
Audite Fee	189,000	180,000
Tax Audit Fee	21,000	20,000
Other fee (Exclusive of Service Tax)	192,920	127,500
<b>Total</b>	<b>402,920</b>	<b>327,500</b>

## 24 MANAGING DIRECTOR'S REMUNERATION

	As At March 31,	
	2016	2015
Salary	7,996,800	6,619,573
Contribution to Provident Fund	403,200	333,760
<b>Total</b>	<b>8,400,000</b>	<b>6,953,333</b>

## 25 FOREIGN CURRENCY TRANSACTION

	As At March 31,	
	2016	2015
Earnings in Foreign Currency	670,124,004	675,083,375
Foreign currency expenditure		
Overseas Travel expenses	16,065,154	24,046,969
Service rendered by business associates to ASM branch office outside India	106,913,430	118,468,574
Other expenditure at branch office outside India	6,520,554	6,681,473

## 26 EARNING PER EQUITY SHARE (EPS)

	As At March 31,	
	2016	2015
Net profit for the year	135,210,705	82,816,027
Less; Preference share dividend (including dividend tax)	-	-
Amount available for equity shareholders	135,210,705	82,816,027
Weighted Average number of shares	5,000,000	5,000,000
Earnings per share basic and diluted	27.04	16.56
Face value per Equity share	10.00	10.00

## 27 GRATUITY PLAN

The following table set out the status of the Gratuity Plan as required by Accounting Standard -15 (AS -15)

₹ in Lakhs

	As At March 31,	
	2016	2015
Obligation at year Beginning	189.91	163.85
Service Cost	47.06	38.87
Interest Cost	15.11	14.12
(Liability Transferred out /Divestment)	(37.12)	-
Acturial (Gain)/Loss	31.43	(20.55)
Benefits Paid	(11.22)	(6.38)
<b>Obligations at year end</b>	<b>235.17</b>	<b>189.91</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the year/period	189.91	163.85
Present value of the defined benefit obligations at the enf of the year /period	235.17	189.91
Re- imbursement obligation /asset		
<b>Asset Recognised in the balance sheet</b>	<b>235.17</b>	<b>189.91</b>
<b>Assumptions</b>		
Rate of Discounting	7.96%	8.62%
Weighted expected rate of Salary increase	5.00%	5.00%

Net gratuity cost for the years ended March 31, 2016 and March 31, 2015 comprises the following components

**Particulars**

Gratuity cost for the period  
Service cost  
Interest cost  
Expected return on plan assets  
Actuarial (gain) /loss  
Plan amendment amortisation  
Net Gratuity cost  
Actuarial return on plan assets

₹ in Lakhs

As At March 31,	
2016	2015
47.06	38.87
15.12	14.12
-	-
31.43	(20.55)
93.61	32.44

## 28 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

Remuneration to Directors  
Remuneration to Key Management Personnel  
Sale of Services  
    Abacus Business Solutions Inc  
    Advanced Synergic Pte Ltd  
    IDS systems Pvt Ltd  
Purchase of Services  
Pinnacle Talent Inc (service provided to ASM branch at USA)

As At March 31,	
2016	2015
166.85	72.38
168.67	177.50
144.29	375.17
-	5.00
1,196.89	1,861.36
494.76	132.97

## 29 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

### 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,	
2016	2015
6,701.24	6,431.98
3,446.71	4,008.55
<b>10,147.95</b>	<b>10,440.53</b>
99.36	60.61
1,962.19	113.17
<b>2,061.55</b>	<b>173.78</b>
2,568.81	1,711.17
6,070.46	5,853.03
444.61	444.61
333.33	333.33
258.83	58.92
3,484.41	7,505.29

## 30 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)

Income Tax (Transfer Price) claim

As At March 31,	
2016	2015
	2,425
	438
159	159
192	-

## 31 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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner

**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of  
**ASM TECHNOLOGIES LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ASM TECHNOLOGIES LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on the 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 thereunder.

We conducted our audit in accordance with the 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 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 assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us 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 Company, as at 31 March 2016, and their consolidated profit and their 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 Rs. 2462.29 Lakhs as at march 31, 2016, total revenues of Rs. 1,561.52 Lakhs and net cash inflows amounting to Rs. 206.90 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 (Auditor's Report) Order, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by sub-section 3 of Section 143 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 aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid 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 the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) 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 to the best of our information and according to the explanations given to us:
    - i The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2016.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Holding Company and subsidiary companies incorporated in India.

For Sudhakar Pai Associates  
Chartered Accountants

Date: 11.05.2016  
Place: Bangalore

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

## Annexure - A to the 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.

- (i) In respect of the fixed assets of the Company and its aforesaid subsidiaries:
- (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 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.
- (ii) The Company and its aforesaid subsidiaries is a service company, primarily rendering software services. Accordingly, they do not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company and its aforesaid subsidiaries have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us and based on the auditors' reports of subsidiaries they have complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) 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..
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and its aforesaid subsidiaries.
- (vii) 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 and other material statutory dues applicable to it with the appropriate except in case of (TDS & Service tax in the case of ASM Technologies Ltd).
- (b) No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following dues of income tax, service tax have not been deposited by the "Holding Company" ASM Technologies Ltd on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Service tax	Service tax	15,890,315	16th June 2005 to 30th Sept 2009	CESTAT, Bangalore
Income tax	Tax on Transfer Price adjustment	19,195,000	2008-09	High Court of Karnataka

- (vii) According to the information and explanations given to us and based on the auditors' reports the Company and its aforesaid subsidiaries did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. 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.
- (viii) 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.
- (ix) According to the information and explanations give to us and based on the auditors' reports issued in accordance with the Order on the aforesaid subsidiaries, they have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (x) In our opinion and according to the information and explanations given to us, the Company and its aforesaid subsidiaries is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xii) 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 they have not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiii) 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 has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xiv) The Company and its aforesaid subsidiaries is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sudhakar Pai Associates  
Chartered Accountants

Date: 11.05.2016  
Place: Bangalore

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

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **ASM TECHNOLOGIES LIMITED** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Sudhakar Pai Associates  
Chartered Accountants

Date: 11.05.2016  
Place: Bangalore

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

## CONSOLIDATED BALANCE SHEET

(Amount in ₹)

Particulars	Note	As at March 31	
		2016	2015
<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	456,762,101	470,944,431
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	15,911,001	126,392,629
(b) Long-term provisions	6	23,517,487	18,991,252
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	156,825,544	303,898,906
(b) Trade payables	8	46,082,294	87,490,794
(c) Other current liabilities	9	18,735,734	42,913,826
(d) Short-term provisions	10	133,862,191	77,422,663
<b>TOTAL</b>		<b>901,696,353</b>	<b>1,178,054,500</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	80,465,554	97,964,937
ii) Goodwill on Consolidation		-	476,408,265
(b) Non-current investments	12	33,333,398	33,333,398
(c) Deferred tax assets (net)		3,707,959	5,386,535
(d) Long-term loans and advances	13	6,624,126	7,065,116
<b>2 Current assets</b>			
(a) Trade receivables	14	314,257,932	322,666,567
(b) Cash and cash equivalents	15	131,208,239	99,994,511
(c) Short-term loans and advances	16	267,140,271	46,359,404
(d) Other current assets	17	64,958,875	88,875,766
<b>TOTAL</b>		<b>901,696,353</b>	<b>1,178,054,500</b>

For ASM Technologies Limited

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner  
Membership No.: 018187  
Firm Reg No 004171S

**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2016	2015
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)		630,495,999	1,638,492,561
2 Other income	18	21,935,320	758,313
<b>3 Total revenue (1+2)</b>		<b>652,431,319</b>	<b>1,639,250,874</b>
4 Expenses			
(a) Employee benefits expense	19	392,336,017	929,856,095
(b) Finance costs	20	31,098,917	53,818,370
(c) Depreciation and amortisation expense	11	16,635,972	17,133,355
(d) Other expenses	21	298,093,295	541,389,116
<b>Total expenses</b>		<b>738,164,201</b>	<b>1,542,196,936</b>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		(85,732,882)	97,053,938
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(85,732,882)	97,053,938
8 Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		<b>(85,732,882)</b>	<b>97,053,938</b>
10 Tax expense:			
(a) Current tax expense for current year		9,571,752	35,651,119
(b) (Less): MAT credit (where applicable)		-	13,842,772
(c) Current tax expense relating to prior years		-	-
(d) Net current tax expense		1,678,577	(27,93,553)
(e) Deferred tax		-	-
<b>11 Profit / (Loss) from continuing operations (9 +10)</b>		<b>(96,983,211)</b>	<b>50,353,600</b>
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		105,187,961	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		114,662,405	-
12.iii Add / (Less): Tax expense of discontinuing operations			
(a) on ordinary activities attributable to the discontinuing operations		23,738,872	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		38,557,534	-
<b>13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		<b>157,553,960</b>	<b>-</b>
<b>C TOTAL OPERATIONS</b>			
<b>14 Profit / (Loss) for the year (11 + 13)</b>		<b>60,570,749</b>	<b>50,353,600</b>

For ASM Technologies Limited

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

**CA. B. Sudhakar Pai**  
Partner

**Shekar Viswanathan**  
Director

**Preeti R**  
Director

**M Lakshminarayan**  
Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Amount in ₹)

Particulars	Note	For the year ended March 31,	
		2016	2015
15.I Earnings per share (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(19.40)	10.07
(ii) Total operations		12.11	10.07
(b) Diluted			
(i) Continuing operations		(19.40)	10.07
(ii) Total operations		12.11	10.07
15.ii Earnings per share (excluding extraordinary items) (of Rs.10/-each):			
(a) Basic			
(i) Continuing operations		(19.40)	10.07
(ii) Total operations		12.11	10.07
(b) Diluted			
(i) Continuing operations		(19.40)	10.07
(ii) Total operations		12.11	10.07

For **ASM Technologies Limited**

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

**M R Vikram**  
Chairman

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Managing Director

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Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

# CONSOLIDATED CASH FLOW STATEMENT

Rs. In Lakhs

Particulars	For the year ended March 31,	
	2016	2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after tax & extraordinary items	605.71	503.54
Adjustments for :		
Depreciation	166.36	171.33
Profit on sale of Business	(1575.54)	-
Interest Income	(99.93)	(66.41)
Deferred Taxation ( Net)	16.79	(27.94)
Finance cost	310.99	538.18
Effect of exchange differences on translation of foreign currency	(21.47)	63.02
Cash & Cash equivalent		
<b>Operating profit before working Capital changes</b>	(597.11)	1,181.71
Adjustment for		
Trade payables	(46.21)	(0.54)
Trade & other receivables	(1880.14)	(120.71)
Working capital finance	(1653.52)	100.25
<b>Net cash from operating activities - A</b>	<b>(4176.98)</b>	<b>1,160.71</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(44.06)	(238.32)
Proceeds on sale of Business	1,606.44	-
Interest Income	99.93	66.41
<b>Net cash from Investing activities - B</b>	<b>1,662.31</b>	<b>(171.91)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowings	(922.03)	(228.41)
Dividend and Dividend Tax paid during the period	(469.39)	(120.14)
Finance Cost	(310.99)	(538.18)
<b>Net cash from Finance activities - C</b>	<b>(1702.40)</b>	<b>(886.73)</b>
Effect of exchange differences on translation of foreign currency	21.47	(63.02)
Cash & Cash equivalent		
Effect of exchange differences on consolidation	4,507.76	128.04
Net increase in cash and cash equivalents (A+B+C)	312.15	167.10
Cash & cash equivalents as at the beginning	999.93	832.83
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>1,312.08</b>	<b>999.93</b>

For ASM Technologies Limited

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

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Prof B S Sonde**  
Director

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**M Lakshminarayan**  
Director

Membership No.: 018187  
Firm Reg No 004171S

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 11.05.2016

## 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 Pinance Talent 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 areas of Engineering Services and Product Engineering Services and Product Engineering Services with successful Offshore Development & Support centers in India and overseas for 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 Rs. 5,000/- are entirely depreciated in the year of acquisition. In Pinnacle Talent Inc, depreciation on computer and software is provided on straight-line method at 20%. In Advanced Synergic Pte Ltd, depreciation is provided at 100% for 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 Rs. 10 each as follows :

Amount in ₹

	As At March 31,	
	2016	2015
<b>Authorised</b>		
70,00,000 Equity shares of Rs 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 Rs 10 each	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>

### 4. RESERVES & SURPLUS

	As At March 31,	
	2016	2015
<b>a. Capital reserve</b>		
Profit on reissue of forfeited shares	331,200	331,200
Share Premium Account	33,000,000	33,000,000
	<b>33,331,200</b>	<b>33,331,200</b>
b. General Reserve	110,000,000	110,000,000
c. Foreign Currency translation reserve	(23,746,875)	(316,155)
c. Surplus in statement of profit and loss		
(i) Opening Balance	327,929,386	308,394,257
(ii) Add : Profit for the Year	60,570,749	50,353,601
	388,500,136	358,747,857
(iii) Less : Appropriations		
(a) Interim dividends on equity shares	39,000,000	6,000,000
(b) Proposed final dividend on equity shares	-	4,000,000
(c) Tax on dividend	7,939,482	2,014,047
(d) Depreciation Adjustment	-	8,804,424
(e) General reserve	-	10,000,000
(f) Opening Reserves and Surplus of Business transferred	4,382,877	-
	51,322,359	30,818,471
	337,177,777	327,929,386
<b>Total</b>	<b>456,762,101</b>	<b>470,944,431</b>

**5 LONG TERM BORROWINGS**

		As At March 31,	
		2016	2015
<b>Long Term boorowing cosnists of the following</b>			
Term loans			
- from Bank			
Secured	14,972,726	92,016,827	
Unsecured	-	3,949,441	
- from Others			
Secured	-	19,507,050	
Unsecured	938,275	10,919,311	
<b>Total</b>	<b>15,911,001</b>	<b>126,392,629</b>	

Term Loans referred above to the extent of:

- a. Rs. 149.72 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,	
		2016	2015
<b>Provision for employee benefits:</b>			
Provision for gratuity		23,517,487	18,991,252
<b>Total</b>		<b>23,517,487</b>	<b>18,991,252</b>

**7 SHORT TERM BORROWINGS**

		As At March 31,	
		2016	2015
<b>Short term borrowings consist of the following :</b>			
From Bank			
Secured	116,383,847	277,416,331	
Unsecured	-	4,869,943	
	-	-	
From Others	-	-	
Secured	-	3,646,809	
Unsecured	40,441,697	17,965,823	
<b>Total</b>	<b>156,825,544</b>	<b>303,898,906</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 and personnel guarantee of Managing Director of the Company.

**8 TRADE PAYABLES**

		As At March 31,	
		2016	2015
<b>Trade Payables consist of the following :</b>			
Micro, Small and Medium Enterprise		-	-
Others		46,082,294	87,490,794
<b>Total</b>		<b>46,082,294</b>	<b>87,490,794</b>

**9 OTHER CURRENT LIABILITIES**

		As At March 31,	
		2016	2015
<b>Other current liabilities consist of the following :</b>			
(a) Interest accrued but not due on borrowings		-	-
(b) Unpaid dividends		6,197,189	2,908,798
(c) Other payables		-	-
(i) Statutory remittances due	12,538,545	35,641,206	
(ii) Interest accrued on others	-	4,363,822	
(iii) Advances from customers	-	-	
(iv) Other Payables	-	-	
<b>Total</b>	<b>18,735,734</b>	<b>42,913,826</b>	

**10 SHORT TERM PROVISIONS**

		As At March 31,	
		2016	2015
<b>Short term provisions consist of the following:</b>			
Provision for Salary		40,304,503	50,602,816
Provision for Employee Incentives		-	-
Provision for Expenses		78,948,102	22,005,447
Provision for Taxation		14,609,586	-
Provision for Proposed Dividend		-	4,000,000
Provision for Tax on Proposed Dividend		-	814,400
<b>Total</b>	<b>133,862,191</b>	<b>77,422,663</b>	

## 11 FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.15	Additions	Deletion	As on 31.03.16	As on 01.04.15	For the Year	Deduction/ Adjustment	As on 31.03.16	As on 31.03.16	As on 31.03.15
Land-free- hold	20,513,786	-	-	20,513,786	-	-	-	-	20,513,786	20,513,786
Building	16,248,153	-	-	16,248,153	4,264,405	226,803	-	4,491,208	11,756,945	11,983,748
Machinery & Systems	98,149,080	4,185,822	4,179,649	98,155,253	62,799,683	8,962,735	1,089,895	72,852,313	25,302,940	35,349,397
Electrical Fittings	5,217,130	-	-	5,217,130	1,882,497	486,587	-	2,369,084	2,848,046	3,334,633
Furniture & Fixtures	17,854,180	-	-	17,854,180	8,709,037	1,808,112	-	10,517,149	7,337,031	9,145,143
Office Equipment	12,625,392	220,311	-	12,845,703	7,921,324	2,696,081	-	10,617,405	2,228,298	4,704,068
Vehicles	4,287,253	-	-	4,287,253	1,301,759	584,692	-	1,886,451	2,400,802	2,985,494
Generator	1,489,651	-	-	1,489,651	535,464	390,309	-	925,773	563,878	954,187
Goodwill	17,249,240	-	-	17,249,240	8,254,760	1,480,653	-	9,735,412	7,513,828	8,994,480
<b>Total</b>	<b>193,633,865</b>	<b>4,406,133</b>	<b>4,179,649</b>	<b>193,860,349</b>	<b>95,668,928</b>	<b>16,635,972</b>	<b>1,089,895</b>	<b>113,394,795</b>	<b>80,465,554</b>	<b>97,964,937</b>
<b>Previous Year</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>97,964,937</b>	<b>100,070,941</b>

**12 NON-CURRENT INVESTMENTS**

		As At March 31,	
		2016	2015
<b>Non- current investmnets consist of the following:</b>			
<b>A TRADE INVESTMENTS (at cost)</b>		-	-
<b>B OTHERS</b>			
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**

		As At March 31,	
		2016	2015
<b>Long term loans and advances (unsecured) consist of the following:</b>			
(a) Security deposits			
Secured, considered good		6,624,126	7,065,116
Unsecured, considered good		-	-
Doubtful		-	-
(b) Loans and advances to related parties			
Secured, considered good		-	-
Unsecured, considered good		-	-
Doubtful		-	-
<b>Total</b>		<b>6,624,126</b>	<b>7,065,116</b>

**14 TRADE RECEIVABLES**

		As At March 31,	
		2016	2015
<b>Trade Receivables (unsecured) consist of the following</b>			
Over Six months			
(i) considered good		1,937,599	318,789
(ii) considered Doubtful		-	-
		1,937,599	318,789
Less: Provision for bad debt		-	-
		1,937,599	318,789
Others			
(i) considered good		312,320,333	322,347,778
(ii) considered Doubtful		-	-
		312,320,333	322,347,778
Less : Provision for bad debt		-	-
<b>Total</b>		<b>314,257,932</b>	<b>322,666,567</b>

**15 CASH AND CASH EQUIVALENTS**

		As At March 31,	
		2016	2015
<b>Cash and bank balances consist of the following:</b>			
Cash on hand		72,513	22,980
Balance with Scheduled banks:			
1. In current account		50,698,462	17,323,036
2. In deposit account		80,437,263	82,648,495
(Maturing within 12 months and same is held as margin money deposit against loans)		-	-
3. Remittances in transit		-	-
<b>Total</b>		<b>131,208,239</b>	<b>99,994,511</b>

**16 SHORT TERM LOANS & ADVANCES**

		As At March 31,	
		2016	2015
<b>Short term loans and advances (unsecured) consist of the following</b>			
Considered good			
Advance to Employees		2,091,425	4,102,164
Tax deducted at source		86,282,440	28,133,035
Prepaid Expenses		5,175,628	14,124,205
Vendor Advances		173,590,777	-
<b>Total</b>		<b>267,140,271</b>	<b>46,359,404</b>

**17 OTHER CURRENT ASSETS**

	As At March 31,	
	2016	2015
<b>Other current assets consist of the following</b>		
Unbilled revenue	52,529,511	82,932,512
Interest Accrued but not received	12,429,364	5,943,255
<b>Total</b>	<b>64,958,875</b>	<b>88,875,766</b>

**18 OTHER INCOME**

	As At March 31,	
	2016	2015
<b>Revenue form operations consist of revenue from:</b>		
Interest Income	9,992,891	6,641,155
Exchange Fluctuation Gain/(loss)	9,795,405	(6,301,600)
Miscellaneous Income	2,147,024	418,758
<b>Total</b>	<b>21,935,320</b>	<b>758,313</b>

**19 EMPLOYEE BENEFIT EXPENSES**

	As At March 31,	
	2016	2015
<b>Employee benefit expenses consist of the following:</b>		
Salaries and Incentives	382,630,000	871,086,497
Contribution to Provident Fund	1,199,973	32,444,073
Insurance and Other Benefits	5,861,059	23,690,127
Staff Welfare	2,644,985	2,635,397
<b>Total</b>	<b>392,336,017</b>	<b>929,856,095</b>

**20 FINANCIAL CHARGES**

	As At March 31,	
	2016	2015
<b>Finance costs consist of the following</b>		
Bank charges	1,994,886	2,846,964
Interest	29,104,030	50,971,406
<b>Total</b>	<b>31,098,917</b>	<b>53,818,370</b>

**21 OPERATION AND OTHER EXPENSES**

	As At March 31,	
	2016	2015
<b>Operation and other expenses consist of the following:</b>		
Travelling and conveyance expenses	65,665,328	73,402,591
Services rendered by business associates and others	69,619,724	388,270,039
Software, hardware and material costs	3,928,074	1,171,899
Communication expenses	6,612,680	8,102,882
Professional Fee	47,580,254	21,341,951
Rent	13,447,182	17,678,176
Repair and Maintenance	6,498,302	4,442,899
Electricity Expenses	2,117,913	3,089,140
Advertisement and Business Promotions	3,319,634	6,875,265
Bad Debt	46,344,200	810,851
Insurance charges	5,976,703	5,370,507
Membership & subscription	3,320,765	2,624,995
Office Maintenance	4,676,995	3,880,773
Printing & stationary	270,850	900,929
Rates & Taxes	4,689,121	1,271,640
Other Expense	14,025,570	2,154,580
Loss on sale of asset	-	-
<b>Total</b>	<b>298,093,295</b>	<b>541,389,116</b>

**22 DISCONTINUING OPERATIONS**

During the year Company has transferred its Enterprise Application business to Subsidiaries of Alten SA, France, for a consideration of Rs.63.02 Crores of which Rs.18.49 Crores received in India for the business transferred from the holding Company and Rs.44.53 Crores towards transfer of Abacus Business solutions Inc shares, transfer of business from Advanced synergic Pte Ltd and ESR Associates Inc. Said Consideration includes Rs.19.87 Crores to be received and is subject to fulfillment of business commitments and Representations and Warranties provided by the Company.

Amount received towards sale of business has been shown as profit from discontinuance of business after deducting the direct cost of sale and adjusting the Investment value.

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

	As At March 31,	
	2016	2015
Net profit for the year	60,570,749	50,353,601
Less; Preference share dividend (including dividend tax)	-	-
Amount available for equity shareholders	60,570,749	50,353,601
Weighted Average number of shares	5,000,000	5,000,000
Earnings per share basic and diluted	12.11	10.07
Face value per Equity share	10.00	10.00

**24 GRATUITY PLAN**

The following table set out the status of the Gratuity Plan as required by Accounting Standard -15 (AS -15)

₹ in Lakhs

Particulars	As At March 31,	
	2016	2015
<b>Obligation at year Beginning</b>	189.91	163.85
Service Cost	47.06	38.87
Interest Cost	15.11	14.12
(Liability Transferred out /Divestment)	(37.12)	-
Actuarial (Gain)/Loss	31.43	(20.55)
Benefits Paid	(11.22)	(6.38)
Obligations at year end	235.17	189.91
Change in plan assets		
Plan assets at year beginning at fair value		-
Expected return on plan assets		-
Actuarial (Gain)/Loss	-	
Contributions	-	
Benefits Paid	-	
Plan assets at year end at fair value		-
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the year/period	189.91	163.85
Present value of the defined benefit obligations at the end of the year /period	235.17	189.91
Re-imbursement obligation /asset		
<b>Asset Recognised in the balance sheet</b>	235.17	189.91
<b>Assumptions</b>		
Rate of Discounting	7.96%	8.62%
Weighted expected rate of Salary increase	5.00%	5.00%

Net gratuity cost for the years ended March 31, 2016 and March 31, 2015 comprises the following components

₹. in Lakhs

Particulars	As At March 31,	
	2016	2015
Gratuity cost for the period		
Service cost	47.06	38.87
Interest cost	15.12	14.12
Expected return on plan assets	-	-
Actuarial (gain) /loss	31.43	(20.55)
Plan amendment amortisation		
<b>Net Gratuity cost</b>	<b>93.61</b>	<b>32.44</b>
Actuarial return on plan assets		

## 25 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  
Mr. Venkataramiyyer Sivarmakrishnan
5. Key management personnel : Mr. N Krishnan, Mr. Pramod, Mr. Kumar Vaibhav, Ms. Vani, Ms. Preeti R  
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 Joffee, Mr. Dharmesh Parikh  
Mr. Alex Marzano

₹ in Lakhs

### B Summary of Transaction with Related Parties

	As At March 31,	
	2016	2015
Remuneration to Directors	167.14	75.50
Remuneration to Key Management Personnel	1,170.64	1,145.57
Sale of Services		
IDS systems Pvt Ltd	1,196.89	1,861.36

## 26 SEGMENT REPORTING (AS 17)

In accordance with the Accounting Standard -17 (AS -17) "Segement 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,		
	2016	2015
<b>GEOGRAPHIC SEGMENT</b>		
Export Sales	12,121.87	12,194.01
Domestic Sales	3,446.71	4,190.92
<b>Total</b>	<b>15,568.58</b>	<b>16,384.93</b>
<b>Other Income</b>		
Interest	99.93	66.41
Others	119.43	(63.01)
<b>Total</b>	<b>219.36</b>	<b>3.40</b>
<b>PARTICULARS OF SEGEMENT ASSET AND LIABILITY</b>		
<b>Segment Assets</b>		
Outside India	2,613.18	6,529.61
India	6,070.46	5,250.94
<b>Investments</b>		
Outside India	-	-
India	333.33	333.33
<b>Segment Liabilities</b>		
Outside India	464.94	3,081.70
India	3,484.41	8,698.85



**27 CONTINGENT LIABILITIES**

	As At March 31,	
	2016	2015
Corporate guarantee given to Indian Bank, Singapore (on behalf of wholly owned subsidiary, Advanced Synergic Pte Ltd)	-	2,425
Corporate guarantee given to State Bank of India, San Jose, USA (on behalf of step down subsidiary, Abacus Business Solutions Inc)	-	438
Service Tax claim (Company filed appeal against the order)	159	159
Income Tax (Transfer Price) claim	192	-

**28 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**M R Vikram**  
Chairman**Rabindra Srikantan**  
Managing Director**Prof B S Sonde**  
Director**CA. B. Sudhakar Pai**  
Partner**Shekar Viswanathan**  
Director**Preeti R**  
Director**M Lakshminarayan**  
DirectorMembership No.: 018187  
Firm Reg No 004171S**Narsingh Rathod**  
Chief Financial Officer**P N Lakshmi**  
Company SecretaryPlace : Bangalore  
Date : 11.05.2016

## NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Wednesday, 22<sup>nd</sup> of June, 2016 at 10.00 a.m. at **Pai Vista , No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bangalore – 560070** transact the following business.

### ORDINARY BUSINESS

#### 1. Adoption of Accounts

To receive, consider and adopt the audited financial statements (standalone and consolidated) of the company for the year ended March 31, 2016 including the audited Balance Sheet as at March 31, 2016, 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. Ratification of Dividend

Approve the Interim dividend of Rs. 1.80 per equity share and the Special 2<sup>nd</sup> Interim dividend of Rs. 6.00 per equity share, already paid, for the year ended 31<sup>st</sup> March, 2016.

#### 3. Appointment of Director

To appoint a Director in the place of Ms. Preeti Rabindra,( DIN 00216818) who retires by rotation and being eligible, seeks re appointment

#### 4. Ratify the appointment of Statutory Auditors

To ratify the appointment of the Statutory Auditors of the Company and to pass the following resolution as an Ordinary resolution thereof:

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force, the Company hereby ratifies the appointment M/s Sudhakar Pai Associates, Chartered Accountants (ICAI Registration No.004171S) as Statutory Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the next AGM at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 5. Appointment of Mr. M Lakshminarayan as Non-Executive, Non-Independent 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 152, Section 160 and all other applicable provisions of Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 115 of the Articles of Association of the

company, Mr. M Lakshminarayan (DIN 00064750) who was appointed as an Additional Director by the Board of Directors 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 his candidature for the office of Director, be and is hereby appointed as Non-Executive, Non-Independent 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.

**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(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, 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 2016-2017 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  
Bangalore 560 025  
Date: 11.05.2016

**By Order of the Board**

Sd/-  
RABINDRA SRIKANTAN  
Managing Director

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 Computershare 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. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share transfer books of the Company will remain closed from 21.06.2016 to 22.06.2016 (both days inclusive) in terms of provisions of Section 91 of the Companies Act 2013 for the purpose of Annual General Meeting of the company .
6. Members /Proxies are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. 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.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
9. 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.
10. 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 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.
11. 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.

12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agent or 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 10<sup>th</sup> May 2012 of Ministry of Company Affairs, (MCA) uploaded the information in respect of unclaimed dividends as from the financial year 2009 on the website of the company.
13. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act 1956, the company has transferred the unpaid or unclaimed dividend of the financial year 2007-08 on the due date to the Investor Education and Protection Fund established by the Central Government.
14. Copies of the Annual Report 2016 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 2016 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 Regulation 44 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
17. The Notice of 24<sup>th</sup> 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 24<sup>th</sup> AGM and Annual Report 2016 will be available on the company's website, [www.asmltd.com](http://www.asmltd.com), for their download.
18. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.
19. 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 company.

**Additional information on Directors recommended for appointment/reappointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

**Mr. M Lakshminarayan (DIN 00064750)** holds a masters degree in technology from Indian Institute of Technology, Mumbai. Mr. M. Lakshminarayan is the Chairman of HARMAN International (India) Pvt. Ltd and rose to this position after being the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd. In this role, he is responsible for the overall development and execution of HARMAN's strategic intent and plans for India.

His experience has spanned over 30 distinguished years in companies such as Bosch and Tata Motors. At Bosch, where he spent over 22 years, he held various leadership positions and was responsible for Bosch's

tremendous growth in the automotive space in India. Prior to this, he served as a leader in the machine tools division at Tata Motors.

Disclosure of relationship between Directors inter-se

NIL

Listed companies (other than ASM) in which Mr. M Lakshminarayan holds directorship and committee membership :

Directorship

Kirloskar Oil Engines Ltd, Carborundum Universal Ltd, Rane (Madras) Ltd., TVS Electronics Ltd and WABCO India Ltd.

Chairperson of Board committees

Carborundum Universal Ltd

Chairman Risk Management Committee and Nomination & Remuneration Committee

Member of Board committees

Rane (Madras) Limited-Audit Committee & Nomination & Remuneration Committee

Carborundum Universal Limited-Audit Committee, Risk Management Committee & Nomination & Remuneration Committee

Kirloskar Oil Engines Ltd-Nomination & Remuneration Committee

TVS Electronics Ltd-Audit Committee

WABCO India Ltd-Audit Committee, Nomination & Remuneration Committee & CSR Committee

Shareholding in the company

NIL

**Ms. Preeti Rabindra (DIN 00216818)** holds a Bachelor and Masters degree in commerce from the University of Delhi.

Disclosure of relationship between Directors inter-se

Ms. Preeti Rabindra is the spouse of Mr. Rabindra Srikantan, Managing Director, of the company.

Listed companies (other than ASM) in which Ms. Preeti Rabindra holds directorship and committee membership :

Directorship

NIL

Chairperson of Board committees

NIL

Member of Board committees

NIL

Shareholding in the company

380524 shares

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

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

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration committee, have by a resolution passed by Circulation dated 31<sup>st</sup> March, 2016, appointed Mr. M Lakshminarayan, 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.

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 Mr. M Lakshminarayan for the office of Non-Executive and Non-Independent Director, liable to retire by rotation.

The Company has received from Mr. M Lakshminarayan (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 he 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 Mr. M Lakshminarayan as a Non-executive and 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. He is liable to retire by rotation.

In the opinion of the Board of Directors, Mr. M Lakshminarayan, a Non- executive Director, proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under. The Board considers that his appointment would be of immense benefit to the growth of the company and it is desirable to avail the services of Mr. M Lakshminarayan.

No Director, Key Managerial personnel or their relatives, is interested or concerned in the resolution.

The Board commends the Ordinary resolution set forth in Item No. 5 for the approval of the members.

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

During the years 1999-2000 and 2011-2012 the company had opened branch offices in Chicago, 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 2016-2017. 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 2016-2017 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.

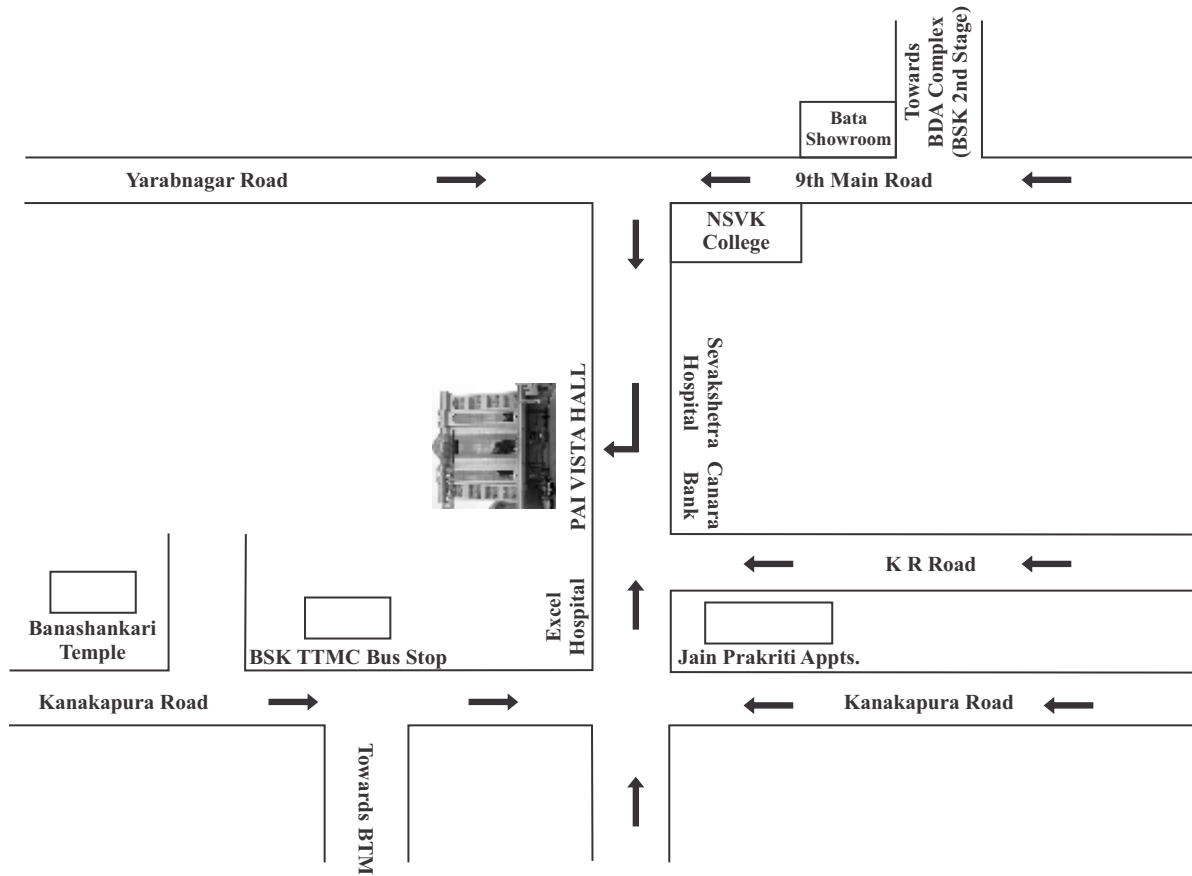
None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution.

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, Bangalore – 560070







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

## PROXY FORM

### 24th Annual General Meeting - 22nd June, 2016

**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 24th Annual General Meeting of the Company to be held on Wednesday the 22nd of June, 2016 at 10.00 a.m at Pai Vista Hall, End Of K R Road, Near-Sevaksetra Hospital, 2nd Stage, 3/1, 27th Cross Rd, Banashankari, Bangalore- 560070 and at any adjournment thereof in respect of such resolutions as are indicated below:

No. Resolution	Resolution	Optional* (Please mention no. of shares)	
Ordinary Business		For	Against
1.	Adoption of the financial statements ( standalone and consolidated) of the company for the year ended March 31, 2016 including the audited Balance Sheet as at March 31, 2016, 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.	Approve the Interim dividend of Rs. 1.80 per equity share and the Special 2nd interim dividend of Rs. 6.00 per equity share, already paid, for the year ended 31st March, 2016.		
3.	Appointment a Director in the place of Ms. Preeti Rabindra,( DIN 00216818) who retires by rotation and being eligible, seeks re appointment.		
4.	Ratify the appointment of M/s Sudhakar Pai Associates, the Statutory Auditors of the Company.		
Special Business			
5.	Appointment of Mr. M Lakshminarayan as Non-Executive, Non-Independent Director, liable to retire by rotation.		
6.	Appointment of Branch Auditors of the Company		

Signed this.....day.....2016

Signature of shareholder.....

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

Affix  
Revenue  
Stamp not  
less than  
Re 1/-

#### 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.





(CIN L85110KA1992PLC013421)

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

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

## ATTENDANCE SLIP

**24th Annual General Meeting - 22nd June, 2016**

**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 24th Annual General Meeting of the Company at Pai Vista Hall, End Of K R Road, Near-Sevaksetra Hospital, 2nd Stage, 3/1, 27th Cross Rd, Banashankari, Bangalore- 560 070 on Wednesday the 22nd of June, 2016 at 10.00 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.



Name :

Address :



(CIN L85110KA1992PLC013421)

Regd Office:

80/2 Lusanne Court Richmond Road,

Bangalore- 560025

Tel: 080-66962300-02, Fax: 080 66962304,

Email: [info@asmltd.com](mailto:info@asmltd.com)

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

Joint Holder(s):

Serial No. :

Folio No./ DP ID/Client ID:	No. of Shares held:
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Dear Shareholder(s)

**Subject : Instructions for e-voting**

Please find enclosed the Notice convening the 24<sup>th</sup> Annual General Meeting of the company to be held on Wednesday, June 22, 2016 at 10.00 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 Regulation 44 of SEBI( Listing Obligations and Disclosure Requirements)Regulations, 2015, 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.

E-voting particulars

<b>EVEN (e-voting event number)</b>	<b>User ID</b>	<b>Password</b>

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: [asmscrutinizer@gmail.com](mailto:asmscrutinizer@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 **Friday, 17<sup>th</sup> June 2016 at 9.00a.m. and ends on Tuesday, 21<sup>st</sup> June, 2016 at 5.00p.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 **Wednesday, June 15, 2016**, 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 Wednesday, June 15, 2016.
  5. The Board of Directors has appointed Mr. K. Dushyantha Kumar, Practicing Company Secretary (Membership No. FCS 6662) 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.



**REGISTERED OFFICE:**

**ASM Technologies Limited**

80/2 Lusanne Court, Richmond Road, Bengaluru 560 025, INDIA

Tel: +91 80 6696 2300 -02 | Fax: +91 80 66962304 | Email: info@asmltd.com

ASM Tower, 14/2, Wellington Street, Richmond Town, Bengaluru 560 025, INDIA

Tel: +91 80 2227 4121

**SUBSIDIARY / BRANCH:**

**Pinnacle Talent Inc**

2020 Calamos Court, Suite 200  
Naperville, IL 60563-2793  
Phone: +1 630 799 1563  
Fax: +1 630 779 1562  
E-mail: usa@asmltd.com

**ESR Associates Inc**

5650 Blazer Parkway, Suite 123  
Dublin, OH 43017  
Phone: (614) 734 8421  
E-mail: inquiries@esr-associates.com

**ASM Technologies Limited**

Third Floor, 126-134 Baker Street  
LONDON W1U 6UE, UK  
Phone: 020 7436 3343  
Fax: 020 935 7616  
E-mail: uk@asmltd.com

**Advanced Synergic Pte. Limited**

#24 – 05, 'JTC Summit', 8 Jurong Town Hall Road,  
Singapore – 609434  
Phone: +65 6818 0880 (O) | +65 6270 5737  
Fax: +65 6248 6076  
E-mail: singapore@asmltd.com

