



ASM Technologies Limited

Annual Report
2010-11

A large, 3D-style graphic of a blue arrow pointing upwards and to the right, with the year '2010' in a matching 3D font positioned below it. The entire graphic has a glowing white outline effect.

2010

www.asmltd.com

Board of Directors

| | |
|-------------------------------|--------------------------------------|
| Mr. M.R. Vikram | Chairman |
| Mr. Rabindra Srikantan | Managing Director |
| Dr. R.P. Shenoy | Director |
| Prof. B.S. Sonde | Director |
| Mr. Shekar Viswanathan | Additional Director (w.e.f. 28.5.11) |

Audit Committee

| | |
|-------------------------|----------|
| Mr. M.R. Vikram | Chairman |
| Dr. R.P. Shenoy | Member |
| Prof. B.S. Sonde | Member |

Share Transfer & Investor Grievance Committee

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

Remuneration Committee

| | |
|-------------------------|----------|
| Prof. B.S. Sonde | Chairman |
| Dr. R.P. Shenoy | Member |
| Mr. M.R. Vikram | Member |

Company Secretary

Ms. P.N. Lakshmi

Auditors

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

M/s. Mallesh B. Hullatti & Co.
Chartered Accountants
Bangalore, India

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

Jack Iyer
Certified Public Accountant
USA

Mr. Paul Schweer
Certified Public Accountant
USA

Mayur R Patel
Certified Public Accountant
USA

Company Law Advisor

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

Legal Advisors

Mr. Kiran S. Javali,
Advocate
Bangalore, India

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

R. Lamar Frederick LLC.
Solicitors
USA

Bankers

State Bank of India
Bangalore, India

Indian Bank
Singapore

State Bank of India
Chicago, USA

SBI Global Factors Ltd.,
Bangalore, India

Bank of Baroda
Bangalore, India

HDFC Bank Ltd.,
Bangalore, India

Stock Exchanges

(Where the shares of the Company are listed)

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai 400 001, India

Bangalore Stock Exchange Limited
51, Stock Exchange Towers
1st Cross, J.C. Road
Bangalore 560 027, India

Stock Code

BgSE - ADVSYNER
BSE - 526433

Demat ISIN Number

INE867C01010

Investor Relation Cell

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

Registrars & Share Transfer Agents

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

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Corporate Vision

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



Head Office, Bangalore, India



Bangalore, India



Singapore



Chicago, USA

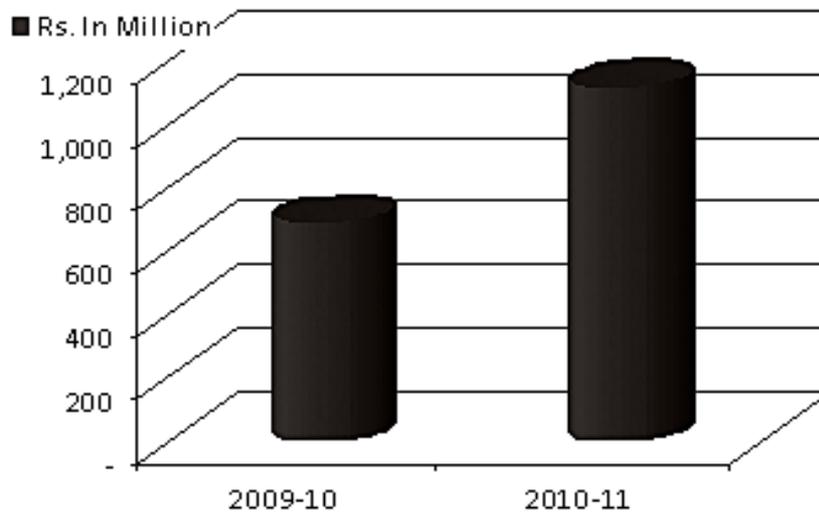
ASM Board of Directors

From left Prof. B.S. Sonde, Director, Dr. R.P. Shenoy, Director, Rabindra Srikantan, Managing Director, M.R. Vikram, Chairman, Shekar Vishwanathan Director, Ms. P.N. Lakshmi Company Secretary

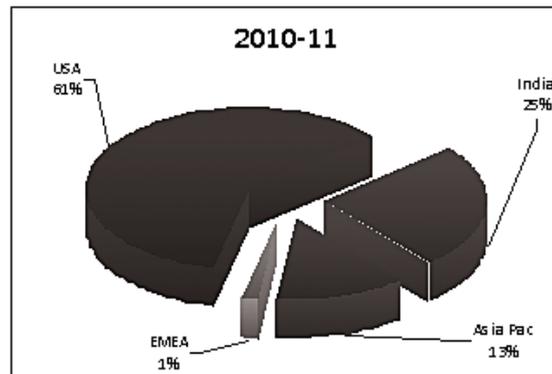
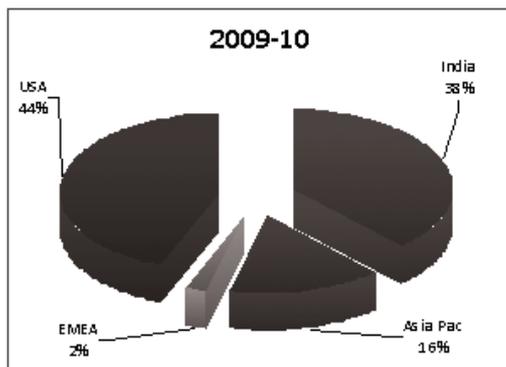
ASM GROUP INFORMATION

ASM Group Revenue (Net of Inter-Company Sales)

Rs. In Million



Geographical Distribution of Revenue



NOTE : Group consists of :

- ASM Technologies Ltd. (India)
- Pinnacle Talent Inc. (USA)
- Abacus Business Solution Inc. (USA) 2010-11
- Advanced Synergic Pte. Ltd. (Singapore)
- ESR Associates Inc. (USA)

CEO's Letter to the Shareholder

Dear Fellow Shareholder,

The year 2010-2011 has been quite challenging and when we look back at the Indian IT Industry's performance at the end of the fiscal, we will remember 2010-2011 as an eventful year of improved performance in which the industry demonstrated its maturity and the robustness of its business model. It has not only recovered smartly from the worst downturn we have seen in living memory but also re-engineered and reinvented itself and is now well poised for the future. The advent of 2010 also signaled the revival of outsourcing within core markets, along with the emerging markets increasingly adopting outsourcing for enhanced competitiveness. The Indian IT industry has grown phenomenally over the past decade from \$1 billion industry in 2001 to \$60 billion in 2010.

The global economic climate, post recession, posed several challenges but with clear focus on quality and productivity we have been fairly successful in achieving our objectives. The overall performance for the year spelled growth for ASM registering consolidated revenues of Rs. 11,164.65 lakhs for the year ended 31st March 2011, a growth of 61.96% over the same period the previous year. EBIDTA was at Rs. 1,099.19 lakhs while Net Profit increased by 95.06% to Rs. 627.87 lakhs.

On a standalone basis the company registered revenues of Rs. 6,232.75 lakhs for the year ended 31st March 2011, a growth of 45.65% over the same period the previous year. Domestic sales were Rs. 2,781.93 lakhs while Export sales were Rs. 3,450.81 lakhs. EBIDTA was at Rs. 1,016.30 lakhs while Net Profit increased by 90.16% to Rs. 651.94 lakhs.

The impressive performance has helped us reward our shareholders in a significant manner with a dividend of Rs. 2/- per share for the year 2010-11, subject to the shareholders' approval.

During the year the company signed a definitive agreement to acquire 100% of Abacus Business Solutions, Inc., US based firm in an all cash deal. The acquisition was through the company's wholly owned subsidiary, Advanced Synergic Pte Ltd, Singapore. Abacus has been in the business for more than a decade assisting large corporations and Fortune 500 Companies with Enterprise Applications, Oracle Applications, Oracle Tools and Technology, E-Commerce, Reporting and Data Warehousing. The acquisition has afforded ASM an opportunity to expand its offerings to a larger ERP & Oracle client base in the US and thus broaden its revenue margins.

Future Outlook

With the Global Economic trend looking positive and good, after two turbulent years, there is a greater learning and changes envisaged in the way the Business / Industries plan and execute their charter. This is good news for the IT Industry in particular lending itself to provide solutions for the Growth Phase.

ASM will leverage this phase in consolidating and growing the organization by offering more services to the existing clients across other geographies and new client acquisitions. This growth phase will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode and center of excellence.

The existing clients will be offered cross solutions across various technologies thus moving from a Technology Competency to Industry Vertical Specialization relationship thus aligning more deeply with the Client's business. This model will be extended to the New Clients as the relationship progresses.

New client acquisitions will be through addition of specialized sales and delivery professionals across geographies, through new company acquisitions and specializations in more Industry Verticals which offer high growth.

Geographical Areas of Operation

The company has increased its presence in US to 3 offices, apart from India, Singapore and UK. This year the company is exploring the possibility of setting up operations in LATAM (Latin America) Region.

Future Expansion Areas

More Industry Specific Applications

The need to quickly deploy the ERP Solutions specifically designed for the different industry sectors is gaining momentum. ASM is addressing the needs of the Agriculture Based Industry, Process Industry, Consumer Products, Hi-Tech Industry, Clean Power Industry and Services Industry. These Industry Specific solutions configured to the Global ERPs will ensure rapid implementation and the clients can reap the benefits of a integrated information system.

Paradigm Change in the way the Global Markets communicate

ASM is working in new areas, specifically in cloud computing, which will be an inclusive solution program and change the way the Industries / Business communicate with their internal and external stakeholders across multiple geographies. This solution will further be refined for Specialized Industry Verticals.

Additional offerings to Enterprise Applications

Development of Adaptors for Enterprise Solutions: With diverse applications used by various clients based on their business needs, ASM has embarked on Development of Adaptors in partnership with ERP ISVs (Independent Software Vendors) which will seamlessly integrate multiple Enterprise Applications.

Business Intelligence and Data Warehousing: With large amount of data getting generated across enterprises, the need for providing meaning to the data is imperative. Hence a separate practice is built around market leading tools on the Business Intelligence and Data Warehousing.

Product Lifecycle Management (PLM): With new product development activities / initiatives across the world gaining high momentum, there is a need to provide scientific ways of managing the Product Lifecycle and the Company is moving towards building expertise and practice in providing PLM solutions tightly integrated with the Enterprise Applications.

Social Media : With the growth of social media, ASM is working on initiatives of adapting social media with existing Enterprise Apps with the requisite security and controls.

Employees are our asset and we attribute our success to an experienced management team and to a customer- oriented organization that is dedicated to excellence. Vesting faith in the resilience of our business model and driven by the talent and commitment of our people we look forward to overcoming challenges that lie ahead of us. Our historical strengths, inovative business model and market integration position us well to capitalise on opportunities and deliver more value to our shareholders.

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, Indian Bank - Singapore, SBI Global Factors Ltd, SBI Chicago and Bank of Baroda for their support and guidance
- * Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM

Place : Bangalore
Date : 28th May, 2011

RABINDRA SRIKANTAN
Managing Director

Our Board of Directors

Mr. M.R.Vikram **Chairman**

M.R. Vikram, Chartered Accountant and Financial Services Consultant, is a partner in a firm of Chartered Accountants, M. Anandam & Co, in Secunderabad. He is the Secretary of M. Venkatarangaiya foundation (MVF), a voluntary organization doing pioneering work in the field of child literacy. MVF, has mobilized 400000 illiterate children into schools in the past 15 years. M.R. Vikram has conducted Special and Investigation audits to report to the Reserve Bank of India, IDBI, IFCI and ICICI and other premier Financial Institutions in the country and also conducted compliance studies for the RBI's Forex Reserves. He serves as an Advisor, Auditor and Director of many companies which include Glochem Industries Ltd., GTN Industries Ltd., Wings Infonet Ltd. etc.

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 also the President of Pinnacle Talent Inc., USA, Director of Advanced Synergic Pte Ltd, Singapore, President of ESR Associates Inc., USA & Abacus Business Solutions Inc, USA.

Dr. R.P. Shenoy **Director**

Dr. R.P. Shenoy who holds a Ph.D. in Electrical Engineering from University of Winconsin, USA. served the Defence R&D Organization of the Government of India till he retired in 1989 as Distinguished Scientist. He is a recipient of Padma Shree Award (Presidential award) for his contributions to the field of military electronics in India, During his service with the government of India, he was closely associated with the Indian Institute of Science, Bangalore, which invited him to be a Visiting Professor for a period of two years after his retirement. Dr. R.P. Shenoy is a fellow of Indian National Academy of Engineers and a Distinguished Fellow of the Institution of Electronics and Telecommunication Engineers. In the year 2000 he was the recipient of the prestigious Aryabhata award and the Distinguished Alumnus Award for the Indian Institute of Science, Bangalore. In particular, he is known for his contributions to the development and growth of radar technology in India for which he received the Life Time Achievement Award from the Defence R&D Organization, Government of India in 2001.

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**

Shekar Viswanathan, a Chartered Accountant, is the Deputy Managing Director, (Commercial) of Toyota Kirloskar Motor Pvt Ltd since January, 2009. 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 2010-2011, 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 Ltd.

Our Core Business

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

ASM offers a broad spectrum of enterprise services such as configuration, implementation, customization, end-user training and documentation, Post Implementation Support & Maintenance across leading commercial off-the-shelf products like SAP, Oracle Applications, PeopleSoft, JD Edwards and Microsoft Dynamics.

ASM has been providing consulting Services (Product Engineering, Development, Product Support, Porting, Testing and Test Automation) to its Global Clientele in the Embedded Software and System Software space.

Profile :

- Publicly Listed Company in India
- 800+ employees worldwide
- Offices in India, Singapore, USA (Chicago, Los Altos and Toledo) & UK (London)
- Focus on Enterprise Applications and Technology Solutions
- ISO-9001 : 2000, CMMI Maturity Level 3 Company, ISO & 27001:2005
- Successful Offshore Development & Support Centers in India and Overseas

Highlights of Enterprise Applications :

- 6500+ Person years of Experience
- ERP Package Services (Oracle, SAP, Microsoft Dynamics)
 - Implementation, Rollout, Upgrade, IT Audit, Change Management & Process Documentation
 - Support & Maintenance
 - 200+ ERP Projects
 - ERP Product Development Service

Highlights of Technology Solutions :

- 2000+ Person years of Product Engineering
- Involved in Engineering 45+ Products and 150+ Product Releases

Service Offerings :

Enterprise Applications, SCM, CRM

Oracle Apps | SAP | Microsoft Dynamics

Business Intelligence and Data Warehousing

SAP BW | Cognos | Hyperion | DataStage | Oracle Express

Business Process Modeling (BPM) tools

ARIS | Savvion

Internet / SOA

.Net | J2EE | Websphere | Weblogic | Webmethods

Embedded Technologies

RTOS (VxWorks, MQX, WinCE, Embedded Linux) | BSP, PSP & Device Drivers (ARM, Freescale, PowerPC & Samsung) | Board Design

Engineering Services - CAD/CAM/CAE/PLM

UG | CATIA | Solid Works | PRO*E | Teamcenter | AGILE | ANSYS |

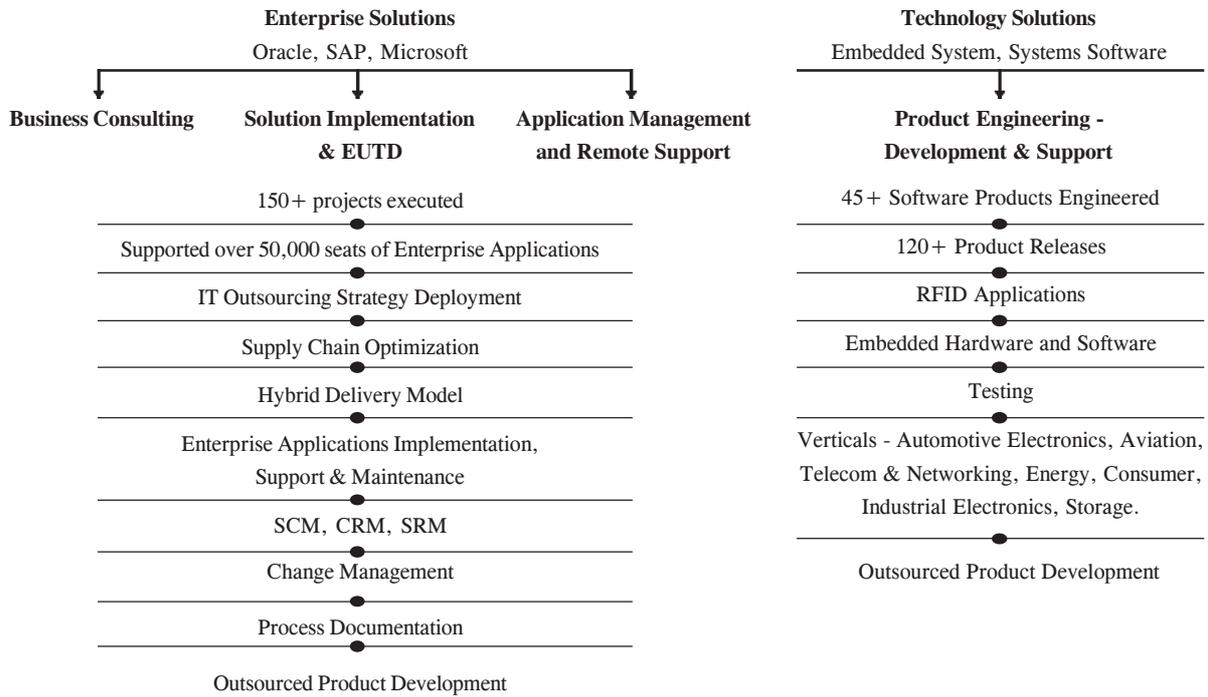
System Software

Storage Management | Backup & Restore | PC Disaster Recovery | Network Identity Appliance | Application Deployment

Proven Global Delivery :

- ◆ ASM Offices in USA, UK, Singapore & India
- ◆ Offshore / Offsite Delivery & Support Centers in India, US, Singapore
- ◆ Proven Delivery through Flexible & Cost Effective Engagement Models
- ◆ Combination of Onsite / Offsite / Onshore / Offshore Services

SERVICE OFFERINGS



REPRESENTATIVE CLIENT LIST

Hi - Tech



Manufacturing



Oil & Gas, Energy



Telecom



Retail



Consumer Products



PHILIPS

SONY®

Pharma

/

Health Care



PARTNERSHIPS

ORACLE®



Microsoft

ASM - a services partner

Notice

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on Monday the 11th of July, 2011 at 11.30 a.m. at Pai Vijay Hall, No. 530/58, 33rd, Cross, 11th Main, 4thBlock, Jayanagar, Bangalore- 560011 to transact the following business.

ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider, approve and adopt the Balance Sheet as at 31.03.2011, the Profit and Loss Account for the year ended 31.03.2011 and the Cash Flow Statement for the year ended 31.03.2011 together with the report of the Auditors and Directors thereon.

2. Declaration of Dividend

To declare dividend for the financial year ended 31st March, 2011.

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

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

4. Appointment of Statutory Auditors

To appoint auditors and fix their remuneration. M/s Sudhakar Pai Associates the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

5. Appointment of Mr. Shekar Viswanathan as Director of the company

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

“**RESOLVED THAT** Mr.Shekar Viswanathan, who holds the office as an Additional Director upto the date of this meeting under Section 260 of the Companies Act 1956 read with Clause 115 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Sec.257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation as per the provisions of Section 255 of the Companies Act, 1956.”

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 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company`s Branch Offices in Chicago, USA., and UK to examine and audit the accounts for the financial year 2011-2012 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act 1956.”

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

Date : 28.05. 2011

By Order of the Board

Sd/-
RABINDRA SRIKANTAN
Managing Director

Notes

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under items 5&6 set out above are annexed here to and forms part of the Notice.
2. A member entitled to attend and vote at a meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies to be valid should be deposited forty eight hours before the commencement of the Meeting at the Registered Office of the Company.
3. Members holding shares in physical form are requested to notify any change in their address to the Company/Karvy Computershare Private Limited, Plot No. 17 to 24 , Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500081 . Members holding shares in electronic form are requested to direct change of address notifications and updations of their bank accounts details to their respective depository participants.
4. The Register of Members of the Company will remain closed from 07.07. 2011 to 11.07. 2011 (both days inclusive).
5. For the convenience of the members, attendance slip is annexed to the proxy form. Members are requested to fill-in and affix their signature at the space provided and hand over the attendance slip at the entrance place of the meeting. Proxy representative of a member should mark on the attendance slip as “PROXY” or “REPRESENTATIVE” as the case may be.
6. Members desiring any information on the accounts at the AGM are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
7. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
8. In terms of Article 131 of the Articles of Association read with Section 256 of the Companies Act , 1956, Mr. M.R.Vikram, Chairman, retires by rotation at the ensuing Meeting and being eligible, offers himself for re- appointment. The Board of Directors of the company commend the re-appointment,
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
11. Non-Resident Indian Members are requested to inform Karvy, the Registrars, of:
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank A/c maintained in India with complete name, branch ,account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Brief resume of the Directors proposed to be appointed/re-appointed , nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report forming part of the Notice.
13. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
14. Subject to the provisions of Section 206A of the Companies Act 1956, dividend as recommended by the Board of Directors, if declared at the meeting , will be payable on or after 11th July, 2011, to those members whose names appear on the Register of Members as on 6th July, 2011.
15. Payment of Dividend through ECS:
 - a) Members holding shares in physical form are advised to submit particulars of their bank account , viz, name and address of the bank, 9 digit MICR code of the branch, type of account and account number latest by 6th July , 2011 to the Registrars, Karvy Computershare Pvt. Ltd, Plot No 17 to 24 Vittal Rao Nagar, Madhapur Hyderabad - 500 081.
 - b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository participants.
16. Members are requested to update their e-mail addresses with the depository participant or the company. This will enable the company to send communications such as ECS, quarterly financial updates etc through e- mails. **Please read communication at the end of the report.**
17. Members who have not received or encashed the dividend warrants in respect of the dividend declared for the years 2007-08,2008-2009 or 2009-2010 are requested to correspond with the Registrars/ Company Secretary at the Company's Registered Office for obtaining payment in lieu of warrants. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 205A of the Companies Act 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1994-1995 and 2007-2008, to the IEPF.

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

Item No. 5

Mr. Shekar Viswanathan was appointed as Additional Director of the company at the Board meeting held on the 28th of May, 2011 pursuant to Section 260 of the Companies Act, 1956 and Clause 115 of the Articles of Association of the Company and holds office upto this Annual General Meeting.

In terms of Sec. 257 of the Companies Act 1956, the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Shekar Viswanathan for the office of a Director. Mr. Viswanathan has filed with the company his consent to act as a Director pursuant to provisions of Sec. 264(1) of the Companies Act, 1956. In terms of Clause 49 of the Listing Agreement on Corporate Governance Mr. Viswanathan is an Independent Director.

Mr. Shekar Viswanathan, is a chartered Accountant and his experience spans the financial services and project finance sector in a career of 29 years. The company will immensely benefit from his vast knowledge and experience if appointed as Director on the Board.

None of the Directors of the company except Mr. Viswanathan is interested or concerned in the resolution.

The Board recommends passing of the proposed resolution.

Item No.6

During the years 1999-2000 & 2001-2002 the company had opened branch offices in Chicago, USA and in UK. It is necessary to appoint Auditors, under the provisions of Sec. 228 of the Companies Act 1956 for auditing the accounts of the Branches of the company for the year 2011-2012. 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 Chicago, USA, and UK, to examine and audit the accounts for the financial year 2011-2012 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act 1956.

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

Your Directors commend the resolution for your approval.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT.

The relevant information relating to the Director proposed to be re-appointed vide Ordinary Business No. 3 & appointed vide Special Business 5 in the Notice of the AGM is given below:

M.R.VIKRAM

M R Vikram, Chartered Accountant and Financial Services Consultant, is a partner in a firm of Chartered Accountants, M Anandam & Co, in Secunderabad. He is the Secretary of M.Venkatarangaiya foundation (MVF), a voluntary organization doing pioneering work in the field of child literacy. MVF, has mobilized 400000 illiterate children into schools in the past 15 years.

M.R.Vikram has conducted Special and Investigation audits to report to the Reserve Bank of India, IDBI, IFCI and ICICI and other premier Financial Institutions in the country and also conducted compliance studies for the RBI's Forex Reserves. He serves as an Advisor, Auditor and Director on the Board of public limited compines and several private limited companies. Mr. Vikram does not hold shares in the company.

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

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

SHEKAR VISWANATHAN

Shekar Viswanathan , a Chartered Accountant, is the Deputy Managing Director , (Commercial) of Toyota Kirloskar Motor Pvt Ltd since January, 2009. 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 Automative 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 2010-2011, Chairman -SIAM MUV Committee 2010 and elected member of CII Southern Regional Council 2009-2011. Mr. Viswanathan does not hold shares in the company.

List of other public limited companies in which Mr. Shekar Vishwanathan holds Directorships and memberships of Committees

| Directorships | Member of Board Committees |
|---------------------------|----------------------------------------------------------------------------------------|
| Kirloskar Systems Limited | Audit Committee, Remuneration Committee & Share Transfer & Investor relation committee |

Directors' Report

To the Members,

We are pleased to present the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011

1. Financial Results

(Rs. in Lakhs)

| | 2010 - 2011 | 2009 - 2010 |
|---------------------------------------------------|----------------|---------------|
| Income from software services and products | 6232.75 | 4279.20 |
| Software development expenses | 4904.35 | 3555.22 |
| Gross Profit | 1328.40 | 723.98 |
| Administrative expenses | 312.10 | 191.84 |
| Operating Profit before Interest | 1016.30 | 532.14 |
| Depreciation & Tax (EBIDTA) | | |
| Depreciation | 61.00 | 30.03 |
| Interest | 146.24 | 120.61 |
| Profit/-Loss before Tax & Other Income | 809.06 | 381.50 |
| Other income | 40.17 | 30.73 |
| Profit/-Loss before Tax (EBT) | 849.23 | 412.23 |
| Provision for Doubtful Debt | 15.64 | - |
| Provision for Tax | 166.82 | 82.27 |
| Deferred Tax Income/-Expense | 14.83 | (12.86) |
| Net Profit /-Loss (PAT) | 651.94 | 342.82 |
| Profit/-Loss A/c Balance brought forward | 549.90 | 327.78 |
| Amount available for appropriation | 1201.84 | 670.10 |
| Dividend | 100.00 | 60.00 |
| Dividend Tax | 16.61 | 10.20 |
| Transfer to General Reserve | 100.00 | 50.00 |
| Balance in Profit & Loss A/c | 985.23 | 549.90 |

2. Results of Operation

Overall, 2010-2011 has been a very satisfying year, as the company emerged stronger out of the global economic downturn and recorded a growth of 61.96% over the previous years consolidated revenues.

On a standalone basis the company registered a total revenue of Rs.6232.75 lakhs for the year ended 31st March 2011, a growth of 45.65% over the same period the previous year. Domestic sales was Rs.2781.93 lakhs while Export sales was Rs.3450.81 lakhs. EBIDTA was at Rs.1016.30 lakhs while Net Profit increased by 90.16% to Rs. 651.94 lakhs.

On a Consolidated basis the company registered a total revenue of Rs.11,164.65. lakhs for the year ended 31st March 2011, a growth of 61.96% over the same period the previous year. EBIDTA was at Rs.1099.19 lakhs while Net Profit increased by 95.06% to Rs.627.87 lakhs.

3. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a dividend of Rs. 2/- per equity share of Rs. 10/- each for the financial year 2010-2011. The total dividend amount paid out if approved by members will be Rs. 100.00 lakhs while Rs. 16.61 lakhs will be paid by the company towards dividend tax and surcharge thereon.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the company to be met by internal cash accruals and the shareholders' aspirations.

4. Transfer to Reserves

The company proposes to transfer Rs.100.00 lakhs to General Reserve out of the amount available for appropriations and an amount of Rs. 985.23 lakhs is proposed to be retained in the Profit & Loss Account.

5. Acquisition

During the year the company signed a definitive agreement to acquire 100% of Abacus Business Solutions, Inc., US based firm in an all cash deal. The acquisition was through the company's wholly owned subsidiary, Advanced Synergic pte Ltd, Singapore. Abacus has been in the business for more than a decade assisting large corporations and Fortune 500 Companies with Enterprise Applications, Oracle Applications, Oracle Tools and Technology, E- Commerce, Reporting and Datawarehousing. The acquisition has afforded ASM an opportunity to expand its offerings to a larger ERP & Oracle client base in the US and thus broaden its revenue margins.

6. Subsidiaries

Advanced Synergic Pte Ltd, Singapore – achieved a gross revenue of Rs. 1628.01 lakhs for the year ended 31st March, 2011 as against Rs.1065.73 lakhs for the same period last year, a growth of 52.76%. The Company registered a pre tax profit of Rs. 134.76 lakhs for the year under review, as against Rs. 12.42 lakhs for the same period last year, a growth of 985%.

Pinnacle Talent Inc, USA - achieved a gross revenue of Rs.2475.38 lakhs for the year ended 31st March 2011, as against Rs.2577.73 lakhs for the same period last year.

ESR Associates Inc, USA – achieved a gross revenue of Rs. 1988.70 lakhs for the year ended 31st March, 2011 as against Rs.851.39 lakhs for the same period last year, a growth of 133.58% .

Abacus Business Solutions Inc, USA - achieved a gross revenue of Rs. 1687.66 lakhs for the three months ended 31st March, 2011 and registered a pre tax profit of Rs. 82.37 lakhs for the above said period.

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

7. Future Outlook

With the Global Economic trend looking positive and good, after two turbulent years, there is a greater learning and changes envisaged in the way the Business / Industries plan and execute their charter. This is good news for the IT Industry in particular lending itself to provide solutions for the Growth Phase.

ASM will leverage this phase in consolidating and growing the organization by offering more services to the existing clients across other geographies and new client acquisitions. This growth phase will also set a platform to have more long term strategic partnerships with the customers moving up the value chain from project mode and center of excellence.

The existing clients will be offered cross solutions across various technologies thus moving from a Technology Competency to Industry Vertical Specialization relationship thus aligning more deeply with the Client's business. This model will be extended to the New Clients as the relationship progresses.

New client acquisitions will be through addition of specialized sales and delivery professionals across geographies, through new company acquisitions and specializations in more Industry Verticals which offer high growth.

Geographical Areas of Operation

The company has increased its presence in US to 3 offices, apart from India, Singapore and UK. This year the company is exploring the possibility of setting up operations in LATAM (Latin America) Region.

Future Expansion Areas

More Industry Specific Applications

The need to quickly deploy the ERP Solutions specifically designed for the different industry sectors is gaining momentum. ASM is addressing the needs of the Agriculture Based Industry, Process Industry, Consumer Products, Hi-Tech Industry, Clean Power Industry and Services Industry. These Industry Specific solutions configured to the Global ERPs will ensure rapid implementation and the clients can reap the benefits of a integrated information system.

Paradigm Change in the way the Global Markets communicate

ASM is working in new areas, specifically in cloud computing, which will be an inclusive solution program and change the way the Industries / Business communicate with their internal and external stakeholders across multiple geographies. This solution will further be refined for Specialized Industry Verticals.

Additional offerings to Enterprise Applications

Development of Adaptors for Enterprise Solutions: With diverse applications used by various clients based on their business needs, ASM has embarked on Development of Adaptors in partnership with ERP ISVs (Independent Software Vendors) which will seamlessly integrate multiple Enterprise Applications.

Business Intelligence and Data Warehousing: With large amount of data getting generated across enterprises, the need for providing meaning to the data is imperative. Hence a separate practice is built around market leading tools on the Business Intelligence and Data Warehousing.

Product Lifecycle Management (PLM): With new product development activities / initiatives across the world gaining high momentum, there is a need to provide scientific ways of managing the Product Lifecycle and the Company is moving towards building expertise and practice in providing PLM solutions tightly integrated with the Enterprise Applications.

Social Media : With the growth of social media, ASM is working on initiatives of adapting social media with existing Enterprise Apps with the requisite security and controls.

8. Corporate Social Responsibility

An essential component of our Corporate Social Responsibility is to care for the community. In recognizing the imperative need the company has continued its contribution for the year 2010-11 by donating a sum of Rs.1,35,000/- to the Akshaya Patra Foundation (ISKON) towards providing Free Midday Meal for under privileged children in School , Rs. 1,00,000/- to Agastya International Foundation a Bangalore-based education trust seeking to transform and stimulate the thinking of rural children and teachers and Rs. 15,000/- to Paranga Charitable Trust - a non-profit making organisation providing social and charitable activities catering mainly to rural areas.

9. Management Discussion and Analysis Report

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

10. Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act 1956, the Directors hereby confirm that:

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

11. Corporate Governance Report

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

12. Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors appointed Mr. M.R. Gopinath, Practicing Company Secretary, to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report for the financial year ended March, 31st 2011, is provided in the Annual Report. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges and all the Regulations and Guidelines of the Securities and Exchange of India (SEBI).

13. Directors

During the year Mr. M. R. Vikram was appointed as the Chairman of the Board.

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

Mr Shekar Viswanathan was appointed as additional Director on the Board effective 28th May, 2011. In terms of Section 260 of the Companies Act 1956 he shall hold office upto the date of the ensuing Annual General Meeting. The company has received requisite notice in writing from member proposing his candidature for the office of Director liable to retire by rotation.

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

14. Particulars of employees

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

15. Conservation of energy, technology absorption:

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

The Company has not imported any technology during the year.

Foreign exchange earnings and outgo

During the year, the Foreign Exchange earned was Rs.2811.07 lakhs and Foreign Exchange used was Rs1009.99 lakhs.

16. Fixed Deposits

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

17. Auditors

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

18. Acknowledgements

Your Directors take this opportunity to express their gratitude to

- Our esteemed customers, employees, shareholders, vendors, business partners, advisors and consultants for their unstinted support.
- State Bank of India - Overseas Branch, Indian Bank - Singapore, SBI Global Factors Ltd, SBI Chicago and Bank of Baroda 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 : 28.05.2011

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

REPORT ON CORPORATE GOVERNANCE

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

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every shareholder- the Company's customer, employees, investors, vendor partners, the government of the land and the community. Hence it is a reflection of a company's culture, policies, its relationship with the stakeholders and its commitment to values. Thus timely flow of information regarding the financial status, performance, ownership and governance is an important aspect of corporate governance. We believe that sound Corporate Governance is vital to enhance and retain investor trust.

At the core of its corporate governance practice is the Board, which oversees management policies towards protection of long-term interests of all the stakeholders of the company. The company has adopted a Code of Ethics for its Senior Management and the Board of Directors. 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. As on the date of this report, the Board comprises of 5 Directors, consisting of 4 independent, Non-executive Directors and one Executive Director who is the Managing / Whole - time director. This includes the appointment of Mr. Shekar Viswanathan as Additional Director on the Board w.e.f. 28.5.2011.

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

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

During the financial year 2010-2011 6 meetings of the Board were held, on 29.05.2010, 10.07.2010, 30.10.2010, 06.12.2010, 24.01.2011 & 11.03.2011.

The Composition of the Directors and their attendance at the Board meetings during the year 2010-2011 and at the last AGM is as follows.

| Name & Designation | Category | No. of Board Meetings held | No. of Board Meetings attended | Attendance at the last AGM | No. of Directorships in other public Companies | No. of Committee Positions held in Other Companies | |
|------------------------------------------|--------------------------------------|----------------------------|--------------------------------|----------------------------|------------------------------------------------|----------------------------------------------------|----------|
| | | | | | | Member | Chairman |
| Mr. M.R. Vikram Chairman | Independent - Non Executive Director | 6 | 3 | Yes | 4 | 5 | NIL |
| Mr. Rabindra Srikantan Managing Director | Executive Director | 6 | 6 | Yes | NIL | NIL | NIL |
| Dr. R.P. Shenoy Director | Independent - Non Executive Director | 6 | 6 | Yes | NIL | NIL | NIL |
| Prof. B.S. Sonde Director | Independent - Non Executive Director | 6 | 6 | Yes | NIL | NIL | NIL |

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.
- Materially important litigations, show cause notice, prosecution and penalty notices.
- Information on recruitment and remuneration of senior officers immediately below the Board level.
- 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.
- Minutes of Committee meetings.
- Non-compliance of any regulatory, statutory or listing requirements including shareholder services such as non-payment of dividend and delays in share transfer.
- Details of joint ventures, acquisitions of companies or collaboration agreements.

III. BOARD COMMITTEES

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

1. Audit Committee

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

Terms of Reference :

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

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

Composition :

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

* Member having financial and accounting knowledge

Secretary :

Ms. P.N. Lakshmi - Company Secretary

Meeting and attendance during the year

| Members | No. of Meetings held | No. of Meetings attended |
|------------------|----------------------|--------------------------|
| Mr. M.R. Vikram | 4 | 3 |
| Dr. R.P. Shenoy | 4 | 4 |
| Prof. B.S. Sonde | 4 | 4 |

2. Share Transfer & Investor Grievance Committee

Role of the Committee :

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

Share Transfers in Physical Mode :

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

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

Composition :

| Sr. No. | Name of Director | Position | 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

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

| Members | No. of Meetings held | Attendance |
|------------------------|----------------------|------------|
| Prof. B.S. Sonde | 4 | 4 |
| Mr. Rabindra Srikantan | 4 | 4 |

During the year 2010-2011 50 complaints were received all of which were resolved with nothing pending as on 31st March 2011. The shareholding in dematerialized mode as on March 31st , 2011 was 88.15 %.

BSE & BgSE have confirmed that as on 31.03.2011 there is no investor Complaints/queries pending to be solved by the Company / Registrars & Share Transfer Agents.

3. Remuneration Committee

The Managing Director, being the only Executive Director is paid remuneration within the limits envisaged under Schedule XIII of the Companies Act 1956. The remuneration is approved by the Board, Remuneration Committee as well as the Shareholders of the Company. The Non-Executive Directors are paid remuneration only by way of sitting Fees. The fees paid to the Non-executive Directors are fixed by the Board of Directors. The shareholders of the company at their eighteenth Annual General Meeting had approved the payment of commission to the Non-Executive Director's upto 1% of the profits of the company. However, no such commission has been paid to the Non-Executive Directors for the year under consideration.

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. | Prof. B.S. Sonde | Chairman | Independent Director |
| 2. | Dr. R.P. Shenoy | Member | Independent Director |
| 3. | Mr. M.R. Vikram | Member | Independent Director |

The Remuneration Committee held 1 committee meeting during the year 2010- 2011

Details of Remuneration payable to Directors for the year FY2010-11

| Name of Director | Salary & perquisites | Sitting Fees |
|------------------------|----------------------|--------------|
| Mr. M.R. Vikram | — | Rs. 7,500 |
| Mr. Rabindra Srikantan | Rs. 31,44,000 | — |
| Dr. R.P. Shenoy | — | Rs.15,000 |
| Prof. B.S. Sonde | — | Rs.15,000 |

Shareholding in the Company of Non-Executive Directors as on 31.03.2011

| Name | No. of Equity shares held |
|-----------------|---------------------------|
| Mr. M.R.Vikram | NIL |
| Dr. R.P.Shenoy | 1000 |
| Prof. B.S.Sonde | NIL |

IV. SHAREHOLDERS MEETINGS

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

| Year | Date & Time | Venue | Special resolution passed |
|-----------|-----------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 2007-2008 | 4th June 2008, 10.00 am | Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011 | NIL |
| 2008-2009 | 20th June, 2009, 10.30am | Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011 | -Re-appointment of the Managing Director |
| 2009-2010 | 10th July, 2010 11.30am | Pai Vijay Hall, 33rd Cross, 11th Main 4th Block Jayanagar, Bangalore- 560 011 | -Payment of commission to the non-executive Directors. -Acquisition of Abacus Business Solutions Inc, a US based firm. |

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

None.

V. DISCLOSURES

- Disclosures on materially significant related party transactions of the Company of material nature with its founders, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large. Details are provided in Note 8 under Schedule 14 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18
- Details of Non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

None

VI. MEANS OF COMMUNICATION

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

VII. MANDATORY / NON-MANDATORY REQUIREMENTS

During the financial year 2010-11, the Company

- (a) Duly complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.
- (b) has not adopted any of the non- mandatory requirements of Clause 49 of the Listing Agreement.

VIII. CODE OF ETHICS

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

This is to confirm that all the Board members and Senior Management personnel of the company have affirmed compliance of the Code of Ethics of the Company for the Financial Year 2010-11

Sd/-

Bangalore
May 28, 2011

Rabindra Srikantan
Managing Director

IX. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

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

1. Industry Structure and Development

The world is emerging out of the worst financial crisis it has seen in decades. While the global situation is improving, the recovery is slow and hampered by a sluggish growth outlook in the key economies of the United States and Western Europe. Also there are growing concerns about the ability of key emerging economies to sustain relatively high growth rates. As for the Indian technology environment, the second decade of the second millennium ended on several positive notes. Global recession seems to be subsiding and while many of the critical technology trends that dominated the business world in 2010 will continue to accelerate in 2011 several new ones, namely the growth of cloud computing and continued consolidation will gain enough momentum to become significant.

As per Gartner global spending on technology is likely to rise by 5.1% in 2011, higher than its previous estimate, as the dollar's recent weakness helped spending in 2010 top its forecast. Total IT spending to touch USD 3.6 trillion this year, up from its earlier forecast of a 3.5% rise. For 2010, IT spending rose to 5.4% to USD 3.4 trillion, up from Gartner's estimate by 3.2%. According to NASSCOM outsourcing of Engineering services is expected to cross USD 60 billion by 2020. It further states that the local India services market is estimated at USD 50 billion while the off-shoring market is estimated at USD 175 billion by 2020.

2. Opportunities

After battling tough economic environment in the first half of the year when the enterprises globally slashed their IT budgets, the Indian IT sector is turning buoyant again. With a healthy surge in outsourcing demand and strong deal pipeline, IT revenues are expected to get the biggest boost in coming quarters. With enterprises globally thawing IT budgets to prepare for the future, indication is clear-strong volume momentum will be the flavor of the season and double digit volume growth won't be a surprise to the Indian IT companies, but maintaining the right pace will be a challenge. With IT sector back on track companies are aggressively hiring to ready its growth engine. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and using outsourced technology service providers to adequately address these needs. As per Gartner Worldwide enterprise IT spending will continue to grow albeit modestly from \$2.38 trillion in 2010 to \$2.46 trillion in 2011, 3.1% increase and reaching \$2.8 trillion in 2014.

Cloud computing is another area which may drive the IT need of the services industry during the year mainly due to its manageable IT infrastructure and cost effectiveness. The mid market segment remains a major growth avenue for enterprise applications. Globalisation continues to drive global servicing models which ensures India to remain competitive and leverage on its talent pool. Customers are opening up to offerings around cloud computing solutions, SaaS, on demand solutions, etc which enable service providers to address new customer segments.

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

3. Outlook

This has been provided elsewhere in the Annual Report.

4. Risks and Concerns

a. Employee Risk

In the current highly competitive environment Human Resource function has emerged as a critical function in every company. People are considered to be the vital resource for the growth of a company. Developing and retaining quality talent is another challenge faced by the Industry today. Rising attrition is a major risk in the industry in the background of increasing opportunities in the software outsourcing boom. Though the number of engineering colleges across the country has increased in the last decade the industry faces a war for talent, which, it is trying to address through industry and academia partnerships and investing heavily in continuous learning programs for their employees.

The company believes that it is necessary to recruit and retain staff possessing advanced technical skills by upgrading their skills and thereby enhance their ability to formulate key strategies. ASM provides a distinctive working atmosphere to its employees and ample opportunities for career growth. The company's remuneration structure is at par with the IT industry norms.

b. Competition Risk

The company's capability to offer innovative and value added solutions and services by integrating its diverse domain knowledge enables it to move ahead in an environment of increasing competition. Absence of vigilance against competition could result in contraction of revenues from business. The best practices and methodologies built up by the company for development and

customization of solutions ensure that projects are completed with speed, optimal resources and meet customer needs. The unrivaled blend of engineering culture and technology skills adopted by the company and its strategic acquisitions and management resources adds to its capability to proffer innovative and value added solutions and services by integrating its diverse domain knowledge experience.. The company has derisked its business from competition by virtue of its domain expertise in providing end to end total IT solutions.

c. New Technologies and Business Models

The IT services market is characterised by rapid technological changes, evolving industry standards , changing client preferences and new products and service introductions. 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. ASM has constantly expanded its infrastructure, technology and people skills to address the specialized markets in which is present. The acquisitions made by the company has enhanced the company's capabilities to provide innovative and state-of-the-art services in its business segments. The company adopts various standards to ensure that information is secure and is not susceptible to disasters. 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

Overdependence on any one geography market entails risk of volatility and downturn in that economy. 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.

ASM continues to be an attractive and cost effective off-shoring alternate despite oscillations in the global economy. The company has insulated its overall performance from the impact of downturns in specific markets 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 internal control systems adopted by the company are adequate and appropriate to its operations. The system has been designed to ensure that assets and interest of the company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances

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

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

6. Financial Condition and Operational performance

a. Share Capital

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

b. Reserves and Surplus

The company has voluntarily transferred Rs. 100.00 lakhs representing 15.34% of the profits for the year ended 31st March 2011, (previous year Rs. 50.00 lakhs) to the general reserves account from the Profit and Loss account.

c. Shareholder Funds

The total shareholder funds increased to Rs.2018.54 lakhs as at 31st March, 2011 from Rs. 1483.21 lakhs as that of the previous year.

d. Profit & Loss account

The balance retained in the Profit & Loss Account as at 31st March 2011 is Rs. 985.23 lakhs after providing dividend for the year of Rs. 100.00 lakhs and dividend tax of Rs. 16.61 lakhs thereon. The total amount of profits appropriated to dividend including dividend tax was Rs. 116.61 lakhs, as compared to Rs. 70.19 lakhs in the previous year.

e. Fixed Assets

During the year 2010-2011 the Company has added Rs. 48.12 lakhs to the gross block of assets while in respect of Capital work-in-progress there was an increase of Rs.136.96 lakhs over that of the previous year due to investment in infrastructure .

f. Investments

The increase in investments made by the company of Rs. 346.57 lakhs, during the year 2010-2011, represents increase in equity by the company in its wholly owned subsidiary, Advanced Synergic Pte Ltd, Singapore.

g. Income

Of the total revenues for the year ended 31st March 2011, Rs. 3450.81 lakhs was derived from export operations and Rs. 2781.93 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. 1016.30 lakhs representing 16.31% of total revenues as compared to Rs. 532.14 lakhs representing 12.44% of total revenues of the previous year. 31st March 2010.

i. Net Profit after Tax

The Net Profit after Tax increased by 90.16% to Rs. 651.94 lakhs for the year ended 31st March 2011, from Rs. 342.82 lakhs in the previous year. This represents 10.46% and 8.01% of the total Revenue for the year ended 31st March 2011 and 31st March 2010 respectively.

j. Earnings per share

Our earnings per share increased by 90.08% during the year to Rs. 13.04 from Rs. 6.86 per share the previous year.

k. Developments in Human Resources/ Industrial Relations

The employee strength of the company as on 31st March, 2011 was 654 while in respect of the ASM group, the total strength including contractual employees was 839. The growth in manpower strength can be attributed to growth in new business.

It is a well recognized fact that Human Resources are the most valuable assets, deployed and valued by an organization. Your company believes that people are the primary drivers in the success of an organization and hence people and HRD remain at the forefront of its mission. In this pursuit, the Company is providing timely and cost effective recruitment system for attracting the cream of talented professionals, ensuring a clear compensation and benefit policy in tune with the latest IT market trends.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

(under Clause 49 of the listing agreement)

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

We have examined the compliance of conditions of Corporate Governance by **M/s. ASM Technologies Limited** (the Company) for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchange in India.

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

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

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

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

for **Sudhakar Pai Associates,**
Chartered Accountants,

B. SUDHAKAR PAI
(Proprietor)
Membership No. 018187

Place : Bangalore.
Date : May 28, 2011

X. GENERAL INFORMATION FOR SHAREHOLDERS

19th Annual General Meeting

1. Date & Time : 11th July, 2011 at 11.30.a.m.
2. Venue : No. 530/58 Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore -560011
3. Date of Book Closure : 07.07.2011-11.07.2011 (both days inclusive)
4. Dividend Payment Date : On or after 11th of July, 2011 subject to shareholders' approval.
5. Financial year of Company : April to March
6. Corporate & Registered Office : No. 80/2 Lusanne Court, Richmond Road, Bangalore- 560 025
7. Exchanges Listed at : Bangalore Stock Exchange Limited(BgSE)
Stock Exchange Towers, No. 51, 1st Cross,
J.C. Road.Bangalore- 560 027
: Bombay Stock Exchange Limited(BSE)
P J Towers, No. 25 Dalal Street, Mumbai - 400 001
: The Listing fees for the financial year 2011-2012 has been paid
8. Stock Code : BgSE- ADVSYNER
BSE - 526433
9. D'mat ISIN No. in NSDL & CDSL
for Equity Shares : INE867C01010
10. Unclaimed Dividend

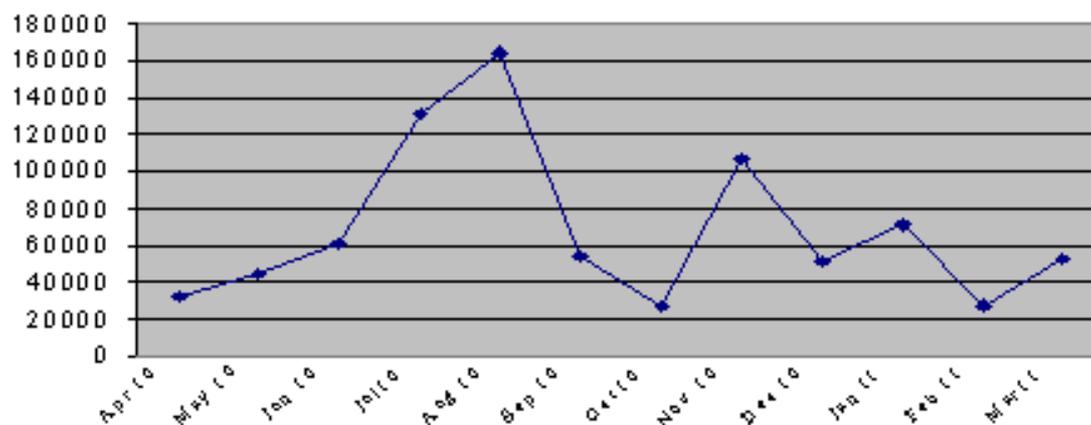
Section 205 of the Companies Act , 1956, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF) . In accordance with the following schedule, the dividend for the years mentioned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

| Year | Dividend per share | Date of declaration | Due date for transfer to IEPF | Amt as on 31.3.2011 (Rs.) |
|------|--------------------|---------------------|-------------------------------|---------------------------|
| 2008 | Rs 0.75 | 4th June, 2008 | 3rd July,2015 | 118,801.00 |
| 2009 | Rs.1.00 | 20th June, 2009 | 19th July,2016 | 181,574.00 |
| 2010 | Rs.1.20 | 10th,July, 2010 | 9th August,2017 | 258,935.00 |

11. Market Price Data : The month wise high and low prices and volume of shares of the Company traded on the Mumbai Stock Exchange (BSE) for the period April 2010- March 2011 is given below:

| Months | High (Rs.) | Low (Rs.) | Volume |
|----------------|------------|-----------|--------|
| April 2010 | 31.65 | 27.80 | 32239 |
| May 2010 | 38.45 | 27.85 | 44971 |
| June 2010 | 40.00 | 30.50 | 60608 |
| July 2010 | 46.85 | 33.50 | 131980 |
| August 2010 | 53.70 | 41.50 | 164970 |
| September 2010 | 54.55 | 42.15 | 54375 |
| October 2010 | 49.00 | 41.85 | 26762 |
| November 2010 | 71.05 | 46.35 | 106627 |
| December 2010 | 63.70 | 50.00 | 50902 |
| January 2011 | 82.30 | 57.10 | 71269 |
| February 2011 | 74.95 | 58.10 | 27782 |
| March 2011 | 72.00 | 59.00 | 53379 |

ASML Volume of shares traded at BSE



12. Dematerialisation of Shares : 88.15 % of the capital has been dematerialised as on 31.3.2011
13. Market Capitalisation as on 31.3.2011 : Rs. 3442 Lakhs
(as per closing price in BSE)
14. No. of Employees as on 31.03.2011 : 654
No. of Employees (Group) : 839
(including contractual staff)
15. No. of Shareholders as on 31.03.2011 : 3898
16. Share Transfers : Physical shares sent for transfers or dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. During the year there were physical transfer of shares.
17. Distribution of shareholding as on 31.03.2011.

| No. of shares | No. of shareholders | % of holders | No. of shares | % to Total shares |
|----------------|---------------------|---------------|----------------|-------------------|
| 1 - 5000 | 3612 | 92.67 | 507526 | 10.15 |
| 5001 - 10000 | 124 | 3.18 | 102044 | 2.04 |
| 10001 - 20000 | 59 | 1.51 | 85642 | 1.71 |
| 20001 - 30000 | 36 | 0.92 | 92120 | 1.84 |
| 30001 - 40000 | 11 | 0.28 | 38473 | 0.77 |
| 40001 - 50000 | 8 | 0.21 | 37053 | 0.74 |
| 50001 - 100000 | 16 | 0.41 | 121812 | 2.44 |
| 100001 & above | 32 | 0.82 | 4015330 | 80.31 |
| TOTAL | 3898 | 100.00 | 5000000 | 100.00 |

18. Share holding in Physical & Electronic form as on 31.03.2011:

| Particulars | No. of shares | % of holding |
|--------------|----------------|---------------|
| Physical | 592287 | 11.85 |
| Electronic | 4407713 | 88.15 |
| Total | 5000000 | 100.00 |

19. Shareholding pattern as on 31.03.2011 :

| Category | No. of shares | %age |
|-----------------------------------------------------------|----------------|---------------|
| Indian Promoters (including Persons acting in concert) | 2998260 | 59.97 |
| Mutual Funds & UTI | 900 | 0.02 |
| Institutions / Banks | 1100 | 0.02 |
| Private Corporate Bodies | 106563 | 2.13 |
| Indian Public | 1830351 | 36.60 |
| NRI's / OCB's | 62826 | 1.26 |
| TOTAL | 5000000 | 100.00 |

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

| Registrars & Share Transfer Agents | Compliance Officer |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Karvy Computershare Pvt. Ltd. Plot No. 17 to 24, Near Image Hospital Vittalrao Nagar, Madhapur Hyderabad 500 081, India Tel : 040-44655185 | Ms. P.N. Lakshmi Company Secretary # 80/2, Lusanne Court, Richmond Road Bangalore 560 025, India Tel : 080-66962309 Fax : 080-22273606 |

SECRETARIAL AUDIT REPORT

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

I have examined the registers, records, books and papers of **ASM TECHNOLOGIES LIMITED** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011**.

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

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

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

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

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the financial year **01.04.2010 TO 31.03.2011** the following :

01. MAINTENANCE OF REGISTERS

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

02. FILING OF RETURNS

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

03. BOARD MEETINGS (Sec.285)

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

| Sl No. | Dates | No. of Meetings in a year |
|--------|------------|---------------------------|
| 1. | 29.05.2010 | |
| 2. | 10.07.2010 | |
| 3. | 30.10.2010 | SIX |
| 4. | 06.12.2010 | |
| 5. | 24.01.2011 | |
| 6. | 11.03.2011 | |

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

During the year under report the company has closed the Register of members from 07.07.2010 to 10.07.2010 after duly complying with the provisions of sec. 154 of the Companies Act, 1956.

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

The Eighteenth AGM for the year 2009-2010, has been held on 10.07.2010 by duly complying with Section.166 and 210 of the Companies Act, 1956. The company has also complied with section 159 and 220 of the Companies Act, 1956 relating to filing of the Annual Return and Annual Accounts with ROC Bangalore.

06. EXTRAORDINARY GENERAL MEETINGS (Sec.165)

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

07. LOANS (Sec.295)

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

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

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

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

During the year the company has not entered into any contract or arrangement which necessitates making entries in the register of contract maintained under sec 301

10. APPROVALS (Sec.314)

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

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

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

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

The Company being a listed company has:-

DELIVERY OF SHARE CERTIFICATES (Sec.113)

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

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

- (i) The company has declared dividend of 12% for the year 2009-10 and complied with the provisions of Section 205 of the Act.

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

- (i) duly complied with the requirements of Sec. 217 of the Companies Act, 1956.
- (iv) The company in addition has also complied with requirements of Clause.47-C Listing Agreement and also with In accordance to Circular No.D &CC/FITTC/CIR-16/2002 dated 31.12.2002 issued by the Securities and Exchange Board of India and Certification of compliance as per SEBI Guidelines for De-materialization of shares for transfer by investors and custodians. The company has also complied with code of ethics adopted by the company for 2010-2011 as per revised Clause No.49 of the Listing Agreement with stock exchanges.

13. BOARD OF DIRECTORS

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

The Directors at present are: -

| Name of the Director | Date. of Appointment | | DIN No . |
|------------------------------------------------------------------------------------|----------------------|---|-------------------|
| 1. Mr M Ravindra Vikram | 30.06.1998 | — | 00008241 |
| 2. Mr Rabindra Srikantan | 10.08.1992 | — | 00024584 |
| 3. Dr. R P Shenoy | 26.10.2006 | — | 00003179 |
| 4. Prof. B S Sonde | 30.10.2002 | — | 00025794 |
| 5. Mr. Shekar Vishwanathan (Appointed as Additional Director w.e.f. 28.05.2011) | 28.05.2011 | — | 01202587 |
| 6. Ms. P N Lakshmi | 17.08.1998 | | Company Secretary |

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

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

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

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

16. APPROVAL REQUIRED BY VARIOUS AUTHORITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year the company has passed a special resolution in the AGM held on 10.07.2010 as required by Sec. 372A of the Companies Act, 1956 and complied with the provisions of the Act. for the investments relating to acquisition of Abacus Business Solutions Inc., a US based firm through the Wholly Owned Subsidiary of the company based in Singapore. The Company has also increased the equity investment in its wholly owned subsidiary in Singapore by passing the necessary Board resolution.

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

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

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

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

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

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

28. ALTERATION OF SHARE CAPITAL (Sec.94)

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

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

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

30. PROSECUTIONS, FINES AND PENALTIES

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

31. EMPLOYEES SECURITIES (Sec.417)

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

32. DEPOSIT OF PROVIDENT FUND (Sec.418)

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

33. GENERAL.

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

Place: Bangalore
Date: 28.05.2011

Name: **M.R.GOPINATH**
Company Secretary in Wholetime practice
C.P.No: 1030 FCS 3812

ANNEXURE - A
TO
COMPLIANCE CERTIFICATE
ASM TECHNOLOGIES LIMITED

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

NON STATUTORY REGISTERS MAINTAINED.

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

ANNEXURE – B

Forms and Returns as filed by the Company, during the financial year ended 31.03.2011 **With Registrar of Companies**

| Sl.No. | Forms | Purpose | Challan No. |
|---------------|------------------------------------|------------------------------|--------------------|
| 01. | Annual Accounts e-form-23ac-aca | U/s 220 for Balance Sheet | P49034580 |
| 02. | Annual Return e-form-20B | U/s 159 of the Co, Act, 1956 | P49221575 |
| 03. | E-form-23 | For Special Resolutions | A9038802 |
| 04. | E-form-8 | For Creation of Charge | B07856321 |
| 05. | E-form-8 | For Creation of Charge | A86468477 |
| 06. | E-form-8 | For Modification of Charge | B07953318 |

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of *M/s. ASM Technologies Limited*, as at 31st March 2011 of the Company for the year ended on the date. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003 (amended 2004), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs mentioned below.

Further to our comments in the annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet dealt with by this report are in agreement with the books of accounts;
- (d) In our opinion, the Balance Sheet comply with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- (f) In our opinion and the best of our information and according to the explanation given to us, the said Balance Sheet, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011
 - (b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - (c) In the case of the Cash Flow statement, of the cash flows of the company for the year ended on that date.

for **Sudhakar Pai Associates,**
Chartered Accountants,

B. SUDHAKAR PAI

(Proprietor)

Membership No. 018187

Place : Bangalore.
Date : May 28, 2011

ANNEXURE TO THE AUDITORS' REPORT

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management at reasonable intervals has physically verified these fixed assets, no material discrepancies were noticed on such verification.
- (c) No substantial fixed assets have been disposed off during the year hence going concern does not affect.
- (ii) The company is Service Company, primarily engaged in developing software and allied services. Accordingly, paragraph 4(ii) of the order is not applicable.
- (iii) (a) The company has not accepted unsecured loan from firms/ companies or any other parties referred u/s.301 of the companies Act 1956, accordingly Clause 4 (iii)(a) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (b) As there is no loan granted to Parties covered in the Register maintained under section 301 of the companies Act, 1956, the provisions of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (c) The question of receipts of principal amount and interest does not arise since no loan has been granted to parties covered in the Register maintained under section 301 of the companies Act, 1956 hence the provision of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- (d) As there are no loan granted to Parties covered in the Register maintained under section 301 of the companies Act, 1956, the question of overdue does not arise and hence provisions of clause 4(iii)(b) of the companies (Auditor's Report) order 2003 are not applicable to the company
- (iv) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. We have not noticed any continuing failure to correct major weaknesses in internal control.
- (v) (a) In our opinion and according to the information & explanation given to us transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of such contracts or arrangements & exceeding rupees five lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from the public, hence, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) In our opinion the company has an internal control system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (i) of section 209 of the Companies Act, 1956 for the reporting enterprises.
- (ix) In our opinion and according to the information & explanation given to us, the company generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in financial year and in the immediately preceding financial year.
- (xi) In our opinion according to the information & explanation given by the management, we are of the opinion that the company has not made any default in repayment of dues to a financial institution or bank and not issued any debenture holders accordingly payment of interest to them does not arise.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4 (xii) is not applicable.
- (xiii) The company is not a chit fund, nidhi / mutual benefit fund / societies, accordingly clause 4 (xiii) is not applicable.

- (xiv) According to the information & explanation given to us the company is not dealing or trading in shares, securities, debentures and other investments, accordingly clause 4 (xiv) is not applicable.
- (xv) According to the information & explanation given to us company has not given any guarantee for loans taken by others from bank or financial institutions, accordingly clause 4 (xv) is not applicable.
- (xvi) In our opinion and According to the information & explanation given to us term loans have been applied for the purposes for which they raised.
- (xvii) According to the information & explanation given to us and overall examination of the balance sheet we are of the opinion that company has not utilized the funds raised on short-term basis have been used for long-term investment and vice versa.
- (xviii) In our opinion and according to the explanation given to us, we are of the opinion that the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act, accordingly clause 4 (xviii) is not applicable.
- (xix) The Company has not issued any debentures accordingly clause 4 (xix) is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly clause 4 (xx) is not applicable
- (xxi) To the best of our knowledge and belief and according to the information & explanation given to us no fraud on or by the company has been noticed or reported during the year.

for **Sudhakar Pai Associates,**
Chartered Accountants,

B. SUDHAKAR PAI
(Proprietor)
Membership No. 018187

Place : Bangalore.
Date : May 28, 2011

FINANCIALS**ASM Technologies Limited**

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

Balance Sheet as at March 31, 2011

(Amount in Rupees)

| Particulars | Sch No. | As At 31.03.2011 | As At 31.03.2010 |
|-------------------------------------------------------|------------|---------------------|---------------------|
| SOURCE OF FUNDS | | | |
| 1. SHAREHOLDERS FUND | | | |
| a. Share Capital | 1 | 50,000,000 | 50,000,000 |
| b. Reserves & Surplus | 2 | 151,854,485 | 98,321,096 |
| 2. LOAN FUNDS | | | |
| Secured loan | 3 | 54,518,878 | 52,972,392 |
| TOTAL | | 256,373,363 | 201,293,488 |
| APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| Gross Block | | 103,834,665 | 99,023,566 |
| Less : Accumalated Depreciation | | 45,517,597 | 39,590,355 |
| Net Block | 4 | 58,317,068 | 59,433,211 |
| Capital work-in-progress | | 20,884,917 | 7,188,600 |
| 2. INVESTMENTS | | | |
| | 5 | 44,461,316 | 9,804,416 |
| 3. DEFERRED TAX ASSET | | | |
| | | 1,953,233 | 3,436,524 |
| 4. CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Sundry Debtors | 6 | 203,155,170 | 151,214,903 |
| b. Cash & Bank balances | 7 | 31,631,412 | 22,340,733 |
| c. Loans & Advances | 8 | 36,427,959 | 37,220,764 |
| d. Deposits | | 591,305 | 591,305 |
| | | 271,805,846 | 211,367,705 |
| LESS : CURRENT LIABILITIES & PROVISIONS | | | |
| Current Liabilities | 9 | 112,149,840 | 70,184,622 |
| Provisions | | 28,899,176 | 19,752,345 |
| NET CURRENT ASSETS | | 130,756,830 | 121,430,738 |
| Significant Accounting policies and Notes on Accounts | 14 | | |
| TOTAL | | 256,373,363 | 201,293,488 |

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

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

CA. B. Sudhakar Pai
(Proprietor)

Place : Bangalore
Date : 28.05.2011

ASM Technologies Limited

Profit & Loss Account for the Year ended March 31, 2011

(Amount in Rupees)

| Particulars | Sch No. | Year Ended 31.03.2011 | Year Ended 31.03.2010 |
|-------------------------------------------------------|---------|-----------------------|-----------------------|
| INCOME | | | |
| Sale of Services & Products | | 623,274,717 | 427,919,737 |
| Other Income | 10 | 4,017,178 | 3,073,620 |
| Total - A | | 627,291,895 | 430,993,356 |
| EXPENDITURE | | | |
| Software Development Expenses | 11 | 490,434,508 | 355,522,219 |
| Administrative expenses | 12 | 31,209,569 | 19,183,779 |
| Financial Charges | 13 | 14,624,600 | 12,061,173 |
| Depreciation | | 6,100,296 | 3,003,543 |
| Total - B | | 542,368,973 | 389,770,714 |
| Net Profit before tax & exceptional items | | 84,922,922 | 41,222,642 |
| Less: Provision for Doubtful Debt | | 1,563,563 | - |
| Provision for Taxation - | | | |
| Current Tax | | 15,493,794 | 6,203,941 |
| Deferred Tax Liability / (Asset) | | 1,483,291 | (1,286,227) |
| Earlier years | | 1,188,010 | 2,023,118 |
| Net Profit after tax & exceptional items | | 65,194,264 | 34,281,810 |
| Add: Previous year Surplus | | 54,989,896 | 32,727,786 |
| Amount Available for Appropriation | | 120,184,160 | 67,009,596 |
| Dividend | | 10,000,000 | 6,000,000 |
| Dividend Tax | | 1,660,875 | 1,019,700 |
| Amount Transferred to General Reserve | | 10,000,000 | 5,000,000 |
| Balance in Profit and Loss account | | 98,523,285 | 54,989,896 |
| Earnings per share | | | |
| (Equity shares, par value Rs. 10 each) | | | |
| Basic | | 13.04 | 6.86 |
| Diluted | | 13.04 | 6.86 |
| Significant accounting policies and notes on accounts | 14 | | |
| | | 120,184,160 | 67,009,596 |

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

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

Place : Bangalore
Date : 28.05.2011

CA. B. Sudhakar Pai
(Proprietor)

ASM Technologies Limited
Cash Flow Statement for the year ended March 31, 2011

(Amount in lakhs)

| Particulars | 31.03.2011 | 31.03.2010 |
|------------------------------------------------------------------------------------------|-----------------|------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) after tax & extraordinary items | 651.94 | 342.82 |
| Adjustments for : | | |
| Depreciation | 61.00 | 30.04 |
| Loss on sale of fixed asset | 1.64 | - |
| Interest Income | (33.40) | (24.99) |
| Deferred Taxation (Net) | 14.83 | (12.86) |
| Finance charges | 146.25 | 114.68 |
| Effect of exchange differences on translation of foreign currency Cash & Cash equivalent | 6.64 | 2.88 |
| Operating profit before working Capital changes | <u>848.90</u> | 452.55 |
| Adjustment for | | |
| Trade payables | 454.51 | 145.28 |
| Trade & other receivables | (511.47) | (32.08) |
| Working capital finance | <u>53.90</u> | (310.10) |
| Cash generated from operations | <u>845.84</u> | 255.64 |
| Finance charges | <u>(146.25)</u> | (114.68) |
| Net cash from operating activities - A | <u>699.59</u> | 140.98 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed assets | (190.97) | (215.04) |
| Investment in Subsidiary | (346.57) | - |
| Proceeds on Disposal of Fixed Asset | 2.53 | 0.33 |
| Interest Income | 33.40 | 24.99 |
| Net cash from Investing activities - B | <u>(501.61)</u> | (189.72) |
| C. CASH FLOW FROM FINANCE ACTIVITIES | | |
| Long term borrowings | (38.44) | 75.42 |
| Dividend and Dividend Tax paid during the period | (60.00) | (58.50) |
| Net cash from Finance activities - C | <u>(98.44)</u> | 16.92 |
| Effect of exchange differences on translation of foreign currency | (6.64) | (2.88) |
| Cash & Cash equivalent | | |
| Net increase in cash and cash equivalents (A+B+C) | <u>92.90</u> | (34.70) |
| Cash & cash equivalents as at 1st April 2010 | <u>223.41</u> | 258.11 |
| Cash & Cash equivalents as at 31st March 2011 | <u>316.32</u> | 223.41 |

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

Place : Bangalore
Date : 28.05.2011

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of ASM Technologies Limited , for the year ended 31st March, 2011. The statement as been prepared by the company in accordance with the requirement under clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company for the year ended 31st March, 2011.

for SUDHAKAR PAI ASSOCIATES
Chartered Accountants

Place : Bangalore
Date : 28.05.2011

B. SUDHAKAR PAI
(Proprietor)

ASM Technologies Limited

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | As At 31.03.2011 | As At 31.03.2010 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| SCHEDULE - 1 : SHARE CAPITAL | | |
| Authorised : | | |
| 70,00,000 Equity shares of Rs 10 each | 70,000,000 | 70,000,000 |
| Issued, Subscribed & Paid up | | |
| 50,00,000 equity shares of Rs 10 each | 50,000,000 | 50,000,000 |
| Total | 50,000,000 | 50,000,000 |
| SCHEDULE - 2 : RESERVES & SURPLUS | | |
| a. Capital reserve | | |
| Profit on reissue of forfeited shares | 331,200 | 331,200 |
| Share Premium Account | 33,000,000 | 33,000,000 |
| b. General Reserve | 20,000,000 | 10,000,000 |
| c. Profit and Loss account | 98,523,285 | 54,989,896 |
| Total | 151,854,485 | 98,321,096 |
| SCHEDULE - 3 : SECURED LOAN | | |
| Cash Credit Account -SBI (Secured by hypothecation of receivables, personal guarantee by Managing Director & Lien on Fixed Deposits) | 20,825,859 | 15,554,095 |
| SBI Global Factors Ltd (Secured by hypothecation of receivables and personal guarantee by Managing Director) | 20,445,349 | 20,326,946 |
| Term Loan - Bank of Borada (Secured by First Charge on Land & Building and personal guarantee by Managing Director) | 13,164,798 | - |
| Term Loan - SBI | - | 16,776,903 |
| Car Loan - HDFC Bank (Secured by Hypothecation of Car and personal guarantee by Managing Director) | 82,872 | 314,448 |
| Total | 54,518,878 | 52,972,392 |

ASM Technologies Limited

Schedules to Balance Sheet

SCHEDULE - 4 : FIXED ASSETS

(Amount in Rupees)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|----------------------|-------------------|-------------------|----------------|--------------------|------------------|----------------|-------------------|-------------------|
| | As on 01.04.10 | Additions | Deletion | As on 31.03.11 | For the Year | Deletion | As on 31.03.11 | As on 31.03.10 |
| Land-free- hold | 20,513,786 | | | 20,513,786 | | - | 20,513,786 | 20,513,786 |
| Building | 9,050,306 | | | 9,050,306 | 302,280 | - | 6,259,519 | 6,561,798 |
| Machinery & Systems | 53,888,553 | 3,829,906 | | 57,718,459 | 4,904,036 | - | 22,736,981 | 23,811,111 |
| Electrical Fittings | 1,699,892 | | | 1,699,892 | 79,184 | - | 935,121 | 1,014,306 |
| Furniture & Fixtures | 5,753,313 | 1,068,449 | | 6,821,762 | 258,104 | - | 2,382,597 | 1,572,252 |
| Office Equipment | 4,692,860 | 499,584 | 14,990 | 5,177,454 | 322,577 | - | 3,643,745 | 3,481,729 |
| Vehicles | 3,424,856 | 3,150 | 575,000 | 2,853,006 | 234,115 | 173,054 | 1,845,319 | 2,478,229 |
| Total | 99,023,566 | 5,401,089 | 589,990 | 103,834,665 | 6,100,296 | 173,054 | 58,317,068 | 59,433,212 |
| Previous Year | 78,722,351 | 20,356,215 | 55,000 | 99,023,566 | 3,003,543 | 23,863 | 59,433,211 | 42,111,676 |

ASM Technologies Limited

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | As At 31.03.2011 | As At 31.03.2010 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| SCHEDULE - 5 : INVESTMENTS | | |
| Trade (Unquoted) - at cost | | |
| 1. Advanced Synergic Pte Ltd., Singapore 10,00,000 equity shares of SGD 1 each in wholly owned Subsidiary. (Last year - 1,00,000 equity shares of SGD 1 each) | 37,137,990 | 2,481,090 |
| 2. Pinnacle Talent Inc. USA 1,60,00,000 equity shares of USD 0.01 each in wholly owned Subsidiary. (Last year : 1,00,00,000 equity shares of USD 0.001 each and USD 60,000 in application money) | 7,323,326 | 7,323,326 |
| Total | 44,461,316 | 9,804,416 |
| SCHEDULE - 6 : SUNDRY DEBTORS | | |
| (Unsecured considered good) | | |
| Over Six months | 1,286,543 | 979,299 |
| Others | 201,868,627 | 150,235,604 |
| Total | 203,155,170 | 151,214,903 |
| SCHEDULE - 7 : CASH AND BANK BALANCE | | |
| Cash on hand | 26,721 | 19,810 |
| Balance with Schedule banks: | | |
| 1. In current account | 12,060,570 | 4,752,600 |
| 2. In deposit account | 19,544,121 | 17,568,323 |
| Total | 31,631,412 | 22,340,733 |
| SCHEDULE - 8 : LOANS & ADVANCES | | |
| (Unsecured, Considered good -advances recoverable in cash or in kind or for the value to be received) | | |
| Advance to Employees | 437,351 | 2,157,435 |
| Tax deducted at source - Current Year | 23,908,094 | 16,323,807 |
| Tax deducted at source - Previous Years | 11,071,163 | 16,077,361 |
| Others | 1,011,351 | 2,662,161 |
| Total | 36,427,959 | 37,220,764 |
| SCHEDULE - 9 : LIABILITIES & PROVISION | | |
| Current Liabilities | | |
| Sundry Creditors | 5,215,994 | 9,866,848 |
| Other Liabilites | 106,933,846 | 60,317,774 |
| Total A | 112,149,840 | 70,184,622 |

ASM Technologies Limited

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | As At 31.03.2011 | As At 31.03.2010 |
|------------------------------------------------------|---------------------|---------------------|
| Provisions | | |
| Provision for Taxation | 17,238,301 | 12,732,645 |
| Dividend | 10,000,000 | 6,000,000 |
| Dividend Tax | 1,660,875 | 1,019,700 |
| Total B | 28,899,176 | 19,752,345 |
| Total A + B | 141,049,016 | 89,936,967 |
| SCHEDULE - 10 : OTHER INCOME | | |
| Interest received on deposits with banks and others | 3,339,792 | 2,498,683 |
| Miscellaneous Income | 677,386 | 572,516 |
| Profit on sale of asset | - | 2,421 |
| | 4,017,178 | 3073,620 |
| SCHEDULE - 11 : SOFTWARE DEVELOPMENT EXPENSES | | |
| Manpower cost | | |
| Salaries, bonus and other staff cost | 337,475,819 | 158,464,254 |
| Consultancy charges and overseas expenses | 146,870,683 | 195,036,132 |
| Staff Welfare | 1,531,418 | 802,611 |
| Other Cost | | |
| Product / Licence purchase | 4,556,588 | 1,219,222 |
| Total | 490,434,508 | 355,522,220 |
| SCHEDULE - 12 : ADMINISTRATIVE EXPENSES | | |
| Advertisement and Business Promotions | 1,801,880 | 764,514 |
| Audit fee | 154,350 | 147,000 |
| Bad Debt | 511,107 | 122,859 |
| Managing Director's remuneration | 3,144,000 | 3,144,000 |
| Exchange Fluctuation Loss | 664,274 | 287,501 |
| Electricity & water | 1,089,973 | 1,076,590 |
| Insurance charges | 573,859 | 141,000 |
| Membership & subscription | 1,053,502 | 996,803 |
| Miscellaneous Expense | 536,420 | 748,602 |
| Office Maintenance | 765,458 | 618,709 |
| Postage, Courier, telephone, telex & fax charges | 4,899,945 | 3,160,425 |
| Printing & stationary | 768,686 | 709,830 |
| Professional Charges | 4,976,593 | 2,222,549 |
| Rates & Taxes | 388,570 | 436,416 |
| Rent | 732,710 | 594,148 |
| Repairs & maintenance - Building | 2,250,229 | 192,185 |
| Repairs & maintenance - Computers | 819,415 | 259,056 |
| Repairs & maintenance - Others | 472,995 | 191,364 |
| Travelling & Conveyance | 5,240,172 | 3,267,117 |
| Vehicle Maintenance | 201,580 | 103,113 |
| Loss on sale of asset | 163,851 | - |
| Total | 31,209,569 | 19,183,779 |
| SCHEDULE -13: FINANCIAL CHARGES | | |
| Bank charges | 1,198,991 | 2,975,406 |
| Interest | 13,425,609 | 8,492,238 |
| Total | 14,624,600 | 11,467,644 |

ASM Technologies Limited

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - 14 :

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. The accounts of the company have been prepared using the accrual method based on the historical cost convention.
2. Income: Sales include sale of software and Software services. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Miscellaneous income mainly consisting of reimbursement of expenses and the same is accounted on accrual basis.
3. Expenditure: Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
4. Fixed Assets: Fixed Assets are stated at cost of acquisition less accumulated depreciation. Capital-work-in progress comprises outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the reporting date. Goodwill arising on consolidation or acquisition is not amortized but is tested for impairment.
5. Depreciation: Depreciation is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased/sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition.
6. The company's contribution to the Gratuity has been provided based on best estimation.
7. Foreign currency transactions: In case of sales made to clients outside India, income is accounted on the basis of the exchange rate prevailing at the end of the previous month of sale. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevailing at the end of the previous month of expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.

B. NOTES ON ACCOUNTS

| | (Rs. in lakhs) | |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | <u>31.03.2011</u> | <u>31.03.2010</u> |
| 1. Managing Directors remuneration | | |
| a. Salary | 30.00 | 30.00 |
| b. Contribution to Provident Fund | 1.44 | 1.44 |
| 2. Payment to auditors | | |
| a. Audit fee | 1.37 | 1.30 |
| b. Tax audit fee (Inclusive of Service tax) | 0.17 | 0.17 |
| 3. Expenditure in foreign currency | | |
| a. Technical Consultancy & Living Expenses | 1,006.21 | 1,495.69 |
| b. Others | 3.78 | 2.73 |
| 4. Earnings in foreign currency | 2,811.07 | 1,662.27 |
| 5. Paisas are rounded off to the nearest rupee. | | |
| 6. The operations of the company are to develop software and software services, which cannot be expressed in terms of units/ quantity. | | |

ASM Technologies Limited

Hence it is not possible to give the quantitative information as required by the Schedule VI of the Companies Act, 1956.

7. Deferred Taxes

In accordance with the Accounting Standard – 22 (AS-22) “Accounting for Taxes on Income” which became mandatory for reporting from 1st April 2001, the tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations.

8. Related Party Transactions – (AS – 18)

The Company had transactions with the following related parties.

Wholly Owned Subsidiaries:

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

And

Step down subsidiary :-

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

IDS Systems Private Limited

Directors: Mr. M R Vikram, Mr. Rabindra Srikantan, Dr. R P Shenoy and Prof. B S Sonde,

Key Management Personnel Mr. N Krishnan, Mr. T S Shanbhogue, Mr. Harisimha, Mr. Pramod, Ms. Anitha Singan, Ms. Vani, Mr. Balaji Padmakumar, Mr. Vasant Bhat and Ms. P N Lakshmi.

Summary of the Transactions with the above related parties for the financial year ending 31st March 2011 is as follows.

| | (Rs. in lakhs) | |
|------------------------------------------|---------------------|---------------------|
| | As at 31.03.2011 | As at 31.03.2010 |
| Wholly owned Subsidiaries | | |
| Purchase of Services | | |
| Pinnacle Talent Inc | 1,196.06 | 1,384.10 |
| Sale of Services | | |
| Advanced Synergic Pte Ltd | 155.55 | 102.55 |
| Abacus Business Solutions, Inc | 452.62 | NA |
| IDS Systems Private Limited | | |
| Sales & Reimbursement of expenses | 3,380.59 | 2,139.97 |
| Directors and Key managerial persons | | |
| Remuneration to Managing Director | 31.44 | 31.44 |
| Remuneration to Key Management Personnel | 158.41 | 110.66 |

9. Earnings per share

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

10. Capital Commitment

ASM Technologies Limited

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is Rs. 51.81 Lakhs.

11. Segment Reporting – (AS - 17)

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

| | Rs. In Lakhs | |
|---------------------------------------------------|-----------------|------------|
| | 31.03.2011 | 31.03.2010 |
| Geographic Segment | | |
| Export Sales | 2,781.93 | 1,662.28 |
| Domestic Sales | 3,450.81 | 2,616.92 |
| | 6,232.74 | 4,279.20 |
| Other Income | | |
| Interest | 33.40 | 24.99 |
| Others | 6.77 | 5.75 |
| | 40.17 | 30.74 |
| Particulars of Segment Asset and Liability | | |
| Segment Assets | | |
| Outside India | 751.33 | 281.17 |
| India | 3,454.24 | 2,631.13 |
| Investments | | |
| Outside India | 418.45 | 98.04 |
| India | 198.19 | - |
| Segment Liabilities | | |
| Outside India | 349.18 | 74.53 |
| India | 1,729.77 | 1,284.36 |

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

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

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

B. Sudhakar Pai
(Proprietor)

Place : Bangalore
Date : May 28, 2011

ASM Technologies Limited

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

REGISTRATION DETAILS

| | |
|--------------------|------------|
| State code | 8 |
| Registration No. | 13421 |
| Balance sheet date | 31.03.2011 |

CAPITAL RAISED DURING THE YEAR (Rs. In thousand)

| | |
|-------------------|-----|
| Public issue | Nil |
| Right issue | Nil |
| Bonus issue | Nil |
| Private placement | Nil |

POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Rs. In Thousand)

| | |
|-------------------|---------|
| Total liabilities | 397,422 |
| Total assets | 397,422 |

SOURCE OF FUNDS

| | |
|----------------------|---------|
| Paid up capital | 50,000 |
| Reserves and surplus | 151,854 |
| Secured loan | 54,518 |
| Unsecured loan | Nil |

APPLICATION OF FUNDS

| | |
|---------------------------|----------|
| Net fixed assets | 79,202 |
| Investments | 44,461 |
| Net current assets | 1,30,756 |
| Deferred Tax Asset | 1,953 |
| Miscellaneous expenditure | Nil |

PERFORMANCE OF THE COMPANY (Rs. In Thousand)

| | |
|-------------------|---------|
| Turnover | 623,275 |
| Total Expenditure | 542,368 |
| Profit before tax | 84,922 |
| Profit after tax | 65,194 |
| Earning per share | 13.04 |
| Dividend rate | 20% |

GENERIC NAME OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

| | |
|---------------------|-------------------|
| Item code No. | 85249009.10 |
| Product description | Computer Software |

AUDITORS' REPORT

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

We have examined the attached Consolidated Balance Sheet of M/s. ASM TECHNOLOGIES LIMITED and its subsidiaries collectively called 'ASM Group' as at March 31, 2011, the Consolidated Profit and Loss Account of ASM Group for the year ended on that date and the Consolidated Cash Flow Statement of the ASM Group for the year then ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

01. We did not Audit the Financial statements of the subsidiary (Advanced Synergic Pte. Ltd.), with a profit of Rs.120.82 Lacs for the year ended 31st March, 2011. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries, is based solely on the report of the other auditors.
02. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial statement prescribed by the Companies (Accounting Standards) Rules, 2006.
03. On the basis of the information and explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles the accounting principles generally accepted in India
 - a. In the case of the consolidated Balance Sheet, of the state of affairs of the ASM Group as at March 31, 2011.
 - b. In the case of the Consolidated Profit and Loss Account, of the profit of the ASM Group for the year ended on that date
 - c. In the case of the Consolidate Cash Flow Statements, of the cash flows of the ASM Group for the year then ended on that date.

for **Sudhakar Pai Associates,**
Chartered Accountants,

B. SUDHAKAR PAI

(Proprietor)

Membership No. 018187

Place : Bangalore.

Date : May 28, 2011

FINANCIALS

ASM Technologies Limited

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

Consolidated Balance Sheet as at March 31, 2011

(Amount in Rupees)

| Particulars | Sch No. | As At 31.03.2011 | As At 31.03.2010 |
|----------------------------------------------------------|------------|---------------------|---------------------|
| SOURCE OF FUNDS | | | |
| 1. SHAREHOLDERS FUND | | | |
| a. Share Capital | 1 | 50,000,000 | 50,000,000 |
| b. Reserves & Surplus | 2 | 155,630,777 | 110,754,253 |
| 2. LOAN FUNDS | | | |
| Secured loan | 3 | 164,710,715 | 77,163,038 |
| 3. MINORITY INTEREST | | | |
| Minority shareholders of Abacus Business Solutions, Inc. | | 8,164,980 | - |
| TOTAL | | 378,506,472 | 237,917,291 |
| APPLICATION OF FUNDS | | | |
| 1. GOODWILL | | | |
| Goodwill on Consolidation | | 201,464,073 | - |
| 2. FIXED ASSETS | | | |
| Gross Block | | 137,017,813 | 132,182,142 |
| Less : Accumulated Depreciation | | 62,521,385 | 55,325,201 |
| Net Block | 4 | 74,496,428 | 76,856,941 |
| Capital work-in-progress | | 20,884,917 | 7,188,600 |
| 3. DEFERRED TAX ASSET | | | |
| | | 1,953,233 | 3,436,524 |
| 4. CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Sundry Debtors | 5 | 255,258,936 | 196,037,387 |
| b. Cash & Bank balances | 6 | 64,894,470 | 27,671,529 |
| c. Loans & Advances | 7 | 38,607,041 | 38,089,444 |
| d. Deposits | | 591,305 | 1,069,722 |
| | | 359,351,752 | 262,868,082 |
| LESS : CURRENT LIABILITIES & PROVISIONS | | | |
| Current Liabilities | | 246,829,099 | 91,864,667 |
| Provisions | 8 | 32,814,833 | 20,568,189 |
| NET CURRENT ASSETS | | 79,707,821 | 150,435,226 |
| Significant accounting policies and notes on accounts | 13 | | |
| TOTAL | | 378,506,472 | 237,917,291 |

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

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

B. Sudhakar Pai
(Proprietor)

Place : Bangalore
Date : 28.05.2011

M/s ASM Technologies Limited

Consolidated Profit & Loss Account for the Year ended March 31, 2011

(Amount in Rupees)

| Particulars | Sch No. | As At 31.03.2011 | As At 31.03.2010 |
|------------------------------------------------------------------------------------|------------|----------------------|---------------------|
| INCOME | | | |
| Sale of Services & Products | | 1,116,464,503 | 689,332,315 |
| Other Income | 9 | 6,196,997 | 4,379,419 |
| Total - A | | 1,122,661,500 | 693,711,734 |
| EXPENDITURE | | | |
| Software Development Expenses | 10 | 953,011,548 | 590,609,137 |
| Administrative expenses | 11 | 53,533,606 | 44,604,574 |
| Financial Charges | 12 | 16,523,378 | 13,765,357 |
| Depreciation | 4 | 7,369,238 | 5,033,635 |
| Total - B | | 1,030,437,770 | 654,012,704 |
| Net Profit before tax, minority interest & exceptional items | | 92,223,730 | 39,699,030 |
| Less: Provision for Doubtful Debt | | 2,250,788 | - |
| Provision for Taxation - | | | |
| Current Tax | | 18,784,621 | 6,773,555 |
| Deferred Tax Liability / (Asset) | | 1,483,291 | (1,286,227) |
| Earlier years | | 2,881,709 | 2,023,118 |
| Net Profit after tax & before exceptional items & minority interest | | 66,823,321 | 32,188,584 |
| Minority Interest | | 4,036,151 | - |
| Net Profit after tax, exceptional items & minority interest | | 62,787,170 | 32,188,584 |
| Add: Previous year Surplus/Loss | | 61,173,283 | 41,001,400 |
| Amount Available for Appropriation | | 123,960,452 | 73,189,983 |
| Dividend | | 10,000,000 | 6,000,000 |
| Dividend Tax | | 1,660,875 | 1,016,700 |
| Amount Transferred to General Reserve | | 10,000,000 | 5,000,000 |
| Balance in Profit and Loss account | | 102,299,577 | 61,173,283 |
| Earnings per share | | | |
| (Equity shares, par value Rs. 10 each) | | | |
| Basic | | 12.56 | 6.44 |
| Diluted | | 12.56 | 6.44 |
| Significant accounting policies and notes on accounts | 13 | | |
| | | 123,960,452 | 73,189,983 |

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

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

B. Sudhakar Pai
(Proprietor)

Place : Bangalore
Date : 28.05.2011

ASM Technologies Limited
Consolidated Financial Statements

Cash Flow Statement for the year ended March 31, 2011

(Amount in Lakhs)

| Particulars | As At 31.03.2011 | As At 31.03.2010 |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) after tax & extraordinary items | 627.87 | 321.89 |
| Adjustments for : | | |
| Depreciation | 73.69 | 50.34 |
| Loss on sale of fixed asset | 1.64 | - |
| Interest Income | (33.40) | (25.38) |
| Deferred Taxation (Net) | 14.83 | (12.86) |
| Finance charges | 165.23 | 137.65 |
| Effect of exchange differences on translation of foreign currency Cash & Cash equivalent | 3.40 | 24.05 |
| Operating profit before working Capital changes | 853.28 | 495.68 |
| Adjustment for | | |
| Trade payables | 1,732.11 | (83.74) |
| Trade & other receivables | (592.24) | 219.50 |
| Working capital finance | (23.05) | (322.71) |
| Cash generated from operations | 1,970.10 | 308.73 |
| Finance charges | (165.23) | (137.65) |
| Net cash from operating activities - A | 1,804.86 | 171.08 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed assets | (191.22) | (222.89) |
| Investment in Subsidiary | (2,037.01) | - |
| Proceeds on Disposal of Fixed Asset | 2.53 | 0.33 |
| Interest Income | 33.40 | 25.38 |
| Net cash from Investing activities - B | (2,192.31) | (197.18) |
| C. CASH FLOW FROM FINANCE ACTIVITIES | | |
| Long term borrowings | 857.24 | 34.57 |
| Dividend and Dividend Tax paid during the period | (60.00) | (58.50) |
| Net cash from Finance activities - C | 797.24 | (23.93) |
| Effect of exchange differences on translation of foreign currency Cash & Cash equivalent | (37.58) | 26.65 |
| Net increase in cash and cash equivalents (A+B+C) | 372.22 | (23.37) |
| Cash & cash equivalents as at 1st April 2010 | 276.73 | 300.10 |
| Cash & Cash equivalents as at 31st March 2011 | 648.95 | 276.73 |

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

P.N. Lakshmi
Company Secretary

Place : Bangalore
Date : 28.05.2011

AUDITOR'S CERTIFICATE

We have examined the above consolidated cash flow statement of ASM Technologies Limited , for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement under clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company for the year ended 31st March, 2011.

for SUDHAKAR PAI ASSOCIATES
Chartered Accountants

B. SUDHAKAR PAI
(Proprietor)

Place : Bangalore
Date : 28.05.2011

ASM Technologies Limited

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | 31.03.2011 | 31.03.2010 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| SCHEDULE - 1 : SHARE CAPITAL | | |
| Authorised : | | |
| 70,00,000 Equity shares of Rs 10 each | 70,000,000 | 70,000,000 |
| Issued, Subscribed & Paid up | | |
| 50,00,000 equity shares of Rs 10 each | 50,000,000 | 50,000,000 |
| Total | 50,000,000 | 50,000,000 |
| SCHEDULE - 2 : RESERVES & SURPLUS | | |
| a. Capital reserve | | |
| Foreign Currency Translation Reserve | - | 6,252,769 |
| Profit on reissue of forfeited shares | 331,200 | 331,200 |
| Share Premium Account | 33,000,000 | 33,000,000 |
| b. General Reserve | 20,000,000 | 10,000,000 |
| c. Profit and Loss account | 102,299,577 | 61,170,284 |
| Total | 155,630,777 | 110,754,253 |
| SCHEDULE - 3 : SECURED LOAN | | |
| Working Capital | 57,582,036 | 59,887,066 |
| (Working Capital in India is Secured by hypothecation of receivables, personal guarantee by Managing Director, Lien on fixed Deposits. Working capital in USA is secured by hypothecation of receivables, corporate guarantee by HO and personal guarantee by President of the subsidiary and the working capital in Singapore is secured by hypothecation of receivables and corporate guarantee by HO) | | |
| Term Loan | 107,128,678 | 17,275,972 |
| (Secured by First Charge on Land and Building and personal guarantee by Managing Director and term loan on vehicles is secured by hypothecation of vehicles) | | |
| Total | 164,710,715 | 77,163,038 |

SCHEDULE - 4 : FIXED ASSETS

(Amount in Rupees)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|----------------------|--------------------|-------------------|----------------|--------------------|------------------|----------------|-------------------|-------------------|-------------------|
| | As on 01.04.10 | Additions | Deletion | As on 31.03.11 | For the Year | Deletion | As on 31.03.11 | As on 31.03.11 | As on 31.03.10 |
| | | | | | | | | | |
| Land-free- hold | 20,513,786 | - | - | 20,513,786 | - | - | - | 20,513,786 | 20,513,786 |
| Building | 9,050,305 | - | - | 9,050,305 | 302,280 | - | 2,790,787 | 6,259,518 | 6,561,798 |
| Machinery & Systems | 69,748,496 | 3,854,478 | - | 73,602,974 | 4,999,870 | - | 48,893,309 | 24,709,665 | 25,855,057 |
| Electrical Fittings | 1,699,892 | - | - | 1,699,892 | 79,184 | - | 764,770 | 935,122 | 1,014,306 |
| Furniture & Fixtures | 5,753,313 | 1,068,449 | - | 6,821,762 | 258,104 | - | 4,439,165 | 2,382,597 | 1,572,252 |
| Office Equipment | 4,742,254 | 499,584 | 14,990 | 5,226,848 | 329,002 | - | 1,575,480 | 3,651,368 | 3,495,776 |
| Vehicles | 3,424,856 | 3,150 | 575,000 | 2,853,006 | 234,115 | 173,054 | 1,007,688 | 1,845,318 | 2,478,229 |
| Goodwill | 17,249,240 | - | - | 17,249,240 | 1,166,683 | - | 3,050,186 | 14,199,054 | 15,365,737 |
| Total | 132,182,142 | 5,425,661 | 589,990 | 137,017,813 | 7,369,238 | 173,054 | 62,521,385 | 74,496,428 | 76,856,940 |
| Previous Year | 111,096,017 | 21,141,125 | 55,000 | 132,182,142 | 5,033,635 | 23,863 | 55,325,201 | 76,856,940 | 60,780,587 |

ASM Technologies Limited
Consolidated Financial Statements

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | 31.03.2011 | 31.03.2010 |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| SCHEDULE - 5 : SUNDRY DEBTORS | | |
| (Unsecured considered good) | | |
| Over Six months | 1,286,543 | 979,299 |
| Others | 253,972,393 | 195,058,088 |
| Total | 255,258,936 | 196,037,387 |
| SCHEDULE - 6 : CASH AND BANK BALANCE | | |
| Cash on hand | 26,721 | 20,452 |
| Balance with Scheduled banks: | | |
| 1. In current account | 18,873,039 | 4,752,604 |
| 2. In deposit account | 19,544,121 | 21,390,571 |
| Balance with Unscheduled banks: | | |
| In current account | 26,450,589 | 1,507,902 |
| Total | 64,894,470 | 27,671,529 |
| SCHEDULE - 7 : LOANS & ADVANCES | | |
| (Unsecured, Considered good -advances recoverable in cash or in kind or for the value to be received) | | |
| Advance to Employees | 437,351 | 2,164,172 |
| Tax deducted at source - Current Year | 23,908,094 | 16,323,807 |
| Tax deducted at source - Previous Years | 11,071,163 | 16,077,361 |
| Others | 3,190,433 | 3,524,104 |
| Total | 38,607,041 | 38,089,444 |
| SCHEDULE - 8 : LIABILITIES & PROVISION | | |
| Current Liabilities | | |
| Sundry Creditors | 115,133,931 | 18,853,019 |
| Other Liabilities | 131,695,168 | 73,011,648 |
| Total A | 246,829,099 | 91,864,667 |
| Provisions | | |
| Provision for Taxation | 21,153,958 | 13,548,489 |
| Dividend | 10,000,000 | 6,000,000 |
| Dividend Tax | 1,660,875 | 1,019,700 |
| Total B | 32,814,833 | 20,568,189 |
| Total A + B | 279,643,931 | 112,432,856 |

ASM Technologies Limited
Consolidated Financial Statements

Schedules to the Balance Sheet

(Amount in Rupees)

| Particulars | 31.03.2011 | 31.03.2010 |
|------------------------------------------------------|--------------------|--------------------|
| SCHEDULE - 9 : OTHER INCOME | | |
| Interest received on deposits with banks and others | 3,339,792 | 2,538,274 |
| Miscellaneous Income | 2,857,205 | 1,838,724 |
| Profit on sale of asset | - | 2,412 |
| Total | 6,196,997 | 4,379,410 |
| SCHEDULE - 10 : SOFTWARE DEVELOPMENT EXPENSES | | |
| Manpower cost | | |
| Salaries, bonus and other staff cost | 633,362,355 | 335,452,834 |
| Consultancy charges and overseas expenses | 313,561,187 | 252,853,989 |
| Staff Welfare | 1,531,418 | 1,083,092 |
| Other Cost | | |
| Product / Licence purchase | 4,556,588 | 1,219,222 |
| Total | 953,011,548 | 590,609,137 |
| SCHEDULE - 11 : ADMINISTRATIVE EXPENSES | | |
| Advertisement and Business Promotions | 2,426,956 | 950,116 |
| Audit fee | 333,519 | 394,358 |
| Bad Debt | 511,107 | 2,849,832 |
| Managing Director's remuneration | 3,144,000 | 3,144,000 |
| Exchange Fluctuation Loss | 340,402 | 2,405,189 |
| Electricity & water | 1,089,973 | 1,076,590 |
| Insurance charges | 2,477,394 | 1,424,441 |
| Membership & subscription | 2,956,458 | 4,095,413 |
| Miscellaneous Expense | 1,046,589 | 3,467,126 |
| Office Maintenance | 1,273,456 | 1,139,970 |
| Postage, Courier, telephone, telex & fax charges | 7,588,883 | 5,776,393 |
| Printing & stationery | 768,686 | 751,336 |
| Professional Charges | 8,088,027 | 4,750,147 |
| Rates & Taxes | 394,266 | 463,761 |
| Rent | 5,123,001 | 5,108,452 |
| Repairs & maintenance - Building | 2,831,180 | 360,351 |
| Repairs & maintenance - Computers | 819,415 | 259,056 |
| Repairs & maintenance - Others | 472,995 | 191,364 |
| Travelling & Conveyance | 11,481,867 | 5,300,039 |
| Vehicle Maintenance | 201,580 | 103,113 |
| Loss on sale of asset | 163,851 | - |
| Total | 53,533,606 | 44,011,047 |
| SCHEDULE -12: FINANCIAL CHARGES | | |
| Bank charges | 1,866,448 | 3,463,806 |
| Interest | 14,656,930 | 10,301,551 |
| Total | 16,523,378 | 13,765,357 |

SCHEDULES TO BALANCE SHEET

SCHEDULE - 13 :

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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

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

And

Step down subsidiary :-

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

A. SIGNIFICANT ACCOUNTING POLICIES

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

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

2. Income: Sales include sale of software and Software services. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Other income mainly consisting of reimbursement of expenses and the same is accounted on accrual basis. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as unearned revenue.
3. Expenditure: Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
4. Fixed Assets: Fixed Assets are stated at cost of acquisition less accumulated depreciation. Capital-work-in progress comprises outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the reporting date. Goodwill arising on consolidation or acquisition is not amortized but is tested for impairment.
5. Depreciation: Depreciation is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased/sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. In Pinnacle Talent Inc, depreciation on Computer and Software is provided on straight-line method at 20%. In Advanced Synergic Pte Ltd depreciation is provided at 100% for Computers and 33.33% for the Office Equipments. In ESR depreciation on Computer and Software is provided on straight-line method at 20% and the Goodwill is amortized over a period of 15 Years.
6. The company's contribution to the Gratuity has been provided based on best estimation method.
7. Foreign currency transactions: In case of sales made to clients outside India, income is accounted on the basis of exchange rate prevailing on the date of transaction. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.
8. Trade investments are investments made to enhance the Group's business interest. Investments are carried at cost, Provision for diminution in the value of long term investments is made if such decline is considered other than the temporary.
9. In accordance with the Accounting Standard 20 (AS-20) "Earning per share" issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the year.
10. Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Provision for current tax is in accordance with the provisions of the Income Tax Act, 1961. prevailing on the date of transaction. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevailing at the end of the previous month of expenditure incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.

B. NOTES ON ACCOUNTS

1. The operations of the company are to develop software and the allied activities, which cannot be expressed in terms of units/quantity. Hence it is not possible to give the quantitative information as required by the Schedule VI of the Companies Act, 1956.

2. Related Party Transactions – (AS-18)

The Company had transactions with the following related parties.

Subsidiaries: Pinnacle Talent Inc, USA & Advanced Synergic Pte Ltd, Singapore.

Step down Subsidiary: ESR Associates Inc USA & Abacus Business Solutions, Inc. USA

IDS Systems Pvt Ltd

Directors: ASM Technologies Limited

Mr. M R Vikram, Mr. Rabindra Srikantan, Dr. R P Shenoy and Prof. B S Sonde,

Directors: Advanced Synergic Pte Ltd

Mr. Venkataramaiyer Sivaramakrishnan and Mr. Rabindra Srikantan

Key Management Personnel: Mr. Sundar Ramanathan, Mr. N Krishnan, Mr. T S Shanbhogue, Mr. Harisimha, Mr. Shalabh Singh, Mr. Pramod, Ms. Anitha Singan, Ms. Vani, Mr. Balaji Padmakumar, Mr. Vasant Bhat, Ms. P N Lakshmi, Mr. John Seitz, Mr. Jay Belur, Mr. Dharmesh Parikh, Mr. David Joffe and Mr. Alex Marzano

Summary of the Transactions with the above related parties for the financial year ending 31st March 2011 are as follows.

| | As at 31.03.2011 | Rs. in Lakhs As at 31.03.2010 |
|------------------------------------------------------------------|---------------------|-------------------------------------|
| Remuneration to Directors | 58.80 | 58.80 |
| Remuneration to Key Management Personnel | 483.13 | 268.79 |
| IDS Systems Private Limited Sales & Reimbursement of expenses | 3,380.59 | 2,139.97 |

3. Earnings per share

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

4. Capital Commitment

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is Rs. 51.81 Lakhs.

5. Deferred Taxes

In accordance with the Accounting Standard – 22 (AS-22) "Accounting for Taxes on Income" which became mandatory for reporting from 1st April 2001, the tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. prevailing enacted regulations.

ASM Technologies Limited
Consolidated Financial Statements

6. Segment Reporting – (AS-17)

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

| | 31.03.2011 | Rs. in Lakhs 31.03.2010 |
|---------------------------------------------------|-------------------|-----------------------------------|
| Geographic Segment | | |
| Export Sales | 2,781.93 | 4,276.40 |
| Domestic Sales | 8,382.71 | 2,616.92 |
| | 11,164.64 | 7,959.87 |
| Other Income | | |
| Interest | 33.39 | 25.38 |
| Others | 6.77 | 18.41 |
| | 40.16 | 43.79 |
| Particulars of Segment Asset and Liability | | |
| Segment Assets | | |
| Outside India | 780.98 | 872.38 |
| India | 3,424.59 | 2,631.13 |
| Segment Liabilities | | |
| Outside India | 349.17 | 541.41 |
| India | 1,729.77 | 1,284.36 |

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

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

Place : Bangalore
Date : 28.05.2011

M.R. Vikram
Chairman

Rabindra Srikantan
Managing Director

B. SUDHAKAR PAI
(Proprietor)

Statement pursuant to Section 212 of the Companies Act 1956

| Subsidiary | Financial Period | Holding company's interest as at March 31, 2011 | Exchange rate as at March 31, 2011 | Issued & Subscribed share capital | Reserves | Loans | Total Assets | Total Liabilities | Investments | | | Profit / (Loss) before taxation | Provision for Taxation | Rs. in Lakhs | |
|--------------------------------|------------------|-------------------------------------------------|------------------------------------|-----------------------------------|----------|--------|--------------|-------------------|-------------|---------|----------|---------------------------------|------------------------|--------------------------------|-----------|
| | | | | | | | | | Long term | Current | Total | | | Profit / (Loss) after taxation | Country |
| ADVANCED SYNERGIC PTE LTD | 31-Mar-11 | 100% | 1 SGD=Rs. 35.35 | 353.50 | 188.23 | 938.81 | 2,344.66 | 2,344.66 | 2,106.51 | - | 2,106.51 | 134.76 | 13.94 | 120.82 | Singapore |
| PINNACLE TALENT INC | 31-Mar-11 | 100% | 1 USD=Rs. 44.65 | 72.22 | (9.81) | 163.11 | 655.04 | 655.04 | - | - | - | (32.80) | 16.18 | (48.98) | USA |
| ESR ASSOCIATES INC | 31-Mar-11 | 100% | 1 USD=Rs. 44.65 | 45.14 | (174.85) | - | 539.47 | 539.47 | - | - | - | (118.20) | 19.73 | (137.93) | USA |
| ABACUS BUSINESS SOLUTIONS, INC | 31-Mar-11 | 51% | 1 USD=Rs. 44.65 | 35.72 | 106.16 | - | 952.22 | 952.22 | - | - | - | 82.37 | - | 82.37 | USA |

Notes :

1. ESR Associates Inc and Abacus Business Solutions Inc are step down subsidiaries of ASM Technologies Ltd.
2. Details of Abacus Business Solutions Inc. are for 3 months ended March 31, 2011.
3. Information on subsidiaries is provided in compliance with the circular no. 2/2011 dated February 8, 2011 of the Ministry of Corporate Affairs, Government of India. We undertake to make available the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders.

Green Initiative in Corporate Governance



ASM Technologies Limited

80/2 Lusanne Court, Richmond Road, Bangalore -560025 Tel: +91-080-66962300-02, Fax: +91-2227 3606, Email:info@asm ltd.com

May 28, 2011

Dear Shareholder,

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular No. 17/2011 dated 21.04.2011 and circular No. 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e- mail addresses of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of ASM Technologies Limited to contribute to the Corporate Social Responsibility initiative of the Company. Further it will ensure instant and definite receipt of the reports by you.

We notice that your email ID is not available in our records. As we propose to send future communications, in electronic mode, we request you to kindly update your e-mail ID to asm.cs@karvy.com

Thanking you,

Best Regards,

P.N.Lakshmi
Company Secretary
ASM Technologies Ltd
80/2 Lusanne Court,
Richmond Road,
Bangalore- 560025
Tel: 080- 66962309

ASM Technologies Limited

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

PROXY FORM

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

I / We
..... being a member / members
of ASM Technologies Limited hereby appoint
..... of or failing him / her
of as my / our proxy to vote for me / us on my behalf at the
19th Annual General Meeting of the Company to be held on Monday, 11th July, 2011 at 11.30 a.m. and at any
adjournment thereof.

Signed this day of 2011

Re. 1
Revenue
Stamp

Signature

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



ASM Technologies Limited

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

ATTENDANCE SLIP

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

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

I hereby record my presence at the 19th Annual General Meeting of the Company held at Pai Vijay Hall, 33rd Cross,
11th Main, 4th Block Jayanagar, Bangalore 560 011 on Monday, 11th July, 2011 at 11.30 a.m.

Member's / Proxy Name

Signature of Member / Proxy

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



Book-Post



Registered office :

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

Subsidiary / Branch :

- **Singapore** : **Advanced Synergic Pte. Limited** 30 Toh Guan Road, # 08-03A, ODC Distri Center, Singapore 608 840
Tel : +65 62705737, +65 63245343 Fax : +65 6324 5345 Email : singapore@asmltd.com
- **USA** : **Pinnacle Talent Inc.** # 2020, Calamos Court Suite 200, Naperville IL 60563-2793, USA
Tel : +1 630 799 1563 Fax : +1 630 799 1562, Email : usa@asmltd.com
- **USA** : **ESR Associates Inc.** # 7071, W. Central Avenue Toledo, Ohio 43617, USA
Tel : +419 843 2571 Fax : +419 843 2702
- **USA** : **Abacus Business solutions Inc.** 26795 St. Francis Road, Los Altos Hills CA 94022, USA
Tel : +(510) 325 4737 Fax : + 650 6181981
- **UK** : **RSM Technologies (UK) Limited** # 24-25, Nutford Place , Marble Arch, London W1H5YN, UK
Tel : +207 569 3285, Fax : +207 569 3001, Email : uk@asmltd.com