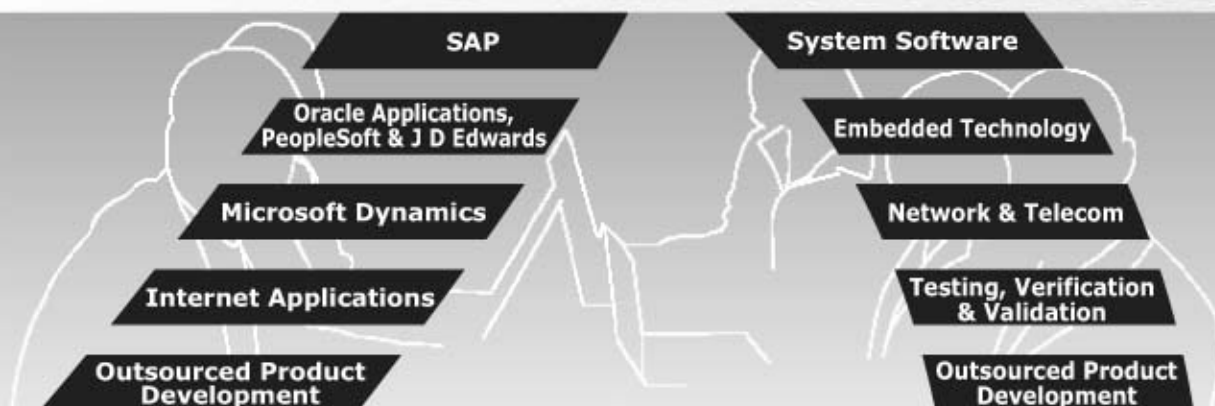




# ASM TECHNOLOGIES LIMITED



**Annual Report  
2008-09**

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

**Registered Office****India**

# 80/2  
Lusanne Court  
Richmond Road  
Bangalore 560 025, India  
Tel : + 91 80 6696 2300-02  
Fax : + 91 80 2227 3606

**Branch / Subsidiary Others****USA**

Pinnacle Talent Inc.  
# 2020  
Calamos Court  
Suite 200, Naperville  
IL 60563-2793, USA  
Tel : + 1 630 799 1563  
Fax : + 1 630 799 1562

**USA**

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

**Singapore**

Advanced Synergic Pte Ltd.  
30 Toh Guan Road  
# 08-03A  
ODC Distri Center  
Singapore 608 840  
Tel : + 65 62705737  
Fax : + 65 6324 5345

**UK**

ASM Technologies (UK) Ltd.  
Nufford Place  
# 24-25  
Marble Arch  
London W1H5YN, UK  
Tel : + 207 569 3285  
Fax : + 207 569 3001

**Board of Directors**

Dr. R.P. Shenoy	Director
Prof. B.S. Sonde	Director
Mr. M.R. Vikram	Director
Mr. Rabindra Srikantan	Managing Director

**Audit Committee**

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

**Share Transfer & Investor Grievance Committee**

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

**Remuneration Committee**

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

**Company Secretary**

Ms. P.N. Lakshmi

**Auditors**

**M/s. Sudhakar Pai Associates**  
Chartered Accountants  
C-4, Unity Buildings  
J.C. Road  
Bangalore 560 002, India

**M/s. Mallesh B. Hullatti & Co.**  
# 68/155/4B, 'Shivasiri'  
Harinagar Cross, Kathanur, Anjanapura Post  
Bangalore 560 062, India

**M/s. N. Rajan Associates**  
10, Jalan Besar,  
# 10-12, Sim Lim Tower  
Singapore 208 787

**Jack Iyer CPA**  
# 39120 Argonaut Way No.684  
Fremont, CA 94538  
USA

**Company Law Advisor**

**Mr. M.R. Gopinath**  
"Rukmini", # 252/B, 2nd "C" Main,  
1st Phase, Girinagar,  
Bangalore 560 085, India

**Legal Advisors**

**Mr. Kiran S. Javali**, Advocate  
# 37, 11th Main, Vasanthnagar,  
Bangalore 560 052, India

**M/s. Michael A. Cotteleer & Associates**  
# 207, N. Washington  
Wheaton, Illinois 60187, USA

**Bankers****State Bank of India**

Overseas Branch, # 65, St. Marks Road,  
Bangalore 560 001, India

**SBI Factors & Commercial Services Pvt. Ltd.,**

# 708, 7th Floor, Barton Centre, Door No. 84  
M.G. Road, Bangalore 560 001, India

**State Bank of India**

# 19, La Salle Street,  
Chicago, Illinois 60603, USA

**Indian Bank**

Bharat Building, # 3, Raffles Place  
Singapore 048 617

**Stock Exchanges**

(Where the shares of the Company are listed)

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers  
25th Floor, Dalal Street  
Mumbai 400 001, India

**Bangalore Stock Exchange Limited**

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

**Stock Code**

BgSE - ADVSYNER  
BSE - 526433

**Demat ISIN No. in NSDL & CDSL for Equity Shares**

INE867C01010

**Investor Relation Cell**

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

**Registrars & Share Transfer Agents****Karvy Computershare Private Limited**

Plot No. 17 to 24, Near Image Hospital  
Vittalrao Nagar, Madhapur, Hyderabad 500 081, India  
Tel : 040 23420818-824, Fax : 040 23420814

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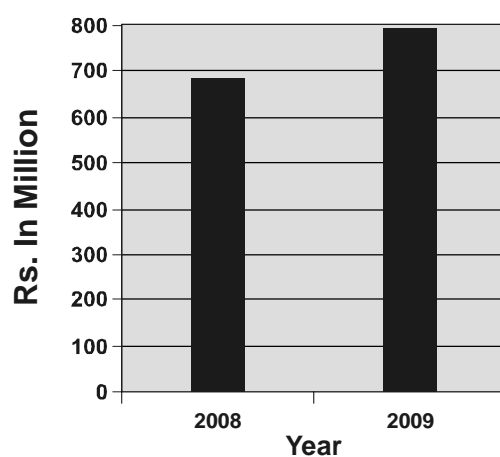
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## **Corporate Vision**

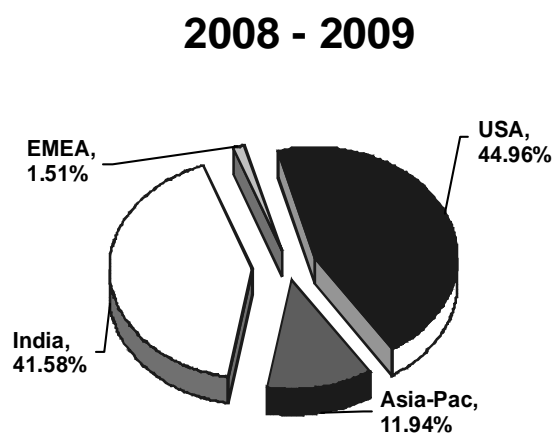
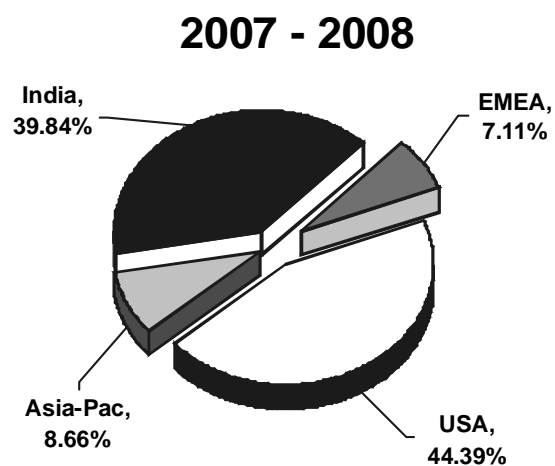
“To be a global leader, committed to the customer  
in providing technology solutions with  
the highest degree of excellence, quality and value  
by an agile team using efficient processes”

## ASM GROUP INFORMATION

### ASM Group Revenue (Net of Inter-Company Sales)



### Geographical Distribution of Revenue



**NOTE : Group consists of :**

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

## **CEO's Letter to the Shareholder**

Dear Shareholder,

As per NASSCOM's Strategic Review Report during 2007-08 the Indian IT - BPO industry maintained its double digit growth rate. While the effects of the economic crisis are expected to linger in the near term future, the survey at the same time showed that substantial growth would take place over the next two years enabling the industry to get past the USD 60 billion export target in FY 2011.

ASM has been able to improve its revenues and profits under the prevailing economic conditions across the globe.

For ASM (consolidated) the growth has been quite satisfactory for the year ended March 31, 2009 with a consolidated group revenue of Rs. 795.98 million, registering a growth of 16.60% over the corresponding period last fiscal. Export sales increased marginally to Rs. 464.95 million. Consolidated EBIDTA was at Rs. 64.50 million, while consolidated net profit (after tax) was Rs. 42.21 million.

As for ASM (standalone), the performance has been quite encouraging considering the economic slowdown. The total revenue from operations stood at Rs. 462.30 million for the year ended March 31, 2009, registering a growth of 14.75% over the corresponding period last fiscal. EBIDTA was Rs. 58.57 million while Net Profit (after tax) was at Rs. 37.78 million.

The Board of Directors, pleased with the performance of the Company, have recommended for approval of the members, a dividend of 10% on the par value of Rs. 10/- per share for the financial year 2008-09.

### **Future Outlook**

The global economic slow-down and crisis giving way to the recession is a challenge faced by the developed and the developing nations. Companies are holding on to the existing client base and increasing their value proposition to existing clients.

For ASM this is an opportunity to provide greater value to existing clients and add new clients with its global delivery model. ASM looks to garner more work from the US and other markets by leveraging on the offshore work delivery and thereby reducing the Total Cost of Ownership and Operating Costs to the clients.

### **Geographical Areas of Operation**

The Company continues to strengthen its market initiatives in India, Asia and US.

### **Business Focus Area**

#### **◆ Current Areas :**

This year the Company has strengthened its core areas of

1. Enterprise Application - Packaged ERP implementation, Application Maintenance and Support (AMS)
2. Application Development Integration
3. Technology Service & Product Engineering Services - System Software, Embedded Software and Firmware.
4. Engineering Services

#### **◆ Future Expansion Areas :**

##### **Industry Specific ERP Applications :**

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

**Remote Support of Applications and Databases :**

ASM is poised to ride the wave of the Remote Support of the Applications and the Database Support of the Global Clients. This would mean a dedicated 24x7 Offshore Support Center in India and connecting remotely to the client servers through secure connectivity thereby addressing issues like optimization, enhancing speed, data cleansing applying patches etc.

**Convergence Technologies :**

With good experience in both the Enterprise Applications and the Technology solutions, there is a great client need to converge on the two. In this regard, initiatives and expertise is being built for providing RFID (Radio Frequency Identification) mobility solutions for the Enterprise Applications for large Corporations.

**Engagement Models**

Various Client Engagement Models to meet the requirement of the sound delivery system with a distinct cost advantage has been effected. Global Delivery Model – Offshore model, Offsite support and Development Center and Offshore Development Center (ODC) are the current trends which will continue with more volumes in the coming years.

**Technology**

The Company will continue to focus on Enterprise Applications, Engineering Services and Technology Solutions. The drive will be to develop more industry focused solutions for quick deployment of the applications.

The Company being a certified SEI CMMI Maturity Level 3 and ISO 9001-2000 and Company is targeting ISMS 27000 (Information Security Management Systems) for the current year.

We attribute our success to an experienced management team and to a customer - oriented organization that is dedicated to excellence. Propelled by the talent of our people and vesting faith in the resilience of our business model we look forward to overcoming challenges that lie ahead of us.

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

- \* Our esteemed customers, shareholders, vendors, business partners, advisors and consultants for their support
- \* Valuable employees of the Company for their valuable contribution, efforts and spirit of dedication
- \* State Bank of India, Overseas Branch, Bangalore, State Bank of India, Chicago, SBI Factors & Commercial Services Pvt. Ltd., Bangalore and Indian Bank, Singapore, for their support and guidance.
- \* Central and State Government, Customs, Reserve Bank of India, Software Technology Parks (STPI) and NASSCOM

Bangalore  
May 6, 2009

**RABINDRA SRIKANTAN**  
Managing Director

## **Our Board of Directors**

### **Dr. R.P. Shenoy**

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

### **Prof. B.S. Sonde**

Prof. B.S. Sonde holds a Ph.D. from the Indian Institute of Science (IISc), Bangalore. His field of academic and research interest encompass Microelectronics, Instrumentation, Digital Technology and its applications in Electronics and Communication Engineering. Prof. B.S. Sonde has been associated with IISc, Bangalore for more than three decades, holding various senior positions. He has held the post of Dean, Faculty of Engineering, and was Vice Chancellor of Goa University between February 1997 and February 2002, and has served on the Advisory / Review committees of several universities and also served as Visiting Professor at Stanford University, California, USA and other foreign universities. He is also a distinguished fellow of the Institution of Electronics and Telecommunication Engineers.

### **Mr. M.R. Vikram**

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

### **Mr. Rabindra Srikantan**

Mr. Rabindra Srikantan holds a MS degree in Computer Engineering and Computer Science from the University of Louisiana, USA. As the Managing Director and one of the founders of ASM Technologies Ltd, Mr. Rabindra Srikantan is a seasoned, team-oriented business entrepreneur with a highly successful track record of building businesses based on sound strategic analysis. He has professional experience in a wide range of software systems in the areas of engineering, manufacturing, enterprise applications and Internet technologies. Mr. Rabindra Srikantan is an effective leader who is heading the team of ASM in providing medium and long-term business plans on leading edge technologies. He has implemented operational strategies to improve Quality and customer satisfaction ratings and has provided consulting services to more than 50 clients including multinational Companies. His philosophy of driving continuous business reformation by leveraging on state-of-the-art technologies, backed by a strong customer driven service perspective, has enabled ASM to emerge as one of the leading IT consulting and software services Company.

Mr. Rabindra Srikantan is also the President of Pinnacle Talent Inc., USA, the Director of Advanced Synergic Pte Ltd, Singapore the wholly owned subsidiaries of the Company and the President of ESR Associates Inc., USA.

## **Our Assets – Our Employees**

At ASM Technologies, human resources are the most valued assets. We are proud of every one of our employees as it is their dedication and commitment which has helped us to achieve our goals of being the chosen provider of end-to-end solutions. ASM invests in its employees, supports them with training facilities and enables them to work independently, so that they can grow as individuals and shape their careers.

## Our Core Business

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

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

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

### Profile :

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

### Highlights of Enterprise Applications :

- 3500+ Person years of Experience
- ERP Package Services (SAP, Oracle, PeopleSoft, Microsoft Dynamics)
  - Implementation, Rollout, Upgrade, Training Documentation
  - Support & Maintenance
  - 100+ ERP Projects
  - ERP Product Development Services (SME Market)

### Highlights of Technology Solutions :

- 1000+ Person years of Product Engineering
- Involved in Engineering 45+ Products and 120+ Product Releases

### Service Offerings :

#### Enterprise Applications, SCM, CRM

Oracle Apps | SAP | PeopleSoft | Microsoft Business Solutions | Siebel

#### Business Intelligence and Data Warehousing

SAP BW | Cognos | Hyperion | DataStage | Oracle Express

#### Business Process Modeling (BPM) tools

ARIS | Savvion

#### Internet / SOA

.Net | J2EE | Websphere | Weblogic | Webmethods

#### Embedded Technologies

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

## Engineering Services

CAD / CAM / CAE | CATIA | Teamcenter | PRO\*E | UG

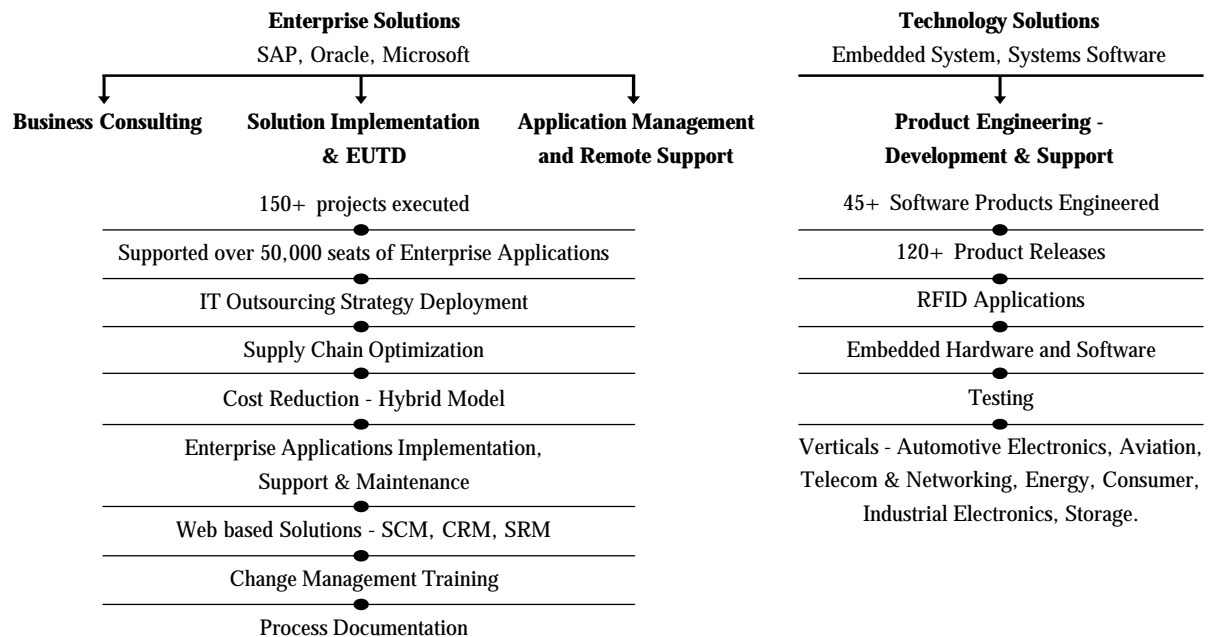
## System Software

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

### Proven Global Delivery :

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

### SERVICE OFFERINGS



### TECHNOLOGY SOLUTIONS

#### Embedded Systems :

- Integrated Real time Solutions and Turnkey development
- Developed Stacks, RTOS, BSP, Device Drivers, Encryption & Decryption
- RF Systems for Telecom
- Extensive work on Embedded File Systems
- Extensive Processor Knowledge
- Network Products and Communication Stacks
- Expertise in Embedded File Systems RTOS Porting and Testing services

#### System Software :

- |                       |                              |                         |
|-----------------------|------------------------------|-------------------------|
| • Product Engineering | • Core Areas                 | • Technical Expertise   |
| • Testing & QA        | • Storage Management         | • File Systems          |
| • Test Automation     | • PC Disaster Recovery       | • Network Protocols     |
| • Product Support     | • Network Identity Appliance | • Pre-Boot Technologies |
|                       | • Application Deployment     | • Middleware            |
|                       |                              | • Test Tools            |

## OUTSOURCED PRODUCT DEVELOPMENT

<b>Telecom and Networking</b>	<ul style="list-style-type: none"><li>1. Shared Radio</li><li>2. HDSL and Loop carrier systems</li><li>3. Telemetry</li></ul>
<b>RF and Wireless</b>	<ul style="list-style-type: none"><li>1. RFID based customer ID and resource allocation</li><li>2. RF systems for Telecom</li><li>3. Wireless Energy Meter</li></ul>
<b>Automotive Electronics</b>	<ul style="list-style-type: none"><li>1. Audio validation in Automobiles</li><li>2. Audio codec validation</li></ul>
<b>PC Disaster Recovery</b>	PC Disaster Recovery
<b>Network Identity Appliance</b>	DNS Appliance
<b>PC / Storage Management</b>	<ul style="list-style-type: none"><li>1. Deploy Center</li><li>2. Volume Manager</li><li>3. Recovery CD</li></ul>
<b>ISVs</b>	Professional Services Implementation and Support, Core Software Product Engineering, Product Life Cycle Management, Sustenance Engineering and Maintenance Support
<b>Startup Product Companies</b>	<ul style="list-style-type: none"><li>1. ERP product for SME Market</li><li>2. ERP data collectors for Security and Records Compliance Product</li></ul>
<b>Mobile Applications</b>	<ul style="list-style-type: none"><li>1. SMS Application</li><li>2. Mobile Backup</li><li>3. Gaming Applications</li><li>4. J2ME based Mobile Applications integrated with backend ERPs (SAP, Oracle)</li></ul>
<b>Knowledge Management</b>	Web based end user Performance Support and Knowledge Management Tool (E-PRISM)

## PARTIAL CLIENT LIST

### Consumer Products



**Panasonic** Global  
ideas for life

**PHILIPS**

**SONY**

### Manufacturing



**Century** ALUMINUM

**MeadWestvaco**

**National**  
Gypsum



Owens Corning



OWENS-ILLINOIS



### Oil & Gas, Energy



**ConocoPhillips**



### Telecom



### Retail



### Hi - Tech



**Honeywell**



**SYBASE**

**Vestas**

---

Technology

---



---

System Integrators

---



---

Health Care

---



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PARTNERSHIPS



*Professional Services – Implementation & Support, Core Software Product Engineering Product Life Cycle Management, Sustenance Engineering & Maintenance Support.*

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*ASM - a services partner*

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## Notice

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Saturday the 20th of June, 2009 at 10.30 a.m. at Pai Vijay Hall, No. 530/58, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore 560 011 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2009, the Profit and Loss Account for the year ended March 31, 2009 and the Cash Flow Statement for the year ended March 31, 2009 together with the report of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended March 31, 2009.
3. To appoint a Director in place of Prof. B.S. Sonde, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint auditors and fix their remuneration. M/s. Sudhakar Pai Associates the retiring auditors are eligible for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 (including any statutory modifications or enactments thereof, for the time being in force) and subject such approvals as may be necessary, approval of the Company be and is hereby accorded to the re- appointment of Mr. Rabindra Srikantan, as Managing Director of the Company for a period of three years with effect from 08.11.2008 on a remuneration of Rs. 2,50,000/- per month inclusive of perquisites payable to him as Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year.”

**FURTHER RESOLVED THAT** in the event of any statutory amendments or modifications or relaxation in the provisions relating to the appointment and payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the Board of Directors the Board of Directors be and is hereby authorized to vary of increase the remuneration including salary, commission, perquisites, etc., within such prescribed limits.

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company’s Branch Offices in Chicago, USA. and UK to examine and audit the accounts for the financial year 2009-2010 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act, 1956.”

### REGD. OFFICE

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

Date : May 6, 2009

### By Order of the Board

Sd/-  
**RABINDRA SRIKANTAN**  
Managing Director

## Notes

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under items 5 & 6 set out above are annexed here to and forms part of the Notice.
2. A member entitled to attend and vote at a meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies to be valid should be deposited forty eight hours before the commencement of the Meeting at the Registered Office of the Company.
3. Members holding shares in physical form are requested to notify any change in their address to the Company / Karvy Computershare Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500081. Members holding shares in electronic form are requested to direct change of address notifications and updations of their bank accounts details to their respective depository participants.
4. The Register of Members of the Company will remain closed from 17.06.2009 to 20.06.2009 (both days inclusive).
5. For the convenience of the members, attendance slip is annexed to the proxy form. Members are requested to fill-in and affix their signature at the space provided and hand over the attendance slip at the entrance place of the meeting. Proxy representative of a member should mark on the attendance slip as "PROXY" or "REPRESENTATIVE" as the case may be.
6. Members desiring any information on the accounts at the AGM are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
7. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
8. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after June 20, 2009, to those members whose names appear on the Register of Members as on June 17, 2009.
9. Payment of Dividend through ECS :
  - a) Members holding shares in physical form are advised to submit particulars of their bank account, viz, name and address of the bank, 9 digit MICR code of the branch, type of account and account number latest by June 16, 2009 to the Registrars, Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, Fax : 040-23420814, Phone : 040 - 23420818-824
  - b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository participants.
10. Members are requested to update their e-mail addresses with the depository participant. This will enable the Company to send communications such as ECS, quarterly financial updates etc. through e-mails.
11. Members who have not received or encashed the dividend warrants (in respect of the dividend declared for the year 2007-08) are requested to correspond with the Registrars / Company Secretary at the Company's Registered Office for obtaining payment in lieu of warrants.

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

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

#### **Prof. B.S. Sonde**

Prof. B.S. Sonde holds a Ph.D. from the Indian Institute of Science (IISc), Bangalore. His field of academic and research interest encompass Microelectronics, Instrumentation, Digital Technology and its applications in Electronics and Communication Engineering. Prof. B.S. Sonde has been associated with IISc, Bangalore for more than three decades, holding various senior positions. He has held the post of Dean, Faculty of Engineering, and was Vice Chancellor of Goa University between February 1997 and February 2002, and has served on the Advisory / Review committees of several universities and also served as Visiting Professor at Stanford University, California, USA and other foreign universities. He is also a distinguished fellow of the Institution of Electronics and Telecommunication Engineers.

## **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 :**

### **Item No. 5**

The members are aware that at the Annual General Meeting of the Company held on September 29, 2004 Mr. Rabindra Srikantan was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 08.11.2003 with the approval of the members and Central Government vide letter No. 1/218/2004-CL.VII Dt. August 15, 2005. Further considering the pivotal role played by Mr. Rabindra Srikantan in the growth of the Company and his term of office to expire on 07.11.2008 the Board of Directors at the meeting held on October 25, 2008, as per the recommendations made by the Remuneration Committee have re-appointed Mr. Rabindra Srikantan, as the Managing Director of the Company for a period of three years, subject to the approval of the members, as per the remuneration payable vide Schedule XIII Section II(B) of Part II to the Companies Act, 1956. Further it may also be noted that at the AGM held on the August 6, 2007 members had approved the increase in remuneration payable to Mr. Rabindra Srikantan from Rs. 1,25,000/- to Rs. 2,50,000/- per month inclusive of all perquisites w.e.f. April 1, 2007 till the expiry of his term of office. It is hence necessary to consider the re-appointment and payment of remuneration to the Managing Director.

### **The terms of remuneration proposed is as under :**

The following however will not be included as perquisites :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable @ not exceeding half a month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

This may also be treated as an abstract of the terms of appointment of Managing Director which is required to be given under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Rabindra Srikantan, is interested or concerned in the resolution.

### **I. General Information :**

#### **1. Nature of Industry**

The Company is in the Software Services Sector

#### **2. Date of Commercial Production**

August 25, 1992

#### **3. In case of new companies, expected date of commencement of activities as per Project approved by the financial institutions**

Not applicable

#### **4. Financial Performance based on given indicators**

As per Annual Report

#### **5. Export performance and net foreign exchange**

Exports : Rs. 131.27 lakhs

Net Foreign exchange earnings : Nil

#### **6. Foreign Investments**

Investments in Wholly owned subsidiaries -

Pinnacle Talent Inc.

Advanced Synergic Pte. Ltd.

### **II. Information about the appointee :**

#### **1. Background details & Job suitability -**

Mr. Rabindra Srikantan holds a M.S. Degree in Computer Engineering and Computer Science. He has a wide industry experience of about 24 years and brings with him immense technical skills and managerial capabilities. A seasoned, team-oriented business entrepreneur with a highly successful track record of building businesses based on sound strategic analysis, leadership and team building plus ability to create actionable plans and programs that provide competitive advantages. Mr. Rabindra Srikantan, also one of the Promoter directors, has endeavored to build the Company into a global information technology solutions provider. Under his leadership and vision the Company achieved enviable growth and progress. With his wide knowledge and experience, Mr. Rabindra Srikantan has always been a key resource to the Board of Directors for the successful driving of strategies and initiatives of the Company.

The slowdown of the US economy, the biggest in the world and the aftermath of the September 11, 2001 holocaust in the US led to the downturn in business. Mr. Rabindra Srikantan's unstinted support and guidance was crucial to the organization to help it recover from the crisis and get on to the path of recovery. Your Directors justify the re-appointment and payment of remuneration and hence recommend passing the resolution.

**2. Past Remuneration :**

The compensation of Rs. 2,50,000/- per month (inclusive of perquisites) to Mr. Rabindra Srikantan was last approved by the members at the AGM held on August 6, 2007 payable w.e.f. April 1, 2007, till the expiry of his term of office.

**3. Remuneration proposed :**

The role and responsibilities faced by Mr. Rabindra Srikantan, as the Managing Director of the Company have become significantly higher than in the past years especially in the face of a challenging situation. The Board of Directors therefore recommend the remuneration as stated above.

**4. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person.**

The remuneration proposed to be paid is in tune with the remuneration drawn by CEO/MD of similar size software companies in India.

**5. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any,**

None

**III. Other Information :**

**1. Reasons for loss or inadequate Profits.**

Investments made by the Company in Sales & Marketing and expansion in New Geographies in the last few years have rendered fruition in the last couple of years with the Company registering steady profits and well into profitability trend.

**2. Steps taken or proposed to be taken for improvement.**

The outcome of its investments and expansion activities is evident in the significant growth in revenues over the last few years.

**3. Expected increase in productivity and profits in measurable terms.**

The Company's profits are basically linked to the progress of the industry. The profits of the Company have been improving over the last three years and is expected to increase considerably over the coming years.

Your Directors commend the resolution for your approval.

None of the Directors except Mr. Rabindra Srikantan is indirectly concerned or interested in the resolution.

**Item No. 6**

During the years 1999-2000 & 2001-2002 the Company had opened branch offices in Chicago, USA and in UK. It is necessary to appoint Auditors, under the provisions of Section 228 of the Companies Act, 1956 for auditing the accounts of the Branches of the Company for the year ending March 31, 2009. Your approval is sought by the proposed resolution to be passed authorizing the Board of Directors of the Company to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Offices in Chicago, USA, and UK, to examine and audit the accounts for the financial year 2009-2010 on such remuneration, terms and conditions as the Board may deem fit or authorise the Statutory Auditors of the Company to audit the Branch Accounts and comply with the provisions of the Companies Act, 1956.

Your Directors commend the resolution for your approval.

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

## Directors' Report

To the Members,

We are pleased to present the 17th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

### Financial Results

(Rs. in millions)

	2008 - 2009	2007 - 2008
Gross Revenue	462.30	402.85
Profit before Interest Depreciation & Tax (EBIDTA)	58.57	56.97
Other Income	2.15	1.57
Interest	11.75	9.13
Depreciation	2.80	3.42
Profit / -Loss before Tax (EBT)	46.17	45.99
Provision for Tax	7.13	8.06
Deferred Tax Income / -Expense	1.26	1.01
Net Profit / -Loss (PAT)	37.78	36.92
Amount available for appropriation	43.58	10.18
Dividend	5.00	3.75
Dividend Tax	0.85	0.64
Transfer to General Reserve	5.00	—
Balance in Profit & Loss A/c	32.73	5.79

In the year under review the total revenue of the Company increased from Rs. 402.85 million to Rs. 462.30 million registering a growth of 14.75%. Domestic sales was Rs. 331.04 million, an increase by 21.18% to that of the previous year. EBIDTA was at Rs. 58.57 million while Net Profit was Rs. 37.78 million.

### Dividend

The Directors of the Company are pleased to recommend for approval of the members, a dividend of 10% on the par value of Rs. 10/- per share for the financial year 2008-09. The dividend, if declared as above would involve an outflow of Rs. 5.00 million towards dividend and Rs. 0.85 million towards dividend tax, resulting in a total outflow of Rs. 5.85 million.

### Subsidiaries

**Advanced Synergic Pte. Ltd., Singapore** - achieved a gross revenue of Rs. 99.49 million for the year ended March 31, 2009 as against Rs. 76.10 million for the same period last year, a growth of 30.74%. The Company registered a pre tax profit of Rs. 1.38 million for the year under review, an increase of 33.98% to the same period last year.

**Pinnacle Talent Inc., USA** - achieved a gross revenue of Rs. 470.79 million for the year ended March 31, 2009, as against Rs. 452.51 million for the same period last year. The Company registered a pre-tax profit of Rs. 3.95 million for the year under review an increase of 10.33% to the same period last year.

**ESR Associates Inc., USA** - achieved a gross revenue of Rs. 119.21 million for the year ended March 31, 2009.

The statement of Accounts of the Subsidiary Companies viz., M/s. Pinnacle Talent Inc., USA, Advanced Synergic Pte. Ltd., Singapore and stepdown subsidiary, Enterprise Software Resources Associates Inc. for the year ended March 31, 2009 along with the Report of the Board of Directors thereon are attached as per the provisions of the Section 212 of the Companies Act, 1956.

### Future Outlook

The global economic slow-down and crisis giving way to the recession is a challenge faced by the developed and the developing nations. Companies are holding on to the existing client base and increasing their value proposition to existing clients.

For ASM this is an opportunity to provide greater value to existing clients and add new clients with its global delivery model. ASM looks to garner more work from the US and other markets by leveraging on the offshore work delivery and thereby reducing the Total Cost of Ownership and Operating Costs to the clients.

## Geographical Areas of Operation

The Company continues to strengthen its market initiatives in India, Asia and US.

## Business Focus Area

### ◆ Current Areas :

This year the Company has strengthened its core areas of

1. Enterprise Application - Packaged ERP implementation, Application Maintenance and Support (AMS)
2. Application Development Integration
3. Technology Service & Product Engineering Services - System Software, Embedded Software and Firmware.
4. Engineering Services

### ◆ Future Expansion Areas :

#### Industry Specific ERP Applications :

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

#### Remote Support of Applications and Databases :

ASM is poised to ride the wave of the Remote Support of the Applications and the Database Support of the Global Clients. This would mean a dedicated 24x7 Offshore Support Center in India and connecting remotely to the client servers through secure connectivity thereby addressing issues like optimization, enhancing speed, data cleansing applying patches etc.

#### Convergence Technologies :

With good experience in both the Enterprise Applications and the Technology solutions, there is a great client need to converge on the two. In this regard, initiatives and expertise is being built for providing RFID (Radio Frequency Identification) mobility solutions for the Enterprise Applications for large Corporations.

## Engagement Models

Various Client Engagement Models to meet the requirement of the sound delivery system with a distinct cost advantage has been effected. Global Delivery Model – Offshore model, Offsite support and Development Center and Offshore Development Center (ODC) are the current trends which will continue with more volumes in the coming years.

## Technology

The Company will continue to focus on Enterprise Applications, Engineering Services and Technology Solutions. The drive will be to develop more industry focused solutions for quick deployment of the applications.

## Corporate Social Responsibility

An essential component of our Corporate Social Responsibility is to care for the community. In recognizing the imperative need the company has continued its contribution for the year 2008-09 by donating a sum of Rs. 1,25,000/- to the Akshaya Patra Foundation (ISCKON) towards providing Free Midday Meal for under privileged children in School imperative.

## SEBI Regulation & Listing Fees

Since SEBI has stipulated electronic filing of Annual Report, Corporate Governance Report, Shareholding Pattern, etc. on website [www.sebidifar.nic.in](http://www.sebidifar.nic.in), statements of your Company can also be accessed at this website.

The Annual Listing fees for the year under review has been paid to Bombay Stock Exchange Ltd. and Bangalore Stock Exchange Ltd. where your Company's shares are listed.

## **Management Discussion and Analysis Report**

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

## **Directors Responsibility Statement**

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

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

## **Corporate Governance Report**

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

## **Statutory Compliances**

Your Company has continued to comply with the procedures of Software Technology Parks of India, NASSCOM and other statutory bodies. The licenses, approvals and clearances are current.

The Company had sought an exemption from the provisions of Section 58A(8) of the Companies Act, 1956, which has been granted by the Central Government, Ministry of Company Affairs and the exemption is without prejudice to any legal rights available to any deposit holder.

## **Directors**

Prof. B.S. Sonde, Director, retires by rotation and is eligible for reappointment.

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

## **Particulars of employees**

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forming part of this report – Expenditure on employees employed for the year / part of the year who were in receipt of remuneration which in the aggregate is not less than Rs. 2,00,000 per month is give in an Annexure forming part of this report.

## **Conservation of energy, technology absorption**

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

The Company has not imported any technology during the year.

## **Foreign exchange earnings and outgo**

During the year, the Foreign Exchange earned was Rs. 131.27 million and Foreign Exchange used was Rs. 201.04 million.

## **Fixed Deposits**

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

## Auditors

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

## Acknowledgements

The Directors take this opportunity to express their gratitude to

- \* Our esteemed customers, employees, shareholders, vendors, business partners, advisors and consultants for their unstinted support.
- \* State Bank of India, Overseas Branch, Bangalore, SBI Factors & Commercial Services Pvt. Ltd., Bangalore, SBI Chicago and Indian Bank, Singapore for their support and guidance.
- \* Central & State Governments, Software Technology Park (STPI) and NASSCOM.  
for their continued support.

For and on behalf of the Board

Bangalore  
May 6, 2009

**M.R. Vikram**  
Director

**Rabindra Srikantan**  
Managing Director

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## ANNEXURE TO THE DIRECTOR'S REPORT

**Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2009.**

Name	Designation	Qualification	Age	Joining date	Experience (yrs)	Gross Remuneration Rs.	Previous employment, designation
Rabindra Srikantan	Managing Director	M.S.	48	10.08.1992	24	30,00,000	Center of Advanced Computer Studies, USA
N. Krishnan	Asst. V.P. Business Development	BE	43	19.07.1999	20	25,17,800	Bluechip Computer Consultants (P) Ltd., Manager, Business Development

### Notes :

1. Remuneration comprises basic salary, allowances and taxable value of perquisites but does not include the Company's contribution to Provident Fund and other Funds.
2. Mr. Rabindra Srikantan and Mr. N.Krishnan are not related to any Director of the Company.

## REPORT ON CORPORATE GOVERNANCE

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

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

Corporate Governance is a reflection of a Company's culture, policies, its relationship with the stakeholders and its commitment to values. Thus timely flow of information regarding the financial status, performance, ownership and governance is an important aspect of Corporate Governance.

We believe that sound Corporate Governance is crucial to enhance and retain investor trust.

At the core of its Corporate Governance practice is the board, which oversees management policies towards protection of long-term interests of all the stakeholders of the Company.

The 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.

During the financial year 2008-2009 6 meetings of the Board were held, on 19.04.2008, 07.05.2008, 04.06.2008, 26.07.2008, 25.10.2008 & 24.01.2009.

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

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other public Companies	No. of Committee Positions held in Other Companies	
Dr. R.P. Shenoy Director	Independent - Non Executive Director	6	5	Yes	2	Member	Chairman
						2	1
Prof. B.S. Sonde Director	Independent - Non Executive Director	6	6	Yes	NIL	NIL	NIL
Mr. M.R. Vikram Director	Independent - Non Executive Director	6	6	Yes	3	4	NIL
Mr. Rabindra Srikantan Managing Director	Executive Director	6	6	Yes	NIL	NIL	NIL

### III. BOARD COMMITTEES

For effective and efficient functioning of the Company, the Board has formed the following Committees.

#### 1. Audit Committee

##### ☐ Terms of Reference :

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

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

☐ **Composition :**

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

\* Member having financial and accounting knowledge

☐ **Secretary :**

Ms. P.N. Lakshmi - Company Secretary

Meeting and attendance during the year

Members	No. of Meetings held	No. of Meetings attended
Mr. M.R. Vikram	5	5
Dr. R.P. Shenoy	5	5
Prof. B.S. Sonde	5	5

## 2. Share Transfer & Investor Grievance Committee

☐ **Role of the Committee :**

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

☐ **Share Transfers in Physical Mode :**

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

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

☐ **Composition :**

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

☐ **Name and designation of Compliance Officer :**

Ms. P.N. Lakshmi - Company Secretary

Transfer & Investor Grievance Committee Meeting and attendance during the year

Members	No. of Meetings held	Attendance
Prof. B.S. Sonde	5	5
Mr. Rabindra Srikantan	5	5

During the year 2008-2009 18 complaints were received all of which were resolved with nothing pending as on March 31, 2009. The committee also noted that the shareholding in dematerialized mode as on March 31, 2009 as being 86.82 %.

BSE & BgSE have confirmed that as on 31.03.2009 there are no investor Complaints / queries pending to be solved by the Company / Registrars & Share Transfer Agents.

### 3. Remuneration Committee

The Managing Director, being the only Executive Director is paid remuneration within the limits envisaged under Schedule XIII of the Companies Act, 1956. The remuneration is approved by the Board, Remuneration Committee as well as the Shareholders of the Company. The Non-Executive Directors are paid remuneration only by way of sitting Fees.

#### ☐ Terms of reference :

Brief Terms of Reference is as follows -

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

#### ☐ Composition :

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

#### ☐ Name and designation of Compliance Officer :

Ms. P.N. Lakshmi - Company Secretary

One Remuneration Committee meeting was held on October 25, 2008 during the year ended March 31, 2009.

Details of Remuneration payable to Directors for the year FY 2008-09

Name of Director	Salary & perquisites	Sitting Fees
Dr. R.P. Shenoy	—	Rs. 12,500
Prof. B.S. Sonde	—	Rs. 15,000
Mr. M.R. Vikram	—	Rs. 15,000
Mr. Rabindra Srikantan	Rs. 30,00,000	—

Shareholding in the Company of Non-Executive Directors as on 31.03.2009

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

#### IV. SHAREHOLDERS MEETINGS

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

Year	Date	Venue	Time
2005 - 2006	22nd Sept. 2006	Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block Jayanagar, Bangalore 560 011	10.00 a.m.
2006 - 2007	6th August 2007	Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block Jayanagar, Bangalore 560 011	10.00 a.m.
2007 - 2008	4th June 2008	Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block Jayanagar, Bangalore 560 011	10.00 a.m.

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

None.

#### V. DISCLOSURES

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

Details are provided in Note 10 under Schedule 14 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18.

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

None

#### VI. MEANS OF COMMUNICATION

Quarterly annual Audited financial results of the Company are published in a widely circulated newspaper, Financial Express and also in a vernacular Newspaper. The results are also posted on **www.asmltd.com** the official website of the Company.

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

During the financial year 2008-2009, the Company

- duly complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement.
- except with the constitution of the Remuneration Committee did not adopt any of the non-mandatory requirements of Clause 49 of the Listing Agreement.

#### VIII. CODE OF ETHICS

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

This is to confirm that all the Board members and senior management personnel of the Company have affirmed compliance of the Code of Ethics of the Company for the Financial Year 2008-2009.

Sd/-

Bangalore  
May 6, 2009

**Rabindra Srikantan**  
Managing Director

## IX. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development

The year 2008-2009 was a transformational year for the Indian Information Technology sector, as it began to re-engineer itself to face the challenges presented by a macro-economic environment which witnessed substantial volatility in commodity prices, inflation and decline in GDP rates, cross-currency movement, finally culminating in the economic downturn. As per NASSCOM, the Indian IT-BPO industry is on track to reach USD 60 billion in exports and USD 73-75 billion in overall software and services revenue, by 2011. At the aspired levels of growth, the sector would, by then employ around 2.5-3 million professionals, directly, account for direct investment of about USD 10-15 billion, and contribute 7-8 per cent of the national GDP. The Strategic Review 2009, by NASSCOM indicated a robust domestic market, stating that it presented a significant opportunity as IT spending in India was growing at a pace faster than any other country in the Asia Pacific region. According to the report strong fundamentals, a robust enabling environment and enhanced value delivery capability were the hallmarks of the Indian IT-BPO industry in the year gone by and would continue to be its key differentiators.

### 2. Opportunities and Threats

The NASSCOM Strategic Review 2009 indicates that the large and growing pool of skilled professionals has been a key driver of the rapid growth in the IT - IES section. India accounts for over 28% of the total suitable talent pool available to work in the IT - BPO sector across all the potential global serving low cost locations.

However, the largest threat for Indian companies is the sustainability of the customers themselves. In an uncertain environment, mergers and consolidations of companies become rule of the day and this necessitates restructuring of a customers business which will directly impact the revenue of its corresponding service provider. Further, in the current economic scenario, with budgets subject to close scrutiny to ensure alignment with the overall business strategy, customers are seeking partners with long track records, financial stability and quicker returns in investment with shorter payback period.

### 3. Outlook

This has been provided elsewhere in the Annual Report.

### 4. Risks and Concerns

#### a. Employee Risk

Rising attrition is a major risk in the industry in the background of increasing opportunities in the software outsourcing boom. The Company is addressing this by ensuring compensation policies that are competitive with the market conditions and also strives to create a conducive environment for work life balance. However, in the wake of the current economic slow down with companies cutting costs and fresh recruitments, to survive the crisis, employee attrition is kept at bay.

#### b. Foreign Exchange Fluctuation

Today global uncertainties are at their highest with fluctuating currencies, unprecedented oil prices, food crisis and sub prime led downturn all coming together at the same time. Volatility in currencies is one of the major risks faced by IT companies each year. During the year 2007-08 the US dollar had an unprecedented and rapid depreciation vis-à-vis the Indian rupee while the last year saw considerable increase in the US dollar against the Indian rupee. With the dollar receipts matching the expenditure and domestic billing in rupees constituting a major part of the revenue the Company is able to offset exchange fluctuations.

#### c. Competition Risk

Competition from other developing countries like China, East Europe and Latin America which have a reasonable pool of knowledge workers, is increasing. The market for outsourced IT services is becoming more global in nature. To counter this, the Company is strengthening its offshore offerings for the clients in US and also expanding into other geographies.

#### d. New Technologies and Business Models

The Company operates in the Information Technology Services Industry where fast and dramatic changes in technology, business models and intense competition are a fact of life.

The Company attracts and retains high quality technology professionals and also provides industry expertise to clients' business solutions. It continues to engage in newer business models in order to address changing requirements. This results in alliances, strategic investments and joint ventures.

### 5. Internal Control System and their adequacy

The Company has in place adequate systems of internal control commensurate with its size and the nature to facilitate smooth business operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from losses and executing transactions in compliance of corporate policies. Recognising the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy and the compliance with policies, plans and statutory requirements. In addition the Audit committee of the Board review the findings and recommendations.

## 6. Financial Condition and Operational performance

### a. Share Capital

The Company has at present only one class of shares. The authorized share capital is 70,00,000 Equity shares of Rs. 10/- each, constituting to Rs. 7,00,00,000. There was no increase in the paid up capital of Rs. 5,00,00,000 during the year under review.

### b. Secured Loan

The secured loan increased from Rs. 58.65 million to Rs. 76.44 million. This was the result of the Company taking recourse to additional borrowings during the year for expansion of its business operations.

### c. Fixed Assets

During the year 2008-2009 the Company has added Rs. 4.38 million to the gross block of assets.

### d. Net Worth

The Net Worth for the year ended March 31, 2009 was Rs. 121.06 million compared to Rs. 89.12 million for the same period last year registering an increase of 36%.

### e. Revenues

In the year under review the total revenue of the Company was Rs. 462.30 million compared to Rs. 402.87 million the same period the previous year, registering an increase of 14.75%.

### f. Operating Profit (EBIDTA)

We earned as operating profit Rs. 58.57 million representing 13% of gross revenue as compared to Rs. 56.97 million representing 14% of gross revenue the previous year. Although the employee related costs have gone up, the Company exercised adequate control on all other expenses and consequently profitability has gone up.

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

The employee strength of the Company as on March 31, 2009 was 379 while in respect of the ASM Group, the total strength including contractual employees was 479. Anticipating the growth in business focus both the existing and new customers, the manpower strength is likely to increase further.

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

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## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

(under Clause 49 of the listing agreement)

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

We have examined the compliance of conditions of Corporate Governance by **M/s. ASM Technologies Limited** (the Company) for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchange in India.

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

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

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

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

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

**B. SUDHAKAR PAI**  
(Proprietor)  
Membership No. 18187

Place : Bangalore.  
Date : May 6, 2009

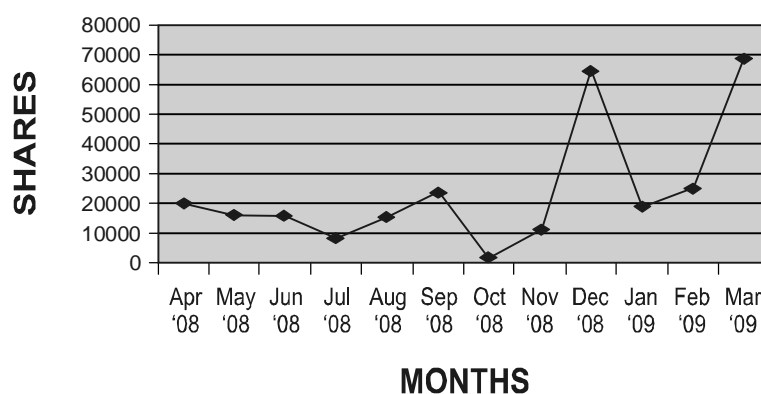
## **X. GENERAL INFORMATION FOR SHAREHOLDERS**

### **17th Annual General Meeting**

1. Date & Time : 20th June, 2009 at 10.30 a.m.
2. Venue : # 530/58, Pai Vijay Hall, 33rd Cross  
11th Main, 4th Block Jayanagar  
Bangalore 560 011
3. Financial year of Company : April to March
4. Corporate & Registered Office : # 80/2, Lusanne Court, Richmond Road  
Bangalore 560 025
5. Exchanges Listed at : Bangalore Stock Exchange Limited (BgSE)  
Stock Exchange Towers, # 51, 1st Cross, J.C. Road  
BANGALORE 560 027  
  
Bombay Stock Exchange Limited (BSE)  
P.J. Towers, # 25, Dalal Street  
MUMBAI 400 001  
  
The Listing fees for the financial year 2009 - 2010 has been paid
6. Stock Code : BgSE - ADVSYNER  
BSE - 526433
7. D'mat ISIN No. in NSDL & CDSL  
for Equity Shares : INE867C01010
8. Date of Book Closure : 17.06.2009 to 20.06.2009 (both days inclusive)
9. Dividend Payment Date : On or after 20.06.2009 subject to shareholders' approval
10. Market Price Data : The month wise high and low prices and volume of shares  
of the Company traded on the Mumbai Stock Exchange (BSE)  
for the period April 2008 - March 2009 is given below :

Months	High (Rs.)	Low (Rs.)	Volume
April, 2008	34.95	23.65	19535
May	41.65	35.20	15924
June	39.00	34.00	15619
July	38.45	29.45	8031
August	35.80	26.40	15136
September	38.00	26.05	23426
October	29.00	22.60	1740
November	24.80	16.00	10930
December	32.85	18.05	64667
January, 2009	31.10	23.85	18890
February	34.45	29.00	24627
March	39.00	30.45	68573

# ASML Volume of shares traded at BSE



11. Dematerialisation of Shares : 86.82 % of the capital has been dematerialised as on 31.03.2009
12. Market Capitalisation as on 31.03.2009 : Rs. 1915 Lakhs (as per closing price in BSE)
13. No. of Employees as on 31.03.2009 : 379  
No. of Employees (Group) : 479  
(Including contractual staff)
14. No. of Shareholders as on 31.03.2009 : 3951
15. Share Transfers : Physical shares sent for transfers or dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. During the year there were 4230 physical transfer of shares.
16. Distribution of Shareholding as on 31.03.2009 :

No. of shares	No. of shareholders	% of holders	No. of shares	% to Total shares
1 - 5000	3644	92.23	545504	10.91
5001 - 10000	140	3.55	116321	2.33
10001 - 20000	68	1.72	100083	2.00
20001 - 30000	27	0.68	69500	1.39
30001 - 40000	8	0.20	29549	0.59
40001 - 50000	13	0.33	61940	1.24
50001 - 100000	21	0.53	162527	3.25
100001 & above	30	0.76	3914576	78.29
<b>TOTAL</b>	<b>3951</b>	<b>100.00</b>	<b>5000000</b>	<b>100.00</b>

17. Share holding in Physical & Electronic form as on 31.03.2009 :

Particulars	No. of shares	% of holding
Physical	658963	13.18
Electronic	341037	86.82
<b>Total</b>	<b>5000000</b>	<b>100.00</b>

18. Shareholding pattern as on 31.03.2009 :

Category	No. of shares	%age
Indian Promoters (including Persons acting in concert)	2911443	58.23
Mutual Funds & UTI	900	0.02
Institutions / Banks	1100	0.02
Private Corporate Bodies	85064	1.70
Indian Public	1856824	37.14
NRI's / OCB's	144669	2.89
<b>TOTAL</b>	<b>5000000</b>	<b>100.00</b>

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

Registrars & Share Transfer Agents	Compliance Officer
Karvy Computershare Pvt. Ltd. Plot No. 17 to 24, Near Image Hospital Vittalrao Nagar, Madhapur Hyderabad 500 081, India  Tel : 040-23420818 - 824 Fax : 040-23420814	Ms. P.N. Lakshmi Company Secretary # 80/2, Lusanne Court, Richmond Road Bangalore 560 025, India  Tel : 080-66962309 Fax : 080-22273606 Email : complianceofficer@asmltd.com

## AUDITORS' REPORT

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

We have audited the attached Balance Sheet of **ASM TECHNOLOGIES LIMITED** (the Company), as at March 31, 2009, the Profit and Loss Account of the Company and the cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors) Order 2004, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

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

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (i) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2009; and
  - (ii) in the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

**B. SUDHAKAR PAI**  
(Proprietor)

Membership No. 18187

Place : Bangalore.  
Date : May 6, 2009

## THE ANNEXURE REFERRED TO THE AUDITORS' REPORT

To the Members of

**M/s. ASM TECHNOLOGIES LIMITED** (the Company)

for the year ended March 31, 2009. We report that :

1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at reasonable intervals. In our opinion, physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
Fixed assets disposed of during the period were not substantial, and therefore, do not affect the going concern assumption.
2. The Company is a service Company, primarily engaged in developing software and allied services. Accordingly, Paragraph 4(ii) of the Order is not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Paragraph 4(iii) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. In our opinion and according to the information and explanations given to us, transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.  
  
According to the explanation given to us all the transactions entered by the Company are based on prices which are reasonable having regard to the prevailing market prices at relevant time.
6. The Company has not accepted any deposits from the public. Accordingly, Paragraph 4(vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company. Accordingly, Paragraph 4(viii) of the Order is not applicable.
9. In our opinion, according to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
10. The Company is not having accumulated loss as on date. Accordingly, Paragraph 4(x) of the order is not applicable.
11. The Company has not defaulted in repayment of dues to any financial institution, banks or issued any debentures during the year. Accordingly, Paragraph 4(xi) of the Order is not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Paragraph 4 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund, nidhi / mutual benefit fund / society. Accordingly, Paragraph 4 (xiii) of the Order is not applicable.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, Paragraph 4 (xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, Paragraph 4 (xv) of the Order is not applicable.
16. The Company has not taken term loan during the year. Accordingly, Paragraph 4(xvi) of the Order is not applicable.
17. According to the information and explanations given to us and overall examination of the balance sheet, we are of the opinion that, the Company has not utilized the funds raised on short-term basis have been used for long-term investment and vice versa. Accordingly, Paragraph 4(xvii) of the Order is not applicable.
18. The Company has not made any preferential allotment of shares to Companies / firms / parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Paragraph 4(xviii) of the Order is not applicable.
19. The Company has not issued any debentures during the year. Accordingly Paragraph 4(xix) of the Order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly Paragraph 4(xx) of the Order is not applicable.
21. According to the information & explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Bangalore.  
Date : May 6, 2009

**B. SUDHAKAR PAI**  
(Proprietor)  
Membership No. 18187

## FINANCIALS

### ASM Technologies Limited

#### Balance Sheet as at March 31, 2009

(Amount in Rupees)

Particulars	Sch No.	As At 31.03.2009	As At 31.03.2008
<b>SOURCE OF FUNDS</b>			
<b>1. SHAREHOLDERS FUND</b>			
a. Share Capital	1	50,000,000	50,000,000
b. Reserves & Surplus	2	71,058,986	39,124,952
<b>2. LOAN FUNDS</b>			
a. Secured loan	3	76,440,386	58,646,620
<b>TOTAL</b>		<b>197,499,372</b>	<b>147,771,572</b>
<b>3. APPLICATION OF FUNDS</b>			
<b>i. FIXED ASSETS (NET BLOCK)</b>	4	<b>42,111,676</b>	40,536,219
Capital work-in-progress		6,040,400	—
<b>ii. INVESTMENTS</b>	5	<b>9,804,416</b>	9,804,416
<b>iii. DEFERRED TAX ASSET</b>		<b>2,150,297</b>	3,414,558
<b>iv. CURRENT ASSETS, LOANS, ADVANCE &amp; DEPOSITS</b>			
a. Sundry Debtors	6	151,104,140	133,267,286
b. Cash & Bank balances	7	23,368,940	14,884,174
c. Loans & Advances	8	36,589,790	25,249,456
d. Deposits		569,980	577,730
		<b>211,632,850</b>	173,978,646
Less : Current Liabilities & Provisions			
Liabilities & Provisions	9	74,240,267	79,962,267
Net current assets		<b>137,392,583</b>	94,016,379
Significant accounting policies and notes on accounts	14		
<b>TOTAL</b>		<b>197,499,372</b>	<b>147,771,572</b>

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

## ASM Technologies Limited

### Profit & Loss Account for the Period ended March 31, 2009

(Amount in Rupees)

Particulars	Sch No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>INCOME</b>			
Domestic Sales		<b>331,036,344</b>	273,170,584
Export Sales		<b>131,272,538</b>	129,679,245
Other Income	10	<b>2,424,478</b>	1,975,529
<b>TOTAL - A</b>		<b>464,733,360</b>	404,825,358
<b>EXPENDITURE</b>			
Software development expenses	11	<b>377,109,287</b>	329,242,110
Administrative expenses	12	<b>26,906,543</b>	17,039,870
Financial Charges	13	<b>11,751,145</b>	9,134,460
Depreciation		<b>2,795,168</b>	3,418,245
<b>TOTAL - B</b>		<b>418,562,143</b>	358,834,685
<b>Profit / (Loss) before Tax</b>		<b>46,171,217</b>	45,990,673
Less : Provision for FBT		<b>549,256</b>	801,525
Less : Provision for current Tax		<b>6,573,915</b>	7,259,258
<b>Profit / (Loss) after Tax</b>		<b>39,048,046</b>	37,929,890
Less : Deferred Tax Asset / Liability Adjustment		<b>1,264,261</b>	1,012,036
<b>Profit / (Loss) after current &amp; deferred Tax adjustment</b>		<b>37,783,785</b>	36,917,854
Add previous year Surplus / Loss		<b>5,793,752</b>	(26,736,789)
<b>Amount Available for Appropriation</b>		<b>43,577,536</b>	10,181,065
Dividend		<b>5,000,000</b>	3,750,000
Dividend Tax		<b>849,750</b>	637,313
Amount Transferred to General Reserve		<b>5,000,000</b>	—
Balance in Profit and Loss account		<b>32,727,786</b>	5,793,752
<b>Earnings per share</b>			
(Equity shares, par value Rs. 10 each)			
Basic		<b>7.56</b>	7.38
Diluted		<b>7.56</b>	7.38
Significant accounting policies and notes on accounts	14		

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

## ASM Technologies Limited

### Cash Flow Statement for the year ended March 31, 2009

(Amount in lacs)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax & extraordinary items	<b>390.48</b>	379.30
<b>Adjustments for :</b>		
Depreciation	<b>27.95</b>	34.18
Interest Income	<b>(21.50)</b>	(15.72)
Deferred Taxation (Net)	<b>(12.64)</b>	(10.12)
Finance charges	<b>117.51</b>	91.34
Effect of exchange differences on translation of foreign currency cash & cash equivalent	<b>25.41</b>	(45.44)
Operating profit before working capital changes	<b>527.19</b>	433.54
<b>Adjustment for :</b>		
Trade payables	<b>(71.85)</b>	275.76
Trade & other receivables	<b>(291.69)</b>	(597.96)
Deferred Tax Asset	<b>12.64</b>	10.12
Working capital finance	<b>240.05</b>	158.00
Cash generated from operations	<b>416.34</b>	279.46
Finance charges	<b>(117.51)</b>	(91.34)
<b>Net cash from operating activities - A</b>	<b>298.83</b>	188.11
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	<b>(104.15)</b>	(36.44)
Proceeds on Disposal of Fixed Asset	<b>0.05</b>	—
Interest Income	<b>21.50</b>	15.72
<b>Net cash from Investing activities - B</b>	<b>(82.60)</b>	(20.72)
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>		
Long term borrowings	<b>(62.11)</b>	(190.71)
Dividend and Dividend Tax paid during the period	<b>(43.87)</b>	—
<b>Net cash from Finance activities - C</b>	<b>(105.98)</b>	(190.71)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	<b>(25.41)</b>	45.44
Net increase in cash and cash equivalents (A+ B+ C)	<b>84.85</b>	22.12
Cash & cash equivalents as at 1st April 2008	<b>148.84</b>	126.72
<b>Cash &amp; Cash equivalents as at March 31, 2009</b>	<b>233.69</b>	<b>148.84</b>

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

#### AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of ASM Technologies Limited, for the year ended March 31, 2009. The statement has been prepared by the Company in accordance with the requirement under Clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company for the year ended March 31, 2009.

**for SUDHAKAR PAI ASSOCIATES**  
Chartered Accountants

Place : Bangalore  
Date : May 6, 2009

**B. SUDHAKAR PAI**  
(Proprietor)

## ASM Technologies Limited

### Schedules to the Balance Sheet

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs. 10 each	<b>70,000,000</b>	70,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
50,00,000 Equity shares of Rs. 10 each	<b>50,000,000</b>	50,000,000
<b>TOTAL</b>	<b>50,000,000</b>	50,000,000
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
a. Capital reserve		
Profit on reissue of forfeited shares	<b>331,200</b>	331,200
Share premium account	<b>33,000,000</b>	33,000,000
b. General Reserve	<b>5,000,000</b>	—
c. Profit and Loss account	<b>32,727,786</b>	5,793,752
<b>TOTAL</b>	<b>71,058,986</b>	39,124,952
<b>SCHEDULE - 3 : SECURED LOAN</b>		
Cash Credit Account - SBI (Secured by hypothecation of inventory, receivables, personal guarantee by Managing Director, First charge on fixed assets and Lien on Fixed Deposits)	<b>51,995,227</b>	28,940,861
Factoring - SBI (Secured by hypothecation of receivables and personal guarantee by Managing Director)	<b>14,895,564</b>	13,944,754
Term Loan - SBI (Secured by First Charge on Land & Building and personal guarantee by Managing Director)	<b>8,760,739</b>	—
Term Loan - HDFC Bank (Secured by First Charge on Land & Building and personal guarantee by Managing Director)	—	14,533,726
Car Loan - HDFC Bank (Secured by Hypothecation of Car and personal guarantee by Managing Director)	<b>522,518</b>	706,489
Car Loan - ICICI Bank (Secured by Hypothecation of Car)	<b>266,337</b>	520,790
<b>TOTAL</b>	<b>76,440,386</b>	58,646,620

**ASM Technologies Limited**

**Schedules to Balance Sheet**

**SCHEDULE - 4 : FIXED ASSETS**

(Amount in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.08	Additions	Deletion	As on 31.03.09	For the Year	Deletion	As on 31.03.09	As on 31.03.08
Land-free-hold	20,513,786	—	—	20,513,786	—	—	20,513,786	20,513,786
Building	7,738,050	970,255	—	8,708,305	276,870	—	2,186,620	5,828,300
Machinery & Systems	33,022,051	1,639,172	5,400	34,655,823	1,657,194	1,000	28,364,500	6,313,745
Electrical Fittings	936,819	763,073	—	1,699,892	49,332	—	606,402	379,749
Furniture & Fixtures	5,498,590	225,082	—	5,723,672	348,002	—	3,803,010	2,043,582
Office Equipment	3,717,843	548,493	—	4,266,336	177,343	—	989,506	2,905,680
Vehicles	2,925,587	228,950	—	3,154,537	286,427	—	660,637	2,551,377
TOTAL	74,352,726	4,375,025	5,400	78,722,351	2,795,168	1,000	36,610,675	40,536,219
Previous Year	70,708,790	3,643,936	—	74,352,726	3,418,245	—	33,816,507	40,310,528

# ASM Technologies Limited

## Schedules to the Balance Sheet

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 5 : INVESTMENTS - at cost</b>		
Non Trade (Unquoted)		
1. Advanced Synergic Pte. Ltd., Singapore 1,00,000 equity shares of SGD 1 each in wholly owned Subsidiary	2,481,090	2,481,090
2. Pinnacle Talent Inc. USA (Including Application Money of USD 60,000) 1,00,00,000 equity shares of USD 0.01 each in wholly owned Subsidiary	7,323,326	7,323,326
<b>TOTAL</b>	<b>9,804,416</b>	<b>9,804,416</b>
<b>SCHEDULE - 6 : SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Over Six months	433,573	705,040
Others debts	150,670,567	132,562,246
<b>TOTAL</b>	<b>151,104,140</b>	<b>133,267,286</b>
<b>SCHEDULE - 7 : CASH AND BANK BALANCE</b>		
Cash on hand	48,017	15,529
Balance with Schedule banks:		
1. In current account	1,812,335	2,073,590
2. In deposit account	21,508,588	12,795,055
<b>TOTAL</b>	<b>23,368,940</b>	<b>14,884,174</b>
<b>SCHEDULE - 8 : LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good -advances recoverable in cash or in kind or for the value to be received)		
Advance to Employees	589,651	993,311
Interest accrued but not due	1,023,506	976,555
Tax deducted at source	32,567,105	22,123,382
Others	2,409,529	1,156,208
<b>TOTAL</b>	<b>36,589,790</b>	<b>25,249,456</b>
<b>SCHEDULE - 9 : LIABILITIES &amp; PROVISION</b>		
<b>Current Liabilities</b>		
Sundry Creditors	24,350,096	43,977,135
Other Liabilities & provisions	28,450,934	22,494,837
<b>TOTAL - A</b>	<b>52,801,030</b>	<b>66,471,972</b>
<b>Provisions</b>		
Provision for Taxation	15,589,487	9,102,982
Dividend	5,000,000	3,750,000
Dividend Tax	849,750	637,313
<b>TOTAL - B</b>	<b>21,439,237</b>	<b>13,490,295</b>
<b>TOTAL A + B</b>	<b>74,240,267</b>	<b>79,962,267</b>

## ASM Technologies Limited

### Schedules to the Balance Sheet

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 10 : OTHER INCOME</b>		
Interest received on deposits with banks and others	2,150,218	1,572,241
Miscellaneous Income	274,260	403,288
<b>TOTAL</b>	<b>2,424,478</b>	<b>1,975,529</b>
<b>SCHEDULE - 11 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges and overseas expenses	229,101,691	200,994,489
Salaries, bonus and other staff cost	147,289,865	127,608,883
Staff Welfare	717,731	638,738
<b>TOTAL</b>	<b>377,109,287</b>	<b>329,242,110</b>
<b>SCHEDULE - 12 : ADMINISTRATIVE OVERHEAD</b>		
Advertisement and Business Promotions	449,814	503,747
Audit fee	140,000	140,450
Bad Debt	1,709,973	1,178,920
Managing Director's remuneration	3,144,000	3,144,000
Exchange difference	2,540,530	(4,543,817)
Electricity & water	1,275,605	1,147,250
Insurance charges	178,757	589,119
Membership & subscription	1,544,582	971,807
Miscellaneous Expense	427,577	594,954
Office Maintenance	1,346,640	808,554
Postage, Courier, telephone, telex & fax charges	3,168,486	2,680,499
Printing & stationery	630,353	592,882
Professional Charges	3,271,140	3,363,877
Rates & Taxes	1,680,728	481,607
Rent	888,867	143,398
Repairs & maintenance	1,207,630	1,494,950
Travelling & Conveyance	2,969,897	3,629,573
Vehicle Maintenance	182,847	26,741
Visa Processing charges	149,117	91,359
<b>TOTAL</b>	<b>26,906,543</b>	<b>17,039,871</b>
<b>SCHEDULE - 13 : FINANCIAL CHARGES</b>		
Bank charges	1,492,001	980,328
Interest	10,259,144	8,154,132
<b>TOTAL</b>	<b>11,751,145</b>	<b>9,134,460</b>

## ASM Technologies Limited

### SCHEDULES TO THE BALANCE SHEET

#### SCHEDULE - 14 :

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. Significant Accounting Policies

1. The accounts of the Company have been prepared using the accrual method based on the historical cost convention.
2. **Income :** Sales include sale of software and service charges. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. Miscellaneous income mainly consisting of reimbursement of expenses and the same is accounted on accrual basis.
3. **Expenditure :** Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
4. **Fixed Assets :** Fixed Assets are stated at cost of acquisition less accumulated depreciation.
5. **Depreciation :** Depreciation is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased / sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition.
6. The Company's contribution to the Gratuity has been provided based on the calculation as per payment of Gratuity Act, 1972.
7. **Foreign currency transactions :** In case of sales made to clients outside India, income is accounted on the basis of the exchange rate prevailing on the date of sale. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.

## ASM Technologies Limited

### B. NOTES ON ACCOUNTS

(Rs. in lacs)

	As at 31.03.2009	As at 31.03.2008
<b>1. Managing Director's remuneration</b>		
a) Salary	30.00	30.00
b) Contribution to Provident Fund	1.44	1.44
<b>2. Payment to auditors</b>		
a) Audit fee	1.23	1.23
b) Tax audit fee (Inclusive of Service tax)	0.17	0.17
<b>3. Expenditure in foreign currency</b>		
a) Technical Consultancy & Living Expenses	2,007.39	1,811.88
b) Others	3.02	7.61
<b>4. Earnings in foreign currency</b>	1,312.73	1,282.34
<b>5.</b> Paisas are rounded off to the nearest rupee.		
<b>6.</b> Previous year figures have been regrouped / rearranged wherever necessary.		
<b>7.</b> Closing balance of sundry debtors and creditors are subject to confirmation.		
<b>8.</b> The operations of the Company are to develop software and the allied activities, which cannot be expressed in terms of units / quantity. Hence it is not possible to give the quantitative information as required by the Schedule VI of the Companies Act, 1956.		

### 9. Deferred Taxes

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

### 10. Related Party Transactions – (AS-18)

The Company had transactions with the following related parties.

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

IDS Systems Private Limited

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

Key Management Personnel : Mr. N. Krishnan, Mr. Harisimha, Mr. M.S. Rajesha and Ms. P.N. Lakshmi.

Summary of the Transactions with the above related parties for the financial year ending March 31, 2009 is as follows.

	Rs. in Lacs
<b>Wholly owned Subsidiaries</b>	
Purchase of Services	
Pinnacle Talent Inc.	2,007.39
<b>IDS Systems Private Limited</b>	
Sales & Reimbursement of expenses	2,075.07
<b>Directors and Key managerial persons</b>	
Remuneration to Management Director	31.44
Remuneration to Key Management Personnel	212.12

## ASM Technologies Limited

### 11. Earnings per share

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

### 12. Segment Reporting – (AS-17)

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

	31.03.2009 Rs. in Lacs
<b>Geographic Segment</b>	
Export Sales	1312.72
Domestic Sales	3,310.36
	<b>4,623.08</b>
<b>Other Income</b>	
Interest	21.50
Others	2.74
	<b>24.24</b>
<b>Particulars of Segment Asset and Liability</b>	
<b>Segment Assets</b>	
Outside India	147.09
India	2,550.86
<b>Investments</b>	
Outside India	98.04
India	—
<b>Segment Liabilities</b>	
Outside India	225.12
India	1,196.67

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

## ASM Technologies Limited

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

#### REGISTRATION DETAILS

State code	8
Registration No.	13421
Balance sheet date	31.03.2009

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

Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private placement	Nil

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

Total liabilities	271,740
Total assets	271,740

#### SOURCE OF FUNDS

Paid up capital	50,000
Reserves and surplus	71,058
Secured loan	76,440
Unsecured loan	Nil

#### APPLICATION OF FUNDS

Net fixed assets	48,151
Investments	9,804
Net current assets	137,392
Deferred Tax Asset	2,150
Miscellaneous expenditure	Nil

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

Turnover	462,308
Total expenditure	418,562
Profit before tax	46,171
Profit after tax	37,784
Earning per share (in Rs.)	7.56
Dividend rate	10%

#### GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

Item code No. (ITC Code)	85249009.10
Product description	Computer Software

## AUDITORS' REPORT

To The Share Holders of

**M/s. ASM Technologies Limited**

(on the Consolidated Financials of M/s. ASM Technologies Limited)

We have examined the attached Consolidated Balance Sheet of **M/s. ASM TECHNOLOGIES LIMITED** and its subsidiaries collectively called '**ASM Group**' as at March 31, 2009, the Consolidated Profit and Loss Account of ASM Group for the year ended on that date and the Consolidated Cash Flow Statement of the ASM Group for the year then ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. We did not Audit the Financial Statements of the subsidiary (Advanced Synergic Pte. Ltd.), with a net worth of Rs. 60.58 Lacs on March 31, 2009 and a profit of Rs. 11.74 Lacs for the year then ended, which have been audited by other auditors whose reports have been furnished to us. Our opinion, in so far as it relates to the amounts included in respect of such subsidiaries, is based solely on the report of the other auditors.
3. The consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21, in respect of Consolidated financial statements, issued by the Institute of Chartered Accountants of India.
4. In our opinion and on the basis of the information and explanation given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles the accounting principles generally accepted in India.
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the ASM Group as at March 31, 2009.
  - b) In the case of the Consolidated Profit & Loss Account, of the profit of the ASM Group for the year ended on that date; and
  - c) In the case of the Consolidated Cash Flow Statements, of the cash flows of the ASM Group for the year ended on that date.

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

Place : Bangalore.

Date : May 6, 2009

**B. SUDHAKAR PAI**  
(Proprietor)  
Membership No. 18187

**ASM Technologies Limited**  
Consolidated Financial Statements

**Balance Sheet as at March 31, 2009**

(Amount in Rupees)

Particulars	Sch No.	As At 31.03.2009	As At 31.03.2008
<b>SOURCE OF FUNDS</b>			
<b>1. SHAREHOLDERS FUND</b>			
a. Share Capital	1	50,000,000	50,000,000
b. Reserves & Surplus	2	80,514,802	44,231,112
<b>2. LOAN FUNDS</b>			
a. Secured loan	3	105,976,939	100,772,528
<b>TOTAL</b>		<b>236,491,741</b>	<b>195,003,640</b>
<b>3. APPLICATION OF FUNDS</b>			
<b>i. FIXED ASSETS (NET BLOCK)</b>	4	<b>60,780,587</b>	48,769,840
Capital Work-in-progress		6,040,400	—
<b>ii. DEFERRED TAX ASSET</b>		<b>2,150,297</b>	3,414,558
<b>iii. CURRENT ASSETS, LOANS, ADVANCE &amp; DEPOSITS</b>			
a. Sundry Debtors	5	221,286,092	193,690,458
b. Cash & Bank balances	6	27,566,337	18,819,214
c. Loans & Advances	7	37,005,458	25,363,263
d. Deposits		1,299,627	1,109,092
		<b>287,157,514</b>	238,982,027
Less : Current Liabilities & Provisions			
Liabilities & Provisions	8	119,637,057	96,162,785
Net current assets		<b>167,520,457</b>	142,819,241
Significant accounting policies and notes on accounts	13		
<b>TOTAL</b>		<b>236,491,741</b>	<b>195,003,640</b>

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

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

**Profit & Loss Account for the Period ended March 31, 2009**

(Amount in Rupees)

Particulars	Sch No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>INCOME</b>			
Domestic Sales		<b>331,036,344</b>	273,170,584
Export Sales		<b>464,950,797</b>	409,499,226
Other Income	9	<b>3,569,592</b>	5,645,918
<b>TOTAL - A</b>		<b>799,556,733</b>	688,315,728
<b>EXPENDITURE</b>			
Software development expenses	10	<b>688,869,746</b>	590,938,791
Administrative expenses	11	<b>44,034,090</b>	33,475,200
Financial Charges	12	<b>13,265,148</b>	11,382,728
Depreciation		<b>3,505,062</b>	3,995,247
<b>TOTAL - B</b>		<b>749,674,046</b>	639,791,966
<b>Profit / (Loss) before Tax</b>		<b>49,882,687</b>	48,523,762
Less : Provision for FBT		<b>549,256</b>	801,525
Less : Provision for current Tax		<b>7,117,932</b>	8,181,599
<b>Profit / (Loss) after Tax</b>		<b>42,215,499</b>	39,540,639
Less : Deferred Tax Asset / Liability Adjustment		<b>1,264,261</b>	1,012,036
<b>Profit / (Loss) after current &amp; deferred Tax adjustment</b>		<b>40,951,238</b>	38,528,603
Add : previous year Surplus / Loss		<b>10,899,912</b>	(23,241,377)
<b>Amount Available for Appropriation</b>		<b>51,851,150</b>	15,287,225
Dividend		<b>5,000,000</b>	3,750,000
Dividend Tax		<b>849,750</b>	637,313
Amount Transferred to General Reserve		<b>5,000,000</b>	—
Balance in Profit and Loss account		<b>41,001,400</b>	10,899,912
<b>Earnings per share</b>			
(Equity shares, par value Rs. 10 each)			
Basic		<b>8.19</b>	7.71
Diluted		<b>8.19</b>	7.71
Significant accounting policies and notes on accounts	13		

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

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

**Cash Flow Statement for the period ended March 31, 2009**

(Amount in lacs)

<b>Particulars</b>	<b>As At 31.03.2009</b>	<b>As At 31.03.2008</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax & extraordinary items	<b>422.15</b>	485.24
<b>Adjustments for :</b>		
Depreciation	<b>35.05</b>	39.95
Interest Income	<b>(21.50)</b>	(22.48)
Deferred Taxation (Net)	<b>(12.64)</b>	(10.12)
Finance charges	<b>132.65</b>	113.83
Effect of exchange differences on translation of foreign currency cash & cash equivalent	<b>12.20</b>	(1.11)
Operating profit before working capital changes	<b>567.92</b>	605.30
<b>Adjustment for :</b>		
Trade payables	<b>278.61</b>	(16.13)
Trade & other receivables	<b>(394.28)</b>	(636.74)
Deferred Tax Asset	<b>12.64</b>	10.12
Working capital finance	<b>130.02</b>	304.73
Cash generated from operations	<b>594.91</b>	267.28
Finance charges	<b>(132.65)</b>	(113.83)
<b>Net cash from operating activities - A</b>	<b>462.26</b>	153.44
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	<b>(215.62)</b>	(104.58)
Proceeds on Disposal of Fixed Asset	<b>0.05</b>	—
Interest Income	<b>21.50</b>	22.48
<b>Net cash from Investing activities - B</b>	<b>(194.07)</b>	(82.10)
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>		
Long term borrowings	<b>(77.98)</b>	(42.27)
Dividend and Dividend Tax paid during the period	<b>(43.87)</b>	—
<b>Net cash from Finance activities - C</b>	<b>(121.85)</b>	(42.27)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	<b>(0.37)</b>	1.11
Net increase in cash and cash equivalents (A+ B+ C)	<b>145.97</b>	30.19
Cash & cash equivalents as at April 1, 2008	<b>188.19</b>	157.99
<b>Cash &amp; Cash equivalents as at March 31, 2009</b>	<b>334.16</b>	<b>188.19</b>

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**AUDITOR'S CERTIFICATE**

We have examined the above Consolidated cash flow statement of ASM Technologies Group, for the year ended March 31, 2009. The statement has been prepared by the Company in accordance with the requirement under Clause 32 of the listing agreement with stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company for the year ended March 31, 2009.

**for SUDHAKAR PAI ASSOCIATES**  
Chartered Accountants

Place : Bangalore  
Date : May 6, 2009

**B. SUDHAKAR PAI**  
(Proprietor)

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

**Schedules to the Balance Sheet**

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs. 10 each	<b>70,000,000</b>	70,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
50,00,000 Equity shares of Rs. 10 each	<b>50,000,000</b>	50,000,000
<b>TOTAL</b>	<b>50,000,000</b>	50,000,000
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
a. Capital reserve		
Foreign Currency Translation Reserve	<b>1,182,202</b>	—
Profit on reissue of forfeited shares	<b>331,200</b>	331,200
Share premium account	<b>33,000,000</b>	33,000,000
b. General Reserve	<b>5,000,000</b>	—
c. Profit and Loss account	<b>46,001,400</b>	10,899,912
<b>TOTAL</b>	<b>80,514,802</b>	44,231,112
<b>SCHEDULE - 3 : SECURED LOAN</b>		
Working Capital	<b>92,157,739</b>	79,155,471
(Working Capital in India is Secured by hypothecation of receivables, personal guarantee by Managing Director & First charge on fixed assets. Working capital in USA is secured by hypothecation of receivables and personal guarantee by President of the subsidiary and the working capital in Singapore is secured by hypothecation of receivables and corporate guarantee by HO)		
Term Loan		
(Secured by First Charge on Land & Building and personal guarantee by Managing Director and term loan on vehicles are secured by hypothecation of vehicles)	<b>13,819,200</b>	21,617,057
<b>TOTAL</b>	<b>105,976,939</b>	100,772,528

**ASM Technologies Limited**  
Consolidated Financial Statements

**Schedules to Balance Sheet**

**SCHEDULE - 4 : FIXED ASSETS**

(Amount in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.08	Additions	Deletion	As on 31.03.08	For the Year	Deletion	As on 31.03.09	As on 31.03.08
Land-free-hold	20,513,786	—	—	—	—	—	20,513,786	20,513,786
Building	7,738,050	970,255	—	1,909,750	276,870	—	6,521,685	5,828,300
Machinery & Systems	48,081,090	1,655,166	5,400	39,546,193	1,759,880	—	8,424,783	8,534,897
Electrical Fittings	936,819	763,073	—	557,070	49,332	—	1,093,490	379,749
Furniture & Fixtures	5,498,590	225,082	—	3,455,008	348,002	—	1,920,662	2,043,582
Office Equipment	3,767,236	548,493	—	837,842	187,010	—	3,290,877	2,929,394
Vehicles	2,925,587	228,950	—	374,210	286,427	—	2,493,900	2,551,377
Goodwill	6,119,050	11,130,190	—	130,294	597,541	—	16,521,405	5,988,756
<b>TOTAL</b>	<b>95,580,208</b>	<b>15,521,209</b>	<b>5,400</b>	<b>46,810,367</b>	<b>3,505,062</b>	<b>—</b>	<b>60,780,587</b>	<b>48,769,840</b>
<b>Previous Year</b>	<b>85,122,632</b>	<b>10,457,576</b>	<b>—</b>	<b>42,815,120</b>	<b>3,995,247</b>	<b>—</b>	<b>48,769,840</b>	<b>42,307,512</b>

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

**Schedules to the Balance Sheet**

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 5 : SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Over Six months	7,523,112	705,040
Others debts	213,762,980	192,985,418
<b>TOTAL</b>	<b>221,286,092</b>	<b>193,690,458</b>
<b>SCHEDULE - 6 : CASH AND BANK BALANCE</b>		
Cash on hand	48,685	16,107
Balance with Schedule banks :		
1. In current account	2,082,119	2,858,143
2. In deposit account	25,435,533	15,944,964
<b>TOTAL</b>	<b>27,566,337</b>	<b>18,819,214</b>
<b>SCHEDULE - 7 : LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good - advances recoverable in cash or in kind or for the value to be received)		
Advance to Employees	699,407	993,311
Interest accrued but not due	1,042,410	976,555
Tax deducted at source	32,567,105	22,123,382
Others	2,696,536	1,270,015
<b>TOTAL</b>	<b>37,005,458</b>	<b>25,363,263</b>
<b>SCHEDULE - 8 : LIABILITIES &amp; PROVISION</b>		
<b>Current Liabilities</b>		
Sundry Creditors	59,602,434	59,529,338
Other Liabilities & provisions	39,872,403	22,554,792
<b>TOTAL - A</b>	<b>99,474,837</b>	<b>82,084,130</b>
<b>Provisions</b>		
Provision for Taxation	14,312,470	9,691,342
Dividend	5,000,000	3,750,000
Dividend Tax	849,150	637,313
<b>TOTAL - B</b>	<b>20,162,220</b>	<b>14,078,655</b>
<b>TOTAL A + B</b>	<b>119,637,057</b>	<b>96,162,785</b>

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

**Schedules to the Balance Sheet**

(Amount in Rupees)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 9 : OTHER INCOME</b>		
Interest received on deposits with banks and others	2,150,218	2,248,412
Miscellaneous Income	1,419,374	3,397,506
<b>TOTAL</b>	<b>3,569,592</b>	<b>5,645,918</b>
<b>SCHEDULE - 10 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges and overseas expenses	443,078,596	398,352,967
Salaries, bonus and other staff cost	244,852,208	191,727,723
Staff Welfare	938,942	858,101
<b>TOTAL</b>	<b>688,869,746</b>	<b>590,938,791</b>
<b>SCHEDULE - 11 : ADMINISTRATIVE OVERHEAD</b>		
Advertisement and Business Promotions	981,400	776,760
Audit fee	329,406	283,965
Bad Debt	1,709,973	1,178,920
Managing Director's remuneration	3,144,000	3,144,000
Exchange difference	1,219,598	(111,265)
Electricity & water	1,303,736	1,190,754
Insurance charges	1,254,735	589,119
Membership & subscription	3,466,672	2,420,641
Miscellaneous Expense	3,002,781	1,033,228
Office Maintenance	1,677,148	1,213,354
Postage, Courier, telephone, telex & fax charges	6,066,779	4,933,019
Printing & stationery	679,698	668,743
Professional Charges	4,875,802	4,881,880
Rates & Taxes	1,735,498	513,898
Rent	6,314,825	3,051,751
Repairs & maintenance	1,408,937	1,770,998
Travelling & Conveyance	3,202,341	4,018,813
Vehicle Maintenance	542,733	91,408
Visa Processing charges	1,118,028	1,825,214
<b>TOTAL</b>	<b>44,034,090</b>	<b>33,475,201</b>
<b>SCHEDULE - 12 : FINANCIAL CHARGES</b>		
Bank charges	2,028,970	1,345,863
Interest	11,236,178	10,036,865
<b>TOTAL</b>	<b>13,265,148</b>	<b>11,382,728</b>

**SCHEDULES TO BALANCE SHEET**

**SCHEDULE - 13 :**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

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

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

And a Step down subsidiary ESR Associates Inc, USA

**A. SIGNIFICANT ACCOUNTING POLICIES**

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

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

2. **Income** : Sales include sale of software and service charges. Revenue from sale of software is recognized wherever the sale has been completed with the passing of the title and billed to the clients as per the specific contracts. Revenue from sale of software services is recognized on the basis of percentage of completion method. There is a change in the Accounting Policy in recognizing the Software Services revenue, which in our opinion does not have any material effect on the financial statements. Other income mainly consisting of reimbursement of expenses and the same is accounted on accrual basis.
3. **Expenditure** : Expenses are accounted on accrual basis and provision for known liabilities or loss made in the same year.
4. **Fixed Assets** : Fixed Assets are stated at cost of acquisition less accumulated depreciation.
5. **Depreciation** : Depreciation is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation for the assets purchased / sold during the year is proportionately charged. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. In Pinnacle Talent Inc., depreciation on Computer and Software is provided on straight-line method at 20%. In Advanced Synergic Pte. Ltd., depreciation is provided at 100% for Computers and 33.33% for the Office Equipments.
6. The Company's contribution to the Gratuity has been provided based on the calculation as per Payment of Gratuity Act, 1972.
7. **Foreign currency transactions** : In case of sales made to clients outside India, income is accounted on the basis of exchange rate prevailing on the date of transaction. Adjustments are made for any change in sales proceeds on conversion into Indian currency upon actual receipt. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Debtors and Creditors are stated at exchange rate prevailing on the date of Balance Sheet.

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

**B. NOTES ON ACCOUNTS**

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

**2. Related Party Transactions – (AS-18)**

The Company had transactions with the following related parties.

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

Step down Subsidiary : ESR Associates Inc., USA.

IDS Systems Pvt. Ltd.

Directors : ASM Technologies Limited

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

Directors : Advanced Synergic Pte. Ltd.

Mr. Venkataramaiyer Sivaramakrishnan and Mr. Rabindra Srikantan

Key Management Personnel : Mr. Sundar Ramanathan, Mr. N. Krishnan, Mr. Shalabh Singh, Mr. Harisimha, Mr. Rajesha M.S., Ms. P.N. Lakshmi.

Summary of the Transactions with the above related parties for the financial year ending March 31, 2009 are as follows.

	<b>Rs. in Lacs</b>
Remuneration to Directors	31.44
Remuneration to Key Management Personnel	59.48
IDS Systems Private Limited	
Sales & Reimbursement of expenses	2,075.07

**3. Earnings per share**

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

**4. Deferred Taxes**

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

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

**5. Segment Reporting – (AS-17)**

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

	<b>31.03.2009</b>
	<b>Rs. in Lacs</b>
<b>Geographic Segment</b>	
Export Sales	4,649.51
Domestic Sales	3,310.36
	<b>7,959.87</b>
<b>Other Income</b>	
Interest	21.50
Others	14.19
	<b>35.69</b>
<b>Particulars of Segment Asset and Liability</b>	
<b>Segment Assets</b>	
Outside India	990.98
India	2,550.86
<b>Segment Liabilities</b>	
Outside India	974.46
India	1,196.67

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

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

**B. Sudhakar Pai**  
(Proprietor)

Place : Bangalore  
Date : May 6, 2009

## **Pinnacle Talent Inc.**

### **Statement Regarding Subsidiary Company**

(Pursuant to Section 212 of the Companies Act, 1956)

- |   |  |
|---|--|
| 1. Name of the Subsidiary Company   | Pinnacle Talent Inc.                                   |
| 2. Financial year ended   | March 31, 2009   |
| 3. Holding Company's Interest   | 10000000 equity share of US \$ 0.01 each fully paid up |
| 4. Extent of holding  | 100%   |
| 5. Net aggregate amounts of profit / (Loss) in the Subsidiary Company to the extent these concern the Members of the Holding Company and not dealt with in the attached accounts of the Holding Company is as follows |  |
| For the year ended March 31, 2009   | US \$ 33,930   |
| Previous year ended March 31, 2008  | US \$ 51,985   |
| 6. As the financial year of the subsidiary Company coincides with the Financial year of the Holding Company, Section 212(5) of the act is not applicable.   |  |

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For and on behalf of the Board

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

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### **PINNACLE TALENT INC.**

2020, Calamos Court, Suite 200, Naperville  
IL 60563-2793, USA

#### **Directors' Report**

To the Members,

Your Directors have pleasure in submitting their Eleventh Annual Report and Accounts for the year ended March 31, 2009. Pinnacle Talent Inc. is a wholly owned subsidiary of ASM Technologies Limited. The Company's operation during the year ended March 31, 2009 resulted in a profit of US \$ 33,930 (approx. Rs. 1.72 Million).

Your Directors do not recommend any dividend for the year ended March 31, 2009.

For and on behalf of the Board

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
President

## AUDITORS' REPORT

To The Members of  
**M/s. Pinnacle Talent Inc.**

We have audited the attached Balance Sheet of **M/s. Pinnacle Talent Inc.** (the Company), as at March 31, 2009, the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further we report that,

1. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
3. the Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
4. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
  - b) In the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date.

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

Place : Bangalore.  
Date : May 6, 2009

**B. SUDHAKAR PAI**  
(Proprietor)  
Membership No. 18187

**Pinnacle Talent Inc.**

# 2020, Calamos Court, Suite 200, Naperville, IL 60563-2793, USA

**Balance Sheet as at March 31, 2009**

Particulars	Sch No.	As at 31.03.2009 Amount in USD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in USD	As at 31.03.2008 Amount in Rs.
<b>SOURCE OF FUNDS</b>					
<b>1. SHAREHOLDERS FUND</b>					
a. Share Capital	1	160,000	8,152,000	160,000	8,152,000
b. Reserves & Surplus	2	100,656	5,128,425	66,726	3,399,690
<b>2. LOAN FUNDS</b>					
a. Secured loans	3	375,733	19,143,595	480,691	24,491,206
<b>TOTAL</b>		<b>636,389</b>	<b>32,424,020</b>	<b>707,417</b>	<b>36,042,896</b>
<b>APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS (NET BLOCK)</b>	4	<b>3,788</b>	<b>192,998</b>	4,705	239,720
<b>2. CURRENT ASSETS, LOANS, ADVANCE &amp; DEPOSITS</b>					
a. Sundry Debtors	5	1,445,444	73,645,372	1,984,423	101,106,352
b. Loans, Advances & Deposits		7,250	369,388	3,250	165,587
		<b>1,452,694</b>	<b>74,014,760</b>	1,987,673	101,271,939
Less : Current Liabilities & Provisions					
Liabilities & Provisions	6	820,093	41,783,738	1,284,961	65,468,763
Net current assets		<b>632,601</b>	<b>32,231,022</b>	702,712	35,803,176
Significant accounting policies and notes on accounts	10				
<b>TOTAL</b>		<b>636,389</b>	<b>32,424,020</b>	<b>707,417</b>	<b>36,042,896</b>

*The conversion rate of 1 US \$ = Rs. 50.95*

## Pinnacle Talent Inc.

### Profit & Loss Account for the Year ended March 31, 2009

Particulars	Sch No.	As at 31.03.2009 Amount in USD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in USD	As at 31.03.2008 Amount in Rs.
<b>INCOME</b>					
Sale of Services		9,240,326	470,794,610	8,881,503	452,512,578
Other Income		22,808	1,162,068	64,191	3,270,531
<b>Total - A</b>		<b>9,263,134</b>	<b>471,956,678</b>	8,945,694	455,783,109
<b>EXPENDITURE</b>					
Employee Cost	7	8,934,802	455,228,161	8,531,637	434,686,905
Administrative expenses	8	221,974	11,309,576	310,376	15,813,657
Financial Charges	9	27,575	1,404,946	32,333	1,647,366
Depreciation		1,231	62,719	1,135	57,828
<b>Total - B</b>		<b>9,185,582</b>	<b>468,005,402</b>	8,875,481	452,205,756
<b>Profit / (Loss) before Tax</b>		<b>77,552</b>	<b>3,951,276</b>	70,213	3,577,353
Less : Provision for Tax		5,747	292,810	5,800	295,510
Income Tax Paid		37,875	1,929,731	12,428	633,207
<b>Profit / (Loss) after Tax</b>		<b>33,930</b>	<b>1,728,735</b>	51,985	2,648,636
Add previous year Surplus / (Loss)		66,726	3,399,690	14,741	751,054
<b>Profit / (Loss) transferred to Balance Sheet</b>		<b>100,656</b>	<b>5,128,425</b>	66,726	3,399,690
<b>Earnings per share</b> (Equity shares, par value US \$ 0.01 each)					
Basic		0.003	0.173	0.005	0.265
Diluted		0.003	0.173	0.005	0.265
Significant accounting policies and notes on accounts	10				

## Pinnacle Talent Inc.

### Cash Flow Statement for the year ended March 31, 2009

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax & extraordinary items	33,930	1,356,182	51,985	2,077,840
<b>Adjustments for :</b>				
Depreciation	1,231	49,203	1,135	45,366
Finance charges	27,575	1,102,173	32,333	1,292,350
Operating profit before working capital changes	62,736	2,507,558	85,453	3,415,556
<b>Adjustment for :</b>				
Trade payables	(464,868)	(18,580,774)	69,415	2,774,518
Trade & other receivables	534,979	21,383,111	(325,778)	(13,021,347)
Working capital finance	(104,958)	(4,195,171)	205,639	8,219,391
Cash generated from operations	27,889	1,114,723	34,729	1,388,118
Finance charges	27,575	1,102,173	(32,333)	(1,292,350)
<b>Net cash from operating activities - A</b>	<b>314</b>	<b>12,551</b>	<b>2,396</b>	<b>95,768</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	(314)	(12,551)	(2,396)	(95,768)
<b>Net cash from Investing activities - B</b>	<b>(314)</b>	<b>(12,551)</b>	<b>(2,396)</b>	<b>(95,768)</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Share application money received	—	—	—	—
Long term borrowings	—	—	—	—
<b>Net cash from Finance activities - C</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Cash & cash equivalents as at April 1, 2008	—	—	—	—
<b>Cash &amp; Cash equivalents as at March 31, 2009</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Pinnacle Talent Inc.

### Schedules to the Balance Sheet

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>				
<b>Authorised :</b>				
100,00,000 Equity shares of USD 0.01 each	<b>100,000</b>	<b>5,095,000</b>	100,000	5,095,000
<b>Issued, Subscribed &amp; Paid up</b>				
100,00,000 Equity shares of USD 0.01 each	<b>100,000</b>	<b>5,095,000</b>	100,000	5,095,000
Application money	<b>60,000</b>	<b>3,057,000</b>	60,000	3,057,000
<b>TOTAL</b>	<b>160,000</b>	<b>8,152,000</b>	160,000	8,152,000
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>				
Profit and Loss Account	<b>100,656</b>	<b>5,128,425</b>	66,726	3,399,690
<b>TOTAL</b>	<b>100,656</b>	<b>5,128,425</b>	66,726	3,399,690
<b>SCHEDULE - 3 : SECURED LOAN</b>				
Working Capital	<b>375,733</b>	<b>19,143,595</b>	480,691	24,491,206
(working capital is secured by hypothecation of receivables and personal guarantee by President of the subsidiary)				
<b>TOTAL</b>	<b>375,733</b>	<b>19,143,595</b>	480,691	24,491,206

**Pinnacle Talent Inc.**

**Schedules to Balance Sheet**

**SCHEDULE - 4 : FIXED ASSETS**

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 31.03.08		Additions		As on 31.03.09		As on 31.03.08		For the Period		As on 31.03.09		As on 31.03.09		As on 31.03.08	
	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.
Machinery & Software	227,495	11,590,870	—	—	227,495	11,590,870	223,005	11,362,105	1,055	53,752	224,060	11,415,857	3,435	175,013	4,490	228,766
Office Equipment	323	16,457	314	15,998	637	32,455	108	5,503	176	8,967	284	14,470	353	17,985	215	10,954
<b>TOTAL</b>	<b>227,818</b>	<b>11,607,327</b>	<b>314</b>	<b>15,998</b>	<b>228,132</b>	<b>11,623,325</b>	<b>223,113</b>	<b>11,367,608</b>	<b>1,231</b>	<b>62,719</b>	<b>224,344</b>	<b>11,430,327</b>	<b>3,788</b>	<b>192,998</b>	<b>4,705</b>	<b>239,720</b>
<b>Previous Year</b>	<b>225,422</b>	<b>11,485,251</b>	<b>2,396</b>	<b>122,076</b>	<b>227,818</b>	<b>11,607,327</b>	<b>221,978</b>	<b>11,309,779</b>	<b>1,135</b>	<b>57,828</b>	<b>223,113</b>	<b>11,367,607</b>	<b>4,705</b>	<b>239,720</b>	<b>3,444</b>	<b>175,472</b>

## Pinnacle Talent Inc.

### Schedules to the Balance Sheet

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
<b>SCHEDULE - 5 : SUNDRY DEBTORS</b>				
(Unsecured considered good)				
Over Six months	—	—	—	—
Others debts	1,445,444	73,645,372	1,984,423	101,106,352
<b>TOTAL</b>	<b>1,445,444</b>	<b>73,645,372</b>	<b>1,984,423</b>	<b>101,106,352</b>
<b>SCHEDULE - 6 : LIABILITIES &amp; PROVISION</b>				
<b>Current Liabilities</b>				
Sundry Creditors	719,535	36,660,308	1,106,798	56,391,358
Other Liabilities & provisions	94,811	4,830,621	172,363	8,781,895
<b>Total - A</b>	<b>814,346</b>	<b>41,490,929</b>	<b>1,279,161</b>	<b>65,173,253</b>
<b>Provisions</b>				
Provision for Taxation	5,747	292,810	5,800	295,510
<b>Total - B</b>	<b>5,747</b>	<b>292,810</b>	<b>5,800</b>	<b>295,510</b>
<b>TOTAL A + B</b>	<b>820,093</b>	<b>41,783,738</b>	<b>1,284,961</b>	<b>65,468,763</b>
<b>SCHEDULE - 7 : EMPLOYEE COST</b>				
Consultancy charges	6,506,411	331,501,640	6,613,025	336,933,624
Salaries, bonus and other staff cost	2,428,391	123,726,521	1,918,612	97,753,281
<b>TOTAL</b>	<b>8,934,802</b>	<b>455,228,161</b>	<b>8,531,637</b>	<b>434,686,905</b>
<b>SCHEDULE - 8 : ADMINISTRATIVE OVERHEAD</b>				
Audit fee	1,000	50,950	1,000	50,950
Advertisement & Business promotions	—	—	2,983	151,984
Insurance charges	12,723	648,237	11,992	610,992
Membership & subscription	34,383	1,751,814	27,922	1,422,626
Miscellaneous Expense	12,001	611,451	2,430	123,809
Postage, Courier, Telephone, telex & fax charges	35,169	1,791,861	34,667	1,766,284
Professional Charges	2,522	128,496	33,443	1,703,921
Rent	40,221	2,049,260	44,015	2,242,564
Repairs & maintenance	4,377	223,008	5,422	276,251
Travelling & Conveyance	58,914	3,001,668	104,465	5,322,492
Visa Processing charges	20,664	1,052,831	42,037	2,141,785
<b>TOTAL</b>	<b>221,974</b>	<b>11,309,576</b>	<b>310,376</b>	<b>15,813,657</b>
<b>SCHEDULE - 9 : FINANCIAL CHARGES</b>				
Bank charges	7,895	402,250	6,674	340,040
Interest	19,680	1,002,696	25,659	1,307,326
<b>TOTAL</b>	<b>27,575</b>	<b>1,404,946</b>	<b>32,333</b>	<b>1,647,366</b>

## **Pinnacle Talent Inc.**

### **SCHEDULE - 10 : Notes to Financial Statements**

#### **1. Summary of Significant Accounting Policies**

##### **Nature of Activities**

Pinnacle Talent Inc. was incorporated in California to provide software development talent to business. It is a wholly owned subsidiary of ASM Technologies Limited, whose headquarters is in Bangalore, India. The accompanying financial statements are for Pinnacle Talent Inc. only and do not include assets, liabilities, income or expense for ASM Technologies Limited, other than amounts owing to or from ASM Technologies Limited.

##### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

##### **Accounts Receivable**

The Company does not maintain an allowance for estimated uncollectable accounts. When an account is determined uncollectable it will be deducted from the accounts receivable and will be charged to sales and service account.

##### **Equipment**

Equipment is recorded at cost. Depreciation, for tax purposes, is provided using the prevailing income tax statutes. For year ended March 31, 2009, the depreciation expense is US \$ 1,231 for book purposes.

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Statement Regarding Subsidiary Company**  
(Pursuant to Section 212 of the Companies Act, 1956)

- |   |  |
|---|--|
| 1. Name of the Subsidiary Company   | Advanced Synergic Pte. Ltd.                      |
| 2. Financial year ended   | March 31, 2009                                   |
| 3. Holding Company's Interest   | 100000 equity share of S \$ 1 each fully paid up |
| 4. Extent of holding  | 100%   |
| 5. Net aggregate amounts of profit / (Loss)<br>in the Subsidiary Company to the extent these<br>concern the Members of the Holding Company<br>and not dealt with in the attached accounts of<br>the Holding Company is as follows |  |
| For the year ended March 31, 2009   | S \$ 35,112                                      |
| Previous year ended March 31, 2008  | S \$ 28,544                                      |
| 6. As the financial year of the subsidiary Company coincides with the Financial year of the Holding Company, Section 212 (5) of the act is not applicable.  |  |

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For and on behalf of the Board

Place : Singapore  
Date : May 6, 2009

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

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**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**REPORT OF THE DIRECTORS**

The Directors present their report to the members together with the audited financial statements of the Company for the year ended March 31, 2009.

**Directors :**

The Directors of the Company in office at the date of this report are:-

**RABINDRA SRIKANTAN**  
**VENKATARAMAIYER SIVARAMAKRISHNAN**

**Arrangements to enable directors to acquire shares or debentures :**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

**Directors' Interest in Shares or Debentures :**

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act, Cap. 50 are as follows :

<b>Shares in Ultimate Holding Company :</b>		<b>Share of Rupees 10/- each</b>
<b>Names of the Director</b>	<b>At the beginning of the year</b>	<b>At the end of the year</b>
RABINDRA SRIKANTAN	2,093,886	2,093,886

No director who held office at the end of the financial year had interests in share options, warrants or debentures of the Company, or related corporations, either at the beginning of the financial year or at the end of the financial year.

**Directors' Contractual Benefits :**

During the year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member or with a Company in which he has a substantial financial interest other than those disclosed in the financial statements.

**Options Granted :**

During the year, there were no options to take up unissued shares of the Company.

**Options Exercised :**

During the year, no shares have been issued by virtue of the exercise of options granted.

**Options Outstanding :**

There were no share options outstanding, as at March 31, 2009.

**Auditors :**

The Auditors, M/s. MGI N. Rajan Associates, have expressed their willingness to accept re-appointment.

On behalf of the Directors,

**RABINDRA SRIKANTAN**

**VENKATARAMAIYER**  
**SIVARAMAKRISHNAN**

Place : Singapore  
Date : May 6, 2009

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the accompanying balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes thereon, are drawn up in accordance with and comply with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of the Directors authorised these financial statements for the issue on May 6, 2009.

On behalf of the Directors,

**RABINDRA SRIKANTAN**

**VENKATARAMAIYER  
SIVARAMAKRISHNAN**

Place : Singapore / India

Date : May 6, 2009

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCED SYNERGIC PTE. LTD.**  
(Incorporated in Singapore)

We have audited the accompanying financial statements of **ADVANCED SYNERGIC PTE. LTD.** set out on pages 6 to 19, which comprise the balance sheet of the Company as at March 31, 2009, the statement of changes in equity of the Company, the profit and loss account and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements :**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes :

- a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- b) selecting and applying appropriate accounting policies; and
- c) making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility :**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion :**

In our opinion :-

- a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the results, changes in equity of the Company and the cash flows of the Company for the year ended March 31, 2009; and
- b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Place : Singapore  
Date : May 6, 2009

**MGI N. RAJAN ASSOCIATES**  
**Certified Public Accountants**

**Advanced Synergic Pte. Ltd.**

# 30, Toh Guan Road, # 08-03A, ODC Distri Center, Singapore 608 840

**(Incorporated in the Republic of Singapore)****Balance Sheet as at March 31, 2009**

Particulars	Sch No.	As at 31.03.2009 Amount in SGD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in SGD	As at 31.03.2008 Amount in Rs.
<b>SOURCE OF FUNDS</b>					
<b>1. SHAREHOLDERS FUND</b>					
a. Share Capital	1	100,000	3,344,000	100,000	3,344,000
b. Reserves & Surplus	2	181,175	6,058,492	146,063	4,884,347
<b>2. LOAN FUNDS</b>					
a. Secured loans	3	289,071	9,666,535	792,635	26,505,714
<b>TOTAL</b>		<b>570,246</b>	<b>19,069,027</b>	<b>1,038,698</b>	<b>34,734,061</b>
<b>3. APPLICATION OF FUNDS</b>					
<b>i) FIXED ASSETS (NET BLOCK)</b>	4	<b>291</b>	<b>9,731</b>	<b>581</b>	<b>19,428</b>
<b>ii) INVESTMENT</b>	4	<b>145,050</b>	<b>4,850,472</b>	<b>145,050</b>	<b>4,850,472</b>
<b>iii) CURRENT ASSETS, LOANS, ADVANCE &amp; DEPOSITS</b>					
a. Sundry Debtors	5	739,191	24,718,547	859,295	28,734,825
b. Cash & Bank balances	6	118,159	3,951,237	108,979	3,644,258
c. Loans & Advances	7	181,801	6,079,425	193,856	6,482,545
d. Deposits		9,388	313,936	6,388	213,614
		<b>1,048,539</b>	<b>35,063,145</b>	<b>1,168,518</b>	<b>39,075,242</b>
Less : Current Liabilities & Provisions					
Liabilities & Provisions	8	623,634	20,854,321	275,451	9,211,081
Net current assets		<b>424,905</b>	<b>14,208,824</b>	<b>893,067</b>	<b>29,864,161</b>
<b>TOTAL</b>		<b>570,246</b>	<b>19,069,027</b>	<b>1,038,698</b>	<b>34,734,061</b>

*The conversion rate of 1 SGD = Rs. 33.44*

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Profit & Loss Account for the Year ended March 31, 2009**

Particulars	Sch No.	As at 31.03.2009 Amount in SGD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in SGD	As at 31.03.2008 Amount in Rs.
<b>INCOME</b>					
Sale of Services		2,975,234	99,491,825	2,275,192	76,082,420
Other Income	9	4,150	138,776	662	22,137
<b>Total - A</b>		<b>2,979,384</b>	<b>99,630,601</b>	2,275,854	76,104,557
<b>EXPENDITURE</b>					
Employee Cost	10	2,661,703	89,007,348	2,044,153	68,356,476
Administrative expenses	11	242,694	8,115,687	153,441	5,131,066
Financial Charges	12	33,389	1,116,529	33,347	1,115,123
Depreciation		290	9,698	13,913	465,251
<b>Total - B</b>		<b>2,938,076</b>	<b>98,249,262</b>	2,244,854	75,067,916
<b>Profit / (Loss) before Tax</b>					
Less : Provision for Tax		41,308	1,381,339	31,000	1,036,641
Current Tax		6,196	207,194	2,456	82,129
<b>Profit / (Loss) after current &amp; deferred Tax adjustment</b>		<b>35,112</b>	<b>1,174,145</b>	28,544	954,512
Add previous year Surplus / Loss		146,063	4,884,347	117,519	3,929,835
<b>Profit / (Loss) transferred to Balance Sheet</b>		<b>181,175</b>	<b>6,058,492</b>	146,063	4,884,347
<b>Earnings per share</b> (Equity shares, par value SGD 1 each)					
Basic		0.35	11.74	0.29	9.55
Diluted		0.35	11.74	0.29	9.55

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Cash Flow Statement for the year ended March 31, 2009**

Particulars	As at 31.03.2009 Amt. in SGD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in SGD	As at 31.03.2008 Amt. in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax & extraordinary items	41,308	1,381,339	31,000	1,036,641
<b>Adjustments for :</b>				
Depreciation	290	9,698	13,913	465,251
Interest Income	(2,932)	(98,046)	(662)	(22,137)
Current Tax	(6,196)	(207,194)	(2,456)	(82,129)
Finance charges	33,389	1,116,529	33,347	1,115,123
Effect of exchange differences on translation of foreign currency cash & cash equivalent	(5,815)	(194,454)	23,380	781,827
Operating profit before working capital changes	60,044	2,007,872	98,522	3,294,576
<b>Adjustment for :</b>				
Trade payables	348,183	11,643,240	(53,409)	(1,785,997)
Trade & other receivables	129,159	4,319,076	(288,710)	(9,654,463)
Working capital finance	(428,814)	(14,339,540)	257,300	8,604,112
Cash generated from operations	108,572	3,630,648	13,703	458,228
Finance charges	(33,389)	(1,116,529)	(33,347)	(1,115,123)
<b>Net cash from operating activities - A</b>	<b>75,183</b>	<b>2,514,119</b>	<b>(19,644)</b>	<b>(656,895)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	—	—	(14,492)	484,612
Interest Income	2,932	98,046	662	(22,137)
Investment in Subsidiary	—	—	(145,050)	4,850,472
<b>Net cash from Investing activities - B</b>	<b>2,932</b>	<b>98,046</b>	<b>(158,880)</b>	<b>5,312,947</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Long term borrowings	(74,750)	4,274,736	202,583	6,774,376
<b>Net cash from Investing activities - C</b>	<b>(74,750)</b>	<b>4,274,736</b>	<b>202,583</b>	<b>6,774,376</b>
Effect of exchange differences on translation of foreign currency cash & cash equivalent	5,815	194,454	(23,380)	(781,827)
Net increase in cash and cash equivalents (A + B + C)	9,180	306,979	679	22,706
Cash & cash equivalents as at April 1, 2008	108,979	3,644,258	108,300	3,621,552
<b>Cash &amp; Cash equivalents as at March 31, 2009</b>	<b>118,159</b>	<b>3,951,237</b>	<b>108,979</b>	<b>3,644,258</b>

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Schedules to the Balance Sheet**

Particulars	As at 31.03.2009 Amt. in SGD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in SGD	As at 31.03.2008 Amt. in Rs.
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**SCHEDULE - 1 : SHARE CAPITAL**

**Authorised :**

1,00,000 Equity shares of SGD 1 each	<b>100,000</b>	<b>2,910,000</b>	100,000	2,910,000
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**Issued, Subscribed & Paid up**

1,00,000 Equity shares of SGD 1 each	<b>100,000</b>	<b>3,344,000</b>	100,000	3,344,000
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<b>TOTAL</b>	<b>100,000</b>	<b>3,344,000</b>	100,000	3,344,000
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**SCHEDULE - 2 : RESERVES & SURPLUS**

Profit and Loss account	<b>181,175</b>	<b>6,058,492</b>	146,063	4,884,347
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<b>TOTAL</b>	<b>181,175</b>	<b>6,058,492</b>	146,063	4,884,347
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**SCHEDULE - 3 : SECURED LOAN**

Working Capital (Working Capital is secured by hypothecation of receivables and corporate guarantee by holding company)	<b>161,238</b>	<b>5,391,799</b>	590,052	19,731,339
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Term Loan (Term Loan is secured by corporate guarantee by holding company)	<b>127,833</b>	<b>4,274,736</b>	202,583	6,774,376
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<b>TOTAL</b>	<b>289,071</b>	<b>9,666,535</b>	792,635	26,505,715
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**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Schedules to Balance Sheet**

**SCHEDULE - 4 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 31.03.08		As on 31.03.09		As on 31.03.08		For the Period		As on 31.03.09		As on 31.03.08	
	SGD	Rs.	SGD	Rs.	SGD	Rs.	SGD	Rs.	SGD	Rs.	SGD	Rs.
Machinery & Software	54,132	1,810,174	—	—	54,132	1,810,174	—	—	54,131	1,575,212	1	33
Office Equipment	2,062	68,953	—	—	2,062	68,953	290	9,698	1,772	52,824	290	9,698
<b>TOTAL</b>	<b>56,194</b>	<b>1,879,127</b>	<b>—</b>	<b>—</b>	<b>56,194</b>	<b>1,879,127</b>	<b>290</b>	<b>9,698</b>	<b>55,903</b>	<b>1,628,036</b>	<b>291</b>	<b>9,731</b>
<b>Previous Year</b>	<b>41,702</b>	<b>1,394,515</b>	<b>14,492</b>	<b>484,612</b>	<b>56,194</b>	<b>1,879,127</b>	<b>13,913</b>	<b>465,251</b>	<b>55,613</b>	<b>1,859,699</b>	<b>581</b>	<b>19,428</b>
												<b>67</b>

**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Schedules to the Balance Sheet**

Particulars	As at 31.03.2009 Amt. in SGD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in SGD	As at 31.03.2008 Amt. in Rs.
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**SCHEDULE - 5 : SUNDRY DEBTORS**

(Unsecured considered good)

Over Six months	212,262	7,098,041	—	—
Others debts	526,929	17,620,506	859,295	28,734,825
<b>TOTAL</b>	<b>739,191</b>	<b>24,718,547</b>	<b>859,295</b>	<b>28,734,825</b>

**SCHEDULE - 6 : CASH AND BANK BALANCE**

Balance with Schedule banks :

In deposit account including the accrued Interest	118,139	3,950,568	108,979	3,644,258
Cash	20	669	—	—
<b>TOTAL</b>	<b>118,159</b>	<b>3,951,237</b>	<b>108,979</b>	<b>3,644,258</b>

**SCHEDULE - 7 : LOANS & ADVANCES**

(Unsecured, Considered good - advances recoverable in cash or in kind or for the value to be received)

Others	181,801	6,079,425	193,856	6,482,545
<b>TOTAL</b>	<b>181,801</b>	<b>6,079,425</b>	<b>193,856</b>	<b>6,482,545</b>

**SCHEDULE - 8 : LIABILITIES & PROVISION**

**Current Liabilities**

Sundry Creditors	425,108	14,215,612	119,929	4,010,426
Other Liabilities & provisions	188,535	6,304,610	146,662	4,904,377
<b>Total - A</b>	<b>613,643</b>	<b>20,520,222</b>	<b>266,591</b>	<b>8,914,803</b>

**Provisions**

Provision for Taxation	9,991	334,099	8,860	296,278
<b>Total - B</b>	<b>9,991</b>	<b>334,099</b>	<b>8,860</b>	<b>296,278</b>

<b>TOTAL A + B</b>	<b>623,634</b>	<b>20,854,321</b>	<b>275,451</b>	<b>9,211,081</b>
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**Advanced Synergic Pte. Ltd.**  
(Incorporated in the Republic of Singapore)

**Schedules to the Balance Sheet**

Particulars	As at	As at	As at	As at
	31.03.2009	31.03.2009	31.03.2008	31.03.2008
	Amt. in SGD	Amt. in Rs.	Amt. in SGD	Amt. in Rs.

**SCHEDULE - 9 : OTHER INCOME**

Interest received on deposits with banks and others	2,932	98,046	662	22,137
Miscellaneous income	1,218	40,730	—	—
<b>TOTAL</b>	<b>4,150</b>	<b>138,776</b>	<b>662</b>	<b>22,137</b>

**SCHEDULE - 10 : EMPLOYEE COST**

Salaries, bonus, Consultancy and other staff cost	2,661,703	89,007,348	2,044,153	68,356,476
<b>TOTAL</b>	<b>2,661,703</b>	<b>89,007,348</b>	<b>2,044,153</b>	<b>68,356,476</b>

**SCHEDULE - 11 : ADMINISTRATIVE OVERHEAD**

Audit fee	5,700	190,608	2,900	96,976
Business Promotion and Advertisement	50	1,672	2,751	91,993
Exchange difference	(5,815)	(194,454)	23,380	781,827
Insurance	14,344	479,663	—	—
Membership & subscription	7,437	248,693	11,678	390,512
Miscellaneous Expense	71,387	2,387,181	14,992	501,332
Office Maintenance	1,879	62,834	12,183	407,400
Postage, Courier, Telephone, telex & fax charges	26,366	881,679	29,438	984,407
Printing & stationary	419	14,011	865	28,926
Professional Charges	24,924	833,459	3,410	114,030
Rent	74,165	2,480,078	27,090	905,890
Staff Welfare	8,002	267,587	8,669	289,891
Travelling & Conveyance	13,836	462,676	16,085	537,882
<b>TOTAL</b>	<b>242,694</b>	<b>8,115,687</b>	<b>153,441</b>	<b>5,131,066</b>

**SCHEDULE - 12 : FINANCIAL CHARGES**

Bank charges	2,299	76,879	2,255	75,407
Interest	31,090	1,039,650	31,092	1,039,716
<b>TOTAL</b>	<b>33,389</b>	<b>1,116,529</b>	<b>33,347</b>	<b>1,115,123</b>

## **NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### **1. GENERAL INFORMATION**

The Company is incorporated as a limited liability Company and domiciled in the Republic of Singapore.

The Company's registered office & principal place of business is located at  
# 30, TohCuan Road, # 08-3A, ODC Districentre, Singapore 608 840.

The principal activities of the Company are to carry on the business of developing software and provide services according to the requirements of the clients.

There have been no changes in these activities of the business during the year.

The immediate and ultimate holding Company is ASM TECHNOLOGIES LTD., incorporated in India.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The Company has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **New Accounting Standards and FRS Interpretations :**

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after January 1, 2008. The Company's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Company is set out below :

The Company has adopted FRS 107 Financial instruments : Disclosures and Amendments to FRS 1 presentation of Financial Statements - Capital Disclosures on January 1, 2008.

FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including minimum disclosures about credit risk, liquidity risk and market risk (including sensitivity analysis to market risk). It replaces the disclosure requirements in FRS 32 : Financial instruments : Disclosure and Presentation. The amendment to FRS 1 introduces disclosures about the level of an entity's capital and how it manages capital.

The Company has assessed the impact of FRS 107 and the amendments to FRS 1 and concluded that the main additional disclosures will be the credit risks disclosures required by FRS 107, as well as the capital disclosures required by the amendment to FRS 1.

New Accounting Standards and FRS Interpretations not yet Adopted

The Company has not applied the following accounting standards which are relevant (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective :

<b>Reference</b>	<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 1	Presentation of Financial Statements - Revised presentation	January 1, 2009

## **2.2 Revenue recognition**

Revenue from interest on fixed deposit is recognised on effective interest method.

Revenue from services rendered is recognised on a monthly basis.

## **2.3 Income taxes**

Current income tax is recognised at the amounts expected to be paid to (or recovered from) the tax authorities.

Deferred tax liabilities are recognised for all taxable temporary differences unless the deferred tax liability arises from the initial recognition of an asset or liability and affects neither the accounting profit nor taxable profit or loss.

The statutory tax rates enacted at the balance sheet date are used to determine current and deferred income tax.

## **2.4 Property, plant & equipment & depreciation**

All items of Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off plant and equipment over their useful lives. The estimated useful lives are as follows :-

Computers & Accessories	1 year
Telephone Equipment	3 years

Repairs and maintenance are taken to the profit and loss account during the financial period in which they are incurred. Interest on borrowings to finance the property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed. Full depreciation is provided in the year of the purchase and no depreciation is provided in the year of disposal.

## **2.5 Impairment of non financial asset**

### **Plant and equipment :**

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the 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.

The impairment loss is recognised in the income statement unless the asset is carried at revalue amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if and only if, there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalue amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalue asset was previously recognised in the income statement, a reversal of that impairment is also recognised in the income statement.

## **2.6 Subsidiaries**

Subsidiaries are entities over which the Company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The subsidiaries' results have not been consolidated as the Company is itself a wholly owned subsidiary of another Company ASM TECHNOLOGIES LTD., which publishes the consolidated financial statements.

## **2.7 Financial Assets**

### **Loans and receivables :**

Loans and receivables are non-derivative financial assets with fixed or payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

### **Initial measurement :**

Financial assets are initially recognised at fair value plus transaction costs.

### **Subsequent measurement :**

Loans and receivables are carried at amortized cost using the effective interest method.

### **Impairment :**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a Company of financial assets is impaired.

### **Loans and receivables :**

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement within "Administrative expenses".

## **2.8 Financial liabilities**

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the amortization process. The liabilities are de-recognised when the obligation under the liability is discharged or cancelled or expired.

## **2.9 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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**2.10 Cash and Cash equivalents**

Cash and cash equivalents are stated at cost in the Balance Sheet. Cash and cash equivalents comprise of cash on hand and Fixed deposits at Bank.

**2.11 Currency translation**

**Functional currency :**

The financial statements are prepared in Singapore dollars, which is the functional currency of the Company.

**Transactions and balances :**

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they arise. However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

**2.12 Employee benefits**

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

**2.13 Related party**

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

**2.14 Share capital**

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

**3. HOLDING AND ULTIMATE HOLDING COMPANY**

The Company's holding and ultimate holding Company is ASM TECHNOLOGIES LTD., a Company incorporated in India.

**4. STAFF COSTS**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Staff salaries, bonus & allowances	2,246,433	1,923,439
Employer Central provident fund	85,004	90,295
Others	37,466	30,419
	<b>2,368,903</b>	<b>2,044,153</b>

This amount forms part of the cost of services rendered by the Company.

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**5. PROFIT BEFORE TAX**

This is arrived after charging

	<b>2009</b> <b>S \$</b>	<b>2008</b> <b>S \$</b>
Exchange loss	—	23,380
Interest on overdraft	31,090	28,472
<b>And crediting</b>		
Interest on deposits	2,932	662
Exchange gain	5,815	—

**6. PROPERTY, PLANT & EQUIPMENT**

	<b>Computers &amp; Accessories</b> <b>S \$</b>	<b>Office Equipment</b> <b>S \$</b>	<b>Total</b> <b>S \$</b>
<b>At Cost</b>			
At beginning of the year	54,132	2,062	56,194
Additions	—	—	—
<b>At end of year</b>	<b>54,132</b>	<b>2,062</b>	<b>56,194</b>
<b>Accumulated Depreciation</b>			
At beginning of the year	54,131	1,482	55,613
Charge for the year	—	290	290
<b>At end of year</b>	<b>54,131</b>	<b>1,772</b>	<b>55,903</b>
<b>Charge for 2008</b>	13,624	289	13,913
<b>Net Book Value</b>			
At March 31, 2009	1	290	291
<b>At March 31, 2008</b>	<b>1</b>	<b>580</b>	<b>581</b>

**7. INVESTMENT IN SUBSIDIARY**

	<b>2009</b> <b>S \$</b>	<b>2008</b> <b>S \$</b>
Unquoted shares at cost	145,050	145,050
Advance *	170,240	82,770
	<b>315,290</b>	<b>227,820</b>

\* This represents loan given to a subsidiary. This is non-trade, interest-free and have no fixed terms of repayment.

Particulars of the Subsidiary are as follows :

<b>Subsidiary</b>	<b>Principal Activities</b>	<b>Country of Incorporation</b>	<b>Effective Percentage of equity held</b>		<b>Cost of Investment</b>	
			<b>2009</b> <b>%</b>	<b>2008</b> <b>%</b>	<b>2009</b> <b>S\$</b>	<b>2008</b> <b>S\$</b>
ESR Associates Inc.	Software consulting	United States of America	100	—	145,050	—

**Subsidiaries are not required to get their accounts audited in their country.**

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**8. CASH & CASH EQUIVALENTS**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Cash in hand	20	20
Fixed Deposits with bank *	118,139	108,960
	<b>118,159</b>	<b>108,979</b>

\* This is under lien for the facility availed. Interest income is recognized at effective interest rate of 1.61%.

**9. TRADE AND OTHER RECEIVABLES**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Trade receivables	739,191	859,295
<b>Other debtors</b>		
Staff advances	1,570	—
Other advances	3,000	—
Prepaid expenses	2,491	3,937
Deposits	13,888	13,888
	<b>760,140</b>	<b>877,120</b>

**10. INTEREST BEARING LOANS AND BORROWINGS**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
<b>Interest Bearing Loan</b>		
Term Loan From Indian Bank **	127,833	202,583
	<b>127,833</b>	<b>202,583</b>
Due within 12 months	122,065	115,155
Due beyond 12 months	5,768	87,428
	<b>127,833</b>	<b>202,583</b>

\*\* these include loans taken against the corporate guarantee of the Holding Company and that of a related party and carry interest at 3% above the prime lending rate.

**11. TRADE AND OTHER PAYABLES**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
<b>Trade payables</b>		
CST Payable	62,679	48,422
<b>Other payables</b>		
Other Creditors	213,908	173,762
Accrued liabilities	14,650	8,650
	<b>291,237</b>	<b>230,834</b>

**12. DUES TO RELATED PARTIES**

Amount due to related parties are interest free and have no fixed repayment terms. During the year the Company had transacted with a related party for Professional charges amounting to S\$ 292,000/- and Telephone expenses S\$ 3,518/-.

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**13. BANK OVERDRAFT**

This is secured by the denture charges on current assets of the Company and this carries interest at 8.25% per annum, which is 2.25% above the prime lending rate.

**14. TAXATION**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Balance brought forward	8,860	6,404
Less : paid during the year	5,065	—
	<b>3,795</b>	<b>6,404</b>
Current year provision	6,196	2,456
	<b>9,991</b>	<b>8,860</b>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following :

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Profit before taxation	42,108	31,000
Tax @ statutory rate of 18%	7,580	5,580
Tax on dis-allowables	5,713	72
Others	—	160
Tax effect on exemption	(7,096)	(3,356)
	<b>6,196</b>	<b>2,456</b>

**15. SHARE CAPITAL**

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
<b>Issued &amp; fully paid up</b>		
100,000 Ordinary shares	100,000	100,000

**16. CONTINGENT LIABILITY**

There is a contingent liability on account of Bank Guarantee issued - S \$ 30,000/-. This is secured by a deposit of S \$ 7,500/-.

**17. FINANCIAL RISK MANAGEMENT**

The Company does not have any written financial risk Management policies and guidelines. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The Company's exposure to financial risks associated with financial instruments held in the ordinary course of business include :

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(Incorporated in the Republic of Singapore)

**a) Price risk**

**i) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates and sells its products / services in countries other than Singapore and transacted in United States Dollars. Trade Receivables from a related party include US\$ 212,000/- and Payables to Related Party include US\$ 212,109/-. As a result, the Company is exposed to movements in foreign currencies exchange rates.

However, the Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has interest - bearing financial instruments; hence, it is exposed to any movements in market interest rates. The interest rates are disclosed in the respective notes.

**(iii) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

**b) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentrations of credit risk.

Cash is held with financial institutions of good standing / established financial institutions / reputable financial institutions.

**(c) Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company ensures that there are adequate funds to meet all its obligations in a timely and cost - effective manner.

The Company has credit facilities with a bank and any short fall in the working capital funds will be funded by Holding Company.

**(d) Cash flow risk**

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

The Company is not exposed to any cash flows risk as it does not have any monetary financial instruments with variable interest rates.

**18. FINANCIAL INSTRUMENTS**

Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair value.

**19. RELATED PARTY DISCLOSURES**

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with related parties at negotiated rates.

	<b>2009</b>	<b>2008</b>
	<b>S \$</b>	<b>S \$</b>
Sales	—	54,017
Professional charges	292,000	—
Telephone expenses	3,518	—

## **ESR Associates Inc.**

### **Statement Regarding Subsidiary Company**

(Pursuant to Section 212 of the Companies Act, 1956)

- |   |  |
|---|--|
| 1. Name of the Subsidiary (Step down) Company   | ESR Associates Inc.  |
| 2. Financial year ended   | March 31, 2009   |
| 3. Holding Company's Interest   | Nil  |
| 4. Extent of holding  | 100% holding by Advanced Synergic Pte Ltd., Singapore wholly owned subsidiary of ASM Technologies Ltd. |
| 5. Net aggregate amounts of profit / (Loss) in the Subsidiary Company to the extent these concern the Members of the Holding Company and not dealt with in the attached accounts of the Holding Company is as follows |  |
| For the year ended March 31, 2009   | US \$ (12,338)   |
| Previous year ended March 31, 2008  | US \$ 29,783   |
| 6. As the financial year of the subsidiary Company coincides with the Financial year of the Holding Company, Section 212(5) of the act is not applicable.   |  |

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For and on behalf of the Board

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
Managing Director

**M.R. Vikram**  
Director

**P.N. Lakshmi**  
Company Secretary

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### **ESR ASSOCIATES INC.**

# 7071, W. Central Avenue, Toledo  
Ohio 43617, USA

#### **Directors' Report**

To the Members,

Your Directors have pleasure in submitting their Second Annual Report and Accounts for the year ended March 31, 2009. ESR Associates Inc. is the step down subsidiary of ASM Technologies Limited. The Company's operation during the year ended March 31, 2009 resulted in a loss of US \$ (12,338).

Your Directors do not recommend any dividend for the year ended March 31, 2009.

For and on behalf of the Board

Place : Bangalore  
Date : May 6, 2009

**Rabindra Srikantan**  
President

## AUDITORS' REPORT

To The Members of  
**M/s. ESR Associates Inc.**

We have audited the attached Balance Sheet of **M/s. ESR Associates Inc.** (the Company), as at March 31, 2009, the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further we report that,

1. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
3. the Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
4. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
  - b) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

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

**B. SUDHAKAR PAI**  
(Proprietor)  
Membership No. 18187

Place : Bangalore.  
Date : May 6, 2009

**ESR Associates Inc.**

# 7071, W. Central Avenue, Toledo, Ohio 43617, USA

**Balance Sheet as at March 31, 2009**

Particulars	Sch No.	As at 31.03.2009 Amount in USD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in USD	As at 31.03.2008 Amount in Rs.
<b>SOURCE OF FUNDS</b>					
<b>1. SHAREHOLDERS FUND</b>					
a. Share Capital	1	100,000	5,095,000	100,000	5,095,000
b. Reserves & Surplus	2	17,445	888,823	29,783	1,517,444
<b>2. LOAN FUNDS</b>					
a. Secured loans	3	112,000	5,706,400	60,000	3,057,000
<b>TOTAL</b>		<b>229,445</b>	<b>11,690,223</b>	<b>189,783</b>	<b>9,669,444</b>
<b>3. APPLICATION OF FUNDS</b>					
i) <b>FIXED ASSETS (NET BLOCK)</b>	4	370,003	18,851,653	156,365	7,966,797
ii) <b>CURRENT ASSETS, LOANS, ADVANCE &amp; DEPOSITS</b>					
a. Sundry Debtors	5	301,287	15,350,573	359,797	18,331,657
b. Cash & Bank balances		5,295	269,780	19,629	1,000,098
		<b>306,582</b>	<b>15,620,353</b>	<b>379,426</b>	<b>19,331,755</b>
Less : Current Liabilities & Provisions					
Liabilities & Provisions	6	447,140	22,781,783	346,008	17,629,108
Net current assets		<b>(140,558)</b>	<b>(7,161,430)</b>	<b>33,418</b>	<b>1,702,647</b>
<b>4. MISCELLANEOUS EXPENDITURE</b>					
Profit & Loss A/c debit balance		—	—	—	—
Significant accounting policies and notes on accounts	10				
<b>TOTAL</b>		<b>229,445</b>	<b>11,690,223</b>	<b>189,783</b>	<b>9,669,444</b>

*The conversion rate of 1 US \$ = Rs. 50.95*

## ESR Associates Inc.

### Profit & Loss Account for the Year Ended March 31, 2009

Particulars	Sch No.	As at 31.03.2009 Amount in USD	As at 31.03.2009 Amount in Rs.	As at 31.03.2008 Amount in USD	As at 31.03.2008 Amount in Rs.
<b>INCOME</b>					
Sale of Services		2,339,770	119,211,282	774,671	39,469,487
Other Income		50,103	2,552,748	72,837	3,711,045
<b>Total - A</b>		<b>2,389,873</b>	<b>121,764,029</b>	847,508	43,180,533
<b>EXPENDITURE</b>					
Employee Cost	7	2,294,026	116,880,625	777,666	39,622,083
Administrative expenses	8	90,639	4,618,057	33,433	1,703,411
Financial Charges	9	2,156	109,848	491	25,016
Depreciation		15,390	784,121	3,635	185,203
<b>Total - B</b>		<b>2,402,211</b>	<b>122,392,650</b>	815,225	41,535,713
<b>Profit / (Loss) before Tax</b>		<b>(12,338)</b>	<b>(628,621)</b>	32,283	1,644,819
Less : Provision for Tax		—	—	2,500	127,375
<b>Profit / (Loss) after Tax</b>		<b>(12,338)</b>	<b>(628,621)</b>	29,783	1,517,444
Add previous year Surplus / (Loss)		29,783	1,517,444	—	—
<b>Profit / (Loss) transferred to Balance Sheet</b>		<b>17,445</b>	<b>888,823</b>	29,783	1,517,444
<b>Earnings per share</b> (Equity shares, par value USD 1 each)					
Basic		(0.12)	(6.29)	0.30	15.17
Diluted		(0.12)	(6.29)	0.30	15.17
Significant accounting policies and notes on accounts	10				

## ESR Associates Inc.

### Cash Flow Statement for the year ended March 31, 2009

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax & extraordinary items	(12,338)	(628,621)	32,283	1,644,819
<b>Adjustments for :</b>				
Depreciation	15,390	784,121	3,635	185,203
Current Tax	—	—	(2,500)	(127,375)
Finance charges	2,156	109,848	491	25,016
Operating profit before working capital changes	5,208	265,348	33,909	1,727,664
<b>Adjustment for :</b>				
Trade payables	101,132	5,152,675	346,008	17,629,107
Trade & other receivables	58,510	2,981,085	(359,797)	(18,331,657)
Cash generated from operations	164,850	8,399,108	20,120	1,025,113
Finance charges	(2,156)	(109,848)	(491)	(25,016)
<b>Net cash from operating activities - A</b>	<b>162,694</b>	<b>8,289,260</b>	<b>19,629</b>	<b>1,000,097</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	(229,028)	(11,668,977)	(160,000)	(8,152,000)
<b>Net cash from Investing activities - B</b>	<b>(229,028)</b>	<b>(11,668,977)</b>	<b>(160,000)</b>	<b>(8,152,000)</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Share Capital	—	—	100,000	5,095,000
Long term borrowings	52,000	2,649,400	60,000	3,057,000
<b>Net cash from Investing activities - C</b>	<b>52,000</b>	<b>2,649,400</b>	<b>160,000</b>	<b>8,152,000</b>
Net increase in cash and cash equivalents (A + B + C)	(14,334)	(730,317)	19,629	1,000,097
Cash & cash equivalents as at April 1, 2008	19,629	1,000,097	—	—
<b>Cash &amp; Cash equivalents as at March 31, 2009</b>	<b>5,295</b>	<b>269,780</b>	<b>19,629</b>	<b>1,000,097</b>

**ESR Associates Inc.****Schedules to the Balance Sheet**

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
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**SCHEDULE - 1 : SHARE CAPITAL****Authorised :**

1,00,000 Equity shares of USD 1 each	<b>100,000</b>	<b>5,095,000</b>	100,000	5,095,000
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**Issued, Subscribed & Paid up**

1,00,000 Equity shares of USD 1 each	<b>100,000</b>	<b>5,095,000</b>	100,000	5,095,000
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<b>TOTAL</b>	<b>100,000</b>	<b>5,095,000</b>	100,000	5,095,000
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**SCHEDULE - 2 : RESERVES & SURPLUS**

Profit and Loss account	<b>17,445</b>	<b>888,823</b>	29,783	1,517,444
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<b>TOTAL</b>	<b>17,445</b>	<b>888,823</b>	29,783	1,517,444
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**SCHEDULE - 3 : SECURED LOAN**

Inter Corporate Deposit	<b>112,000</b>	<b>5,706,400</b>	60,000	3,057,000
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<b>TOTAL</b>	<b>112,000</b>	<b>5,706,400</b>	60,000	3,057,000
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**ESR Associates Inc.**

**Schedules to Balance Sheet**

**SCHEDULE - 4 : FIXED ASSETS**

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 31.03.08		Additions		As on 31.03.09		As on 31.03.08		For the Period		As on 31.03.09		As on 31.03.09		As on 31.03.08	
	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.
Machinery & Software	5,000	254,750	—	—	5,000	254,750	375	19,106	784	39,945	1,159	59,051	3,841	195,699	4,625	235,644
Goodwill	155,000	7,897,250	229,028	11,668,977	384,028	19,566,227	3,260	166,097	14,606	744,176	17,866	910,273	366,162	18,655,954	151,740	7,731,153
<b>TOTAL</b>	<b>160,000</b>	<b>8,152,000</b>	<b>229,028</b>	<b>11,668,977</b>	<b>389,028</b>	<b>19,820,977</b>	<b>3,635</b>	<b>185,203</b>	<b>15,390</b>	<b>784,121</b>	<b>19,025</b>	<b>969,324</b>	<b>370,003</b>	<b>18,851,653</b>	<b>156,365</b>	<b>7,966,797</b>

## ESR Associates Inc.

### Schedules to the Balance Sheet

Particulars	As at 31.03.2009 Amt. in USD	As at 31.03.2009 Amt. in Rs.	As at 31.03.2008 Amt. in USD	As at 31.03.2008 Amt. in Rs.
<b>SCHEDULE - 5 : SUNDRY DEBTORS</b>				
(Unsecured considered good)				
Over Six months	—	—	—	—
Others debts	301,287	15,350,573	359,797	18,331,657
<b>TOTAL</b>	<b>301,287</b>	<b>15,350,573</b>	<b>359,797</b>	<b>18,331,657</b>
<b>SCHEDULE - 6 : LIABILITIES &amp; PROVISION</b>				
<b>Current Liabilities</b>				
Sundry Creditors	444,640	22,654,408	323,508	16,482,733
Other Liabilities & provisions	—	—	20,000	1,019,000
<b>Total - A</b>	<b>444,640</b>	<b>22,654,408</b>	<b>343,508</b>	<b>17,501,733</b>
<b>Provisions</b>				
Provision for Taxation	2,500	127,375	2,500	127,375
<b>Total - B</b>	<b>2,500</b>	<b>127,375</b>	<b>2,500</b>	<b>127,375</b>
<b>TOTAL A + B</b>	<b>447,140</b>	<b>22,781,783</b>	<b>346,008</b>	<b>17,629,108</b>
<b>SCHEDULE - 7 : EMPLOYEE COST</b>				
Consultancy charges	2,205,666	112,378,683	721,902	36,780,907
Salaries, bonus and other staff cost	88,360	4,501,942	55,764	2,841,176
<b>TOTAL</b>	<b>2,294,026</b>	<b>116,880,625</b>	<b>777,666</b>	<b>39,622,083</b>
<b>SCHEDULE - 8 : ADMINISTRATIVE OVERHEAD</b>				
Audit fee	500	25,475	500	25,475
Advertisement & Business Promotion	11,396	580,626	1,978	100,779
Insurance charges	5,188	264,329	1,966	100,168
Membership & subscription	2,463	125,490	276	14,062
Miscellaneous Expense	4,059	206,806	2,474	126,050
Office Maintenance	9,098	463,543	1,595	81,265
Postage, Courier, Telephone, telex & fax charges	9,383	478,064	1,171	59,662
Professional Charges	404	20,584	53	2,700
Rent	22,796	1,161,456	10,085	513,831
Repairs & maintenance	7,755	395,117	615	31,334
Travelling & Conveyance	17,597	896,567	12,720	648,084
<b>TOTAL</b>	<b>90,639</b>	<b>4,618,057</b>	<b>33,433</b>	<b>1,703,411</b>
<b>SCHEDULE - 9 : FINANCIAL CHARGES</b>				
Bank charges	2,156	109,848	491	25,016
<b>TOTAL</b>	<b>2,156</b>	<b>109,848</b>	<b>491</b>	<b>25,016</b>

**SCHEDULE - 10 : NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**Nature of Activities**

ESR Associates Inc. was incorporated in Ohio to provide software development talent to business. It is a step down subsidiary of ASM Technologies Limited, whose headquarters is in Bangalore, India. The accompanying financial statements are for ESR Associates Inc. only and do not include assets, liabilities, income or expense for ASM Technologies Limited, other than amounts owing to or from ASM Technologies Limited. The period under report represents 12 months of operation of the Company.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Accounts Receivable**

The Company does not maintain an allowance for estimated uncollectable accounts. When an account is determined uncollectable it will be deducted from the accounts receivable and will be charged to sales and service account.

**Equipment**

Equipment is recorded at cost. Depreciation, for tax purposes, is provided using the prevailing income tax statutes. For year ended March 31, 2009, the depreciation expense is US \$ 15,390 for book purposes.

## Notes

[illegible]

## ASM Technologies Limited

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

### PROXY FORM

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

I / We .....  
..... being a member / members  
of ASM Technologies Limited hereby appoint .....  
..... of ..... or failing him / her .....  
of ..... as my / our proxy to vote for me / us on my behalf at the  
17th Annual General Meeting of the Company to be held on Saturday, 20th June, 2009 at 10.30 a.m. and at any  
adjournment thereof.

Signed this ..... day of ..... 2009

Re. 1  
Revenue  
Stamp

**Signature**

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



## ASM Technologies Limited

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

### ATTENDANCE SLIP

Regd. Folio No. / Client ID :

DP ID :

No. of Shares held :

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

I hereby record my presence at the 17th Annual General Meeting of the Company held at Pai Vijay Hall, 33rd Cross,  
11th Main, 4th Block Jayanagar, Bangalore 560 011 on Saturday, 20th June, 2009 at 10.30 a.m.

**Member's / Proxy Name**

**Signature of Member / Proxy**

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



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Fax : +65 6324 5345  
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