



# ASM TECHNOLOGIES LIMITED

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

Tel : +91-80-66962300/01/02 Fax : +91-80-66962304 e-mail : info@asm ltd.com Website : www.asmltd.com

CIN : L85110KA1992PLC013421 GST No. : 29AABCA4362P1Z9

30<sup>th</sup> May, 2019  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai - 400 001.

Dear Sir,

**Sub : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

In compliance with the above please find enclosed Annual Report of the company with Notice for the year ended 31<sup>st</sup> March 2019.

Thanking You,

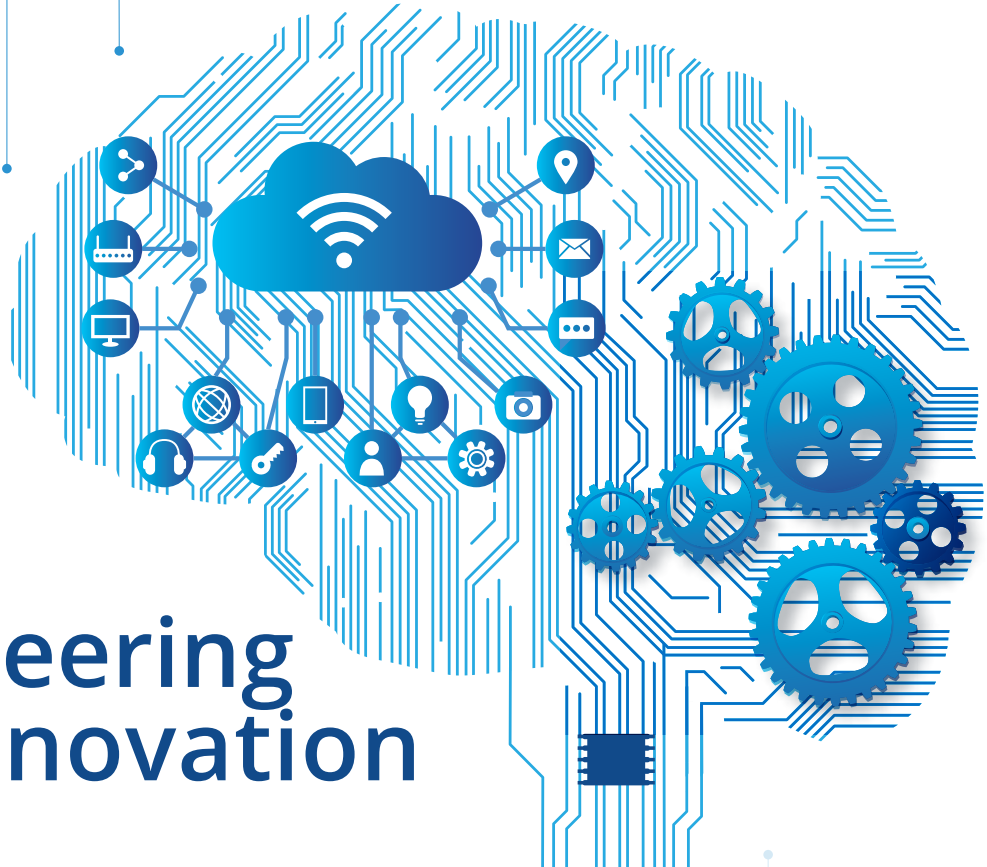
Sincerely,  
**For ASM Technologies Limited**

**P.N.Lakshmi**  
Company Secretary



**ASM**  
**TECHNOLOGIES™**

engineering innovation



engineering  
Innovation

Engineering Services • Product R&D • Digital Transformation

**ANNUAL REPORT 2018-19**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. M.R. Vikram	Chairman & Independent Director
Mr. Rabindra Srikantan	Managing Director
Prof. B.S. Sonde (upto 31.3.2019)	Independent Director
Mr. M. Lakshminarayan	Non-Independent Non-Executive Director
Mr. Shekar Viswanathan	Independent Director
Ms. Preeti Rabindra	Non-Independent Non-Executive Director

## AUDIT COMMITTEE

Mr. M.R. Vikram	Chairman
Prof. B.S. Sonde (upto 31.3.2019)	
Mr. Rabindra Srikantan (upto 12.11.2018)	
Mr. M. Lakshminarayan	
Mr. Shekar Viswanathan	

## STAKEHOLDERS RELATIONSHIP & SHARE TRANSFER COMMITTEE

Prof. B.S. Sonde (upto 31.3.2019)	Chairman
Mr. M.R. Vikram (appointed w.e.f. 01.04.2019)	
Mr. Rabindra Srikantan	
Ms. Preeti Rabindra	

## NOMINATION & REMUNERATION COMMITTEE

Mr. Shekar Viswanathan	Chairman
Mr. M.R. Vikram	
Prof. B.S. Sonde (upto 31.3.2019)	
Mr. M. Lakshminarayan	

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Prof. B.S. Sonde (upto 31.3.2019)	Chairman
Mr. M.R. Vikram	
Mr. Rabindra Srikantan	
Mr. Shekar Viswanathan	
Ms. Preeti Rabindra	

## CHIEF FINANCIAL OFFICER

Mr. Narsingh Rathod

## COMPANY SECRETARY

Ms. P.N. Lakshmi

## AUDITORS

B K Ramadhyani & Co. LLP.  
Chartered Accountants  
4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross Road,  
Malleshwaram, Bangalore - 560 055, Karnataka, India

N. Rajan Associates  
Certified Public Accountants  
Sim Lim. Towers # 10-12, 10  
Jalan Besar (S) 208787, Singapore 208787

Venu & Vinay  
Chartered Accountants  
1st Floor, 161, 4th Main Road,  
7th Cross Road, Chamarajpet,  
Bangalore - 560 018, Karnataka, India

## TAX ADVISORS

Sudhakar Pai Associates  
Chartered Accountants  
Unity Building, J.C. Road, Bangalore, Karnataka, India

Chugh CPAs, LLP  
2540 Mission College Blvd, Santa Clara CA 95054

## COMPANY LAW ADVISOR

K. Dushyantha Kumar & Associates  
Company Secretaries  
Bangalore, Karnataka, India

BMP & Co. LLP  
Company Secretaries  
Bangalore, Karnataka, India

## LEGAL ADVISORS

ARA LAW  
Mumbai, Maharashtra, India

The Law Office of Anthony Abear P.C.  
Attorney  
Wheaton, Illinois, USA

## BANKERS

State Bank of India, InCube Branch, Bangalore, Karnataka, India  
Indian Bank, Singapore  
First Federal Bank, Ohio, USA  
State Bank of India, King Street, London, UK  
HSBC Bank USA, New York, USA

## STOCK EXCHANGE

(Where the shares of the Company are listed)  
BSE Ltd  
Phiroze Jeejeebhoy Towers  
25th Floor, Dalal Street, Mumbai - 400 001, Maharashtra, India

## STOCK CODE

BSE - 526433

## DEMAT ISIN NUMBER

INE867C01010

## INVESTOR RELATION CELL

Secretarial Department  
#80/2, Lusanne Court, Richmond Road, Bangalore - 560 025,  
Karnataka, India  
Tel: +91 80 6696 2309 | compliance.officer@asm ltd.com

## REGISTRARS & SHARE TRANSFER AGENTS

Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad - 500 032, Telangana, India





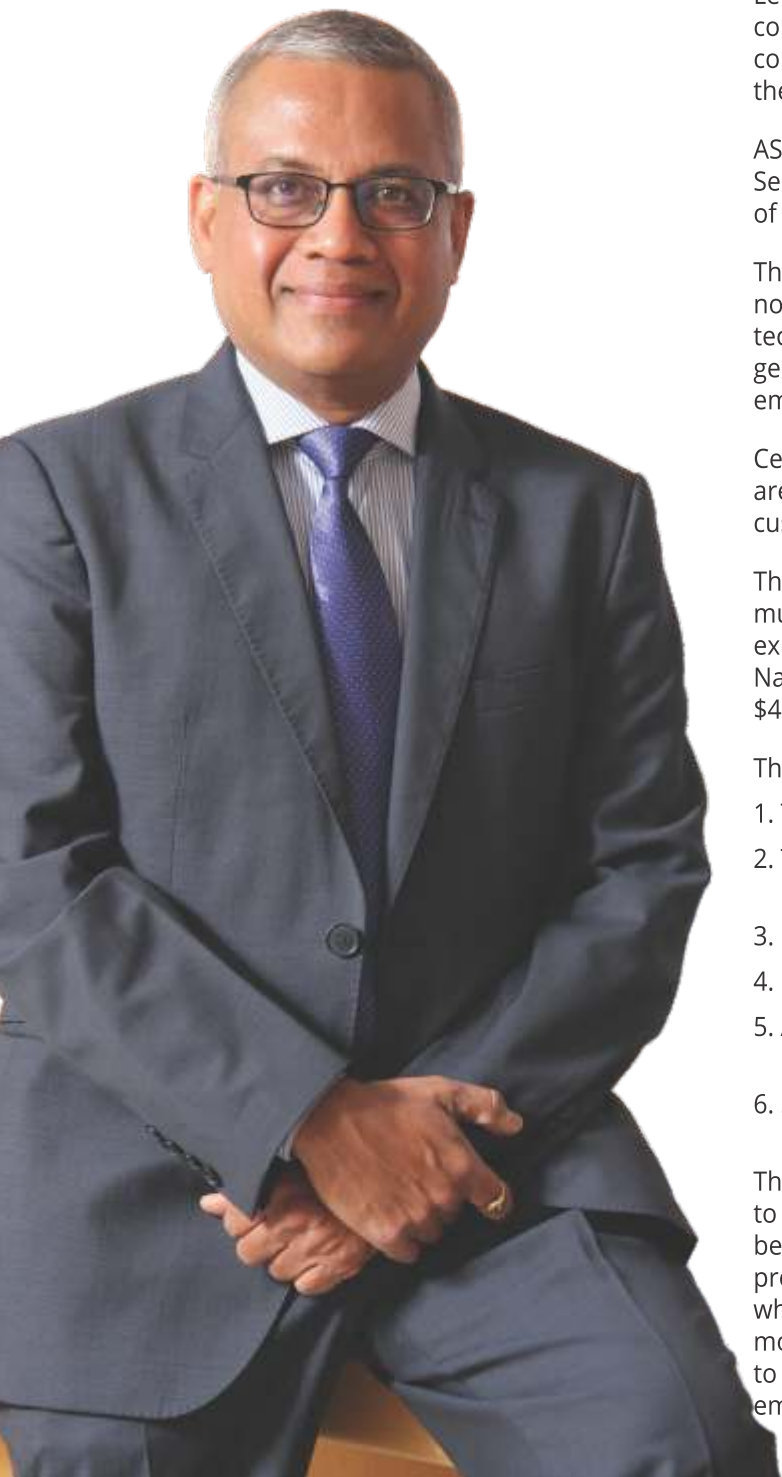
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# LETTER TO THE SHAREHOLDER



Dear Fellow Shareholder,

Let me start by thanking all the Shareholders with pride, for the continued support and faith reposed on the company. The continued support has helped us to perform better and take the company to greater heights.

ASM is majorly in three areas viz, Product R&D, Engineering Services and Digital Transformation (Dx) and the details are part of this letter.

The new initiatives, we have invested in the last few years, are now the core to our business. We continue to invest in new technologies, new geographies and R&D to align with the next generation wave growth. This is possible mainly by rapidly embracing the new external trends in the industry.

Central to our business philosophy are our “Customers” and we are the co-travellers in their growth, thereby creating a true customer obsession.

The size of the market in our areas of operation is growing multifold with the market size for the Digital Transformation is expected to grow to \$2 Trillion globally by 2020. As per Nasscom Report Engineering R&D space in India will reach to \$42 billion by 2022 as against \$28 billion at present.

The key highlights for the year 2018-19 are

1. The Revenues are Rs.760.59 Mn.
2. The EBIDTA is 108.16 Mn and has grown by 26.18% compared to previous year
3. Number of new customers added in 2018-19 is 16
4. New offices opened in Japan, Canada and Mexico
5. Acquired a majority stake in manufacturing unit, RV Forms and Gears LLP
6. Strategic Investments made in BARO Vehicles Ltd and Lavelle Networks Pvt. Ltd.

The rapid advancement in technology is enabling the industry to achieve scale and business process efficiencies like never before, and essentially re-write the rules of competition. This provides tremendous opportunities for growth on one hand, while it also poses significant challenges of reinventing business models. Companies and countries that have the talent needed to convert digital assets and IP to digital advantage, are emerging as the new world leaders.

The Indian IT Industry is making convincing strides as their clients demand Digital Transformation. Digital technologies now account for a third of the industry's business and drive much of the buoyancy. Society, in general, and industry and government, in particular, are spiritedly embracing digital technologies. Technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Augmented Reality, Virtual Reality, Machine Learning (ML), Big Data Analytics, and Robotic Process Automation are increasingly becoming mainstream, cutting across industries. As per Nasscom, in FY19, the IT software and services revenues growth crossed \$165 billion, with the overall IT exports growing to \$137 billion compared to \$126 billion in FY18, and domestic revenues growing to \$44 billion from per cent \$41 billion in FY18.

Engineering services research and development industry, (ER&D) is at the point of inflection which is boosted by rising consumer demand and disruption in technology. Major industries are progressively concentrating on developing engineering research and development (ER&D) products that can assimilate with digital consumer network. As per Nasscom report the engineering research and development market in India is expected to grow to \$42 billion by FY22 from \$28 billion at present. This growth is fueled by an interplay of digital and ER&D.

Over the last few years ASM has invested in Product R&D, Digital Transformation (Dx), comprising of Industry 4.0 (Smart Manufacturing), Internet of Things (IoT), Big Data leading to Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Virtual Reality (VR), Augmented Reality (AR), Mixed Reality (MR), Mobile Applications, Cloud, Virtualization and related Cyber Security.

### **R&D & Co-Creation**

The impact of investments in Innovation and R&D has accelerated growth of ASM and has set the company into the forefront of Product Development, whilst getting a global recognition. The initiative has therefore been on developing the products of the future, to align with the changing technologies, market and customer demands.

While investment in R&D (Research and Development) for the development of "New Products and Services" is a must for the growth and future sustainability of the organization, Co-creation is one step ahead of the R&D activities wherein the new product and services is jointly developed with our customers to meet specific defined opportunity. ASM's Co-creation Product Development Model fosters closer partnerships with the customers / consumers and is achieved by the "Shared Innovation and Shared Development" to develop solutions for defined "High Impact Problems".

### **Productivity Enhancement**

Today in the world which is adapting into "Industry 4.0" and "Smart Manufacturing" one of the main focus is to increase Productivity by "Increased Yield" and "Increased Throughput". This is essentially achieved by reducing the human intervention and automating the process using various technologies.

ASM Technologies has over the years, helping customers with extensive usage of Automation, Robotics and Digital Transformation (Dx). This initiative has clearly been of immense benefit for its customers in quantitatively increasing Yield and Throughput, resulting in "Improved Quality, High Precision, High Repeatability and Reliability".

ASM, with a proven experience in the Artificial Intelligence (AI), complex manufacturing process consisting of inter-related parameters, is effectively handled by creating lot of automated data points, through "application specific" Sensors, further processed through the IoT Gateway incorporating Sensor Fusion Algorithm, to create a Big Data. Each of the Sensors are set with "Value Thresholds" for instant "Alerts" to address the Machine Behaviour outside of the Thresholds. With efficient and smart Analytics in the cloud, a wide array of data crunched output leading to Predictive Maintenance, Analysis, Machine Downtime, Machine Behaviour etc, can lead to the "Productivity Enhancement".

The thrust areas for ASM will continue to be in the Semiconductor Equipment, Medical Devices, Hi-Tech, Automotive, Mobility Telecom industries. This "New Product Revolution" has opened opportunities for companies, like ASM, in the space of Engineering Services. The IoT (Internet of Things) offers quality space for new product development and ASM is working on creating its own products as well as Co-Creation for customer's products. The next couple of years will be exciting in this space.

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

I am happy to share with you that during the year ASM acquired a 70% stake in RV Forms & Gears LLP, a Chennai based firm. Forms & Gears, founded in 1972 by RT Varghese, a Mechanical Engineer from IIT Kharagpur, is a pioneer in Fixture building. The company has supplied to most of the global automotive industry and machine makers by over 45 years. Forms & Gears has successfully implemented projects all over India, UAE, Qatar, Thailand, Japan, Singapore, Indonesia and Turkey. RV Forms & Gears will leverage ASM's digital expertise to develop world class Smart Manufacturing solutions, the first of which is an innovative solution called SmartFix 4.0.

On an overall basis on the standalone front your company registered a total revenue of Rs.760.59 Mn for the year ended 31st March 2019. Domestic sales was Rs.78.84 Mn while Export sales was Rs. 681.75Mn. EBIDTA was at Rs.108.16 Mn and Net profit after tax was Rs.70.33 Mn.

The Consolidated total revenue for the year ended 31st March 2019 was Rs.880.25 Mn. EBIDTA was at Rs.109.11 Mn and Net Profit after tax at Rs.70.07 Mn.

During the year 2018-19 the company declared an Interim dividend of Rs. 3.00/- on 3rd November, 2018. In keeping with the Dividend policy your Directors are pleased to recommend for approval of the shareholders a final dividend of Rs.3.00 /-per equity share of Rs 10/-each for the financial year 2018-2019. The dividend amount paid / payable if approved by members will be Rs.15.00 Mn, interim paid Rs. 15.00 Mn, while Rs.6.17 Mn will be paid / payable by the company towards total dividend tax and surcharge thereon.

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

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

- Our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their support.
- Employees of the company for their valuable contribution, efforts and spirit of dedication,
- State Bank of India, Incube Branch, Bangalore, Indian Bank, Singapore, HSBC Bank, New York, USA and First Federal Bank, Ohio, USA, for their support and guidance,
- Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM.

Place: Bangalore  
Date: 18.05.2019

**Rabindra Srikantan**  
Managing Director



# BOARD OF DIRECTORS



**MR. M R VIKRAM**  
CHAIRMAN



**MR. RABINDRA SRIKANTAN**  
MANAGING DIRECTOR



**PROF. B S SONDE**  
DIRECTOR



**MR. M LAKSHMINARAYAN**  
DIRECTOR



**MR. SHEKAR VISWANATHAN**  
DIRECTOR



**MS. PREETI RABINDRA**  
DIRECTOR

## KEY MANAGERIAL PERSONNEL



**N.L. RATHOD**  
CHIEF FINANCE OFFICER



**P.N. LAKSHMI**  
COMPANY SECRETARY

# OUR BOARD OF DIRECTORS



Mr. M R Vikram - Chairman

Mr. M.R. Vikram, is a Partner of M. Anandam & Co., Secunderabad, a leading firm of Chartered Accountants in India. He has more than 38 years experience in Audit and Assurance Services, Banking and is an expert on Finance and Regulatory issues. He was earlier Director of Indian Bank, Indian Overseas Bank and Bank of Rajasthan. Mr. M.R. Vikram has also conducted various Special Studies for the Reserve Bank of India, Insurance Regulatory Development Authority and other leading Financial Institutions in the Country.

Mr. M.R. Vikram also serves as the Director of listed companies GTN Industries Ltd and Ahlada Engineers Ltd and other Private and Public companies including Facebook India Online Services Pvt Ltd, Glochem Industries Ltd, Venture Finance & Development Corporation Ltd, GTN Engineering (India) Limited, Chettinad Cement Corporation Limited, Evertogen Life Sciences Ltd, ANA ARC Pvt. Ltd. and more. He is also the Secretary Trustee of M.Venkatarangaiya Foundation, one of India's largest initiatives in eradication of child labour and bringing children to schools. He is the founder trustee of Manthan, an important intellectual group for discussion in Hyderabad. Vikram is the Chairman of CII Panel at Hyderabad, on Corporate Social Responsibility, Member CII National Committee on Backward Areas and Former Chairman of ICAI, Hyderabad Chapter.



Mr. Rabindra Srikantan - Managing Director

Mr. Rabindra Srikantan, Founder and Managing Director, ASM Technologies Limited, is a seasoned, team-oriented business entrepreneur, with a highly successful track record of building businesses based on sound strategic analysis.

He has built and scaled world-class technology and product development teams, strategic investments in start-ups and inorganic growth through acquisitions. Proven fundraising and networking skills, has built fruitful long-term partnerships with clients across the globe and has consistently delivered strong bottom-line growth over the years.

Under his leadership the company has emerged as one of the most innovative and reliable partners for its clients in the field of Product R&D, Engineering Services and Digital Transformation, while expanding its operations in USA, Singapore, UK, Canada, Mexico and Japan.

Mr. Rabindra Srikantan is also the President and Chief Operating officer of Pinnacle Talent Inc. USA, Director of Advanced Synergic Pte Ltd, Singapore wholly owned subsidiaries of the company and the President of ESR Associates Inc. and ASM Technologies S. de R.L. de C.V step down subsidiaries of the company.

Further, Mr. Rabindra spearheaded ASM's expansion in 2018 by investing in the Chennai based RV Forms and Gears LLP (F&G), a leading Smart fixture manufacturing company. The collaboration between the pioneers of technology and manufacturing led to the introduction of IoT enabled solution called SmartFix 4.0, a revolutionary Industry 4.0 solution which caters to the needs of Global manufacturing companies for Productivity Enhancements.

Other recent landmark achievements under the leadership of Rabindra, include, ASM's investment in companies involved in New Generation Autonomous Vehicles, Electric mobility, SD-WAN and Cyber Security.

Mr. Rabindra is a Charter Member of TiE, an avid sports' enthusiast supporting the Olympics focused athletes through Go Sports - Rahul Dravid Athlete Mentorship Program. He has also served as the National Executive Council Member at Indo-American Chamber of Commerce (IACC), Chairman of Indo-America Chamber of Commerce (IACC)- Bangalore Chapter and as a Member of NASSCOM National Engineering Council.

Mr. Rabindra Srikantan holds dual MS degree in Computer Engineering and Computer Science from the University of Louisiana, USA.



**Prof. B S Sonde - Director**

Prof. Sonde holds B. E.(Telecom) and M.Sc.(Engg) Degrees from the University of Pune and Ph.D. Degree from Indian Institute of Science.

Prof. Sonde served as Professor of ECE and Dean at Indian Institute of Science and Visiting Faculty at Stanford University, California, USA and other foreign universities. Later, he was appointed as Vice Chancellor, Goa University. His fields of academic and research interests encompass Microelectronics, Instrumentation, Digital Technology and its applications in Electronics and Communication Engineering of over 40 years.

Prof. Sonde planned and set up the Centre for Electronics Design and Technology at Indian Institute of Science, as an Indo-Swiss Project for training R&D engineers for industry, published 10 text/ reference books at UG/PG levels for the use of engineering students and also over 90 research papers in prestigious R&D journals.

Prof. Sonde was invited by Govt. of India to serve as Member of the Electronics Commission, the Engineering Panel of the University Grants Commission, the All India Council for Technical Education and also as Chairman, Working Group on Consumer Electronics and the National Board of Accreditation. He was also Chairman, Advisory Committee at M/S Bharat Electronics Ltd., to plan and set up its Central Research Laboratory. In addition, Prof. Sonde was President of the Institution of Electronics & Telecommunication Engineers. He is recipient of recognitions/awards from many national/international bodies.



**Mr. M Lakshminarayan - Director**

Mr. M. Lakshminarayan holds a master degree in technology from Indian Institute of Technology, Mumbai. He was the Past Chairman, HARMAN International (India) Pvt. Ltd, and rose to the position serving as the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd.

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

He also serves as Chairman of WABCO India Limited and Director on the Boards of Kirloskar Oil Engines Limited, TVS Electronics Limited, Rane (Madras) Limited, Wendt (India) Limited and Suprajit Engineering Limited, listed companies and other public and private companies as well.

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

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



**Mr. Shekar Viswanathan - Director**

Mr. Shekar Viswanathan, a Chartered Accountant, is the Vice Chairman and Whole - time Director of Toyota Kirloskar Motor Pvt. Ltd. Prior to this, he was a member of the Board of Directors of Toyota Kirloskar Auto Parts Pvt. Ltd. responsible for the finance, human resources and legal functions and also on the Board of TG Kirloskar Automotive Pvt. Ltd. His experience spans the financial services and project finance sector in a career of 38 years.

Mr. Shekar Viswanathan is a member of many leading Industrial Associations in India. and has held positions as President of the Bangalore Chamber of Commerce & Industry 2009-2010, Chairman -SIAM MUV Committee 2010 and elected member of CII Southern Regional Council 2009-2011. He is a Director on the Board of Kirloskar Systems Limited since 2005, L&T-MHPS Boilers Pvt Ltd., L & T-MHPS Turbine Generators Pvt Ltd. and ANA ARC Pvt. Ltd.



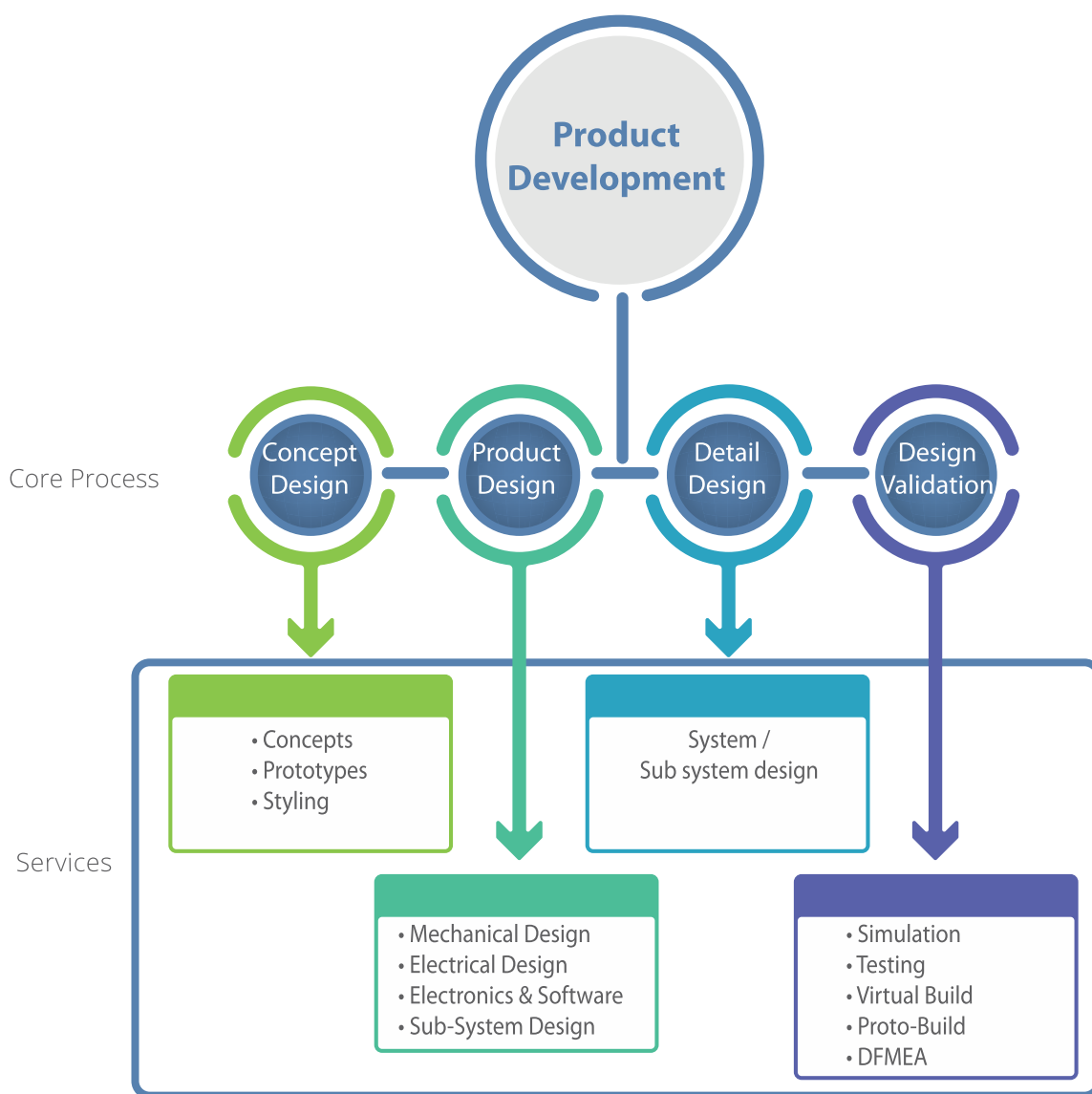
**Ms. Preeti Rabindra - Director**

Ms. Preeti Rabindra holds a Bachelor and Masters degree in commerce from the University of Delhi. She is the designated partner at IDS Systems LLP.



# OUR CORE BUSINESS

## ENGINEERING SERVICES



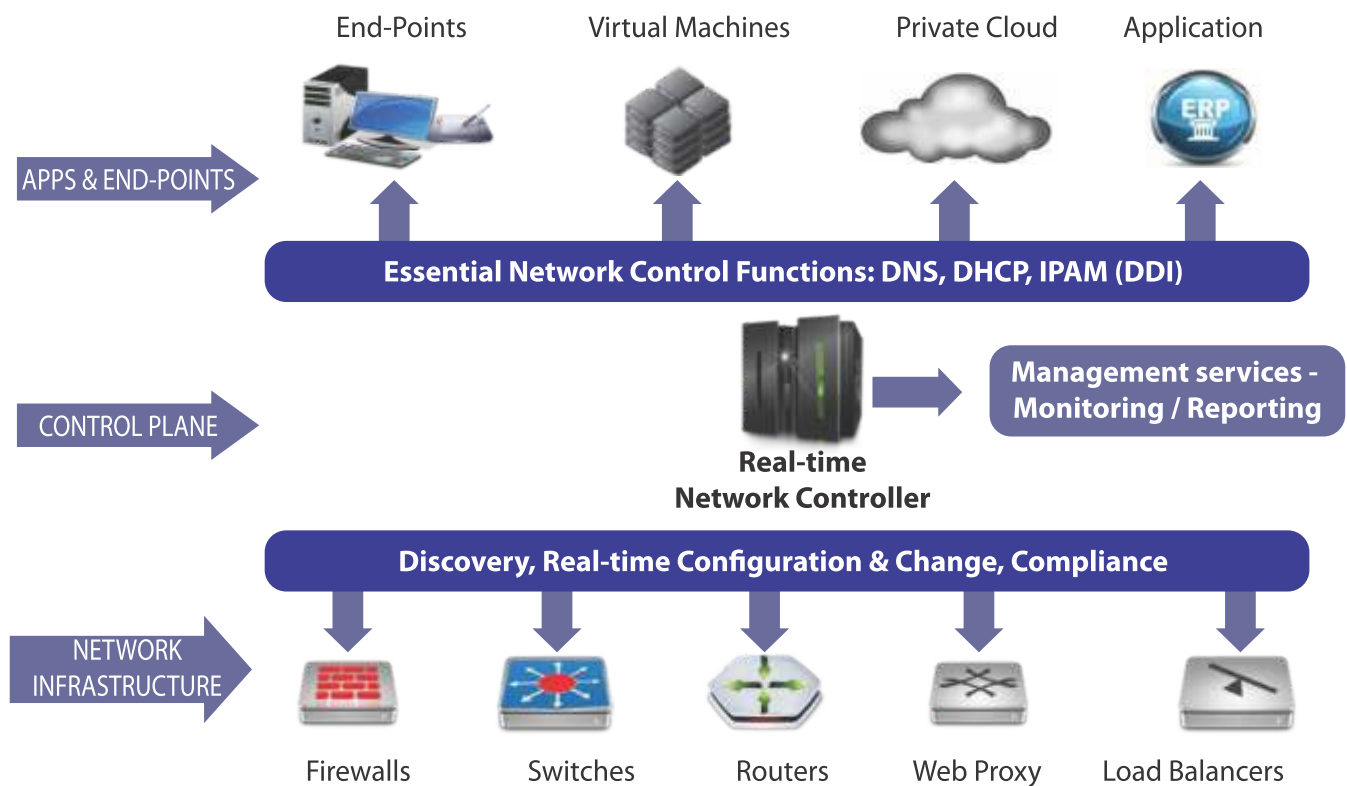
# PRODUCT R&D SERVICES

## Core Competencies:

Software Engineering  
R&D  
UI/UX  
QA Services  
Customer Success

## Domain Expertise:

Security  
Networking IP Services  
Wireless  
Cloud Infrastructure



# OUR CORE BUSINESS

## DIGITAL TRANSFORMATION (Dx)



# INDUSTRIES SUPPORTED

Semiconductor and  
Capital Equipment



Hi-Tech



Transportation



Medical  
Equipment



Enterprise Storage  
& Networking

# CSR BENEFICIARIES

## GoSports Foundation - Rahul Dravid Athlete Mentorship Programme



GoSports Foundation is a non-profit venture working towards the development of some of India's most talented emerging and elite athletes, competing in Olympic and Paralympics disciplines. We have been supporting the foundation through our contributions towards their Rahul Dravid Athlete Mentorship Programme for the training of athletes, executing the vision of former Indian cricket captain Rahul Dravid.

This is the fourth year we are extending our support to 25 athletes of the Rahul Dravid Athlete Mentorship Programme as part of our CSR initiative.

## Dr. R.P. Shenoy award for Excellence in Science – Kendriya Vidyalaya, DRDO Complex

ASM Technologies Ltd. instituted the 'Dr. R. P. Shenoy award for Excellence in Science' in memory of its former Director, Late Dr. R. P. Shenoy, a Distinguished Scientist of Defence Research & Development Organization (DRDO) of the Government of India. The award is extended to 8th and 9th grade students of Kendriya Vidyalaya, DRDO, Bangalore, who have secured A1 Grade in Science.

For the year 2018-19, the awards were given by Mrs. Shenoy and Mrs. Preeti Rabindra Director of ASM Technologies Ltd, to 139 students on the 15th of February, 2019 at the school assembly.





## Dr. S Srikantan Memorial Award – SUSIEC, IETE

The Institution of Electronics & Telecommunication Engineers (IETE) Bangalore Centre has been organising Summer School in Electronics & Computers (SUSIEC) over the last three decades for 8th, 9th and 10th standard students, during their summer vacations with a motto of “catch them young” and motivate them to choose the fascinating field of Electronics and Telecommunication as their chosen profession/career.



SUSIEC- Starting from the year 2017- 2018, ASM as part of CSR decided to sponsor part of the course fee & equipments and the prizes and awards for SUSIEC as “Dr. S Srikantan Memorial Award/s” instituted in memory of its former Chairman Late Dr. S Srikantan.

This is the second year, ASM is extending their support. SUSIEC 2018 was held from 29th April 2018 to 20th May 2018. This year a total of 47 students participated from 24 different schools. The Valedictory function of SUSIEC was held on 20th May 2018 at IETE Bangalore Centre. Dr. Kailasavadivoo Sivan (Chairman, ISRO Satellite Centre, Bangalore / Secretary Dept of Space, Govt of India) was the Chief Guest of the event along with Mr. Rabindra Srikantan, Managing Director ASM Technologies Ltd., Mrs. Preeti Rabindra, Director ASM Technologies Ltd. & Dr. Ajit T Kalghatgi, Director (R&D) Bharat Electronics Ltd., Bangalore as Guest of Honor.

## Annapoorna Breakfast Programme – Sri Sathya Sai Annapoorna Trust

Annapoorna Breakfast Programme, was started in 2012 by Sri Sathya Sai Annapoorna Trust, an NGO, focused to serve and nurture needy school-going children in rural India with nutritious breakfast aiming to improve children’s overall well-being both in terms of health and academic needs.

From a humble beginning of 1 school serving nutritious breakfast free of cost to 80 children, the programme at present is directed across India to over 1,550 Rural Government schools profiting more than 1,10,000 school children, with relentless support being received from individuals, corporate and Government authorities.

Catering to the needs of school going children being the prime focus, ASM Technologies as a part of the CSR initiative has contributed towards the Breakfast programme of few such schools.



## TechLaBike Programme – Agastya International Foundation



Agastya International Foundation was set up intending to transform and stimulate the reasoning of underprivileged kids and educators by making practical, hands-on science education available to rural government schools through its efforts & techniques that include: “Lab on a bike” and “TechLaBike” programs. The objectives being comparable, ASM recognized Agastya to promote, for the cause of education by contributing towards the operating expenses of the TechLaBike programme, as part of its CSR initiatives.

## Directors' Report

To the Members,

We are pleased to present the 27th Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2019

1. Financial Results	(Rs. In Mn.)	
	2018-2019	2017-2018
Income from Software services and Products	760.59	761.91
Other operating income	55.77	17.92
Expenses		
Employee benefits expense	520.13	512.92
Finance Costs	6.45	2.21
Depreciation	9.40	12.10
Other expenses	188.07	181.19
<b>Profit/(Loss) before tax</b>	<b>92.31</b>	<b>71.41</b>
Current Tax	21.73	27.00
Deferred Tax Income/expense	2.55	8.04
Excess provision of earlier years	(2.30)	
<b>Profit/(Loss) for the year</b>	<b>70.33</b>	<b>36.37</b>
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	1.01	2.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Deferred tax on remeasurement of defined benefit plans	(0.29)	(0.56)
B (i) Items that will be reclassified to profit or loss		
Changes in fair value of investments in equity instruments	0.10	(1.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Deferred tax on remeasurement of defined benefit plans	(0.03)	0.30
<b>Total comprehensive income for the year</b>	<b>71.12</b>	<b>37.03</b>

## 2. Results of Operation

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

During the financial year, the Company explored new growth opportunities and performed significantly well in both the domestic as well as international markets. The performance reflects ASM's journey to reposition itself as a unique technology solutions provider that is committed to develop an emerging breed of platforms, thus enabling its customers to gain competitive advantage through the Company's future ready digital transformation initiatives.

On the standalone front your company registered a total revenue of Rs.760.59 Mn for the year ended 31st March 2019. Domestic sales was Rs.78.84 Mn while Export sales was Rs. 681.75 Mn. EBIDTA was at Rs. 108.16 Mn and Net profit after tax was Rs.70.33 Mn.

The Consolidated total revenue for the year ended 31st March 2019 was Rs.880.25 Mn. EBIDTA was at Rs. 109.11 Mn and Net Profit after tax at Rs.70.07 Mn.

## 3. Dividend/ Transfer to reserves

During the year 2018-19 the company declared an Interim dividend of Rs. 3.00/- on 3rd November, 2018. In keeping with the Dividend policy your Directors are pleased to recommend for approval of the members a final dividend of Rs.3/-per equity share of Rs 10/-each for the financial year 2018-2019. The dividend amount paid/payable if approved by shareholders will be Rs.15.00 Mn, interim paid Rs. 15.00 Mn, while Rs. 6.17 Mn will be paid /payable by the company towards total dividend tax and surcharge thereon.

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

Your Company has not transferred any amount to reserve for the Financial Year ended 31st March, 2019.

The paid up Share Capital of your Company is Rs. 50 Mn divided into 50,00,000 equity shares of Rs 10/- each. Your Company has not come out with any issue (public, rights or preferential) during the Financial Year under review.

#### 4. Subsidiary Companies

The consolidated Accounts of your Company and its subsidiaries viz., Advanced Synergic Pte Ltd, Singapore, Pinnacle Talent Inc, USA and RV Forms & Gears LLP, duly audited, are presented as part of this Report in accordance with Indian Accounting Standards (IndAs) and the Listing Regulations with the Stock Exchange, wherever applicable. The statement pursuant to the provisions to Section 129(3) of the Companies Act 2013, containing salient features of the financial statement of the Company's Subsidiaries in Form AOC1 is given in **Annexure -11**. The Accounts of the Subsidiaries audited for the purpose of consolidation shall be placed on your Company's website and made available for inspection by any Shareholder at the Company's Registered Office and at the respective registered offices of the Subsidiary companies. Copies can be made available on request, to the shareholders of the Company.

Your Company has formulated and adopted a "Policy for determining Material Subsidiaries" so that your company could identify such subsidiaries and formulate governance framework for them. The Policy for determining 'material' subsidiaries is posted on Company's website : <https://www.asmltd.com/policy-disclosures>

During the year ASM acquired a 70% stake in RV Forms & Gears LLP, a Chennai based firm. Forms & Gears, founded in 1972 by RT Varghese a Mechanical Engineer from IIT Kharagpur, is a pioneer in Fixture building. The company has supplied to most of the global automotive industry and machine makers by over 45 years. Forms & Gears has successfully implemented projects all over India, UAE, Qatar, Thailand, Japan, Singapore, Indonesia and Turkey. RV Forms & Gears will leverage ASM's digital expertise to develop world class Smart Manufacturing solutions, the first of which is an innovative solution called Smart Fix 4.0. During the year under review your company also established a wholly owned subsidiary in Kyoto, Japan.

#### 5. Future Outlook

Over the last few years ASM has invested in Product R&D, Digital Transformation (Dx), comprising of Industry 4.0 (Smart Manufacturing), Internet of Things (IoT), Big Data leading to Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Virtual Reality (VR), Augmented Reality (AR), Mixed Reality (MR), Mobile Applications, Cloud, Virtualization and related Cyber Security.

##### R&D & Co-Creation

The impact of investments in Innovation and R&D has accelerated growth of ASM and has set the company into the forefront of Product Development, whilst getting a global recognition. The initiative has therefore been on developing the products of the future, to align with the changing technologies, market and customer demands.

While investment in R&D (Research and Development) for the development of "New Products and Services" is a must for the growth and future sustainability of the organization, Co-creation is one step ahead of the R&D activities wherein the new product and services is jointly developed with our customers to meet specific defined opportunity. ASM's Co-creation Product Development Model fosters closer partnerships with the customers / consumers and is achieved by the "Shared Innovation and Shared Development" to develop solutions for defined "High Impact Problems".

##### Productivity Enhancement

Today in the world which is adapting into "Industry 4.0" and "Smart Manufacturing" one of the main focus is to increase Productivity by "Increased Yield" and "Increased Throughput". This is essentially achieved by reducing the human intervention and automating the process using various technologies.

ASM Technologies has over the years, helping customers with extensive usage of Automation, Robotics and Digital Transformation (Dx). This initiative has clearly been of immense benefit for its customers in quantitatively increasing Yield and Throughput, resulting in "Improved Quality, High Precision, High Repeatability and Reliability"

ASM, with a proven experience in the Artificial Intelligence (AI), complex manufacturing process consisting of inter-related parameters, is effectively handled by creating lot of automated data points, through "application specific" Sensors, further processed through the IoT Gateway incorporating Sensor Fusion Algorithm, to create a Big Data. Each of the Sensors are set with "Value Thresholds" for instant "Alerts" to address the Machine Behaviour outside of the Thresholds. With efficient and smart Analytics in the cloud, a wide array of data crunched output leading to Predictive Maintenance, Analysis, Machine Downtime, Machine Behaviour etc, can lead to the "Productivity Enhancement".

The thrust areas for ASM will continue to be in the Semiconductor Equipment, Medical Devices, Hi-Tech, Automotive, Mobility Telecom industries. This "New Product Revolution" has opened opportunities for companies, like ASM, in the space of Engineering Services. The IoT (Internet of Things) offers quality space for new product development and ASM is working on creating its own products as well as Co-Creation for customer's products. The next couple of years will be exciting in this space.

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

#### 6. Management Discussion and Analysis Report

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



## **7. Board Meetings**

During the year under review the Board of Directors held 7 meetings, on 24.05.2018, 16.06.2018, 02.07.2018, 04.08.2018, 03.11.2018, 06.02.2019 and 29.03.2019. The maximum interval between two meetings did not exceed 120 days.

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

As per the provisions of Companies Act 2013 Mr. M. Lakshminarayan, Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his re- appointment.

## **9. Disclosure on compliance with Secretarial Standards**

Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

## **10. Independent Directors**

Mr. M R Vikram, Prof. B.S Sonde and Mr. Shekar Viswanathan, were appointed as Independent Directors of the company at the AGM held on 28th June 2014 for a period of five years upto 31st March 2019. The Board of Directors at their Meeting held on the 6th of February, 2019, as recommended, by the Nomination and Remuneration committee reappointed Mr. M R Vikram and Mr. Shekar Viswanathan as Independent Directors for a second term of five years from 1st April, 2019 subject to the approval of the members by a special resolution.

In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for appointment of a Non-Executive Director who is aged above seventy five years and accordingly, the appointment of Prof B S Sonde for the second term of five years is to be placed before the members for your approval.

At the meeting of the Board of Directors of the company held on the 18th of April 2019 the Board approved seeking approval of the members through a Postal ballot the reappointment of Mr M R Vikram and Mr Shekar Viswanathan as Independent Directors from 1st April 2019 to 31st March 2024 for a period of five years and the appointment of Prof B S Sonde as Independent Director for a period of five years from 10th June 2019 to 9th June 2024.

The company has received the necessary declaration from the Independent Directors under Section 149(7) of the Companies Act 2013 and they have met the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- a) in the preparation of the annual financial statements for the year ended 31st March 2019 the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared annual accounts of the company on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. Significant and material orders passed by the regulators or courts and Material Changes and commitments affecting the financial position of the company.**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations. There are no material changes and commitments, if any, affecting the financial position of the company which occurred between the end the financial year of the company to which the financial statements relate and the date of this report.

## **13. Audit Committee**

The Audit committee met five times during the Financial year under review and all its recommendations were accepted by the Board.

Your Company has established the Vigil Mechanism, an Ombuds process which is a channel for receiving and redressing of employees complaints. This mechanism covers questionable financial or accounting matters and reporting fraudulent financial information to the shareholders, the government or any other legal authority. This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **14. Nomination and Remuneration Committee and Stakeholders Relationship and Share Transfer Committee**

The Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications of Independent Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. A copy of the policy forms part of this report vide **Annexure- I**. The Nomination and Remuneration Committee of a company has been

obligated under Section 178 of the Act to formulate a policy for recommending to the Board of directors of the company for setting the criteria based on which the performance of every Director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company.

#### 15. Familiarisation Programme

The Company has put in place an induction and familiarisation programme for all its Directors including the Independent Directors. The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company. -<https://www.asmltd.com/policy-disclosures>

#### 16. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BMP & Co., LLP, Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR3 for the financial year ended March 31, 2019 is annexed as **Annexure - III** to the Report. There are no qualifications, reservations or adverse marks made by Secretarial Auditor in the Report.

#### 17. Auditor's Report

There are no qualifications, reservations or adverse remarks made by M/s B K Ramadhyani & Co, LLP, Chartered Accountants Statutory Auditors, in their report for the financial Year ended 31st March, 2019. The Statutory Auditors have not reported any incident of fraud under Section 143(12) of the Act and the rules made thereunder to the Audit Committee of the company in the year under review.

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

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

The company has not imported any technology . Foreign exchange earnings and outgo

During the financial year under review 89.64 % of the revenue came from export of software services resulting in a foreign exchange inflow of Rs. 681.75 Mn and the foreign exchange outgo on account of overseas salaries, traveling etc was Rs. 29.58 Mn.

#### 19. Public Deposits

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

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

Your Company has in place a Prevention of Sexual Harassment ( POSH) Policy in line with the requirements of Sexual harassment of Women at Workplace ( Prevention, Prohibition and Redressal) Act 2013. Your Company has through the Policy constituted a committee and has established a grievance procedure for protection against victimization. Your Company is committed to provide a healthy environment to all employees conducive to work without the fear of prejudice and gender bias. During the year under review , there were no cases filed pursuant to the said Act.

Number of complaint filed during the financial year 2018-19	Nil
Number of complaint disposed off during the financial year 2018-19	Nil
Number of complaint pending as end of the financial year	Nil

#### 21. Details of Adequacy of Internal Financial Controls

Your Company has deployed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The processes and systems are reviewed constantly and improved upon to meet the changing business environment. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. The Internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

#### 22. Particulars of Loans, guarantees or investments

During the Financial Year under review, your Company had given Corporate Guarantee and security of Deposits at prevailing bank lending rate to its subsidiary, RV Forms & Gears LLP for meeting its working capital requirements. The balance outstanding as on 31st March, 2019 is Rs 41.10Mn.

#### 23. Risk Management Policy

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

#### 24. Corporate Social Responsibility Policy (CSR)

Your company has formulated CSR policy which is posted on the website at <https://www.asmltd.com/policy-disclosures>. In pursuance to the provisions of Section 135 and Schedule VII of the Companies Act, 2013 the company constituted a CSR Committee of the Board to (a) formulate and recommend a CSR policy (b) recommend the amount of expenditure to be incurred on the CSR activities and (c) monitor implementation of the CSR policy from time to time. The terms of reference of the CSR committee are in accordance with Section 135 of the Companies Act 2013. The Annual Report on CSR in the prescribed format is enclosed to this Report as **Annexure-IV**.

## 25. Related Party Transactions

The company has in place formulated a Policy on materiality of Related Party transactions for dealing with such transactions in line with the requirements of the Listing Regulations with the Stock Exchange. . The policy on related party transactions is available on the Company's website at -<https://www.asmltd.com/policy-disclosures>.

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

## 26. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, Annual Performance Evaluation is conducted for all Board Members as well as the working of the Board and its Committees. The Board works with the Nomination and Remuneration committee to lay down the evaluation criteria for the performance of executive/nonexecutive/independent directors through a peer evaluation, excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey forms an integral part of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is required to evaluate the effectiveness of the Board and its committees on various parameters and feed back on each Director is part of the survey. The outcome of the Board evaluation for the financial year 2018-19 was discussed by the Board at their meeting held on 29th March 2019.

## 27. Remuneration to Director and Employees

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

## 28. Corporate Governance Report

Your Company has taken adequate steps to adhere to all the stipulations as laid down in Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. As required, a Report on Corporate Governance is provided elsewhere in this Annual Report along with Auditor's Certificate on compliance thereof.

## 29. Auditors

At the Annual General Meeting of the company held on 20th June 2017 the shareholders appointed M/s B K Ramadhyani & Co, LLP, Chartered Accountants, Bangalore, bearing Registration No.002878S/S00021 with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company for a period of five years from conclusion of the 25th Annual Meeting of the Company. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted as per Companies (Amendment) Act 2017 notification on May 7 2018.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

	Rs. in Mn.
Payment to Statutory Auditors	FY 2018-19
Audit Fees	0.60
Others Service	0.00
Reimbursement of expenses	0.00
<b>Total</b>	<b>0.60</b>

## 30. Acknowledgments

Your Directors take this opportunity to express their gratitude to -

Our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their unstinted support. The contribution made by our employees at all levels. Our consistent growth was made possible by their solidarity, cooperation and support.

- State Bank of India, Incube Branch, Bangalore, Indian Bank, Singapore, HSBC Bank, New York, USA and First Federal Bank ,Ohio, USA , for their support and guidance,
- Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM, Central & State Governments, Software Technology Park (STPI) and NASSCOM for their continued support.

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

Place : Bangalore  
Date : 18.05.2019

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE I

### Nomination and Remuneration Policy

#### 1. Title

This Policy will be called “Nomination and Remuneration Policy”

#### 2. Introduction

The company considers human resources as its invaluable assets. This Policy is formulated for the Company to attract, motivate and retain high-caliber senior executives/directors in a competitive market, who possess the required core competencies, professional backgrounds and skill sets in line with the identity of the Company and its business. This Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

In order to align with the provisions of the Companies Act, 2013 and the schedule V of Listing Obligations Disclosure Regulation 2015, the Board of Directors have changed the nomenclature of the “Remuneration Committee” as “Nomination and Remuneration Committee”. The “Nomination and Remuneration Committee” has formulated the “Nomination and Remuneration policy” which has also been approved by the Board of Directors of the Company.

#### 3. Objective

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

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

#### 4. Applicability and Commencement

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

#### 5. Definitions

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

**Key Managerial Personnel** means

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

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

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

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

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

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

#### 6. Role and Duties of the Committee

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

- To recommend to the Board the appointment removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.

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

#### **7. Membership / Constitution of the Committee**

- The Committee shall comprise of at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent. The Committee comprises of the following Independent Directors:

Shekar Viswanathan ; Chairman

M.R. Vikram

Prof. B.S.Sonde

M. Lakshminarayan

- The Chairman of the Committee shall be an Independent Director.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairman.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, Listing Agreement and any other applicable statutory requirement.

#### **8. Quorum**

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

#### **9. Frequency of Meetings**

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

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

##### **10.1 Appointment Criteria and Qualifications:**

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

##### **10.2 Term/Tenure**

- a) Managing Director/Whole-time Director/Executive Director/Manager:
  - The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive Director or Whole Time Director for a term not exceeding five years at a time or as applicable by the respective provisions of the Companies Act 2013. No re-appointment shall be made earlier than one year before the expiry of term.
  - The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Chairman/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- b) Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company in this regard.



- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director of the Company. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 (Five) years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he shall be eligible for appointment for one more term of 5 (Five) years only.
  - At the time of appointment of an Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven Listed companies as an Independent Director and three Listed companies as an Independent Director in case such person is serving as a whole-time Director in any Listed company.
- c) **Key Managerial Personnel and Senior Management:**
- A whole-time KMP of the Company cannot hold the office in any other company except in its subsidiary at the same time. However a Managing Director of the Company can hold office in one another company provided such appointment is approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting and of which meeting and of all the resolutions to be moved thereat, specific notice has been given to all the Directors there in India.
  - The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR policy of the Company or as per the applicable provisions of the Companies Act 2013.

### **10.3 Evaluation**

- The Committee shall diligently carry out annual evaluation of performance of every Director, KMP and SMP on the basis of the criteria(s) laid down by the Committee or the Company or under the Act or as per SEBI Regulations.

### **10.4 Removal**

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

### **10.5 Retirement**

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

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

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

## **12. Review and Amendments**

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

## ANNEXURE –II

**Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures**  
(Pursuant to first proviso to sub-section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014- Form AOC-1)

### Part “A” : Subsidiaries

(Rs. in Mn.)

Sl. No.	Particulars	Advanced Synergic Pte Ltd, Singapore (WOS)	Pinnacle Talent Inc, USA (WOS)	ASM Technologies KKJapan ( WOS )	ESR Associates Inc, USA (Step downs subsidiary)	RV Forms & Gears LLP Indian Subsidiary
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	28-12-2018 to 31-03-2019	01-04-2018 to 31-03-2019	05-07-2018 to 31-03-2019
2.	Reporting Currency	SGD	USD	YEN	USD	INR
3.	Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Rs.51.12	Rs.69.32	Rs. 0.61	Rs. 69.32	Rs 1.00
4.	Share Capital	51.12	10.41	0.61	6.93	18.11
5.	Reserves & Surplus	(71.78)	(70.41)	(0.36)	(51.16)	NIL
6.	Total Assets	8.62	88.99	0.25	40.88	129.77
7.	Total Liabilities	29.28	148.99	-	5.11	111.66
8.	Investments	2.78	-	-	-	-
9.	Turnover	17.80	30.06	-	-	108.42
10.	Profit/(Loss) before taxation	(3.22)	(6.76)	(0.36)	(0.48)	2.51
11.	Provision for taxation	-	-	-	-	(0.78)
12.	Profit/( Loss) after taxation	(3.22)	(6.76)	(0.36)	(0.48)	1.73
13.	% of shareholding	100	100	100	100	70

#### Notes:

- ESR Associates Inc is a wholly owned subsidiaries of Advanced Synergic Pte Ltd, the WOS of the company.  
Proposed dividend from any subsidiary is “NIL”

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

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

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

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

Place : Bangalore  
Date : 18.05.2019

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE - III

### Secretarial Audit Report

#### Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To,

The Members,

ASM TECHNOLOGIES LIMITED

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.
  - d. The Securities and Exchange Board of India (Share Benefits Employee Benefits) Regulations, 2014; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company has not issued any debt securities during the financial year under review;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi. The following key / significant laws as specifically applicable to the Company: -
  - 1) The Special Economic Zone Act, 2005;
  - 2) Policy relating to Software Technology Parks of India and its Regulations

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

**For BMP & Co. LLP**  
Company Secretaries

**Pramod S M**  
Partner  
FCS 7834 / CP No. 13784

Place: Bangalore,  
Date: 18.05.2019

### **'Annexure A'**

To,  
The Members,  
ASM Technologies Limited  
CIN: L85110KA1992PLC013421  
80/2, Lusanne Court, Richmond Road,  
Bangalore - 560025

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For BMP & Co. LLP**  
Company Secretaries

**Pramod S M**  
Partner  
FCS 7834 / CP No. 13784

Place: Bangalore,  
Date: 18.05.2019

## ANNEXURE – IV

### Annual Report on CSR Activities

1. Social and environmental responsibility has always been at the forefront of ASM's operating philosophy and as a result has been contributing to such socially responsible activities. For ASM, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and society in which it operates.

2. The CSR Committee comprises of the following members:

Prof. B.S.Sonde- Chairman  
(upto 31-03-2019)  
Mr. M.R.Vikram  
Mr. Shekar Viswanathan  
Mr. Rabindra Srikantan  
Mrs. Preeti Rabindra

(Rs. in Mn.)

3. Average Net profits of the company for the last three financial years-is : Rs. 72.86
4. Prescribed CSR expenditure ( two percent of the amount as in item 3 above) is : Rs. 1.46
5. Details of CSR spent during the financial year 2018-19 :  
Amount to be spent for the financial year 2018-19 : Rs. 1.46  
Total amount spent for 2018-2019 : Rs. 4.00  
Amount unspent of 2018-2019 : ----

Manner in which the amount was spent in 2018-19 is detailed below:

(Rs. in Mn.)

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise Amt in Rs.	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects /programs 2. Overheads	Cumulative expenditure upto the reporting period Amt in Rs.	Amount Spent: Direct or through implementing agency Amt in Rs.
1.	*Dr. S Srikantan Memorial Award-Summer School in Electronics & Computers (SUSIEC)	Promoting education	Project in Bangalore	0.35	-	0.35	0.35, Agency The Institution of Electronics & Telecommunication Engineers, (IETE), Bangalore Centre
2.	Rahul Dravid Athlete Mentorship Programme-. Providing goal-based financial scholarships and customised non financial support to cover athletes' sporting needs	Training to promote rural, sports, nationally recognized sports, paraolympic sports or Olympic sports	Project in Bangalore	3.35	-	3.35	3.35 Agency- GoSports Foundation
3.	**Promoting education in children	Promoting education	Project in Bangalore	0.14	-	0.14	0.14 Direct
4.	Nightingale Centre for Aging and Alzimers- the Trust provides various innovative and need based projects focusing on dementia	Promoting Preventive healthcare	Project in Bangalore	0.16	-	0.16	0.16 Agency Nightingales Medical Trust

- \* The Institution of Electronics & Telecommunication Engineers (IETE) Bangalore Centre has been organising Summer School in Electronics & Computers (SUSIEC) over the last three decades for 8th, 9th and 10th standard students during their summer vacations with a motto of "catch them young" and motivate them to choose the fascinating field of Electronics and Telecommunication as their chosen profession/career. Starting from the year 2017-18, ASM, as part of CSR has been sponsoring part of the course fee, tool kits, awards & prizes for SUSIEC as Dr S Srikantan Memorial Award, instituted in memory of its former Chairman Late Dr. S Srikantan. The schedule comprises of two hours of technical presentations followed by two hours of practical's every day. At the end of the course, an exhibition is arranged to showcase the projects which are evaluated and rated by a panel of distinguished academicians and corporate leaders. For the year 2018-19 prizes were awarded to 47 such students.
  - \*\* During the year 2013-14 the company instituted the "Dr. R.P. Shenoy award for Excellence in Science" in memory of its Director, Dr. R.P. Shenoy, a Distinguished Scientist of Defence Research & Development Organization (DRDO) of the Government of India. The award is given each year to students of Grade 8th & 9th, Kendriya Vidyalaya, DRDO complex, Bangalore, who have secured A1 Grade in Science. The award includes a cheque for Rs. 1000, a certificate and write up of Dr. Shenoy. For the year 2018-19 the award was given to 139 students.
6. The CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

Place : Bangalore  
Date : 18.05.2019

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE-V

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

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

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

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

There was no contract/arrangement/transaction entered into during the financial year ended 31st March 2019 which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the financial year ended March 31st, 2019 is as follows:

(Rs. in Mn.)

Particulars	Advanced Synergic Pte Ltd, Singapore	Pinnacle Talent Inc, USA	RV Forms & Gears LLP India
Nature of relationship	Wholly owned subsidiary	Wholly owned Subsidiary	Subsidiary
Rendering of services	-	-	5.51
Guarantees given on behalf of subsidiary	-	-	-
Purchase of Service		30.06	

#### Notes:

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

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

Place : Bangalore  
Date : 18.05.2019

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## ANNEXURE - VI

### PARTICULARS OF EMPLOYEES

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

(i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2018-2019 and percentage increase in remuneration of each Director as against previous year and also the comparison of remuneration of each such person against the performance of the Company.

Name of Directors	Designation	% of increase compared to previous year	Ratio to median remuneration of employees	% of revenues	% of profits after tax
M.R. Vikram	Chairman	26	0.41	0.04	0.40
Rabindra Srikantan	Managing Director	No change	14.40	1.33	14.17
Prof. B.S.Sonde	Independent Director	8	0.40	0.04	0.39
M Lakshminarayan	Non-Executive Director	22	0.40	0.04	0.39
Shekar Viswanathan	Independent Director	14	0.35	0.03	0.35
Preeti Rabindra	Non-Executive Director	29	0.39	0.04	0.38

- (2) Non- executive Directors are paid sitting fees for meetings of the Board and committee attended and commission on Net Profit as per section 198 of Companies act 2013.

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

Name of person	Designation	% of increase compared to previous year	% of revenues	% of profits after tax
Narsingh Rathod	Chief Financial Officer	No Change	0.03	0.28
P.N. Lakshmi	Company Secretary	No Change	0.08	0.84

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

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

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

The number of permanent employees on the rolls of the company as on 31st March 2019 was 580.

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

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

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

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

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

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

Place : Bangalore  
Date : 18.05.2019

**M. R. Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

ASM along with its subsidiaries has been providing world class consulting and product development services in the areas of Engineering Services and Product R&D with successful Offshore Development & Support Centers in India and Overseas for its global clientele. The company is a public limited company incorporated in India and having its registered office in Bengaluru, Karnataka, India. The company's shares are listed with BSE Limited.

The Ministry of Corporate Affairs (MCA) vide notification dt February 16, 2015, notified the Ind AS applicability to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. For ASM group Ind AS is applicable from 1st April 2017.

### 1. Industry Structure and Development

India's IT industry is increasingly focusing on digital opportunities as digital is poised to be a major segment in the next few years. It is also currently the fastest growing segment, growing over 30 per cent annually. As per Gartner report, Global Digital spend to increase from USD 180 Billion in 2017 to USD 310 Billion in 2020, growing over 20% YoY, a key driver of global economic development. In FY 2019, the global market for software and services is estimated to have grown to \$1.4 trillion. IT Services is estimated to have grown by 3.2% YoY, driven by strong growth in digital engagements, particularly cloud adoption. Software and services have been redefining the ER&D market as increasing investments into technologies such as robotics, Artificial intelligence, 3-D printing, etc. have proved to be a major growth driver for this segment. Disruptive emerging technologies, such as artificial intelligence (AI), will reshape business models as well as the economics of public- and private-sector enterprises.

### 2. Opportunities

Digitisation, disruptive technologies and innovation will fuel growth with new opportunities in the years ahead. Technologies such as artificial intelligence (AI), Internet of things (IoT), augmented reality, virtual reality, machine learning (ML), big data analytics, blockchain are providing numerous new opportunities for large enterprises as much as they are aiding the start-ups in developing new products and service lines, improving efficiency, productivity, and competence levels, giving thrust to the economic growth of the country. Indian IT companies have to adopt these new technologies in a big way by skilling their employees and by taking risks in building products around these technologies. The focus of the government to expand the domestic market through a focus on indigenisation and self-reliance has led to capability building among Indian organizations for future relevant domains such as Product Engineering, Data Analytics, Embedded software etc. The \$75-80 billion ER&D global services industry is expected to grow at a rapid pace (14-16 percent YoY) and reach a valuation of \$145-155 billion by 2020.

We believe in our competitive strengths and with our Global Delivery Model and core competencies consider to address the changing economic scenarios as an opportunity to provide greater value to existing clients and add new clients. Our specific industry, domain and technology expertise allows us to enable clients to transform their businesses through innovative strategies and solutions. Our process driven engineering and planning ensures in delivering quality products in the optimum time and cost. ASM is a pioneer in Mechanical, Electrical/Electronics System and Sub System design.

### 3. Outlook

This has been provided elsewhere in the Annual Report.

### 4. Risks and Concerns

#### a. Competition Risk

In this highly competitive global business environment only firms that continually upgrade their capabilities and offerings in line with emerging technologies and market imperatives can hope to survive and even prosper in this environment. Capability building and continual upgrading are essential for organizational survival and growth. With growing competition for IT services business from other geographies, Indian firms must offer something significantly more valuable to their clients to differentiate themselves from the competition. Thus the Indian ITeS sector needs to make extra endeavor to remain competitive in terms of cost efficiency measures and scalability of various high end services to handle competition.

Technologies are moving rapidly from traditional Java, Net and Mainframe, to Analytics, Big data, Artificial Intelligence and Robotics. Thus the Indian ITeS sector needs to make extra endeavor to remain competitive in terms of cost efficiency measures and scalability of various high end services to handle competition.

The Company stays invested in enhancing the value proposition for its customers by way of deepening its domain expertise, technological capabilities and customer engagement. We compete with other technology service providers in response to requests for proposals and in certain services there is increased competition resulting in pressures in pricing. The company's capability to offer innovative and value added solutions and services by integrating its diverse domain knowledge enables it to move ahead in an environment of increasing competition. The unrivaled blend of engineering culture and technology skills adopted by the company and its strategic acquisitions and management resources adds to its capability to proffer innovative and value added solutions and services by integrating its diverse domain knowledge experience. The company has derisked its business from competition by virtue of its domain expertise in providing end to end total IT solutions.

#### b. Financial Risk.

The IT sector would have to re-adopt technology disruptions by reshaping enterprises and focus on technology-led platforms, as the currency volatility and innovative technologies such as artificial intelligence, automation, etc have

disrupted the sector's traditional products and solutions.

With a significant portion of the company's revenues coming from exports, volatility in exchange rates may impact Company's business adversely. The company however mitigates the risks with robust accounts receivable management, centralised framework to control expenses and currency hedging strategies by the management. The company has a defined policy for managing its foreign exchange exposure. The company tracks the foreign exchange markets closely and takes appropriate hedging decisions from time to time if need be. The risk policy of the Board covers some of this large macro level risk and the remedial measures taken by the company to face and mitigate some of these risks.

**c. New Technologies and Business Models**

Engineering Research & Development continues to be the fastest growing segment at over 12%, driven by global OEMs increasingly embedding software & services into their products. India continues to be the core for digital innovation with a rich ecosystem of start-ups, tech providers and services providers engaging in global delivery and investing in IP, solutions and Centers of Excellence (CoEs). Digital became mainstream during the year, with the industry increasingly investing in digitized solutions to drive future growth opportunities. The Indian IT companies need to speed up the process of adopting technology in order to stay future proof as today, the Industry is fraught with challenges and opportunities, with Artificial Intelligence (AI), automation and machine learning having permeated every facet of a business.

ASM, through the initiative of ARISE (ASM Research and Innovation Step for Excellence) has seen remarkable success in the "Co-Creation of IP led Product Innovation" and Platform Services for its clients. As a System Design House, ASM is fully equipped to handle complex Electronics, Mechanical and Embedded software design and development to complete the product under one roof. Further, working prototype and manufacturing results in the entire product realization for the client. In our effort to step up non-linear growth, some of the key designs by the Engineering Services group are being prototyped and will be manufactured in limited quantities through partner companies and delivered to strategic customers. The company also regularly audits and verifies its compliance with security and disaster recovery measures. The impact of investments in Innovation and R&D has accelerated growth of ASM and has set the company into the forefront of Product Development, whilst getting a global recognition. The initiative has therefore been on developing the products of the future, to align with the changing technologies, market and customer demands.

**d. Geography Risk**

Slowdown in the global economic environment and corporate IT spending budget could impact the company's business. Business environment in the past year has been volatile and uncertain.

The company has insulated its overall performance from the impact of market exigencies and vagaries with a domestic international spread of business and combinations of its various solutions and services. The company's firm roots and prominent presence in the home market provides it an opportunity to refine its international offerings with the derived benefits of synergy across operations and optimizations of resources. The company's well grinded skills tested in Indian markets enable it to spread efficiently its business across various geographies. The company 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 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 internal control systems adopted by the company are adequate and appropriate to its operations so as to ensure uninterrupted functioning of its business. The system has been designed to ensure that assets and interest of the company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances. The existing internal control systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment.

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

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

**Financial Overview**

**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.70.00 Mn. There was no increase in the issued, subscribed and paid up capital of Rs. 50.00 Mn during the year under review.

**b. Shareholder Funds**

The total shareholder funds was Rs. 568.52 Mn as at 31st March, 2019 against Rs.530.75 Mn as of the previous year end.

**c. Fixed Assets**



As on 31st March 2019 the gross block of assets stood at Rs. 49.53Mn for the standalone and Rs. 54.02Mn for the consolidated.

**d. Net Worth**

The return on Net worth (RONW) for the year ended 31st March 2019 was 12.51% for the standalone and 13.38% for the consolidated.

**e. Earnings per share**

Earnings per share for the year ended 31st March 2019 was Rs. 14.07 for the standalone and Rs. 13.41 for consolidated.

**f. Revenue**

On the standalone front the company registered a total revenue of Rs. 760.59 Mn for the year ended 31st March 2019 compared to Rs. 761.91, the previous year. Domestic sales at Rs. 78.84 Mn and Export sales at Rs. 681.75 Mn contributed to the revenue.

The Consolidated total revenue for the year ended 31st March 2019 was Rs. 880.25 Mn compared to Rs. 826.26 Mn, the previous year.

**g. Operating Profit(EBIDTA)**

We earned an operating profit Rs. 108.16 Mn representing 14.25% of total revenues for the year ended 31st March 2019 as compared to Rs. 85.72 Mn representing 11.25% of total revenues, during the previous year.

On the consolidated front, EBIDTA was at Rs. 109.11 Mn representing 12.40 % of the total revenues for the year ended 31st March 2019.

**h. Net Profit after Tax**

Net profit after tax was Rs. 70.33 Mn. on the standalone front and Rs. 70.07 Mn for the consolidated, for the year ended 31st March, 2019.

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

The total employee strength of the company, as on 31st March, 2019 was 580 as compared to 613 the previous year.

At ASM, employees are the Company's biggest asset and the Company continuously focuses towards innovative initiatives to attract, train, retain and motivate its employees. The Company's endeavors are driven by a strong set of values imbibed in it and policies that it abides by. All the Company's policies are focused towards a healthy, happy and prosperous work environment for its employees and thereby also fulfill the aspirations of the people at work. Your company believes that people are the primary drivers in the success of an organization and hence people and HRD remain at the forefront of its mission. In this pursuit, the Company is providing timely and cost effective recruitment system for attracting the cream of talented professionals, ensuring a clear compensation and benefit policy in tune with the latest IT market trends. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by.

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## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by ASM Technologies Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2018 to March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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 with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date : 18.05.2019  
Place : Bangalore

For **BMP & Co**  
Company Secretaries

**Pramod SM**  
Partner  
FCS 7834 / CP No. 13784



## REPORT ON CORPORATE GOVERNANCE

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

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

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. These values and principles set the context to manage our Company affairs in a fair and transparent manner. We at ASM believe, that sound corporate governance is critical to enhance and retain investor trust and consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance of the Company.

Effectual Corporate governance requires a clear understanding of the respective roles of the Board and the senior management and their relationships with others in the corporate structure. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the company's business and ensuring that the company pursues policies and procedures to satisfy its legal and ethical responsibilities. At the core of its corporate governance practice is the board, which is responsible for safeguarding and advancing the interests of the shareholders, acting as their representative in establishing corporate policies and reviewing management's execution of those policies. The Board of Directors fully support and endorse Corporate Governance practices and attempt to go beyond the statutory requirements.

### II BOARD OF DIRECTORS

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

The Board comprises of 6 members, three of whom are Independent Directors, two Non Executive Non Independent Directors and one Executive Director being the Managing director. The company has a Non-Executive Chairman and the number of Independent Directors is more than one third of the total number of Directors. The company is in compliance with the requirements relating to the composition of Board of Directors, in line with Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

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

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

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

During the Financial Year 2018-19, information as mentioned in Schedule II Part A of the Listing Regulations has been placed before the Board for its consideration.

In accordance with Section 149 read with Schedule IV to the Act and Listing Regulations, a meeting of the Independent Directors was held during the Financial Year 2018-19 without the attendance of the Non-Independent Directors and members of the management.

The Independent Directors have undergone a formal induction programme to familiarise them with the business and operations of the Company. The details of the familiarization programme is available on the Company's website at <http://www.asmltd.com/policy-disclosures>.

During the financial year 2018-19, the Board has accepted all the recommendations of its Committees.

During the financial year 2018-2019, 7 meetings of the Board were held, on 24.05.2018, 16.06.2018, 02.07.2018, 04.08.2018, 03.11.2018, 06.02.2019 and 29.03.2019

i) Details of Director's attendance during the Financial Year, directorships/committee memberships held by them as on 31st March, 2019 are given below:

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM held on 20th June, 2017	No. of Director-ships of other public companies	No. of Committee Positions held in Other companies #	
						Member	Chairman
Mr. M R Vikram Chairman	Independent, Director	7	7	Yes	6	3	—
Mr. Rabindra * Srikantan Managing Director	Promoter, Executive Director	7	7	Yes	—	—	—
Prof. B.S. Sonde** Director	Independent, Director	7	6	Yes	—	—	—
Mr. Shekar Viswanathan Director	Independent, Director	7	5	Yes	1	2	—

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM held on 20th June, 2017	No. of Director-ships of other public companies	No. of Committee Positions held in Other companies #	
						Member	Chairman
Mr. M. Lakshminarayan Director	Non Independent Non Executive Director	7	7	Yes	7	4	1
Ms. Preeti* Rabindra Director	Non Independent Non Executive Director	7	7	Yes	—	—	—

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

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

\*\* (upto 31.3.2019)

ii. Name of other listed entities where Directors of the company are directors and the category of Directorship:

Name of the Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. M R Vikram Chairman	Ahlada Engineers Ltd. GTN Industries Ltd.	Independent Director
Mr. M. Lakshminarayan Director	Kirloskar Oil Engines Limited WABCO India Limited TVS Electronics Limited Rane (Madras) Limited Wendt (India) Limited Suprajit Engineering Limited	Independent Director

iii. Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business

### III. BOARD COMMITTEES

The Board has four committees namely, Audit committee, Stakeholders Relationship & Share transfer committee, Nomination & Remuneration committee and Corporate Social Responsibility (CSR) Committee. The quorum for meetings is either two members or one-third of the members whichever is higher. Usually the committees meet four times a year and the recommendations of the committees are submitted to the Board for approval. The Board has complete access to any information within the company.

Updates provided to the Board include the following:

- ♦ Annual operating plans, budgets, capital budgets and updates,
- ♦ Quarterly results of business operations.
- ♦ General notices of interest.
- ♦ Dividend data
- ♦ Minutes of Committee meetings.
- ♦ Materially important litigations, show cause notice, prosecution and penalty notices.
- ♦ Details of joint ventures, acquisitions of companies or collaboration agreements.
- ♦ Information on recruitment and remuneration of senior officers immediately below the Board level.
- ♦ Non-compliance of any regulatory, statutory or listing requirements including shareholder services such as non-payment of dividend and delays in share transfer.
- ♦ Any major development in the Human resources front.
- ♦ Any issue involving public or product liability claims of a sizeable nature.
- ♦ Sale of assets, investments, subsidiaries of material nature, not in the regular course of business.

#### 1. Audit Committee

The Audit committee is constituted according to the provisions of Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- ♦ Terms of Reference

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;

- g) Evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raised through public offers and related matters.
- i) To oversee the vigil mechanism as prescribed by the rules.
- j) To discuss issues with internal and statutory auditors.

♦ Composition as on 31.03.2019

Sl. No.	Name of Director	Position	Status
1.	Mr. M.R. Vikram	Chairman	Independent Director
2.	Mr. Rabindra Srikantan (Upto 12-11-2018)	Member	Executive Director
3.	Prof. B.S. Sonde (Upto 31-03-2019)	Member	Independent Director
4.	Mr. M Lakshminarayan	Member	Non-Independent Non-Executive Director
5.	Mr Shekar Viswanathan	Member	Independent Director

**Secretary**

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

**By Invitation**

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

Meeting and attendance during the year

Members	No. of Meetings held	No. of Meetings Attended
Mr. M.R. Vikram	5	5
Mr. Rabindra Srikantan	5	3
Prof. B.S. Sonde	5	4
Mr. M Lakshminarayan	5	5
Mr. Shekar Viswanathan	5	4

Meeting of Audit Committee held during the year: 24.05.2018, .08.2018, 03.11.2018, 06.02.2019 & 29.02.2019

## 2. Stakeholders Relationship & Share Transfer Committee

♦ Role of the Committee

The Committee reviews and administers transfer of shares, transmission of shares, rematerialisation, transposition and 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 Fintech 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 Exchange where the Company's shares is listed.

♦ Compositions as on 31.3.2019

Sl. No.	Name of Director	Position	Status
1.	Prof. B.S. Sonde (upto 31.03.2019)	Chairman	Independent Director
2.	Mr. M.R. Vikram (appointed w.e.f. 01.04.2019)	Member	Independent Director
2.	Mr. Rabindra Srikantan	Member	Executive Director
3.	Ms Preeti Rabindra	Member	Non-Independent Non-Executive Director

**Name and designation of Compliance Officer**

Ms. P. N. Lakshmi, Company Secretary

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S. Sonde	4	3
Rabindra Srikantan	4	4
Ms. Preeti Rabindra	4	4

Stakeholders relationship & Share transfer Committee Meetings held during the year: 24.05.2018 ,04.08.2018, 03.11.2018, 06.02.2019

During the year 2018-2019, 147 complaints were received all of which were resolved with nothing pending as on 31st March 2019. The shareholding in dematerialized mode as on March 31st, 2019as being 94.31 %.

AS on31.03.2019 there is no investor Complaints/queries pending to be solved by the company /Registrars & Share Transfer Agents.

### 3. Nomination and Remuneration Committee

The Managing Director, being the only Executive Director is paid remuneration within the limits envisaged under Schedule V of the Companies Act 2013. The remuneration is approved by the Board, Remuneration Committee as well as the Shareholders of the Company. At the Annual General meeting of the company held on the 20<sup>th</sup> of June 2017 the shareholders approved payment of increased remuneration to the Managing Director, within the limits of Schedule V of Companies Act 2013. This apart the shareholders also approved payment of commission to Non-executive & Independent Directors for a period of five years , from April, 1 2017 of a sum not exceeding 1% of the Net Profits calculated in accordance with provisions of Section 198 of the Companies Act 2013.

#### ♦ Terms of reference

Brief Terms of Reference is as follows-

1. To recommend to the Board the appointment removal of Directors, Key Managerial Personnel and Senior Management and the remuneration payable to them.
2. To formulate a criteria for determining qualifications, positive attributes and independence of Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
3. Formulate criteria for evaluation of the Independent Directors and the Board and to carry out evaluation of every Director's performance.
4. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
5. To perform such other functions as may be necessary or appropriate for the discharge of its duties and functions generally indicated under the Listing Regulations, Companies Act 2013 and the rules made thereunder.

#### ♦ Composition as on 31.3.2019

Sl. No.	Name of Director	Position	Status
1.	Mr. Shekar Viswanathan	Chairman	Independent Director
2.	Prof. B.S. Sonde (upto 31.03.2019)	Member	Independent Director
3.	Mr. M Lakshminarayan	Member	Non-Independent Non-Executive Director
4.	Mr. M.R.Vikram	Member	Independent Director

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Mr. Shekar Viswanathan	2	1
Prof. B.S. Sonde	2	2
Mr. M Lakshminarayan	2	2
Mr. M.R.Vikram	2	2

Meetings of Nomination & Remuneration Committee held during the year: 03.11.2018 & 06.02.2019

**Performance evaluation criteria for Independent Directors-** The performance of Independent Directors is done by the entire Board of Directors (excluding the Director being evaluated), based on the criteria as formulated by the Nomination & Remuneration Committee, including factors such as- Personal attributes, Leadership & Initiative, Objectivity, Role & Accountability. Details of the same is provided in the Boards Report.

Details of Remuneration paid to Directors for the FY 2018-2019

(Rs. in Mn.)

Name of Director	Salary & perquisites (Rs.)	Sitting Fees (Rs.)	Commission Rs.
Mr. M.R.Vikram	-	0.12	0.17
Mr. Rabindra Srikantan	8.4	-	1.68
Prof. B.S.Sonde	-	0.07	0.17
Mr. M.Lakshminarayan	-	0.15	0.17
Mr. Shekar Viswanathan	-	0.08	0.17
Ms. Preeti Rabindra	-	0.10	0.17

Shareholding in the Company of Non-Executive Directors as on 31.03.2019

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

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

The CSR committee was constituted on 29th July, 2014 to develop the CSR policy which shall indicate the activities to be undertaken by the company as specified in Section 135 and Schedule VII of companies Act 2013.

♦ **Terms of Reference**

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

♦ **Composition as on 31.03.2019.**

Sl. No.	Name of Director	Position	Status
1.	Prof. B.S. Sonde (up 31.03.2019)	Chairman	Independent Director
2.	Mr. M.R.Vikram	Member	Independent Director
3.	Mr. Rabindra Srikantan	Member	Executive Director
4.	Mr. Shekar Viswanathan	Member	Independent Director
5.	Ms. Preeti Rabindra	Member	Non-Independent Non-Executive Director

Meeting and attendance during the year

Members	No. of meetings held	Attendance
Prof. B.S. Sonde	2	1
Mr. M.R.Vikram	2	2
Mr. Shekar Viswanathan	2	2
Mr. Rabindra Srikantan	2	2
Ms. Preeti Rabindra	2	2

Meetings of Corporate Social Responsibility Committee held during the year: 24.05.2018 & 06.02.2019

**IV. SHAREHOLDERS' MEETINGS**

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

Year	Date & Time	Venue	Special resolution Passed
2015-16	22nd June 2016	Pai Vista, No 3/1, 27th cross, End of K R Road, Banashankri 2nd Stage, Bangalore 560070	NIL
2016-2017	20th June 2017	Pai Vista, No 3/1, 27th cross, End of K R Road, Banashankri 2nd Stage, Bangalore 560070	1. Re-appointment of Mr Rabindra Srikantan as Managing Director 2. Commission to Non-Executive & Independent Directors of the Company
2017-2018	2nd July 2018	Pai Vista, No 3/1, 27th cross, End of K R Road, Banashankri 2nd Stage, Bangalore 560070	NIL

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

## V OTHER DISCLOSURES

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

None

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

None

### VIGIL MECHANISM

The company has put in place a Vigil Mechanism which covers the aspect of employees or other stakeholders in the Company to report questionable financial or accounting matter, fraudulent financial information, violation of Company rules, policies and any other legal requirements. The said Policy has been communicated to the employees and is also available on the company's website. <https://www.asmltd.com> The company affirms that no employee has been denied access to the Audit Committee during the Financial Year 2018-2019.

WebLink-The company has in place Policy on Materiality of Related Party Transactions and Materiality of Subsidiaries and same is available on Company's website-Investor Relations-Corporate Governance-Policy Disclosures. <http://www.asmltd.com/policy-disclosures>.

### MANDATORY/NON-MANDATORY REQUIREMENTS

During the financial year 2018-19, the Company

- Duly complied with all the mandatory requirements of Regulations as per Chapter IV of SEBI (Listing Obligations and Disclosure Requirements ) Regulations 2015.
- Compliance Report on Non-mandatory requirements under Regulation 27(1)
  - As per para A of Part E of Schedule II of the Listing Regulations 2015, a non-executive Chairman of the Board may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company being an Independent Director is paid for maintenance for home office and also allowed to reimburse expenses incurred in performing his duties.
  - We communicate payment of dividend by email to shareholders in addition to dispatch of letters to all shareholders. We publish the voting results of shareholder meetings and make it available on our website : [www.asmltd.com](http://www.asmltd.com), and report the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations.
  - Modified opinion(s) in audit report -The Auditors have issued an un-qualified opinion on the financial statements of the Company

## VI MEANS OF COMMUNICATION

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

## VII CODE OF CONDUCT

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

I, Rabindra Srikantan, Managing Director of ASM Technologies Ltd, to the best of my knowledge and belief, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2019.

This is to confirm that all the Board members and senior management personnel of the company have affirmed compliance of the Code of Ethics of the Company for the year ended 31st March, 2019.



### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per item 10 (i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To,  
The Members,  
ASM Technologies Limited  
80/2, Lusanne Court, Richmond Road, Bangalore 560025

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ASM Technologies Limited having CIN L85110KA1992PLC013421 and having registered office at 80/2, Lusanne Court, Richmond Road, Bangalore 560025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Date of Appointment
1.	Vikram Ravindra Mamidipudi	00008241	30/06/1998
2.	Rabindra Srikantan	00024584	10/08/1992
3.	Muthuswami Lakshminarayan	00064750	31/03/2016
4.	Rabindra Preethi	00216818	28/03/2015
5.	Shekar Viswanathan	01202587	28/05/2011
6.	Prof. Balkrishna Seshgiri Sonde	00025794	30/10/2002

Date : 18.05.2019

Place : Bangalore

For **BMP & Co**  
Company Secretaries

**Pramod SM**  
Partner  
FCS 7834 / CP No. 13784

## VIII SHAREHOLDERS' INFORMATION 2018-2019

### 27th ANNUAL GENERAL MEETING

1. Date & Time : 20th June, 2019 at 10.00 a.m.
2. Venue : Pai Vista, 3rd Floor, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bangalore – 560070, Karnataka, India
3. Date of Book Closure : 19.06.2019 to 20.06.2019 (Both days inclusive)
4. Financial Year of Company : April to March
5. Corporate & Registered Office : No. 80/2 Lusanne Court, Richmond Road, Bangalore- 560 025 Karnataka, India
6. Exchange Listed at : BSE Limited, P J Towers, No. 25 Dalal Street, Mumbai – 400 001 Maharashtra, India
7. Stock Code : The Listing fees for the financial year 2019-2020 has been paid BSE - 526433
8. De-mat ISIN No. in NSDL & CDSL For Equity Shares : INE867C01010
9. Payment of Dividend : The Company paid an interim dividend of Rs.3/- per equity share of Rs. 10/- each, on 3rd November, 2018. The Board has recommended final dividend of Rs. 3/- per equity share of Rs. 10/- each, subject to the approval of the shareholders at the ensuing AGM.

- 10. Unclaimed Dividend:** Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within the period of seven years will be transferred to IEPF. The Company sends periodic intimation to the shareholders concerned, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the Financial Year 2011-12 and onwards are requested to make their claims without any delay.

Year	Dividend per share of Rs. 10/-	Date of declaration	Unpaid Amt as on 31.3.2019 (Rs. in millions)	7 year period from transfer to unpaid A/c	Due date for transfer to IEPF
2011-2012 Final	Rs. 2.50	27th June 2012	0.42	30th July 2019	27th August 2019
2012-2013 Interim	Rs. 1.20	31st October 2012	0.23	3rd December 2019	1st January 2020
2012-2013 Final	Rs. 1.30	28th June 2013	0.25	31st July 2020	29th August 2020
2013-2014 Interim	Rs. 1.00	28th October 2013	0.19	30th November 2020	29th December 2020
2013-14 Final	Rs. 1.80	28th June 2014	0.36	31st July 2021	29th August 2021
2014-15 Interim	Rs. 1.20	29th October 2014	0.25	1st December 2021	30th December 2021
2014-15 Final	Rs. 0.80	14th August 2015	0.17	19th September 2022	17th October 2022
2015-16 Interim	Rs. 1.80	15th October 2015	0.38	19th November 2022	18th December 2022
2015-16 2nd Interim	Rs. 6.00	15th March 2016	1.38	19th April 2023	18th May 2023
2016-17 Interim	Rs. 2.50	19th October 2016	0.61	23rd November 2023	22nd December 2023
2016-17 Final	Rs. 2.50	20th June 2017	0.65	23rd July 2024	21st August 2024
2017-18 Interim	Rs. 2.50	4th November 2017	0.68	8th December 2024	6th August 2025
2017-18 Final	Rs. 2.50	2nd July 2018	0.40	2nd August 2025	1st September 2025
2018-19 Interim	Rs. 3.00	3rd November 2018	0.52	6th December 2025	5th January 2026

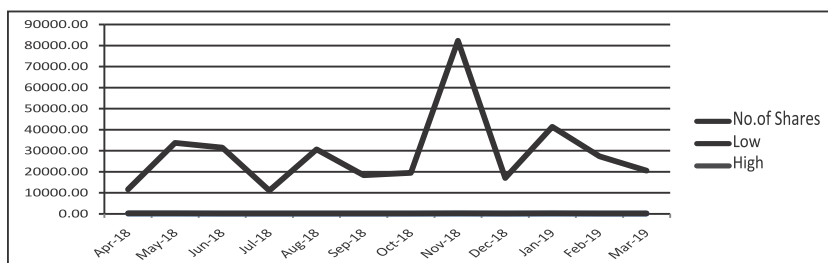
### 11. Shares Transferred to IEPF:

Pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules, 2016 as amended by the Ministry of Corporate Affairs with effect from 28<sup>th</sup> February, 2017 (“the Rules”), in case the beneficial owner has not encashed dividend warrant(s) during the last seven years, shares pertaining to such beneficial owners shall be required to be transferred to the Fund established by the Authority. Shareholders are therefore requested to contact Karvy Fintech Pvt Ltd, Registrar and Share Transfer Agent with respect to their unclaimed dividends. Accordingly, during the year, the Company transferred unclaimed dividend of Rs. 361,336/- and 7303 shares to IEPF on September 11, 2018.

### 12. 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 2018- March 2019 is given below:

Month	High	Low	No. of Shares	Month	High	Low	No. of Shares
Apr-18	151.00	130.00	11379	Oct-18	121.00	98.00	19273
May-18	156.00	100.00	33478	Nov-18	143.80	108.50	81990
Jun-18	118.80	90.00	31298	Dec-18	125.50	107.00	16792
Jul-18	121.00	95.00	10873	Jan-19	136.00	111.05	41133
Aug-18	124.00	95.60	30459	Feb-19	122.00	92.25	27151
Sep-18	121.85	103.00	18140	Mar-19	113.00	96.05	20335

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



13. Dematerialisation of Shares : 94.31 % of the capital has been dematerialised as on 31.3.2019
14. Market Capitalisation as on 31.3.2019 : Rs. 524.00 Mn. (as per closing price in BSE)
15. No. of Employees as on 31.03.2019 : 580
16. No. of Shareholders as on 31.03.2019 : 4241
17. Share Transfers : As the Company's shares are traded in dematerialized form, transfer requests are processed and approved in electronic form by NSDL/CDSL through their depository participants. Transfer of shares in physical form are processed by our Registrar and Share Transfer Agent, Karvy Fintech Pvt Ltd and approved by the Share Transfer Committee of the Company. 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 400 physical transfer of shares.

18. Details of complaints received and solved from 1st April, 2018 to 31st March 2019

Complaints	Received	Attended	Pending
Non receipt of dividend	100	100	NIL
Non receipt of Annual Report	11	11	NIL
Others	36	36	NIL

19. Distribution of shareholding as on 31.03.2019.

No. of shares From To	No. of shareholders	% of holders	No. of Shares	% to total shares
1 - 5000	3925	92.55	429613	8.59
5001- 10000	156	3.68	126943	2.54
10001- 20000	70	1.65	103889	2.08
20001- 30000	30	0.71	78057	1.56
30001- 40000	18	0.42	64822	1.30
40001- 50000	7	0.17	31774	0.64
50001- 100000	19	0.45	128960	2.58
100001& Above	16	0.38	4035942	80.72
Total	4241	100.00	5000000	100.00

20. The company does not have any outstanding GDRS/ADRS/warrants or any convertible instruments.

21. Office locations

The addresses and contact details of offices/locations are given in this Annual Report elsewhere.

22. Web link where policy for determining 'material' subsidiaries is given below The Policy for determining 'material' subsidiaries is posted on Company's website : <http://bit.do/ASM-Policy>.

23. Disclosure of commodity price risk and commodity hedging activities

Your Company does not have commodity price risk being in the IT sector and hence no commodity hedging is done.

24. Non-compliance of any requirement of the corporate governance report of Sub- paras (2) to (10) of part c of schedule v of SEBI (listing obligations and disclosure requirements) regulations, 2015, with reasons shall be disclosed

The Company has complied with all the requirements of the Corporate Governance report of sub- paras (2) to (10) of part C of Schedule V of Listing Regulations.

25. Share holding in physical & electronic form as on 31.03.2019:

Particulars	No. of shares	% of holding
Physical	284376	5.69
Electronic	4715624	94.31
<b>Total</b>	<b>5000000</b>	<b>100.00</b>

26. Shareholding pattern as on 31.03.2019

Category	No. of shares	% age
Indian Promoters (including Persons acting in concert)	3091903	61.83
Institutions/Banks	1100	0.02
Private Corporate Bodies	68523	1.37
Indian Public	1686977	33.76
NRI's/OCB's	40861	0.81
IEPF	110636	2.21
<b>TOTAL</b>	<b>5000000</b>	<b>100.00</b>

27. 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

: Company Secretary & Compliance Officer

Karvy Fintech Pvt. Ltd.  
Karvy Selenium Tower B , Plot number 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad – 500032  
Tel: 040 67162222  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

: Ms. P.N. Lakshmi  
Company Secretary & Compliance Officer  
80/2, Lusanne Court, Richmond Road  
Bangalore- 560025  
Tel: 080 66962309  
E-mail ID : [lakshmi.complianceofficer@asm ltd.com](mailto:lakshmi.complianceofficer@asm ltd.com)

## CEO/CFO CERTIFICATION

To

The Board of Directors  
ASM TECHNOLOGIES LTD  
Bangalore

We hereby certify the following:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2018-2019 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations .
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent , illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - I. significant changes if any in internal control over financial reporting during the year;
  - II. significant changes if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Place : Bangalore  
Date : 18.05.2019

**Rabindra Srikantan**  
Managing Director

**Narsingh Rathod**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**ASM TECHNOLOGIES LIMITED**

### Report on Audit of the Standalone Financial Statements

#### Opinion:

We have audited the standalone Ind AS financial statements of ASM Technologies Limited ("the Company") which comprise of balance sheet as at March 31, 2019, the statement of profit & loss, statement of changes in equity, the cash flow statement for the year then ended, and notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 - Revenue from Contract with Customers as described in note 2 i. and note 17 of the financial statements:</b>	
The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018. Application of Ind AS 115, including selection of transition method involves significant judgment in determining when 'control' of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied. As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.	As part of our audit procedures, our procedures included the following: <ul style="list-style-type: none"><li>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.</li><li>- We obtained and understood the revenue recognition process including determination of point of transfer of control and completion of performance obligation.</li><li>- We performed test of details, on a sample basis, and examined the underlying customer contracts.</li><li>- We examined the disclosures made by management in compliance with the requirements of Ind AS 115.</li></ul> <b>Conclusion:</b> Our procedures did not identify any material exceptions.

#### Other Information ["Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the board report but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Management's Responsibility for Standalone Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- 1 Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 1 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 1 Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements:**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- F) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed its pending litigations which would impact its financial position in note \_\_\_ of the Standalone Ind AS financial statements.
- ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.K.RAMADHYANI& CO LLP**  
**Chartered Accountants**  
**Firm Registration No. 002878S/S200021**

**Date : 18.05.2019**  
**Place: Bangalore**

**(CA C R Deepak)**  
**Partner**  
**Membership No. 215398**

## ANNEXURE - A TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED.

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment (“PPE”).
- (b) The management during previous year has physically verified all the PPE. We have been informed by the management that no material discrepancies were observed and the programme of such verification, in our opinion, is at reasonable intervals.
- (c) According to the information and explanation given to us by the Company, title deed of all immovable properties are held in the name of the Company.
- (2) The Company doesn't have any Inventories during the year. Accordingly, clause 3 (ii) of the Order is not applicable.
- (3) The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable.
- (4) In our opinion and according to information and explanation furnished to us, the Company has complied with the provisions of section 185 and 186 of the Act for investments and guarantees given during the year.
- (5) The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
- (6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Act as the Company is not engaged in any manufacture of the goods. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.
- (7) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, customs duty, cess and any other statutory dues to the appropriate authorities as at March 31, 2019 barring certain delays in certain months. There are no undisputed statutory dues exceeding six months from the due date of payment as at March 31, 2019.
- b) According to the records of the Company and according to the information and explanation given to us, there are certain dues outstanding on account of any disputes in respect of income tax, service tax, customs duty or excise duty or value added tax are as under:

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	15.89	June 16, 2005 to September 30, 2009	CESTAT, Bangalore
	Service Tax	19.63	2012 – 13	Commissioner of Service Tax (Appeals)
The Income Tax Act, 1961	Tax on transfer price adjustment	19.20	2009 - 10	ITAT, Bangalore
		2.40	2011 -12	ITAT, Bangalore
		9.38	2012 – 13	ITAT, Bangalore

8. The Company has not defaulted in repayment of loans taken from banks and financial institutions. The Company has not borrowed from a government or has issued debentures
9. In our opinion based on the information and explanation given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the said Order are not applicable.
10. According to the information and explanation given to us, there are no frauds reported by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the said Order are not applicable.
11. According to the information and explanation given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable.
13. In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the said Order are not applicable.
15. As represented to us by the management and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable.
16. According to the information and explanation given, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

For **B.K. RAMADHYANI & CO LL**  
**Chartered Accountants**  
**Firm Registration No. 002878S/S200021**

Date :18.05.2019  
Place: Bangalore

(CA C R Deepak)  
Partner  
Membership No. 215398

## **ANNEXURE - B TO THE AUDITORS' REPORT**

**REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED.**

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

We have audited the internal financial controls over financial reporting of ASM Technologies Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility:**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion:**

In our opinion, the Company, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **B. K. RAMADHYANI & CO LLP**  
**Chartered Accountants**  
**Firm Registration No. 002878S/S200021**

Date : 18.05.2019  
Place: Bangalore

**(CA C R Deepak)**  
Partner  
Membership No. 215398

## Standalone Balance Sheet as at March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	49.53	55.27
(b) Capital work-in-progress		-	-
(c) Investment Property	4	-	49.30
(d) Financial Assets			
(i) Investments	5 (i)	96.82	52.37
(ii) Loans	5 (ii)	5.20	4.62
(e) Deferred tax assets (net)	6	39.91	42.79
(f) Other non-current assets	7	73.67	30.61
Total Non-current assets		<b>265.13</b>	<b>234.95</b>
<b>(2) Current assets</b>			
(a) Financial Assets			
(i) Investments	8	154.81	220.72
(ii) Trade receivables	9(i)	160.64	144.27
(iii) Cash and cash equivalents	9(ii)	10.54	11.25
(iv) Bank balances other than (iii) above	9(ii)	57.71	0.20
(v) Loans	9(iii)	0.26	0.09
(vi) Others	9(iv)	16.77	44.12
(b) Other current assets	10	44.53	20.07
Total Current Assets		<b>445.26</b>	<b>440.72</b>
<b>Total Assets</b>		<b>710.39</b>	<b>675.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	50.00	50.00
(b) Other Equity	12	518.52	480.75
Total Equity		<b>568.52</b>	<b>530.75</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities	13		
(i) Borrowings		0.49	1.70
(b) Provisions	14	-	27.07
Total Non-current liabilities		<b>0.49</b>	<b>28.77</b>
<b>Current liabilities</b>			
(a) Financial Liabilities	15		
(i) Borrowings		88.58	76.67
(ii) Trade payables			
(A) total outstanding dues of micro and small enterprises		-	-
(B) total outstanding dues of creditors other than micro and small enterprises		3.14	4.04
(iii) Other financial liabilities		7.72	7.28
(b) Other current liabilities	16	41.94	28.16
Total Current liabilities		<b>141.38</b>	<b>116.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>710.39</b>	<b>675.67</b>

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 18.05.2019

In Accordance with our Report attached for  
**B K RAMADHYANI & CO LLP**  
Chartered Accountants  
Firm Registration No.0028785/S200021

**CA. C R Deepak**  
Partner  
Membership Number: 215398



## Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Note no.	Current Year	Previous Year
Revenue from operations	17	760.59	761.91
Other income	18	55.77	17.92
<b>Total Income (i)</b>		<b>816.36</b>	<b>779.83</b>
<b>Expenses</b>			
Employee benefits expense	19	520.13	512.92
Finance costs	20	6.45	2.21
Depreciation and amortization expenses	21	9.40	12.10
Other expenses	22	188.07	181.19
<b>Total expenses (ii)</b>		<b>724.05</b>	<b>708.42</b>
<b>Profit/(loss) before tax [(i)- (ii)]</b>		92.31	71.41
Tax expenses			
(i) Current tax	31	21.73	27.00
(ii) Deferred tax		2.55	8.04
(iii) Excess provision of earlier years		(2.30)	-
<b>Total tax expense</b>		<b>21.98</b>	<b>35.04</b>
<b>Profit/(Loss) for the year</b>		70.33	36.37
<b>Other Comprehensive Income</b>			
A (I) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		1.01	2.01
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		(0.29)	(0.56)
B (I) Items that will be reclassified to profit or loss			
Changes in fair value of investments in equity instruments		0.10	(1.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		(0.03)	0.30
		<b>0.79</b>	<b>0.66</b>
<b>Total Comprehensive Income for the year</b>		<b>71.12</b>	<b>37.03</b>
Earnings per equity share [nominal value of share Rs.10 (March 31, 2019: Rs.10)]			
'Basic and Diluted	23	14.07	37.27

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 18.05.2019

In Accordance with our Report attached for **B K RAMADHYANI & CO LLP**  
Chartered Accountants  
Firm Registration No.0028785/S200021

**CA. C R Deepak**  
Partner  
Membership Number: 215398

**Cash Flow Statement for the year ended March 31, 2019**  
(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	Current Year	Previous Year
<b>(A) Cash flows from operating activities</b>		
Profit / (loss) before tax	92.31	71.41
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	9.40	12.10
Finance costs	6.45	2.21
Interest income	(1.91)	(2.39)
Dividend income	(0.06)	(0.13)
Fair valuation of mutual fund	(8.17)	(11.15)
Share of profit in LLP	(1.21)	—
Provision for diminution in value of investments	8.00	—
(Profit)/ loss on sale of Property, Plant & Equipment & IP	(8.26)	—
<b>Operating profit before working capital changes</b>	<b>96.55</b>	<b>72.05</b>
<i>Movements in working capital :</i>		
Increase/ (decrease) in trade payables	(0.90)	(0.30)
Increase/ (decrease) in other liabilities	13.78	13.78
Decrease / (increase) in trade receivables	(14.55)	(49.27)
Decrease / (increase) in other non current assets	(32.77)	0.39
Decrease / (increase) in other current assets	(24.46)	0.60
Decrease / (increase) in other financial assets	28.56	3.94
Decrease / (increase) in loans and advances	(0.17)	(0.52)
Increase / (decrease) in provisions	(28.89)	3.06
<b>Cash generated from / (used in) operations</b>	<b>37.15</b>	<b>43.73</b>
Direct taxes paid, net	29.19	39.55
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>7.96</b>	<b>4.18</b>
<b>B) Cash flows from investing activities</b>		
Purchase of Property, plant & equipment (including capital work in progress and capital advances)	(3.32)	(24.90)
Proceeds from sale of fixed assets	57.22	—
Purchase of non current investments	(51.24)	(9.00)
Purchase of current investments	74.08	(62.58)
(Increase)/decrease in other bank balances	(57.51)	54.38
Dividend received	0.06	0.13
Interest received	0.70	5.28
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>19.99</b>	<b>36.69</b>
<b>C) Cash flows from financing activities</b>		
Proceeds from long-term borrowings	—	2.78
Repayment of long-term borrowings	(1.10)	—
Increase/(decrease) of short-term borrowings, net	11.91	69.18
Interest paid	(6.46)	(7.40)
Dividends paid (including tax on dividend)	(33.01)	(29.20)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(28.66)</b>	<b>35.36</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(0.71)</b>	<b>2.85</b>
<b>E) Cash and cash equivalents at the beginning of the year</b>	<b>11.25</b>	<b>8.40</b>
<b>F) Cash and cash equivalents at the end of the year</b>	<b>10.54</b>	<b>11.25</b>
The Company has followed indirect cash flow method		

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 18.05.2019

In Accordance with our Report attached for  
**B K RAMADHYANI & CO LLP**  
Chartered Accountants

Firm Registration No.0028785/S200021

**CA. C R Deepak**  
Partner  
Membership Number: 215398

## Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### a. Equity Share Capital

Particulars	Equity Share Capital
<b>As at April 1, 2017</b>	<b>50.00</b>
Increase in share capital on issue	-
Effect of share based payments	-
<b>As at March 31, 2018</b>	<b>50.00</b>
Increase in share capital on issue	-
Effect of share based payments	-
<b>As at March 31, 2019</b>	<b>50.00</b>

### b. Particulars

Particulars	General Reserve	Security premium reserve	Capital Reserve	Retained earnings	Other Comprehensive Income	Total
<b>As at April 1, 2017</b>	<b>110.00</b>	<b>33.00</b>	<b>0.33</b>	<b>330.55</b>	<b>-</b>	<b>473.88</b>
Profit/(loss) for the year	-	-	-	36.37	-	36.37
Dividend declared during the year	-	-	-	30.16	-	30.16
Other Comprehensive income	-	-	-	-	0.66	0.66
<b>As at March 31, 2018</b>	<b>110.00</b>	<b>33.00</b>	<b>0.33</b>	<b>336.76</b>	<b>0.66</b>	<b>480.75</b>
Profit/(loss) for the year	-	-	-	70.33	-	70.33
Other Comprehensive income	-	-	-	-	0.79	0.79
Dividend declared during the year	-	-	-	33.35	-	33.35
Transfer to retained earnings	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>110.00</b>	<b>33.00</b>	<b>0.33</b>	<b>373.74</b>	<b>1.45</b>	<b>518.52</b>

## Notes to Financial Statements for the year ended March 31, 2019

### 1. CORPORATE INFORMATION

ASM Technologies Limited ("the Company") is a company incorporated under the Companies Act, 1956 and is a pioneer in providing world class consulting services in areas of Engineering services and Product Engineering services with successful offshore development & support centres in India and overseas for its global clientele. The shares of the Company is listed in Bombay Stock Exchange.

The financial statements have been approved by the Board of Directors of the Company in their meeting held on May 18, 2019.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.2 Summary of significant accounting policies:

##### a) Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

##### b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

##### c) Property, Plant & Equipment:

Property, plant and equipment ("PPE") are stated at the cost of acquisition less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

**d) Depreciation:**

Depreciation is provided on straight-line method as per the rates specified in schedule II of the Companies Act, 2013 ("the Act"). Depreciation for the assets purchased/sold during the year is proportionately charged. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for revision, and adjusted prospectively.

**e) Investment Properties:**

Investment property represents properties held for rental yields and/or for capital appreciation or both rather than for:

- (a) use in the production or supply of services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Investment property is stated at the cost of acquisition less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of Investment Property as per Ind AS 40 are charged to the statement of profit and loss for the period during which such expenses are incurred.

**f) Intangible Assets:**

Intangible assets acquired separately are measured on initial cost. Subsequently, carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software is amortised on a over a period of three years as estimated by the management.

Gains or losses arising from de-recognition of an intangible asset are measured as a difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when asset is derecognised.

**g) Leases:**

*Operating leases:*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increase in lease outgoings are in line with expected general inflation to compensate the lessor's expected inflationary cost increases.

**h) Employee Benefits:**

*(i) Short term employee benefits:*

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

*(ii) Defined Benefit Plans:*

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other

comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

***I) Revenue Recognition:***

The Company derives revenues primarily from IT related services. Effective April 01, 2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in for those services.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company recognised incentive from government in respect of Service Exports from India Scheme based on claim lodged by the Company.

***j) Taxation:***

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.



**k) Foreign Currency Transactions:**

*Functional Currency:*

The functional currency of the Company is the Indian rupee.

*Transactions and translations:*

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

**l) Provisions, Contingent liabilities and Contingent assets:**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is never recognised but only disclosed in the financial statements.

**m) Segment reporting policies:**

*Identification of segments:*

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments. Since CODM evaluates Company's performance at a geographic segment level, operating segment information is accordingly given at geographic level.

**n) Financial Instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**i) Cash & Cash equivalents:**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**ii) Financial assets at amortized cost:**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv) *Financial assets at fair value through profit or loss:*

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) *Financial liabilities:*

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

vi) *De-recognition of financial instruments:*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) *Fair value of financial instruments:*

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

viii) *Investments in subsidiary:*

Investments in subsidiary is carried at cost.

**o) Impairment:**

i) *Financial assets:*

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) *Non-financial assets:*

Tangible and Intangible assets: PPE, intangible assets and investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

***p) Cashflow Statement:***

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**2.3 Significant accounting judgements, estimates and assumptions:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

***a) Judgements:***

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

***(b) Estimates and assumptions:***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

***Defined benefit plans - Gratuity***

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

**Notes to standalone financial statements for the year ended March 31, 2019**  
(All amounts in Indian Rupees millions, except as otherwise stated)

**3. Property, Plant And Equipment**

	Land (freehold)	Building	Plant and Equipment	Electrical fittings	Furniture & fixtures	Office Equipment	Vehicles	Generator	Total
Cost									
As at April 1, 2017	20.51	11.76	27.75	2.85	7.34	2.91	2.40	0.56	76.08
Additions	-	-	1.51	-	0.02	0.31	4.06	-	5.90
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	0.10	-	-	(0.10)	-	-	-
<b>At March 31, 2018</b>	<b>20.51</b>	<b>11.76</b>	<b>29.36</b>	<b>2.85</b>	<b>7.36</b>	<b>3.12</b>	<b>6.46</b>	<b>0.56</b>	<b>81.98</b>
Additions	-	-	1.93	-	0.02	1.35	0.02	-	3.32
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>20.51</b>	<b>11.76</b>	<b>31.29</b>	<b>2.85</b>	<b>7.38</b>	<b>4.47</b>	<b>6.48</b>	<b>0.56</b>	<b>85.30</b>
Depreciation/Amortisation									
At April 1, 2017	-	0.23	9.06	0.49	1.80	2.69	0.58	0.39	15.24
Charge for the year	-	0.23	7.22	0.51	1.39	1.04	0.92	0.17	11.48
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustment	-	(0.08)	2.62	0.09	(1.14)	(1.58)	0.09	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>0.38</b>	<b>18.90</b>	<b>1.09</b>	<b>2.05</b>	<b>2.15</b>	<b>1.59</b>	<b>0.56</b>	<b>26.72</b>
Charge for the year	-	0.27	5.66	0.45	1.23	0.40	1.04	-	9.05
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>-</b>	<b>0.65</b>	<b>24.56</b>	<b>1.54</b>	<b>3.28</b>	<b>2.55</b>	<b>2.63</b>	<b>0.56</b>	<b>35.77</b>
<b>Net Block</b>									
<b>At March 31, 2018</b>	<b>20.51</b>	<b>11.38</b>	<b>10.46</b>	<b>1.76</b>	<b>5.31</b>	<b>0.97</b>	<b>4.87</b>	<b>-</b>	<b>55.26</b>
<b>At March 31, 2019</b>	<b>20.51</b>	<b>11.11</b>	<b>6.73</b>	<b>1.31</b>	<b>4.10</b>	<b>1.92</b>	<b>3.85</b>	<b>-</b>	<b>49.53</b>

## Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 4. Investment in Property

Particulars	Amount Rs.
<b>Cost</b>	
At April 1, 2017	33.33
Additions	19.00
Deletions	-
<b>At March 31, 2018</b>	<b>52.33</b>
Additions	-
Deletions	52.33
<b>At March 31, 2019</b>	<b>-</b>
<b>Depreciation/Amortisation</b>	
At April 1, 2017	2.41
Additions	0.62
Deletions	-
<b>At March 31, 2018</b>	<b>3.03</b>
Additions	0.34
Deletions	3.37
<b>At March 31, 2019</b>	<b>-</b>
<b>Net</b>	
<b>As At March 31, 2018</b>	<b>49.30</b>
<b>As At March 31, 2019</b>	<b>-</b>

#### Fair valuation of investment property

As At March 31, 2018	56.25
As At March 31, 2019	

The fair value of the investment properties is based on the discounted cashflows and classified as level 3 fairvalue in the fair value hierarchy due to the use of unobservable inputs.

#### Description of valuation techniques used and key inputs to valuation of investment properties (office premises):

Valuation techniques	Signification observables Inputs	Range (Weighted average) As at March 31, 2018
Discounted cash flow method	- Rent growth p.a.	5%
	- Discount Rate	8%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income, non-recoverable expenses, collection losses, lease incentives, maintenance cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 5. Non current financial assets:

#### Details of Investments

Name of the Company	As at March 31, 2019		As at March 31, 2018	
	No of Shares	Rs. In million	No of Shares	Rs. In million
<b>Non Current Investments:</b>				
Investments In Equity Instruments				
A) Investments in equity instruments of Subsidiaries:				
- Unquoted carried at cost				
i) Advanced Synergic Pte Ltd., Singapore of SGD 1 each	1,000,000	34.52	1,000,000	34.52
ii) Pinnacle Talent Inc., USA of USD 0.01 each	16,000,000	9.94	16,000,000	9.94
iii) ASM Technologies, Japan of JPY 100 each	10,000	0.64		-
iv) - in a limited liability partnership firm:				
R V Forms & Gears LLP (Refer Note below)				-
- in Capital account		18.00		-
- in Current account		6.57		-
v) Baro Vehicles Limited, UK (GBP 0.0001) each	7,376	3.47		
B) Investments in fair value through profit & loss				
Investments in compulsory convertible preference shares (Unquoted)				
Lavelle Networks Private Limited of Rs.10 each	3,202	20.01		-
C) Investments in fair value through Other Comprehensive Income				
- In Venture Capital Fund				
i) Ideaspring Capital Future Now		11.67		7.91
Total		104.82		52.37
Less: Provision for diminution in value of investments		8.00		-
		96.82		52.37
Additional Information:				
i) Aggregate amount of unquoted investments		104.82		52.37
ii) Categorywise Non current investment:				
Financial assets carried at amortised cost		65.14		44.46
Financial assets measured at fair value through Profit & Loss		20.01		-
Financial assets measured at fair value through Other Comprehensive Income		11.67		7.91
Total non current investment		96.82		52.37

Particulars	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
Loans (Unsecured and considered good)		
Security Deposits	5.20	4.62
<b>Total</b>	<b>5.20</b>	<b>4.62</b>



## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 6. Deferred Tax

Particulars	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
<b>I) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets	-	3.13
b) On account of timing differences in recognition of expenditure	-	0.11
Total	-	3.24
<b>ii) Deferred tax asset:</b>		
a) On account of depreciation on fixed assets	1.15	-
b) On account of timing differences in recognition of expenditure	38.76	46.03
<b>Total</b>	<b>39.91</b>	<b>46.03</b>
Net Deferred tax (liability)/asset	<b>39.91</b>	<b>42.79</b>

### 7. Other Non Current Assets

Particulars	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
i) Advances:		
Security deposits	-	0.22
Prepaid expenses	-	0.85
ii) Advance payment of tax (net of provision for tax)	39.83	29.54
iii) Export incentive receivable	11.11	-
iv) Disputed taxes paid	22.73	-
<b>Total</b>	<b>73.67</b>	<b>30.61</b>

### 8. Financial Assets:

	As at March 31, 2019		As at March 31, 2018	
	No of Units	Rs.	No of Units	Rs.
I) Investment - fair value through statement of Profit & Loss				
Investments in Mutual Funds:				
i) Birla Sun Life Mutual Fund	-	-	267,052	7.71
ii) HDFC High Interest Fund	-	-	108,698	6.40
iii) IDFC Super Saver Income Fund	-	-	124,670	4.41
iv) Reliance Regular Savings Fund	-	-	323,870	7.84
v) SBI Short Term Debt Fund	862,690	18.46	862,690	17.28
vi) Franklin India Prima Fund	2,672	2.60	2,672	2.56
vii) SBI Bluechip Fund	421,232	16.52	421,232	15.68
viii) SBI Corporate Bond Fund	1,731,321	51.69	1,731,321	48.36
ix) HDFC Corporate Debt Opportunities Fund	-	-	1,118,568	16.12
x) ICICI Corporate Bond Fund	-	-	598,210	16.18
xi) ICICI Prudential Value Discovery Fund	-	-	76,390	10.70
xii) Reliance Corporate Bond Fund	-	-	806,694	11.30
xiii) Franklin ASK	149,409	6.19	149,409	5.63
xiv) Mirae Asset	122,924	6.29	122,924	5.51
xv) L & T Mutual Fund	-	-	570,889	11.36
xvi) SBI Ultra Short Term Daily Dividend	13	0.01	52	0.01
xvii) Franklin India Ultra Short Term Bond Fund	7,268	0.07	6,946	0.07
	-	-	-	-

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 8. Financial Assets:

	As at March 31, 2019		As at March 31, 2018	
	No of Units	Rs.	No of Units	Rs.
Investments in Portfolio Management Services:	-	-	-	-
i) Motilal Oswal ASK	-	4.71	-	5.24
ii) Avendus	-	18.50	-	17.36
iii) ASK PMS	-	25.72	-	7.20
iv) Motilal Oswal Mutual Fund	-	4.05	-	3.80
<b>Total</b>		<b>154.81</b>		<b>220.72</b>
Aggregate Carrying value of quoted Investments		154.81		220.72
Aggregate Market value of quoted Investments		<b>154.81</b>		<b>220.72</b>

### 9. Financial Assets

Particulars	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
<b>i) Trade Receivables</b>		
- Outstanding for more than 6 months	17.77	18.94
- Others	146.47	130.75
	164.24	149.69
Less: Allowance for bad & doubtful trade receivables	3.60	5.42
	<b>160.64</b>	<b>144.27</b>
<b>Additional Information:</b>		
Unsecured considered good	160.64	144.27
Unsecured Considered Doubtful	3.60	5.42
	164.24	149.69
Less:- Allowance for doubtful debt (includes Provision for expected credit losses)	3.60	5.42
<b>Total</b>	<b>160.64</b>	<b>144.27</b>
The above amount includes:		
- debts due by directors or other officers of the Company		
- debts due by firms/private companies in which a director is a partner or a director or a member	15.95	17.12
<b>ii) Cash and Bank Balance</b>		
<b>a) Cash and cash equivalents:-</b>		
i) Balance with Banks#		
- In current accounts	4.01	5.06
- In unpaid dividends accounts	6.52	6.18
ii) Cash on hand	0.01	0.01
	10.54	11.25
b) Other Bank Balance		
-in fixed deposit*	57.71	0.20
<b>Total</b>	<b>68.25</b>	<b>11.45</b>
Bank balance includes:		
Held as margin money/security against borrowings/guarantees/other commitments.		
* Deposit of Rs. 15 million has been given security for the overdraft facility availed by subsidiary RV Forms and Gears LLP.		
# The above balances are subject to confirmation of balances.		
<b>iii) Loans (Unsecured, considered good)</b>		
Security Deposit	0.26	0.09
<b>Total</b>	<b>0.26</b>	<b>0.09</b>
<b>iv) Other Financial Assets</b>		
Unbilled Revenue	15.55	44.11
Interest receivable on deposits	1.22	0.01
<b>Total</b>	<b>16.77</b>	<b>44.12</b>

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 10. Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Advances other than capital advances		
(a) Security deposits	-	
(b) Advance to supplier**	161.85	148.60
Less: Allowance for doubtful advances	134.51	134.51
	27.34	14.09
(C) Advance to Employees	2.94	2.23
(ii) Others		
Advance Gratuity	7.71	-
Prepaid expenses	6.31	3.14
Other Advance	0.01	0.61
Other deposit	0.22	-
<b>Total</b>	<b>44.53</b>	<b>20.07</b>

\*\*Includes advance paid to subsidiary companies

### 11. Equity Share Capital (refer statement of changes in equity)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
70,00,000 Equity shares of Rs 10 each	70.00	70.00
<b>Issued, Subscribed &amp; Paid up</b>		
50,00,000 equity shares of Rs 10 each	50.00	50.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>50.00</b>	<b>50.00</b>

#### (a) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity is entitled to one vote per share.

#### (b) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	As at March 31, 2019		As at March 31, 2018	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	5,000,000	50.00	5,000,000	50.00
Add:-Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>5,000,000</b>	<b>50.00</b>	<b>5,000,000</b>	<b>50.00</b>

#### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding in class	Nos.	% holding in class
R Rabindra	2,103,677	42.07%	2,103,677	42.07%
Kannan Sundar	554,998	11.10%	581,629	11.63%
R Preeti	380,524	7.61%	380,524	7.61%
IDS System Private limited	338,502	6.77%	338,502	6.77%
	<b>3,377,701</b>	<b>67.55%</b>	<b>3,404,332</b>	<b>68.08%</b>

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 12. Other Equity

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
<b>i) Capital reserve</b>		
Opening balance	0.33	0.33
Add:- Addition during year		
<b>Closing at end of year</b>	<b>0.33</b>	<b>0.33</b>
<b>ii) Security Premium reserve</b>		
Opening Balance	33.00	33.00
Add:- Addition during year		
<b>Closing at the end of the year</b>	<b>33.00</b>	<b>33.00</b>
<b>iii) General Reserve</b>		
Opening balance	110.00	110.00
Add:- Addition during year		
<b>Closing at end of year</b>	<b>110.00</b>	<b>110.00</b>
<b>iv) Other Comprehensive Income</b>		
Opening balance	0.66	-
Add:- Addition during year	0.79	0.66
<b>Closing at end of year</b>	<b>1.45</b>	<b>0.66</b>
<b>v) Retained Earning</b>		
Opening balance	336.76	330.55
Add:- Addition during year	70.33	36.37
	407.09	366.92
<b>Less:- Appropriations</b>		
Interim dividend on equity shares	15.00	12.50
Final dividend on equity shares	12.50	12.50
Dividend distribution tax	5.85	5.16
	33.35	30.16
<b>Total</b>	<b>373.74</b>	<b>336.76</b>
<b>Closing at end of year</b>	<b>518.52</b>	<b>480.75</b>

### Non current liabilities and provisions:-

#### 13. Financial liabilities:-

Particulars	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
<b>Borrowings:-</b>		
<b>Secured</b>		
From Banks		
From others	1.68	2.78
<b>Less: Current Maturities</b>		
From others	(1.19)	(1.08)
<b>Total</b>	<b>0.49</b>	<b>1.70</b>
<b>Additional Information:-</b>		
<b>1) Details Of Security for secured loan:-</b>		
<b>From Others:-</b>		
Term Loan From others is secured against Hypothecation charge on BMW Car ,which carries an interest rate of 8.99 % per annum and repayable in 36 Equated Monthly Installment of Rs.0.11 million per month	1.68	2.78

**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**14. Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	-	27.07
<b>Total</b>	<b>-</b>	<b>27.07</b>

Current liabilities and provisions:-

**15. Financial liabilities:-**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>i) Borrowings</b>		
<b>Secured loans:</b>		
Loans repayable on demand		
- from banks	88.58	76.67
<b>Total</b>	<b>88.58</b>	<b>76.67</b>

**a Details of security for secured loans from banks:**

1. Hypothecation charge on Receivables and other current assets of the company, further lien on 17,31,321 units of SBI mutual Fund scheme "SBI Corporate bond fund -regular plan growth" and 8,62,690 units of SBI mutual fund scheme "SBI short term debt fund regular plan growth and secured by personal guarantee of Managing Director

**b Interest rate:-**

1. Secured loans from banks:
2. Cash credit facility from state Bank of India repayable on demand and carries an interest rate of MCLR + 2%

**ii) Trade Payables:-**

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro small and medium enterprise ( Refer note 29)	-	-
Others	3.14	4.04
<b>Total</b>	<b>3.14</b>	<b>4.04</b>

**iii) Other Financial Liability**

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturity of long term debt	1.19	1.08
Interest Accrued but not due	0.01	0.02
Unclaimed dividend	6.52	6.18
<b>Total</b>	<b>7.72</b>	<b>7.28</b>

**16. Other Current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	22.47	12.76
Employee Benefit Expenses	0.82	0.42
Accrued expense and other liabilities	18.65	14.98
<b>Total</b>	<b>41.94</b>	<b>28.16</b>

**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**17. Revenue from operations**

Particulars	Current Year	Previous Year
a) Sale of services	760.59	761.91
<b>Total</b>	<b>760.59</b>	<b>761.91</b>

**18. Other income**

Particulars	Current Year	Previous Year
a) Interest on bank deposits	1.91	2.39
b) Share of profit from LLP	1.21	-
c) Dividend income	0.06	0.13
d) Gain or loss on mutual fund	8.17	11.15
e) Miscellaneous income	0.97	4.25
f) Export Incentive	11.11	-
g) Profit on sale of investment property	8.26	-
h) Exchange fluctuation gain	24.08	
<b>Total</b>	<b>55.77</b>	<b>17.92</b>

**19. Employee Benefit Expenses**

Particulars	Current Year	Previous Year
a) Salaries and wages	487.89	476.58
b) Staff welfare expenses	3.80	4.29
c) Contribution to:		
Provident fund	21.86	23.42
ESI fund	0.15	0.43
d) Gratuity (refer note 24)	6.43	8.20
<b>Total</b>	<b>520.13</b>	<b>512.92</b>

**20. Finance Cost**

Particulars	Current Year	Previous Year
a) Interest on bank borrowing	5.90	0.90
b) Other borrowing cost	0.55	1.31
<b>Total</b>	<b>6.45</b>	<b>2.21</b>

**21. Depreciation and amortization expense**

Particulars	Current Year	Current Year
Depreciation on property, plant & equipment	9.05	11.48
Depreciation on Investment Property	0.35	0.62
<b>Total</b>	<b>9.40</b>	<b>12.10</b>



## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 22. Other Expenses

Particulars	Current Year	Previous Year
a) Travelling and conveyance expenses	46.28	68.54
b) Services rendered by business associates and others	54.33	51.60
c) Software, hardware and material costs	5.73	8.04
d) Communication expenses	2.20	3.11
e) Payment to Auditor (refer note below)	0.60	0.60
f) Legal and Professional fees	24.12	10.45
g) Sitting fees paid to directors	1.37	0.39
h) Rent	16.66	15.17
i) Repair and Maintenance	2.33	2.30
j) Exchange fluctuation Gain/loss	-	0.62
k) Bad debt writeoff	1.82	0.27
Allowance for doubtful debts withdrawn	(1.82)	—
l) Donation	0.11	0.45
m) Electricity Expenses	2.51	3.39
n) Advertisement and Business Promotions	3.88	0.60
o) Insurance charges	1.13	1.09
p) Membership & subscription	4.84	2.66
r) Office Maintenance	4.90	4.81
s) Printing & stationery	0.76	0.55
t) Rates & Taxes	0.56	0.90
u) Loss of share in LLP	-	-
v) Miscellaneous Expenses	3.77	3.31
w) CSR Expenses	3.99	2.34
x) Provision for diminution in value of Investment	8.00	-
<b>Total</b>	<b>188.07</b>	<b>181.19</b>

#### Payments to Auditor

Audit fee	0.60	0.60
Tax audit fee	0.40	0.40
Reimbursement of expenses	-	-

### 23. Earning per Share

Particulars	Current Year	Previous Year
Profit for the year	70.33	36.37
Weighted average number of Equity shares	5.00	5.00
Earning per share basic and diluted	14.07	7.27
Face value per equity share	10	10

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 24. Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity of 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan:

#### Statement of Profit and Loss

##### Net employee benefit expenses recognised in the employee cost:

Particulars	March 31, 2019	March 31, 2018
Current service cost	4.49	4.39
Past service cost	-	1.87
Interest cost	1.94	1.74
<b>Net benefit expense</b>	<b>6.43</b>	<b>8.00</b>

Balance sheet

Benefit asset/liability:

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	(28.01)	(27.07)
Fair value of plan assets	-	-
<b>Plan asset/(liability)</b>	<b>(28.01)</b>	<b>(27.07)</b>

Changes in the fair value of defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	27.07	26.02
Current service cost	4.49	4.39
Past service cost	-	1.87
Interest cost	1.94	1.74
Liability transferred out/divestments	-	-
Benefits paid directly by employer	(4.48)	(4.94)
Remeasurements	-	-
Actuarial loss/(gain) from changes in demographic assumptions	-	-
Actuarial loss/(gain) from changes in financial assumptions	0.36	(0.44)
Actuarial loss/(gain) from experience over the past period	(1.37)	(1.57)
<b>Closing defined benefit obligation</b>	<b>28.01</b>	<b>27.07</b>

Changes in the fair value of assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Fair value as at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains	-	-
Contributions	35.72	-
Benefits paid	-	-
<b>Closing fair value of asset</b>	<b>35.72</b>	<b>-</b>

**Notes to standalone financial statements for the year ended March 31, 2019**  
(All amounts in Indian Rupees millions, except as otherwise stated)

The amounts recognized in the Balance Sheet are as follows:

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Present value of the obligation as at the end of the year	28.01	27.07
Fair value of plan assets as at the end of the year	35.72	-
Net liability/ (asset) recognized in the Balance Sheet	(7.71)	27.07

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Discount rate	6.76%	7.18%
Employee turnover	25.00%	25.00%
Salary escalation rate	8.50%	8.50%
Mortality table	'Indian Assured Lives Mortality (2006-08)	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Sensitivity Analysis of significant actuarial assumptions**

Particulars		Change in DBO by	
		March 31, 2019	March 31, 2018
Discount rate	Increases 0.5%	(0.43)	(0.41)
	Decreases 0.5%	0.44	0.43
Employee turnover	Increases 0.5%	(0.10)	(0.09)
	Decreases 0.5%	0.11	0.09
Salary escalation rate	Increases 0.5%	0.40	0.39
	Decreases 0.5%	(0.39)	(0.38)

Description of funding arrangements and funding policy that affect future contributions  
The plan is unfunded and the status is unlikely to change over the next few years.

**Maturity profile**

Projected Benefits Payable in Future Years From the Date of Reporting	March 31, 2019	March 31, 2018
1st following year	6.09	5.60
2nd following year	4.79	4.86
3rd following year	4.99	4.28
4th following year	3.59	4.39
5th following year	3.29	3.13
Sum of years 6 to 10	8.84	8.78

Other Information	March 31, 2019	March 31, 2018
Weighted average duration of the projected benefit obligation	4.00	3.00
Average expected future service	3.00	3.00

**Defined contribution plan**

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.21.86 million (For 2017-18 Rs.23.42 million)

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 25. Leases

Operating lease: Company as lessee

The Company has operating leases that are non-cancellable for specified periods under arrangements. Rental expense included in the statement of profit and loss for the year ended March 31, 2019 amounts to Rs.16.66 million (For 2017-18: Rs.15.17 million).

### 26. Related Party disclosures

#### I) Names of related parties and related party relationship

Name of entity	Relationship
Pinnacle Talent Inc, USA	Wholly owned subsidiary
Advanced Synergic Pte Ltd, Singapore	Wholly owned subsidiary
ASM Technologies KK	Wholly owned subsidiary
ESR Associates Inc, USA	Step-down subsidiary
RV Forms & Gears LLP	Subsidiary
IDS Systems LLP	Company in which Directors are interested
Rabindra Srikantan M R Vikram Prof. B S Sonde Shekar Vishwanathan Preeti Rabindra M Lakshminarayan	Directors
N Krishnan Narsingh Rathod Pramod P N Lakshmi Anantharaman Shankar Srinivasa Murthy Seshadri	Key Managerial Personnel ("KMP")
Akhil Rabindra Nikhil Rabindra	Relatives of Director

#### ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Current year	Previous year
Sale of services		
- IDS Systems LLP	0.09	2.69
- RV Forms & Services LLP	5.51	-
Purchase of services		
- Pinnacle Talent Inc (services provided to ASM branch at USA)	30.06	30.24
- Advanced Synergic Pte Ltd (services provided to ASM branch at USA)	-	3.56
Investments Made during the year-		
- RV Forms & Services LLP	18.00	-
- ASM Technologies KK	0.64	-

The following table provides the closing balances of related parties as at the relevant financial year-end:

Particulars	March 31, 2019	March 31, 2018
Amount due to Company	-	
Pinnacle Talent Inc, USA	135.86	142.07
Advanced Synergic Pte Ltd, Singapore	9.46	6.42
IDS Systems LLP	11.85	13.94
RV Forms & Gears LLP (including investments)	41.10	-

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

iii)

Key Managerial Personnel:	Relationship	Nature of transaction	Current Year	Previous Year
M R Vikram	Chairman	Sitting fees & reimbursement of expenses	1.37	1.43
Rabindra Srikantan	Managing Director	Remuneration	10.20	10.08
Prof. B S Sonde	Director	Sitting fees & Commission	0.24	0.26
Shekar Viswanathan	Director	Sitting fees & Commission	0.25	0.22
M Lakshminarayan	Director	Sitting fees & Commission	0.32	0.23
Preeti R	Director	Sitting fees & Commission	0.27	0.21
Akhil Rabindra	Relative of KMP	Remuneration	0.74	-
Narsingh Rathod	Chief Financial Officer	Remuneration	0.25	0.25
P N Lakshmi	Company Secretary	Remuneration	0.69	0.60
Amount due to Company:				
N Krishnan	KMP		0.11	0.99
Rabindra Srikantan	Managing Director		0.40	-
Amount due by Company:			-	-
Rabindra Srikantan	Managing Director		-	1.68
M R Vikram	Director		0.17	0.15
Prof. B S Sonde	Director		0.17	0.15
Shekar Viswanathan	Director		0.17	0.15
M Lakshminarayan	Director		0.17	0.15
Preeti R	Director		0.17	0.15

Particulars	Current Year	Previous Year
Short-term employee benefits	10.71	10.50
Post employment benefit*	0.43	0.43

\*The remuneration to the key managerial personnel does not include the provisions made the gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

### Terms and conditions of transactions with related parties

The sales of services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

## 27. Capital and other commitments

Company has committed to contribute Rs.30 million to a venture capital fund out of which Rs.13.5 million has been paid so far. Amount of such capital commitment outstanding as at March 31, 2019 is Rs. 16.5 million (March 31, 2018: Rs. 21 million)

## 28. Contingent Liabilities

Particulars	March 31, 2019	March 31, 2018
Service tax claim (company filed appeal against the order)	41.85	35.52
Showcause notice received from service tax authorities	182.28	202.06
Income tax (transfer Price) claim	53.70	50.70
Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	2.82	2.79

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

29. Based on the information available with the Company, there are no vendors who are registered as Micro and Small Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2019 which has been relied by the auditors.

### 30. Segment reporting

The Company believes that assets and liabilities used in the business are not identified to any of the reportable segments, as these are used interchangeably between segments. Accordingly the same has not been provided

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Exports	Domestic	Exports	Domestic
Segment Revenue	681.75	78.84	697.21	64.70
Segment Expenses	432.78	60.45	451.13	60.27
Segment Results	248.97	18.39	246.08	4.43

### Significant Clients

The Company's 90% of revenue is derived from three customers (Previous year: 90% of revenue from three customers).

### Product-wise Information

Company provides single service and hence no product-wise information is necessary to be given.

### 31 Income taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

#### Statement of profit and loss:

#### Profit or loss section

Particulars	Current year	Previous year
<b>Current income tax:</b>		
Current income tax in India	20.00	27.00
Current income tax outside India	1.73	
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	2.55	8.04
Excess tax provision withdrawn	(2.30)	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>21.98</b>	<b>35.04</b>
<b>OCI section</b>	<b>Current year</b>	<b>Previous year</b>
Deferred tax related to items recognised in OCI during the year:	0.32	0.26
<b>Income tax charged to OCI</b>	<b>0.32</b>	<b>0.26</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	Current year	Previous year
Accounting profit before income tax	92.31	71.41
Enacted income tax rate in India	27.82%	33.06%
Tax at the applicable tax rate of 27.82% (March 31, 2018: 27.55%)	25.68	23.61
Non-deductible expenses for tax purposes:		
Inadmissible expenses	4.73	2.38
Temporary differences not considered for current tax calculation (net of amounts recognised in other comprehensive income)	(4.89)	8.04
Difference in profit on account of Ind AS adjustments		-



## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Effect of change in rate of tax applied for calculation of deferred tax		0.42
Provision for tax relating to prior years	(2.30)	-
Others		0.59
At the effective income tax rate of 27.82% (March 31, 2018: 33.06%) - Income tax expense recorded in the books	<b>23.22</b>	<b>35.04</b>

### Reconciliation of deferred tax expense(income) recognised in Statement of profit and loss and Other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Property, Plant and Equipment and Intangible assets	(4.29)	2.55
Fair valuation adjustments of financial instruments	0.02	(0.02)
Provision for impairment of financial assets	-	(9.38)
Provision for employee benefits allowable under Income Tax on payment basis	7.54	(1.47)
Ind AS adjustment for borrowing cost	(0.11)	0.02
Ind AS adjustment on Mark to Market of Investment	(0.28)	
<b>Total</b>	<b>2.88</b>	<b>(8.30)</b>

The tax rates under Indian Income Tax Act, for the year ended March 31, 2019 and March 31, 2018 is 27.82% and 33.06% respectively

### Deferred tax assets/(liabilities) as at March 31, 2019 is in relation to:

Particulars	As at March 31, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2019
Property, Plant and Equipment and Intangible assets	(3.14)	4.29	-	-	1.15
Fair valuation adjustments of financial instruments	0.07	(0.02)	-	-	0.05
Provision for impairment of financial assets	38.42	-	-	-	38.42
Provision for employee benefits allowable under Income Tax on payment basis	7.54	(7.25)	(0.29)	-	0.00
Ind AS adjustment for borrowing cost	(0.11)	0.11	-	-	-
Ind AS adjustment on Mark to Market of Investment	-	0.31	(0.03)	-	0.28
<b>Total</b>	<b>42.78</b>	<b>(2.56)</b>	<b>(0.32)</b>	<b>-</b>	<b>39.90</b>

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Deferred tax assets/(liabilities) as at March 31, 2018 is in relation to:

Particulars	As at April 1, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2018
Property, Plant and Equipment and Intangible assets	(5.69)	2.55	-	-	(3.14)
Fair valuation adjustments of financial instruments	0.09	(0.02)	-	-	0.07
Provision for impairment of financial assets	47.80	(9.68)	0.30	-	38.42
Provision for employee benefits allowable under Income Tax on payment basis	9.01	(0.91)	(0.56)	-	7.54
Ind AS adjustment for borrowing cost	(0.13)	0.02	-	-	(0.11)
<b>Total</b>	<b>51.08</b>	<b>(8.04)</b>	<b>(0.26)</b>	<b>-</b>	<b>42.78</b>

### 32. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents, that derive directly from its operations.

The Company is exposed to credit and liquidity risk. The Company's senior management oversees the management of these risks and the Board of Director's reviews these activities.

#### I. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument would fluctuate due to changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables. The Company is not exposed to price risk on the financial date.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018. a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The operations of the Company are both in India and overseas. Company has been providing services to overseas customers. Hence, the Company is currently exposed to the currency risk arising from fluctuation of these foreign currencies and Indian rupee exchange rates.

The following table presents foreign currency risk for the below financial liabilities:

As at March 31, 2019	Transaction currency	
Particulars	Amount	Total
<b>Assets:</b>		
Trade receivables	134.05	134.05
Total	134.05	134.05

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

As at March 31, 2018	Transaction currency	
Particulars	Amount	Total
<b>Assets:</b>		
Trade receivables	67.89	67.89
<b>Total</b>	<b>67.89</b>	<b>67.89</b>

### Foreign currency sensitivity

Particulars	Change in USD rates	Effect on profit before tax (Decrease)/Increase	Effect on pre-tax equity (Decrease)/Increase
March 31, 2019	1%	1.34	1.34
	-1%	(1.34)	(1.34)
March 31, 2018	1%	0.68	0.68
	-1%	(0.68)	(0.68)

### ii. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). At the end of every financial year, the Company makes an assessment whether any loss allowance has to be provided for using the lifetime Expected Credit Loss (ECL) method.

### iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's board of directors are responsible for liquidity, funding as well as settlement management.

The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at March 31, 2019 Less than 1 year	As at March 31, 2018 Less than 1 year
Borrowings	88.58	76.67
Trade payables	3.14	4.04
Other financial liabilities	7.72	7.28
<b>Total</b>	<b>99.44</b>	<b>87.99</b>

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 33. Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

#### Financial Assets

Particulars	Carrying value as at		Fair value as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Cost</b>				
Investments in subsidiaries	26.52	44.46	26.52	44.46
<b>Amortised Cost</b>				
Loans	5.46	4.71	5.46	4.71
Trade receivables	160.64	144.27	160.64	144.27
Cash and cash equivalents	68.25	11.45	68.25	11.45
Other assets	16.77	44.12	16.77	44.12
<b>Fair value through Profit and Loss</b>				
Investments	174.82	220.72	174.82	220.72
<b>Fair value through Other Comprehensive Income</b>				
Investments	11.67	7.91	11.67	7.91
<b>Total Assets</b>	<b>464.13</b>	<b>477.64</b>	<b>464.13</b>	<b>477.64</b>

#### Financial Liabilities

Particulars	Carrying value as at		Fair value as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Amortised Cost</b>				
Loans and borrowings	89.07	78.37	89.07	78.37
Trade payables	3.14	4.04	3.14	4.04
Other liabilities	7.72	7.28	7.72	7.28
<b>Fair value through Profit and Loss</b>				
<b>Total Liabilities</b>	<b>99.93</b>	<b>89.69</b>	<b>99.93</b>	<b>89.69</b>

#### Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2019

Particulars	As at March 31, 2019	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	5.46	-	-	5.46
Investments (at fair value)	213.01	174.82	-	38.19

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018

Particulars	As at March 31, 2018	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	4.71	-	-	4.71
Investments (at fair value)	273.09	220.72	-	52.37

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 34. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders and long-term and short-term borrowings. The primary objective of the Company's capital management is to maximise the shareholder's value.

The capital structure is as follows:				
Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Percentage of total capital	Amount	Percentage of total capital
Total equity attributable to the equity share holders of the Company	568.52	86.46%	530.75	87.13%
Non-current Borrowings	0.49	0.07%	1.70	0.28%
Short-term borrowings	88.58	13.47%	76.67	12.59%
Total	657.59	100%	609.12	100%

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with current financial assets which is predominantly receivables.

### 35. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, promote rural and nationally recognised sports, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year is Rs.1.46 million
- Amount spent during the year on the following:

Particulars	In Cash	Yet to be paid in Cash	Total
Promotion of sports	3.36	-	3.36
Promotion of Medical	0.16	-	0.16
Promotion of education	0.49	-	0.49
(Rs. in millions)			
<b>Total</b>	<b>4.01</b>	<b>-</b>	<b>4.01</b>

### 36. Events occurring after balance sheet date:

The Board of directors of the Company have proposed final dividend of Rs. 3 per equity share of Rs.10/- fully paid up for the year ended March 31, 2019.

### 37. Recent Accounting Pronouncements:

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

## Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

### 38. Previous year figures have been regrouped/ recasted wherever necessary to conform with current year figures.

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place : Bangalore  
Date : 18.05.2019

In Accordance with our Report attached  
for **B K RAMADHYANI & CO LLP**  
Chartered Accountants  
Firm Registration No.0028785/S200021

**CA. C R Deepak**  
Partner  
Membership Number: 215398



## Independent Auditors' Report on Consolidated Financial Statements

To the Members of ASM Technologies Limited

### Report on Audit of the Consolidated Ind AS Financial Statements

#### Opinion:

We have audited the Consolidated Ind AS financial statements of ASM Technologies Limited ("the Company") and its subsidiaries (collectively referred as "the Group") which comprise of balance sheet as at March 31, 2019, the statement of profit & loss, statement of changes in equity, the cash flow statement for the year then ended, and notes to Consolidated Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the afore said Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit, changes inequity and its cash flows for the year ended on that date.

#### Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Adoption of Ind AS 115 - Revenue from Contract with Customers as described in note 2 h. and note 17 of the financial statements:	
<p>The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018.</p> <p>Application of Ind AS 115, including selection of transition method involves significant judgment in determining when 'control' of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied.</p> <p>As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"><li>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.</li><li>- We obtained and understood the revenue recognition process including determination of point of transfer of control and completion of performance obligation.</li><li>- We performed test of details, on a sample basis, and examined the underlying customer contracts.</li><li>- We examined the disclosures made by management in compliance with the requirements of Ind AS 115.</li></ul> <p><b>Conclusion:</b></p> <p>Our procedures did not identify any material exceptions.</p>

#### Other Matters:

- We did not audit Advanced Synergic Pte Limited, subsidiary included in this Ind AS consolidated financial statements, whose financial statements reflect total assets of Rs.15.78 million as at March 31, 2019, total revenues of Rs.17.51 million, total net loss after tax Rs. 3.41 million as considered in these consolidated financial statements. The standalone

financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is solely based on the report of the other auditor.

- ii) Consolidated financial statements include unaudited financial statements of ESR Associates Inc., USA, whose financial statements reflect total assets of Rs.40.88 millions as at March 31, 2019, total revenues of Rs. Nil million, total net loss after tax Rs.0.48 millions as considered in this consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Company, these financial statements are not material to the Group.

**Other Information ["Information Other than the Financial Statements and Auditor's Report Thereon"]**The

Company's Board of Directors are responsible for the other information. The other information comprises the information included in the board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Management's Responsibility for Consolidated Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating

effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed its pending litigations which would impact its financial position in note 28 of the Consolidated Ind AS financial statements.
  - ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K.RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

**C A C R Deepak)**  
Partner  
Membership No. 215398

Place: Bangalore  
Date : 18.05.2019

## ANNEXURE-A

### **REFERRED TO IN PARAGRAPH 2 (F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF ASM TECHNOLOGIES LIMITED.**

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

In conjunction with our audit of Ind AS consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal controls over financial reporting of ASM Technologies Limited ("the Holding Company") and its subsidiary companies which are incorporated in India, as of that date.

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

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

#### **Auditors' Responsibility:**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion:**

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For B.K.RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

Place: Bangalore  
Date : 18.05.2019

**CA C R Deepak)**  
Partner  
Membership No. 215398

## Consolidated Balance Sheet as at March 31, 2019

(All amounts in Indian Rupees Millions, except as otherwise started)

Particulars	Note	As at March 31 2019	As at March 31 2018
<b>ASSETS</b>			
(1) Non-current assets			
(a) Property, Plant and Equipment	3.1	54.04	54.76
(b) Intangible Assets	3.2	53.99	10.80
(c) Investment Property	4	-	49.29
(d) Financial Assets	5		-
(i) Investments		37.93	7.91
(ii) Loans		5.56	4.89
(e) Deferred tax assets (net)	6	39.12	42.79
(f) Other non-current assets	7	73.49	30.61
<b>Total</b>		<b>264.13</b>	<b>201.05</b>
(2) Current assets			
(a) Inventories	8	24.85	-
(b) Financial Assets	9		
(i) Investments		154.81	220.71
(ii) Trade receivables		269.92	195.08
(iii) Cash and cash equivalents		46.84	17.29
(iv) Bank balances other than (iii) above		57.70	0.20
(v) Loans		0.59	0.31
(vi) Others		16.77	44.11
(c) Other current assets	10	23.26	7.91
<b>Total</b>		<b>594.74</b>	<b>485.61</b>
<b>Total Assets</b>		<b>858.87</b>	<b>686.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	50.00	50.00
(b) Other Equity	12	464.57	448.51
Attributable to Equity holders of the parent		514.57	498.51
Non Controlling Interest		8.91	-
<b>Total</b>		<b>523.48</b>	<b>498.51</b>
<b>LIABILITIES</b>			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	17.44	1.70
(b) Provisions	14	1.49	27.07
<b>Total</b>		<b>18.93</b>	<b>28.77</b>
(2) Current liabilities			
(a) Financial Liabilities	15		
(i) Borrowings		128.42	76.67
(ii) Trade payables		85.53	38.03
(iii) Other financial liabilities		7.71	7.28
(b) Other current liabilities	16	94.80	37.40
<b>Total</b>		<b>316.46</b>	<b>159.38</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>858.87</b>	<b>686.66</b>

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

In Accordance with our Report attached  
for B K Ramadhyani & Co LLP  
Chartered Accountants  
Firm Registration No.0028785/S200021  
(CA C R Deepak)  
Partner  
Membership No.215398

Place: Bangalore  
Date : 18.05.2019



## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise started)

Particulars	Note	For the year ended March 31,	
		2019	2018
Revenue from operations	17	880.25	826.26
Other income	18	54.53	19.40
<b>Total Income (i)</b>		<b>934.78</b>	<b>845.66</b>
Expenses			
Cost of goods sold		59.23	-
Employee benefits expense	19	573.14	565.96
Finance costs	20	7.17	2.27
Depreciation and amortization expense	21	12.09	13.57
Other expenses	22	193.30	236.11
<b>Total expenses (ii)</b>		<b>844.93</b>	<b>817.91</b>
<b>Profit/(Loss) before tax [(i)- (ii)]</b>		89.95	27.75
Tax expenses			
(i) Current tax	31	16.43	27.29
(ii) Deferred tax		3.35	8.04
Total tax expense		19.78	35.33
<b>Profit/(Loss) for the year</b>		<b>70.07</b>	<b>(7.58)</b>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		1.01	2.01
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		(0.29)	(0.56)
B (i) Items that will be reclassified to profit or loss			
Changes in fair value of investments in equity instruments		0.10	(1.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		(0.03)	0.30
(iii) Foreign currency translation Reserve		(12.54)	2.62
		(11.75)	3.28
<b>Total Comprehensive Income for the year</b>		<b>58.32</b>	<b>(4.30)</b>
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		69.55	(7.57)
Non-controlling interests		0.52	-
Other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		(11.75)	3.28
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		57.80	(4.29)
Non-controlling interests		0.52	-
Earnings per equity share [nominal value of share Rs.10 (March 31, 2018: Rs.10)]			
Basic and Diluted (in INR)	23	13.41	(1.51)

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place: Bangalore  
Date : 18.05.2019

In Accordance with our Report attached  
for B K Ramadhyani & Co LLP  
Chartered Accountants  
Firm Registration No.0028785/S200021  
**(CA C R Deepak)**  
Partner  
Membership No.215398

## Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise started)

Particulars	Current Year	Previous Year
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	89.85	27.75
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	12.09	13.57
Finance costs	7.17	2.27
Interest income	(1.91)	(2.15)
Dividend income	(0.06)	(0.13)
Fair valuation of mutual fund	(8.17)	(11.15)
(Profit)/ loss on sale of Property, Plant & Equipment	(8.26)	-
Operating profit before working capital changes	90.71	30.16
Movements in working capital :		
Increase/ (decrease) in trade payables	47.50	33.09
Increase/ (decrease) in other liabilities	57.40	4.95
Decrease / (increase) in Inventories	(24.85)	
Decrease / (increase) in trade receivables	(75.32)	(88.51)
Decrease / (increase) in other non current assets	(6.86)	0.39
Decrease / (increase) in other current assets	(15.35)	60.63
Decrease / (increase) in other financial assets	28.55	3.95
Decrease / (increase) in loans and advances	(0.95)	(0.82)
Increase / (decrease) in provisions	(26.11)	3.33
<b>Cash generated from / (used in) operations</b>	<b>74.72</b>	<b>47.17</b>
Direct taxes paid, net	55.13	46.44
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>19.59</b>	<b>0.73</b>
Cash flows from investing activities		
"Purchase of Property, plant & equipment (including capital work in progress and capital advances)"	(53.98)	(28.51)
Proceeds from sale of investment property	57.21	-
Purchase of non current investments	(30.12)	(9.00)
Purchase of current investments	-	(62.55)
Increase in non controlling interest	8.91	-
Increase/(decrease) in foreign currency translation reserve	(12.54)	-
Proceeds from sale of current investments	74.07	-
(Increase)/decrease in other bank balances	(57.50)	54.38
Dividend received	0.06	0.13
Interest received	0.70	5.04
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(13.19)</b>	<b>(40.51)</b>
Cash flows from financing activities		
Proceeds from long-term borrowings	15.85	2.78
Repayment of long-term borrowings	-	-
Increase/(decrease) of short-term borrowings, net	47.50	69.18
Interest paid	(7.18)	(2.25)
Dividends paid (including tax on dividend)	(33.02)	(29.20)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>23.15</b>	<b>40.51</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	29.55	0.73
Cash and cash equivalents at the beginning of the year	17.29	16.56
<b>Cash and cash equivalents at the end of the year</b>	<b>46.84</b>	<b>17.29</b>
The Company has followed indirect cashflow method		

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

Place: Bangalore  
Date : 18.05.2019

In Accordance with out Report attached  
for B K Ramadhyani & Co LLP  
Chartered Accountants  
Firm Registration No.0028785/S200021  
**(CA C R Deepak)**  
Partner  
Membership No.215398

## Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### a. Equity Shares Capital

Particulars	Equity Share Capital
As at April 1, 2017	50.00
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2018	50.00
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2019	50.00

### b. Other Equity

Particulars	Reserves & Surplus				Other Comprehensive Income		Sub-Total	Non Controlling interest	Total
	General Reserve	Security premium reserve	Capital Reserve	Retained earnings	Others	Foreign Currency translation reserve			
As at April 1, 2017	110.00	33.00	0.33	375.26	-	(35.62)	482.97	-	482.97
Profit/(loss) for the year	-	-	-	(7.58)	-	2.62	(4.96)	-	(4.96)
Dividend declared during the year	-	-	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	0.66	-	0.66	-	0.66
Dividend declared during the year	-	-	-	(30.16)	-	-	(30.16)	-	(30.16)
Net changes during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2018	110.00	33.00	0.33	337.52	0.66	(33.00)	448.51	-	448.51
Capital account including current account	-	-	-	-	-	(8.39)	(8.39)	8.39	-
Profit/(loss) for the year	-	-	-	69.03	0.79	(12.54)	57.28	0.52	57.80
Dividend declared during the year	-	-	-	(33.35)	-	-	(33.35)	-	(33.35)
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Net changes during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2019	110.00	33.00	0.33	373.20	1.45	(53.93)	464.05	8.91	472.96

## 1 Corporate Information:

ASM Technologies Limited along with its wholly-owned and controlled subsidiaries Advanced Synergic Pte Ltd, Singapore and Pinacle Talent Inc, USA and ESR Association Inc, USA wholly-owned and controlled subsidiaries of Advanced Synergic Pte Ltd, Singapore (collectively referred to as "Group") is a pioneer in providing world class consulting services in areas of Engineering services and Product Engineering services with successful offshore development & support centres in India and overseas for its global clientele.

## 2 Significant Accounting Policies:

### 2.1 Basis of Preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.2 Summary of significant accounting policies:

#### a) Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

#### b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

#### c) Property, Plant & Equipment:

Property, plant and equipment ("PPE") are stated at the cost of acquisition less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

#### d) Depreciation:

Depreciation is provided on straight-line method as per the rates specified in schedule II of the Companies Act, 2013 ("the Act"). Depreciation for the assets purchased/sold during the year is proportionately charged. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for revision, and adjusted prospectively.

**e) Investment Properties:**

Investment property represents properties held for rental yields and/or for capital appreciation or both rather than for:

- (a) use in the production or supply of services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Investment property is stated at the cost of acquisition less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of Investment Property as per Ind AS 40 are charged to the statement of profit and loss for the period during which such expenses are incurred.

**f) Intangible Assets:**

Intangible assets acquired separately are measured on initial cost. Subsequently, carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software is amortised on a over a period of three years as estimated by the management.

Gains or losses arising from de-recognition of an intangible asset are measured as a difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when asset is derecognised.

**g) Leases:**

Operating leases:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increase in lease outgoings are in line with expected general inflation to compensate the lessor's expected inflationary cost increases.

**h) Employee Benefits:**

**(i) Short term employee benefits:**

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

**(ii) Defined Benefit Plans:**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**i) Revenue Recognition:**

The Company derives revenues primarily from IT related services. Effective April 01,2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in for those services.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company recognised incentive from government in respect of Service Exports from India Scheme based on claim lodged by the Company.

**j) Taxation:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

"The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date."

**k) Foreign Currency Transactions:**

Functional Currency:

The functional currency of the Company is the Indian rupee.

Transactions and translations:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

**l) Provisions, Contingent liabilities and Contingent assets:**

"A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by



the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is never recognised but only disclosed in the financial statements.”

**m) Segment reporting policies:**

Identification of segments:

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments. Since CODM evaluates Company's performance at a geographic segment level, operating segment information is accordingly given at geographic level.

**n) Financial Instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**i) Cash & Cash equivalents:**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**ii) Financial assets at amortized cost:**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iv) Financial assets at fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

**v) Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**vi) De-recognition of financial instruments:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**vii) Fair value of financial instruments:**

"In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is



significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.”

viii) Investments in subsidiary:

Investments in subsidiary is carried at cost.

**o) Impairment:**

i) Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets:

Tangible and Intangible assets: PPE, intangible assets and investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**p) Cashflow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**2.3 Significant accounting judgements, estimates and assumptions:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(b) Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans - Gratuity

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

**Notes to consolidated financial statements for the year ended March 31, 2019**  
(All amounts in Indian Rupees millions, except as otherwise stated)

**3.1 Property, Plant and Equipment**

	Land (freehold)	Building	Machinery & Systems	Electrical Fittings	Furniture & fixtures	Office Equipment	Vehicles	Generator	Total
<b>Cost</b>									
As at April 1, 2017	20.51	11.76	27.37	2.85	7.34	2.91	2.40	0.56	75.70
Additions	-	-	1.51	-	0.02	0.31	4.06	-	5.90
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	0.10	-	-	(0.10)	-	-	-
<b>At March 31, 2018</b>	<b>20.51</b>	<b>11.76</b>	<b>28.98</b>	<b>2.85</b>	<b>7.36</b>	<b>3.12</b>	<b>6.46</b>	<b>0.56</b>	<b>81.60</b>
<b>Additions</b>	-	-	5.67	-	1.15	1.35	0.02	-	8.19
<b>Disposals</b>	-	-	-	-	-	-	-	-	-
<b>Other Adjustments</b>	-	-	0.61	-	-	-	-	-	0.61
<b>At March 31, 2019</b>	<b>20.51</b>	<b>11.76</b>	<b>35.26</b>	<b>2.85</b>	<b>8.51</b>	<b>4.47</b>	<b>6.48</b>	<b>0.56</b>	<b>90.40</b>
<b>Depreciation/ Amortisation</b>									
At April 1, 2017	-	0.23	9.17	0.49	1.80	2.69	0.58	0.39	15.35
Charge for the year	-	0.23	7.23	0.51	1.39	1.04	0.92	0.17	11.49
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustment	-	(0.08)	2.62	0.09	(1.14)	(1.58)	0.09	-	(0.00)
<b>At March 31, 2018</b>	-	<b>0.38</b>	<b>19.02</b>	<b>1.09</b>	<b>2.05</b>	<b>2.15</b>	<b>1.59</b>	<b>0.56</b>	<b>26.84</b>
Charge for the year	-	0.27	6.03	0.45	1.33	0.40	1.04	-	9.52
Disposals	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	-	<b>0.65</b>	<b>25.05</b>	<b>1.54</b>	<b>3.38</b>	<b>2.55</b>	<b>2.63</b>	<b>0.56</b>	<b>36.36</b>
<b>Net Block</b>									
At March 31, 2018	20.51	11.38	9.96	1.76	5.31	0.97	4.87	-	54.76
At March 31, 2019	20.51	11.11	10.21	1.31	5.13	1.92	3.85	-	54.04

**Notes to consolidated financial statements or the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**3.2 Intangibles:**

Particulars	Goodwill	Intellectual Property Rights	Total
<b>Cost</b>			
As at April 1, 2017	7.51		7.51
Additions			-
Disposals	-	-	-
Other Adjustments	6.23		6.23
<b>At March 31, 2018</b>	<b>13.74</b>	<b>-</b>	<b>13.74</b>
Additions	20.35	24.95	45.30
Disposals	-	-	-
Other Adjustments	-	0.12	0.12
<b>At March 31, 2019</b>	<b>34.09</b>	<b>24.67</b>	<b>59.16</b>
<b>Depreciation/Amortisation</b>			
At April 1, 2017	1.48	-	1.48
Charge for the year	1.46		1.46
Disposals	-	-	-
<b>At March 31, 2018</b>	<b>2.94</b>	<b>-</b>	<b>2.94</b>
Charge for the year		2.23	2.33
Disposals	-	-	-
Other Adjustment			-
<b>At March 31, 2019</b>	<b>2.94</b>	<b>2.23</b>	<b>5.17</b>
<b>Net Block</b>			
<b>At March 31, 2018</b>	<b>10.80</b>	<b>-</b>	<b>10.80</b>
<b>At March 31, 2019</b>	<b>31.15</b>	<b>22.84</b>	<b>53.99</b>

**Notes to consolidated financial statements or the year ended March 31, 2019**  
**(All amounts in Indian Rupees millions, except as otherwise stated)**

**4. Investment in Property**

Particulars	Amount
<b>Cost</b>	
At April 1, 2017	31.47
Additions	19.00
Deletions	-
<b>At March 31, 2018</b>	<b>50.47</b>
Additions	
Deletions	(50.47)
<b>At March 31, 2019</b>	<b>-</b>
<b>Depreciation/Amortisation</b>	
At April 1, 2017	0.56
Additions	0.62
Deletions	
<b>At March 31, 2018</b>	<b>1.18</b>
Additions	0.34
Deletions	(1.52)
At March 31, 2019	-
<b>Net</b>	
<b>As At March 31, 2018</b>	<b>49.29</b>
<b>As At March 31, 2019</b>	<b>-</b>

Fair valuation of investment property made by an independent valuer:

As At March 31, 2018 56.25

As At March 31, 2019 -

The fair value of the investment properties is based on the discounted cashflows and classified as level 3 fairvalue in the fair value hierarchy due to the use of unobservable inputs.

**Description of valuation techniques used and key inputs to valuation of investment properties (office premises):**

Valuation techniques	Signification observables Inputs	Range (Weighted average) As at March 31, 2018
Discounted cash flow method	- Rent growth p.a.	5%
	- Discount Rate	8%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income, non-recoverable expenses, collection losses, lease incentives, maintenance cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

**Notes to consolidated financial statements or the year ended March 31, 2019**  
(All amounts in Indian Rupees millions, except as otherwise stated)

**5. Non Current Financial Assets**

Details of Investments				
Name of the Company	As at March 31, 2019		As at March 31, 2018	
	No of Shares	Rs.	No of Shares	Rs.
<b>(i) Non Current Investments:</b>				
<b>1) Investments In Equity Instruments</b>				
<b>A) Investments in equity instruments:</b>				
- Unquoted carried at cost				
Baro Vehicles Limited, UK (GBP 0.0001) each	13,376	6.25		
<b>B) Investments in fair value through profit &amp; loss</b>				
<b>Investments in compulsory convertible preference shares (Unquoted)</b>				
Lavelle Networks Private Limited of Rs.10 each	3,202	20.01		-
<b>C) Investments in fair value through Other Comprehensive Income</b>				
- In Venture Capital Fund				
i) Ideaspring Capital Future Now		11.67		7.91
		<b>37.93</b>		<b>7.91</b>
<b>Additional Information:</b>				
i) Aggregate amount of unquoted investments		37.93		7.91
ii) Categorywise Non current investment:				
Financial assets carried at amortised cost		-		-
Financial assets measured at fair value through Profit & Loss		26.26		-
Financial assets measured at fair value through Other Comprehensive Income		11.67		7.91
<b>Total non current investment</b>		<b>37.93</b>		<b>7.91</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>ii) Loans (Unsecured and considered good)</b>		
Security Deposits	5.56	4.89
<b>Total</b>	<b>5.56</b>	<b>4.89</b>

**6. Deferred Tax**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>i) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets	1.90	3.13
b) On account of timing differences in recognition of expenditure	-	0.11
<b>Total</b>	<b>1.90</b>	<b>3.24</b>
<b>ii) Referred tax asset:</b>		
a) On account of depreciation on fixed assets	-	46.03
b) On account of timing differences in recognition of expenditure	39.22	-
c) On account of timing differences on Impact on Unabsorbed Depreciation	1.80	-
<b>Total</b>	<b>41.02</b>	<b>46.03</b>
Net Deferred tax (liability)/asset	39.12	42.79

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 7. Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Gratuity	7.71	-
Security deposits	0.22	0.22
Prepaid expenses	-	0.85
Advance Payment of tax (net of provision)	42.83	29.54
Disputed taxes paid	22.73	-
	73.49	30.61

### 8. Inventories:

Particulars	As at March 31, 2019	As at March 31, 2018
Work in progress	24.85	-
	-	-
	24.85	-

### 9. Financial Assets:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Units	Rs.	No of Units	Rs.
i) Investment - fair value through statement of Profit & Loss Investments in Mutual Funds:				
i) Birla Sun Life Mutual Fund	-	-	267,052	7.71
ii) HDFC High Interest Fund	-	-	108,698	6.40
iii) IDFC Super Saver Income Fund	-	-	124,670	4.41
iv) Reliance Regular Savings Fund	-	-	323,870	7.84
v) SBI Short Term Debt Fund	862,690	18.46	862,690	17.28
vi) Franklin India Prima Fund	2,672	2.60	2,672	2.56
vii) SBI Bluechip Fund	421,232	16.52	421,232	15.68
viii) SBI Corporate Bond Fund	1,731,321	51.69	1,731,321	48.36
ix) HDFC Corporate Debt Opportunities Fund	-	-	1,118,568	16.12
x) ICICI Corporate Bond Fund	-	-	598,210	16.18
xi) ICICI Prudential Value Discovery Fund	-	-	76,390	10.70
xii) Reliance Corporate Bond Fund	-	-	806,694	11.30
xiii) Franklin ASK	149,409	6.19	149,409	5.63
xiv) Mirae Asset	122,924	6.29	122,924	5.51
xv) L & T Mutual Fund	-	-	570,889	11.36
xvi) SBI Ultra Short Term Daily Dividend	13	0.01	52	0.01
xvii) Franklin India Ultra Short Term Bond Fund	7,268	0.07	6,946	0.07
<b>Investments in Portfolio Management Services:</b>	-	-	-	-
i) Motilal Oswal ASK	-	4.71	-	5.24
ii) Avendus	-	18.50	-	17.36
iii) ASK PMS	-	25.72	-	7.20
iv) Motilal Oswal Mutual Fund	-	4.05	-	3.79
<b>Total</b>		<b>154.81</b>		<b>220.71</b>
Aggregate Carrying value of quoted Investments		154.81		220.71
Aggregate Market value of quoted Investments		154.81		220.71



## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### Current Assets

#### 9 Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>ii) Trade Receivables</b>		
- Outstanding for more than 6 months	17.77	18.94
- Others	256.03	179.54
	273.80	198.48
Less: Allowance for bad & doubtful trade receivables	3.88	3.40
	269.92	195.08
<i>Additional Information:</i>		
Unsecured considered good	269.92	195.08
Unsecured Considered Doubtful	3.88	3.40
	273.80	198.48
Less:- Provision for doubtful debt (includes Provision for expected credit losses)	3.88	3.40
<b>Total</b>	<b>269.92</b>	<b>195.08</b>
The above amount includes:		
- debts due by firms/private companies in which a director is a partner or a director or a member	15.95	17.12
<b>iii) Cash and Bank Balance</b>		
a) Cash and cash equivalents:-		
i) Balance with Banks	-	-
- On current accounts	46.74	17.28
ii) Cash on hand	0.10	0.01
	46.84	17.29
b) Other Bank Balance		
- in short term deposit	57.70	0.20
<b>Total</b>	<b>104.54</b>	<b>17.49</b>
Bank balance includes:		
Earmarked balances with banks	15.00	6.18
<b>iv) Loans (Unsecured, considered good)</b>		
Security Deposit	0.59	0.31
<b>Total</b>	<b>0.59</b>	<b>0.31</b>
<b>v) Other Financial Assets</b>		
Unbilled Revenue	15.55	44.10
Interest receivable on deposits	1.22	0.01
<b>Total</b>	<b>16.77</b>	<b>44.11</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**10. Other current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) <b>Advances other than capital advances</b>		
- Advance to Employee	2.94	2.23
(ii) <b>Others</b>		
Prepaid expenses	6.50	5.07
Other Advance	13.82	0.61
<b>Total</b>	<b>23.26</b>	<b>7.91</b>

**11. Equity Share Capital (refer statement of changes in equity)**

(Rs. in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 70,00,000 Equity shares of Rs 10 each	70.00	70.00
<b>Issued, Subscribed &amp; Paid up</b> 50,00,000 equity shares of Rs 10 each	50.00	50.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>50.00</b>	<b>50.00</b>

**(a) Rights, preferences and restrictions attached to shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity is entitled to one vote per share.

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Equity shares	As at March 31, 2019		As at March 31, 2018	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	5,000,000	50.00	5,000,000	50.00
Add:-Issued during the year	-	-	-	-
Outstanding at the end of the year	5,000,000	50.00	5,000,000	50.00

**(c) Details of shareholders holding more than 5% shares in the Company**

Equity shares	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding in class	Nos.	% holding in class
S Rabindra	2,103,677	42.07%	2,103,677	42.07%
Kannan Sundar	554,998	11.10%	581,629	11.63%
R Preeti	380,524	7.61%	380,524	7.61%
IDS System LLP	338,502	6.77%	338,502	6.77%
	<b>3,377,701</b>	<b>67.55%</b>	<b>3,404,332</b>	<b>68.08%</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 12. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>i) Capital reserve</b>		
Opening balance	0.33	0.33
Add:- Addition during year	-	-
<b>Closing at end of year</b>	<b>0.33</b>	<b>0.33</b>
<b>ii) Security Premium reserve</b>		
Opening Balance	33.00	33.00
Add:-addition during year		
<b>Closing at the end of the year</b>	<b>33.00</b>	<b>33.00</b>
<b>iii) General Reserve</b>		
Opening balance	110.00	110.00
Add:- Addition during year		
<b>Closing at end of year</b>	<b>110.00</b>	<b>110.00</b>
<b>iv) Other Comprehensive Income</b>		
a) Foreign currency translation reserve		
Opening balance	(33.00)	(35.62)
Add:- Addition during year	(20.93)	2.62
<b>Closing at end of year</b>	<b>(53.93)</b>	<b>(33.00)</b>
b) Other Items		
Opening balance	0.66	-
Add:- Addition during year	0.79	0.66
<b>Closing at end of year</b>	<b>1.45</b>	<b>0.66</b>
<b>v) Retained Earning</b>		
Opening balance	337.52	375.26
Add:- Addition during year	69.55	(7.58)
	<b>407.07</b>	<b>367.68</b>
Less:- Appropriations		
Interim dividend on equity shares	15.00	12.50
Final dividend	12.50	12.50
Tax on dividend	5.85	5.16
	33.35	30.16
<b>Total</b>	<b>373.72</b>	<b>337.52</b>
<b>Closing at end of year</b>	<b>464.57</b>	<b>448.51</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**Non current liabilities and provisions:-****13. Financial liabilities:-**

Particulars		As at March 31, 2019 Rs. in million	As at March 31, 2018 Rs. in million
i)	Borrowings:-		
	<b>Secured</b>		
	From Banks		
	From others	18.63	2.78
ii)	Less: Current Maturities		
	From others	(1.19)	(1.08)
<b>Total</b>		<b>17.44</b>	<b>1.70</b>
<b>Additional Information:-</b>			
1)	<b>Details Of Security for secured loan:-</b>		
	<b>From Bank:-</b>		
1)	Term loan from Axis Bank is secured by way of mortgage of the immovable property of the company situated at Rajaanakunte Yelahanka, which carries an interest rate of 12.75%	16.95	
	From others:-		
	Term Loan From others is secured against Hypothication charge on BMW Car ,which carries an interest rate of 8.99 % per annum and repayable in 36 Equated Monthly Installment of Rs.0.11 million per month	1.68	2.78
	Unsecured Loans:		
	Unsecured loan from others is repayable in 18 equated monthly instalments and carry an interest of 18.50%		

**14. Provisions**

Particulars		As at March 31, 2019	As at March 31, 2018
	Provision for Gratuity	1.49	27.07
	<b>Total</b>	<b>1.49</b>	<b>27.07</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### Current liabilities and provisions:-

#### 15. Financial liabilities:-

Particulars	As at March 31, 2019	As at March 31, 2018
<b>i) Borrowings</b>		
Secured loans:		
Loans repayable on demand		
- from banks	128.42	76.67
- from others		
<b>Total</b>	<b>128.42</b>	<b>76.67</b>

#### a Details of security for secured loans from banks :

1. Hypothecation charge on Receivables and other current assets of the company , further charge on 17,31,321 units of SBI mutual Fund scheme "SBI Corporate bond fund -regular plan growth " and 8,62,690 units of SBI mutual fund scheme "SBI short term debt fund regular plan growth and secured by personal guarantee of Managing Director	128.42	76.67
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#### b Interest rate:-

1. Secured loans from banks:
2. Cash credit facility from state Bank OF India repayable on demand and carries an interest rate of MCLR + 2%
  - ii) Loan from others carry an interest rate ranging from 14.50% to 19%

#### ii) Trade Payables:-

Particulars	As at March 31, 2019	As at March 31, 2018
i) Due from Micro small and medium enterprise	-	-
ii) Others	85.53	38.03
<b>Total</b>	<b>85.53</b>	<b>38.03</b>

#### iii) Other Financial Liability

Particulars	As at March 31, 2019	As at March 31, 2018
i) Current maturity of long term debt	1.19	1.08
ii) Interest Accrued but not due	0.01	0.02
iii) unclaimed dividend	6.51	6.18
<b>Total</b>	<b>7.71</b>	<b>7.28</b>

#### 16. Other Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
i) Statutory dues	24.81	13.48
ii) Employee Benefit Expenses	3.09	0.60
iii) Accrued Expenses	65.51	23.32
iv) Other liabilities	1.39	-
<b>Total</b>	<b>94.80</b>	<b>37.40</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees millions, except as otherwise stated)

**17. Revenue from operations**

Particulars	Current Year	Previous Year
Sale of services	771.83	826.26
Sale of goods	108.42	-
<b>Total</b>	<b>880.25</b>	<b>826.26</b>

**18. Other income**

Particulars	Current Year	Previous Year
a) Interest on bank deposits	1.91	2.15
b) Interest on other deposits	-	0.24
c) Dividend income	0.06	0.13
d) Gain or loss on mutual fund	8.17	11.15
e) Miscellaneous income	1.54	4.31
f) Export Incentive	11.11	-
g) Profit on sale of Investment Property	8.26	-
g) Exchange fluctuation gain	23.48	1.42
<b>Total</b>	<b>54.53</b>	<b>19.40</b>

**19. Employee Benefit Expenses**

Particulars	Current Year	Previous Year
a) Salaries and wages	532.12	526.88
b) Contribution to:		
-Provident fund	24.07	24.34
-ESI	0.15	0.43
c) Gratuity (refer note 24)	7.92	8.20
d) Staff welfare expenses	8.88	6.11
<b>Total</b>	<b>573.14</b>	<b>565.96</b>

**20. Finance Cost**

Particulars	Current Year	Previous Year
i) Interest on bank borrowing	6.62	0.90
ii) Other interest	0.55	1.37
<b>Total</b>	<b>7.17</b>	<b>2.27</b>

**21. Depreciation and amortization expense**

Particulars	Current Year	Previous Year
i) Depreciation of tangible assets	9.86	11.49
ii) Depreciation on intangible assets	2.23	2.08
<b>Total</b>	<b>12.09</b>	<b>13.57</b>

**Notes to consolidated financial statements for the year ended March 31, 2019****(All amounts in Indian Rupees millions, except as otherwise stated)****22. Other Expenses**

Particulars	Current Year	Previous Year
a) Travelling and conveyance expenses	57.02	76.99
b) Services rendered by business associates and others	23.76	8.68
c) Software, hardware and material costs	5.74	32.86
d) Communication expenses	3.54	3.28
e) Payment to Auditor (refer note below)	2.49	1.05
f) Legal and Professional fees	36.20	38.30
g) Sitting fees paid to directors	-	0.39
h) Rent	20.44	5.63
i) Repair and Maintenance	4.14	2.33
j) Provision for bad debt	-	0.26
k) Bad debt writeoff	-	34.62
l) Donations (Including CSR expenses)	0.11	2.79
m) Electricity Expenses	3.51	3.39
n) Advertisement and Business Promotions	4.57	0.92
o) Insurance charges	1.49	1.78
p) Membership & subscription	4.84	2.66
q) Office Maintenance	4.90	4.81
r) Printing & stationery	0.76	0.56
s) Rates & Taxes	0.56	0.92
t) CSR Expenses	3.99	-
u) Miscellaneous Expenses	15.24	3.88
<b>Total</b>	<b>193.30</b>	<b>236.11</b>
<b>Payments to Auditor</b>		
Audit fee	2.49	1.05
Tax audit fee	-	-
Reimbursement of expenses	-	-

**23 Earning per Share**

Particulars	Current Year	Previous Year
Profit /(Loss) for the year	70.07	(7.57)
Weighted average number of Equity shares 5.00	5.00	5.00
Earning per share basic and diluted	13.41	(1.51)
Face value per equity share	10.00	10.00



## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 24. Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity of 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan:

#### Statement of Profit and Loss

Net employee benefit expenses recognised in the employee cost:

Particulars	March 31, 2019	March 31, 2018
Current service cost	4.49	4.39
Past service cost	1.49	1.87
Interest cost	1.94	1.76
<b>Net benefit expense</b>	<b>7.92</b>	<b>8.00</b>

Changes in the fair value of defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	27.07	26.02
Current service cost	9.80	4.39
Past service cost	-	1.87
Interest cost	1.94	1.74
Liability transferred out/divestments	-	-
Benefits paid directly by employer	(4.48)	(4.94)
<b>Remeasurements</b>		
Actuarial loss/(gain) from changes in demographic assumptions	-	-
Actuarial loss/(gain) from changes in financial assumptions	0.36	(0.44)
Actuarial loss/(gain) from experience over the past period	(1.37)	(1.57)
<b>Closing defined benefit obligation</b>	<b>33.33</b>	<b>27.07</b>

The amounts recognized in the Balance Sheet are as follows:

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	38.38	27.07
Fair value of plan assets	(39.55)	-
<b>Plan asset / (liability)</b>	<b>(6.22)</b>	<b>27.07</b>

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate	6.76%	7.18%
Employee turnover	25.00%	25.00%
Salary escalation rate	8.50%	8.50%
	'Indian Assured Lives Mortality (2006-08)	

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### Sensitivity Analysis of significant actuarial assumptions

		Change in DBO by	
Particulars		March 31, 2019	March 31, 2018
Discount rate	Increases 0.5%	(0.77)	(0.41)
	Decreases 0.5%	0.83	0.43
Employee turnover	Increases 0.5%	(0.09)	(0.09)
	Decreases 0.5%	0.09	0.09
Salary escalation rate	Increases 0.5%	0.79	0.39
	Decreases 0.5%	(0.74)	(0.38)

### Description of funding arrangements and funding policy that affect future contributions

The plan is unfunded and the status is unlikely to change over the next few years.

### Maturity profile

Projected Benefits Payable in Future Years From the Date of Reporting	March 31, 2019	March 31, 2018
1st following year	6.09	5.60
2nd following year	4.79	4.86
3rd following year	4.99	4.28
4th following year	3.59	4.39
5th following year	3.29	3.13
Sum of years 6 to 10	8.84	8.78

### Defined contribution plan

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.23.42 Mn (Previous Year: Rs.21.43 Mn).

Other Information	March 31, 2019	March 31, 2018
Weighted average duration of the projected benefit obligation	4 years	3 years
Average expected future service	3 years	3 years

## 25 Leases

### Operating lease: Company as lessee

The Company has operating leases that are non-cancellable for specified periods under arrangements. Rental expense included in the statement of profit and loss for the year ended March 31, 2019 amounts to Rs.20.44 Mn (March 31, 2018: Rs.15.63 Mn).

## 26. Related Party disclosures

### i) Names of related parties and related party relationship

Name of entity	Relationship
IDS Systems LLP	Company in which Directors are interested
Rabindra Srikantan M R Vikram Prof. B S Sonde Shekar Vishwanathan Preeti Rabindra M Lakshminarayan	Directors

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### i) Names of related parties and related party relationship

Name of entity	Relationship
N Krishnan Narsingh Rathod Pramod P N Lakshmi Anantharaman Shanka Srinivasa Murthy Seshadri	Key Managerial Personnel ("KMP")
Akhil Rabindra Nikhil Rabindra	Relatives of Director

### ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Current Year	Previous Year
Sale of services - IDS Systems LLP Transfer of property rights from IDS Systems LLP	0.09	2.69 10.89

The following table provides the closing balances of related parties as at the relevant financial year-end:

Particulars	As at March 31, 2019	As at March 31, 2018
Amount due to Company IDS Systems LLP	11.85	13.94

### iii)

Key Managerial Personnel:	Relation ship	Nature of transaction	Current Year	Previous Year
M R Vikram	Chairman	Sitting fees & reimbursement of expenses	1.37	1.30
Rabindra Srikantan	Managing Director	Remuneration	10.20	10.81
Prof. B S Sonde	Director	Sitting fees	0.24	0.26
Shekar Viswanathan	Director	Sitting fees	0.25	0.22
M Lakshminarayan	Director	Sitting fees	0.32	0.23
Preeti R	Director	Sitting fees	0.27	0.21
Akhil Rabindra	Relative of KMP	Remuneration		
Narsingh Rathod	Chief Financial Officer	Remuneration	0.25	0.25
P N Lakshmi	Company Secretary	Remuneration	0.69	0.60
<b>Amount due to Company:</b>		-		
N Krishnan	KMP		0.11	1.20
<b>Amount due by Company:</b>				
Rabindra Srikantan	Managing Director		0.40	2.41
M R Vikram	Director		0.17	0.15
Prof. B S Sonde	Director		0.17	0.15
Shekar Viswanathan	Director		0.17	0.15
M Lakshminarayan	Director		0.17	0.15
Preeti R	Director		0.17	0.15

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Compensation of key managerial personnel		
Particulars	For the year ended March 31 2019	For the year ended March 31, 2018
Short-term employee benefits	10.71	11.23
Post employment benefit*	0.43	0.43

\* The remuneration to the key managerial personnel does not include the provisions made the gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The sales of services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

### 27 Capital and other commitments

"Company has committed to contribute Rs.30 million to a venture capital fund out of which Rs.13.5 million has been paid so far. Amount of such capital commitment outstanding as at March 31, 2019 is Rs. 16.5 million (March 31, 2018: Rs. 21 million)

### 28 Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Service tax claim(company filed appeal against the order)	41.85	35.52
Showcause notice received from service tax authorities	182.28	202.06
Income tax under appeal of which the Company has paid an amount of Rs.22.73 million under protest	53.70	50.70
Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	2.82	2.79

29 Based on the information available with the Company, there are no vendors who are registered as Micro and Small Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2019 which has been relied by the auditors.

### 30 Segment reporting

The Company believes that assets and liabilities used in the business are not identified to any of the reportable segments, as these are used interchangeably between segments. Accordingly the same has not been provided.

Particulars	Current Year			Previous Year		
	Exports	Domestic	Manufacturing	Exports	Domestic	Manufacturing
Segment Revenue	692.99	78.84	108.42	761.56	64.70	
Segment Expenses	444.02	60.45	81.48	514.12	60.28	
Segment Results	248.97	18.39	26.94	247.44	4.42	

### Significant Clients

The Company's 90% of revenue is derived from three customers (Previous year: 90% of revenue from three customers).

### Product-wise Information

Company provides single service and hence no product-wise information is necessary to be given.

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 31 Income taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

#### Statement of profit and loss:

Profit or loss section	Current Year	Previous Year
Current income tax:		
Income tax	16.43	27.29
Deferred tax:		
Relating to origination and reversal of temporary differences	3.35	8.04
<b>Income tax expense reported in the statement of profit or loss</b>	<b>19.78</b>	<b>35.33</b>
<b>OCI section</b>		
Deferred tax related to items recognised in OCI during the year:	(0.32)	(0.26)
<b>Income tax charged to OCI</b>	<b>(0.32)</b>	<b>(0.26)</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	Current Year	Previous Year
Accounting profit before income tax	89.85	27.75
Less: Profit/(Loss) from foreign subsidiaries	2.46	(43.64)
Accounting profit before income tax of holding company	92.31	71.39
Enacted income tax rate in India	27.82%	33.06%
Tax at the applicable tax rate of 27.82 % (March 31, 2018: 33.063%)	25.68	23.60
Non-deductible expenses for tax purposes:		
Inadmissible expenses	4.73	2.38
Temporary differences not considered for current tax calculation (net of amounts recognised in other comprehensive income)	(8.33)	8.04
Difference in profit on account of Ind AS adjustments	-	-
Effect of change in rate of tax applied for calculation of current tax	-	-
Effect of change in rate of tax applied for calculation of deferred tax		0.42
Provision for tax relating to prior years	(2.30)	-
Others		0.59
Provision for tax of foreign subsidiary		0.29
<b>At the effective income tax rate of 27.82% (March 31, 2018: 33.06%) - Income tax expense recorded in the books</b>	<b>19.78</b>	<b>35.33</b>

#### Reconciliation of deferred tax expense (income) recognised in Statement of profit and loss and Other comprehensive income:

	Current Year	Previous Year
Property, Plant and Equipment and Intangible assets	(4.28)	2.55
Fair valuation adjustments of financial instruments	0.02	(0.02)
Provision for impairment of financial assets	0.78	(9.38)
Provision for employee benefits allowable under Income Tax on payment basis	7.54	(1.47)
Ind AS adjustment for borrowing cost	(0.11)	0.02
Ind AS adjustment on Mark to Market of Investment	(0.28)	-
<b>Total</b>	<b>3.67</b>	<b>(8.30)</b>

The tax rates under Indian Income Tax Act, for the year ended March 31, 2019 and March 31, 2018 is 27.82%% and 33.06% respectively

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

Deferred tax assets/(liabilities) as at March 31, 2019 is in relation to:

Particulars	As at March 31, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2019
Property, Plant and Equipment and Intangible assets	(3.14)	4.28	-	-	1.14
Fair valuation adjustments of financial instruments	0.07	(0.02)	-	-	0.05
Provision for impairment of financial assets	38.42	(0.78)	-	-	37.64
Provision for employee benefits allowable under Income Tax on payment basis	7.54	(7.25)	(0.29)	-	-
Ind AS adjustment for borrowing cost	(0.10)	0.11	-	-	0.01
Ind AS adjustment on Mark to Market of Investment	-	0.31	(0.03)	-	0.28
<b>Total</b>	<b>42.79</b>	<b>(3.35)</b>	<b>(0.32)</b>	<b>-</b>	<b>39.12</b>

Deferred tax assets/(liabilities) as at March 31, 2019 is in relation to:

Particulars	As at April 1, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2018
Property, Plant and Equipment and Intangible assets	(5.69)	2.55	-	-	(3.14)
Fair valuation adjustments of financial instruments	0.09	(0.02)	-	-	0.07
Provision for impairment of financial assets	47.80	(9.68)	0.30	-	38.42
Provision for employee benefits allowable under Income Tax on payment basis	9.01	(0.91)	(0.56)	-	7.54
Ind AS adjustment for borrowing cost	(0.12)	0.02	-	-	(0.10)
<b>Total</b>	<b>51.09</b>	<b>(8.04)</b>	<b>(0.26)</b>	<b>-</b>	<b>42.79</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### 32 Financial risk management objectives and policies

"The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents, that derive directly from its operations. The Company is exposed to credit and liquidity risk. The Company's senior management oversees the management of these risks and the Board of Director's reviews these activities."

#### i. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument would fluctuate due to changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables. The Company is not exposed to price risk on the financial date.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

#### a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The operations of the Company are both in India and overseas. Company has been providing services to overseas customers. Hence, the Company is currently exposed to the currency risk arising from fluctuation of these foreign currencies and Indian rupee exchange rates.

The following table presents foreign currency risk for the below financial liabilities:

As at March 31, 2019 Particulars	Transaction currency	
	USD (\$)	Total
Assets:		
Trade receivables	136.23	136.23
<b>Total</b>	<b>136.23</b>	<b>136.23</b>

As at March 31, 2018 Particulars	Transaction currency	
	USD (\$)	Total
Assets:		
Trade receivables	115.56	115.56
<b>Total</b>	<b>115.56</b>	<b>115.56</b>

#### Foreign currency sensitivity

Particulars	Change in USD rates	Effect on profit before tax (Decrease)/Increase	"Effect on pre-tax equity (Decrease)/Increase"
March 31, 2019	1%	1.36	1.36
	-1%	(1.36)	(1.36)
March 31, 2018	1%	1.16	1.16
	-1%	(1.16)	(1.16)

#### ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). At the end of every financial year, the Company makes an assessment whether any loss allowance has to be provided for using the lifetime Expected Credit Loss (ECL) method.



## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's board of directors are responsible for liquidity, funding as well as settlement management. The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at March 31, 2019 Less than 1 year	As at March 31, 2018 Less than 1 year
Borrowings	128.42	76.67
Trade payables	85.53	38.03
Other financial liabilities	7.70	7.28
<b>Total</b>	<b>221.65</b>	<b>121.98</b>

## 33 Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

### Financial Assets

Particulars	Carrying value as at		Fair value as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Cost</b>				
Investments in subsidiaries		-		-
<b>Amortised Cost</b>				
Loans	6.15	5.20	6.15	5.20
Trade receivables	269.92	195.08	269.92	195.08
Cash and cash equivalents	104.54	17.49	104.54	17.49
Other assets	16.77	44.11	16.77	44.11
<b>Fair value through Profit and Loss</b>				
<b>Investments</b>	<b>154.81</b>	<b>220.71</b>	<b>154.81</b>	<b>220.71</b>
<b>Fair value through Other Comprehensive Income</b>				
Investments	37.93	7.91	37.93	7.91
<b>Total Assets</b>	<b>590.12</b>	<b>490.50</b>	<b>590.12</b>	<b>490.50</b>

### Financial Liabilities

Particulars	Carrying value as at		Fair value as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Amortised Cost</b>				
Loans and borrowings	145.86	78.37	145.86	78.37
Trade payables	85.53	38.03	85.53	38.03
Other liabilities	7.71	7.28	7.71	7.28
<b>Fair value through Profit and Loss</b>				
<b>Total Liabilities</b>	<b>239.10</b>	<b>123.67</b>	<b>239.10</b>	<b>123.67</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2019:

Particulars	As at March 31, 2019	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	6.15	-	-	6.15
Investments (at fair value)	192.74	154.81	37.93	-

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

Particulars	As at March 31, 2018	Fair value measurement at end of reporting year		
		Level 1	Level 2	Level 3
Loans: Security deposits (at amortised cost)	5.20	-	-	5.20
Investments (at fair value)	228.63	220.72	7.91	-

### 34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders and long-term and short-term borrowings. The primary objective of the Company's capital management is to maximise the shareholder's value.

The capital structure is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	Percentage of total capital	Amount	Percentage of total capital
Total equity attributable to the equity share holders of the Company	473.48	76.45%	448.51	85.13%
Non-current Borrowings	17.44	2.82%	1.70	0.32%
Short-term borrowings	128.42	20.73%	76.67	14.55%
<b>Total</b>	<b>619.34</b>		<b>526.88</b>	

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with current financial assets which is predominantly receivables.

### 35 Corporate Social Responsibility

As per Section 135 of the Act, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, promote rural and nationally recognised sports, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Act.

a) Gross amount required to be spent by the Company during the year is Rs.1.46 million

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees millions, except as otherwise stated)

### b) Amount spent during the year on the following:

Particulars	In Cash	Yet to be paid in Cash	Total
Promotion of sports	3.35	-	3.35
Promotion of Medical	0.16	-	0.16
Promotion of education	0.49	-	0.49
(Rs. in millions)			
<b>Total</b>	<b>4.00</b>	<b>-</b>	<b>4.00</b>

### 36 Events occurring after balance sheet date:

The Board of directors of the Company have proposed final dividend of Rs. 3 per equity share of Rs. 10/- fully paid up for the year ended March 31, 2019.

### 37 Approval of Financial Statements:

The financial statements were approved for the issue by the board of directors on May 18, 2019

### 38 Recent Accounting Pronouncements:

"Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements."

### 39 Previous year figures have been regrouped/ recasted wherever necessary to conform with current year figures.

For and on behalf of the Board of Directors  
**ASM Technologies Ltd.**

**M R Vikram**  
Chairman

**Rabindra Srikantan**  
Managing Director

**Shekar Viswanathan**  
Director

**Preeti Rabindra**  
Director

**Narsingh Rathod**  
Chief Financial Officer

**P N Lakshmi**  
Company Secretary

In Accordance with our Report attached  
for B K Ramadhyani & Co LLP  
Chartered Accountants  
Firm Registration No.0028785/S200021  
**(CA C R Deepak)**  
Partner  
Membership No.215398

Place: Bangalore  
Date : 18.05.2019

[illegible]



# ASM TECHNOLOGIES™

engineering innovation

## REGISTERED OFFICE:

### ASM Technologies Limited

80/2 Lusanne Court, Richmond Road, Bangalore 560 025, KA, INDIA  
Tel: +91 80 6696 2300 - 02 | Fax: +91 80 66962304 | Email: info@asm ltd.com

## DEVELOPMENT CENTRES:

ASM Tower, 14/2, Wellington Street, Richmond Town, Bangalore 560 025, KA, INDIA  
Tel: +91 80 6696 2300 - 02

### International Tech Park Bangalore

PS 19, Bridge+, Unit 02-02 to 15, 2nd Floor, Park Square Mall, ITPB Main Road, Bangalore 560066, KA, INDIA  
Tel: +91 80 6696 2300 - 02

## MANUFACTURING FACILITY:

### RV Forms & Gears LLP (Subsidiary)

MF 11, SIDCO Industrial Estate, Guindy  
Chennai, TN 600 032, INDIA  
Tel: +91 44 2250 1860

## SUBSIDIARY / BRANCH:

### ASM Technologies Limited

Techmart Center 5201  
Great America Pkwy.  
Suite 320, Santa Clara, CA 95054, USA  
Phone: +1 630 799 1563  
Fax: +1 630 799 1563  
E-mail: info@asm ltd.com

### Pinnacle Talent Inc

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

### ESR Associates Inc

1715 Indian Woods Circle Suite 200,  
Maumee, OH – 43537, USA  
Phone: +1 419 897 7902  
E-mail: info@asm ltd.com

### Advanced Synergic Pte. Limited

#24-01, "Vision Exchange",  
2 Venture Drive,  
Singapore – 608526  
Phone: +65 6270 5737  
Fax: +65 6248 6076  
E-mail: singapore@asm ltd.com

### ASM Technologies (UK) Limited

Enterprise Centre, Coventry University.  
Technology Park, Puma Way, Coventry  
West Midlands CV1 2TT  
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Fax: 020 935 7616  
E-mail: uk@asm ltd.com

### ASM Technologies Limited

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### ASM Technologies S. de R.L. de C.V

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Suite 408, Col. Country Club,  
Guadalajara, Jal. C.P. 44610, MEXICO  
Phone: +52 33 3678 9299  
E-mail: mexico@asm ltd.com

### ASM Technologies KK

Suncity Katsurazaka Royal  
#2-410, 1-5-2 OOE Kita, kutsukake - CHO,  
Nishikyo – KU, Kyoto, 610 1101, Japan  
E-mail: info@asm ltd.com

## NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Thursday, 20th of June, 2019 at 10.00 a.m. at Pai Vista, 3rd Floor, No.3/1, 27th Cross, End of KR Road, Banashankari 2nd Stage, Bangalore - 560 070, Karnataka, India, to transact the following business.

### ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited financial statements (standalone and consolidated) of the company for the year ended March 31, 2019 including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend

To declare a final dividend of Rs. 3/- per equity share of Rs. 10/- each and to approve the Interim dividend of Rs. 3/- per equity share of Rs. 10/- each already paid for the year ended 31st March, 2019.

3. Appointment of Director

To appoint a Director in the place of Mr. M. Lakshminarayan, (DIN 00064750) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. To make loan(s) / give guarantee(s) / provide security(ies) in connection with loan(s) made / acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate.

To consider passing the following resolution as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 185,186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers), Rules, 2014 and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board'), which term shall be deemed to include, unless the context otherwise, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), to make loan(s,) including any loan represented by a book debt and / or give guarantee(s) / provide any security(ies) in connection with the loan(s) made or loan taken by any entity ,subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) or give any guarantee or provide any security in connection with any loan taken by any entity or which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) in their absolute discretion deem beneficial and in the interest of the Company, in excess of 60% of the paid-up share capital, free reserves and securities premium of the Company or 100% of free reserves and securities premium of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013, from time to time, in one or more tranches, upto (i) maximum amount of Rs. 10 Mn (Rupees Ten Million only), if the investments / acquisitions, loans, guarantee, securities to be provided along with the Company's existing investments, loans, guarantee or securities are in excess of the limits prescribed under Section 186 aforesaid or (ii) the maximum limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher.”

“RESOLVED FURTHER THAT the Board of Directors or any committee thereof, be and are hereby authorised to do all such acts, deeds and matters including but not limited to making requisite filings with Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchanges or any other statutory / regulatory bodies, in India or abroad, as the case may be, from time to time, that may be required in connection with the above resolution.”

5. Change of Object Clause of the Memorandum of Association of the Company

To consider passing the following resolution as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 (“the Act”) including any modification or re-enactment thereof and other applicable provisions thereof the Main Object clause of the Memorandum of Association of the Company be and is hereby altered and amended as follows:

A. Clause III(A) of the Objects clause of the Memorandum of Association of the Company be titled as 'THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION'.

B. The existing Main Objects of Clause III (A) be altered by replacing the same with the following new Clause III(A) as under:

“To Design, Develop, Engineer, Manufacture, Assemble, Test, Sell, Export, Import, alter, repair, transfer license, lease, hire, carry on Research and Develop Products and Services in the areas Engineering Products across various Industry Verticals, Network Related Products encompassing Wi-Fi, Security, WLAN, LAN, Cloud Applications, Software and Hardware Development, Testing and Validation and in the areas of Digital Transformation encompassing Artificial Intelligence, Machine Learning, Internet of Things, Cloud based Applications, Business Analytics and Software working in conjunction with Hardware and Machines and to make, sell, export, to diverse markets in India and other countries”

RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution..”

6. Adoption of Object clause of Memorandum of Association as per provisions of Companies Act, 2013

To consider passing the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company, by merging appropriate and relevant objects of the Memorandum of Association, mentioned under Clause III (C)– 'Other Objects' with Clause III (B)– 'Objects Incidental or Ancillary to the attainment of the Main Objects' and consequently changing the object numbering as may be appropriate.

RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the Clause III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are:

RESOLVED FURTHER THAT the existing Clause III ©– Other objects of the Memorandum of Association of the Company be and is hereby deleted in its entirety.

RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.



7. Appointment of Branch Auditors

To consider passing the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the Board of Directors be and is hereby authorized to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Offices in USA ,UK and Canada to examine and audit the accounts for the financial year 2019-2020 on such remuneration, terms and conditions as the Board may deem fit or authorize the Statutory Auditors of the Company to audit the branch Accounts and comply with the provisions of the Companies Act 2013.”

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

Date: 18.05.2019

By Order of the Board

**RABINDRA SRIKANTAN**  
Managing Director

## NOTES

1. The relative Statement (Explanatory Statement) pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies to be valid should be deposited forty eight hours before the commencement of the Meeting at the Registered Office of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the share capital of the company.
3. Members holding shares in physical form are requested to notify any change in their address to the Company/ Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Members holding shares in electronic form are requested to direct change of address notifications and updation of their bank account details to their respective depository participants.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share transfer books of the Company will remain closed from 19.06.2019 to 20.06.2019 (both days inclusive) in terms of provisions of Section 91 of the Companies Act 2013 for the purpose of Annual General Meeting of the company and payment of final dividend if any.
6. Members /Proxies are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
9. Non-Resident Indian Members are requested to inform Karvy, the Registrars, of:  
Change in their residential status on return to India for permanent settlement.  
Particulars of their bank A/c maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
10. Payment of Dividend through ECS:
  - a) Members holding shares in physical form are advised to submit particulars of their bank account , viz, name and address of the bank, 9 digit MICR code of the branch, type of account and account number to the Registrars, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032
  - b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository participants.
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the Depository. Members who have not registered their e-mail address with the company are requested to submit their request with their valid e-mail address to M/s Karvy Fintech Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant. For members who have not registered their email addresses, physical copies of the Annual Report 2019 are being sent by the permitted mode.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agent or Company Secretary at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 124 of the Companies Act 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. All shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. Shareholders whose shares or unclaimed dividend has been

transferred to the Fund may claim the said shares or unclaimed dividend by making an application in Form IEPF 5 and submission of the prescribed documents to the Fund.

The company has vide notification dated 10th May 2012 of Ministry of Company Affairs, (MCA) uploaded the information in respect of unclaimed dividends as from the financial year 2010-11 on the website of the company.

13. Pursuant to the provisions of Section 124 (5) of the Companies Act 2013 unclaimed dividend pertaining to the dividend paid for the financial year 2011-2012 and Interim dividend 2012-13 are to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government in August 2019 and January 2020 respectively. The company has transferred the unpaid or unclaimed dividend of the financial years 2007-2011 on the due dates to the IEPF established by the Central Government.
14. In compliance with Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the company is providing e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the notice. The facility for voting through ballot paper will also be made available to members attending the AGM and who have not already cast their votes by remote e-voting. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. Instructions for e-voting are annexed to the Notice.
15. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking re-appointment at the AGM, is furnished as annexure to the Notice. The Director has furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules there under.
16. The Notice of 27th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the 27th AGM and Annual Report 2019 will be available on the company's website, [www.asmltd.com](http://www.asmltd.com), for their download.
17. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.
18. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 has mandated compulsory submission of Permanent Account Number (PAN) and bank details by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN and bank details to their Depository Participant(s) and members holding shares in physical form shall submit the details to company.
19. In compliance with the provisions of Clause 14 of Secretarial Standards on General Meetings no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting.

Additional information on Director recommended for reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

<b>Particulars</b>	Mr.M.Lakshminarayan (DIN 00064750)
Date of Birth	07.09.1946
Date of First Appointment on the Board	31.3.2016
Qualifications	M.Tech from IIT Bombay,
Expertise in Specific functional Area	Mr.M.Lakshminarayan was the past Chairman of HARMAN International (India) Pvt. Ltd and rose to this position after being the Country Manager and Managing Director of HARMAN International (India) Pvt. Ltd. In this role, he was responsible for the overall development and execution of HARMAN's strategic intent and plans for India. His experience has spanned over 30 distinguished years in companies such as Bosch and Tata Motors. At Bosch, where he spent over 22 years, he held various leadership positions and was responsible for Bosch's tremendous growth in the automotive space in India. Prior to this, he served as a leader in the machine tools division at Tata Motors.
Number of Shares held in Equity Capital of the Company	NIL

Directorship held in other Indian Listed Companies	Kirloskar Oil Engines Limited, TVS Electronics Limited, WABCO India Limited, Rane (Madras) Limited, Wendt (India) Limited and Suprajit Engineering Limited	
Chairman/Member of Board Committee of listed companies	<b>Chairman</b>	
	TVS Electronics Limited Rane ( Madras) Limited Kirloskar Oil Engines Limited	Audit Committee Nomination & Remuneration Committee Nomination & Remuneration Committee Risk Management
	TVS Electronics Limited	CSR Committee
	<b>Member</b>	
	Rane (Madras) Limited Wabco India Limited	Audit Committee Audit Committee Nomination & Remuneration Committee CSR Committee
	Wendt (India) Limited	Audit Committee Nomination & Remuneration Committee
	TVS Electronics Limited	CSR Committee
Disclosure of relationships between Directors/KMP inter-se	----	

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

#### Resolution No.4

To make loan(s) / give guarantee(s) / provide security(ies) in connection with loan(s) made / acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate.

In order to enable the Company to channelize its resources for natural expansion of current investments and explore areas for future investment opportunities and growth plans, in the interest of the Company as a whole, it is necessary to enhance the powers of the Board to make loan(s) to any body corporate(s) / person(s) including financial assistance by way of loan to other entities in the group / and to give any guarantee(s) / provide security in connection with loan(s) made to any body corporate(s) / person(s), entities in the group and / or to make investment in the securities of other body corporate(s)

Further, the amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, empowers companies with the approval of members by way of special resolution, to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

Taking these into consideration, the Board at the meeting held on May 18, 2019 has recommended that an approval from shareholders be sought under the Companies Act, 2013 / rules made there under, to make investments / acquisitions / give loan(s) and / or guarantee(s) / provide any security(ies), in connection with the loan taken by any entity including entities in the same group, in excess of limits prescribed under Section 186 of the Companies Act, 2013 viz., 60% of the paid-up share capital, free reserves and securities premium of the Company or 100% of free reserves and securities premium of the Company, whichever is more or upto Rs.10 Mn (Rupees Ten Million only), whichever is higher. The Company would carefully evaluate proposals and pursue opportunities through deployment of funds out of internal resources / accruals and or any other sources including borrowings, as may be required from time to time, in line with the long term strategic and business objectives.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

## **Resolution No. 5**

### **Change of Object Clause of the Memorandum of Association of the Company**

Your Board has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification Plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities.

The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the company.

The “Main Object” clause of the Memorandum of Association of the Company is being amended by deletion of Clause III (A) and with insertion of New Clause III (A).

The Board at its meeting held on May 18, 2019 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

Further in keeping with the amendments as introduced by the Companies Act 2013 the Main Objects clause of the Memorandum of Association of the Company, Clause III(A) is accordingly to be titled as 'THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION'

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

## **Resolution No. 6**

### **Adoption of Memorandum of Association as per provisions of Companies Act, 2013**

The Companies Act, 2013, has prescribed a new format of Memorandum of Association (“MOA”) for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging appropriate and relevant Objects under Clause III (C) – 'Other Objects' with Clause III (B) – 'Objects Incidental or Ancillary to the attainment of the Main Objects' and also to rename Clause III (B) of the Object Cause as MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are: and numbering appropriately. This will result in the existing clause III (C) – Other objects of the Memorandum of Association of the Company to be deleted in its entirety.

The Board at its meeting held on May 18, 2019 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the Resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

**Resolution No. 7**

The Company has branch offices in US, UK and Canada . It is necessary to appoint Auditors, under the provisions of Sec.143 of the Companies Act 2013 for auditing the accounts of the Branches of the company for the year 2019-2020. Your approval is sought by the proposed resolution to be passed authorizing the Board of Directors of the company to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Offices in, USA., UK, and Canada to examine and audit the accounts for the financial year 2019-2020 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act 2013.

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

The Board recommends the Ordinary resolution set forth in Item No.7 for the approval of the members.

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

Date: 18.05.2019

By Order of the Board

**RABINDRA SRIKANTAN**  
Managing Director

## PROXY FORM - MGT 11

Pursuant to section 105(6) of Companies Act 2013 & Rule 19(3) of Companies (Management & Administration), Rules 2014  
**27th Annual General Meeting- 20th June, 2019**

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

**Registered Address:**

**E-mail id:**

**Folio/DP ID-Client ID**

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

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

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

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

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

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

E-mail Id:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on 20th June, 2019 at 10.00 a.m. at Pai Vista Hall, 3rd Floor, End Of K R Road, Near-Sevaksetra Hospital, 2nd Stage, 3/1, 27th Cross Rd, Banashankari, Bangalore- 560070, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below:

No. Resolution	Resolution	Optional *(Please mention no. of shares)	
Ordinary Business		For	Against
1.	Adoption of the financial statements (standalone and consolidated) of the company for the year ended March 31, 2019 including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.		
2.	To declare a final dividend of Rs. 3/- per equity share of Rs. 10/- each and to approve the Interim dividend of Rs.3/- per equity share of Rs. 10/- each already paid for the year ended 31st March, 2019.		
3.	To appoint a Director in the place of Mr. M Lakshminarayan, (DIN 00064750) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	To make loan(s) / give guarantee(s) / provide security(ies) in connection with loan(s) made/ acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate.		
5	Change of Object Clause of the Memorandum of Association of the Company		
6	Adoption of Object Clause of Memorandum of Association as per provisions of Companies Act, 2013		
7	Appointment of Branch Auditors		

Signed this.....day.....2019

Signature of shareholder.....

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

Affix  
Revenue  
Stamp not  
less than  
Re 1/-

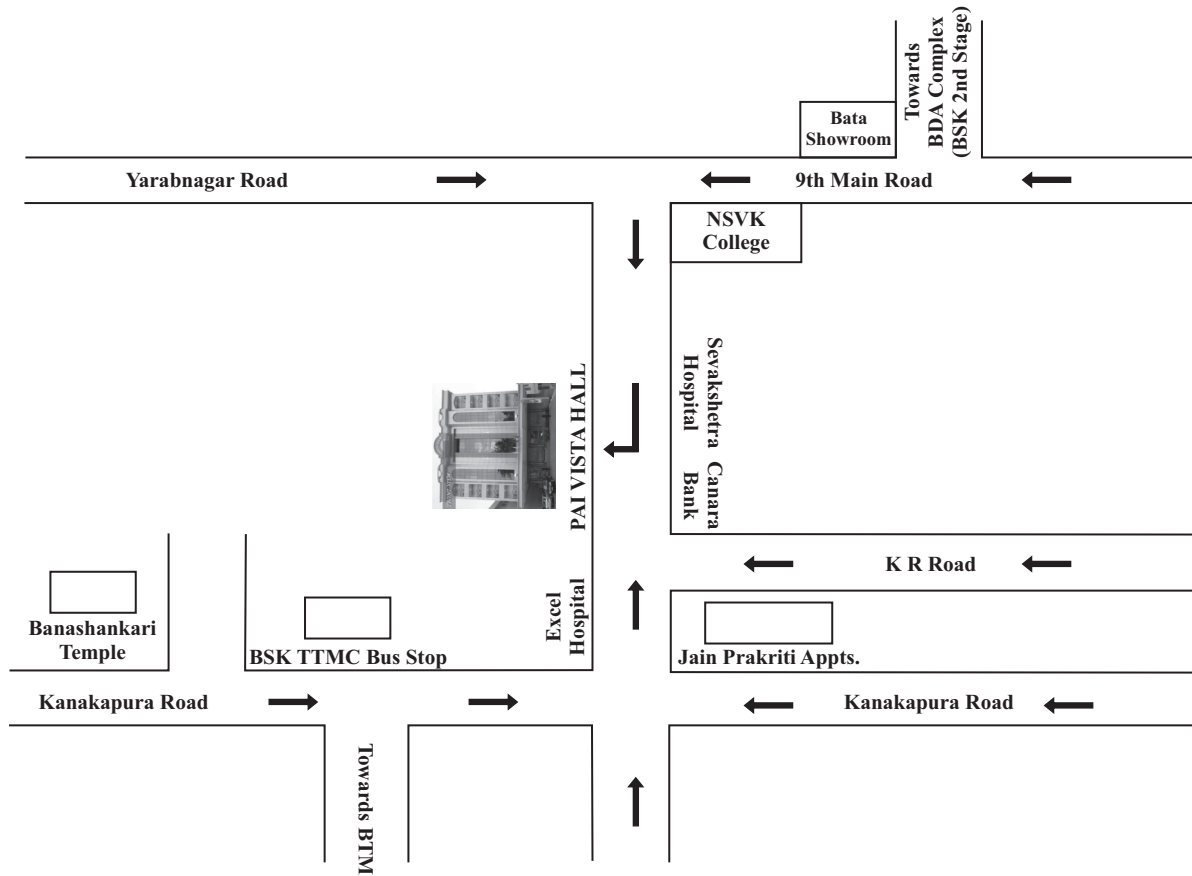
Notes:

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



## Route Map of the AGM Venue

Pai Vista Hall, 3rd Floor, No.3/1, 27th Cross, End of KR Road  
Banashankari 2nd Stage, Bangalore – 560070, Karnataka, India



**ATTENDANCE SLIP**

**27<sup>th</sup> Annual General Meeting -2019**

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

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

**No. of shares held:**

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

I hereby record my presence at the 27th Annual General Meeting of the company at Pai Vista Hall, 3rd Floor, End Of K R Road, Near- Sevaksetra Hospital, 2nd Stage, 3/1, 27th Cross Rd, Banashankari, Bangalore- 560070, Karnataka, India on Thursday, the 20th of June, 2019 at 10.00 a.m.

Member's/Proxy's name in block letter

.....  
Signature of the Member/Proxy

Note:

Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

LEFT BLANK INTENTIONALLY

Name :



Address :

## ASM TECHNOLOGIES LIMITED

(CIN L85110KA1992PLC013421)

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

Joint Holder(s):

Serial No. :

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

### Subject : Instructions for E-voting

Please find enclosed the Notice convening the 27th Annual General Meeting of the company to be held on Thursday, June 20<sup>th</sup>, 2019, at 10.00 A.M.

Pursuant to provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing the e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. The company has appointed Karvy Fintech Private Limited ('Karvy' or 'Service Provider') to provide the e-voting facility.

#### E-voting particulars

EVEN (e-voting event number)	User ID	Password

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

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

- (v) You need to login again with the new credentials.
  - (vi) On successful login, the system will prompt you to select the “EVENT” i.e., ASM Technologies Limited.
  - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned herein above. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as abstained and the shares held will not be counted under either head.
  - (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - (xi) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: [asmagmevoting@gmail.com](mailto:asmagmevoting@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENTNO.”
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the company/Depository Participant(s)]:
- (i) **User ID and initial password** as provided above.
  - (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote
2. The e-voting period commences on **Saturday, 15th June 2019 at 9.00 am and ends Wednesday, 19th June 2019 at 5.00 pm**. During this period, the Members of the company holding shares in physical form or in dematerialized form, as on the cut-off date being **Thursday, 13th June, 2019**, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
  3. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website).
  4. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the company, as on the cut-off date, being Thursday, 13th June, 2019.
  5. The Board of Directors has appointed M/s K. Dushyantha Kumar, Company Secretary in whole time practice, CPNo. 6003, FCS Membership No. 6662 as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  6. At the AGM, at the end of the discussion on the resolutions on which voting is to be held the Chairman shall with the assistance of the Scrutinizer order voting through ballot paper for those members present but have not cast their votes electronically through remote e- voting facility.
  7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses, not in employment of the Company. The Scrutinizer shall submit a consolidated Report of the votes cast in favour or against, if any, forthwith not later than 21st of June 2019 to the Chairman of the company. The Chairman, or any other person authorized by the Chairman shall declare the result of the voting forthwith.
  8. The Results declared along with the Scrutinizer's Report(s) will be available on the Website of the company ([www.asmltd.com](http://www.asmltd.com)) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman or any other person authorized and the same shall be communicated to the BSE Limited.