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ASIA HR TECHNOLOGIES LIMITED

6th Annual Report 2005 - 2006

ASIA HR TECHNOLOGIES LIMITED

(Formerly known as SMR Universal Softech Limited)

**ASIA HR TECHNOLOGIES LIMITED**

(Formerly known as SMR Universal Softech Limited)

REGISTERED OFFICE

5, DAMODARAN STREET, KELLYS
CHENNAI – 600 010

ANNUAL GENERAL MEETING

Date : 29th September, 2006
Day : Friday
Time : 9.00 a.m.
Place : The Emerald,
Sangeetha Residency,
No.2, Luz Church Road,
Mylapore, Chennai- 600 004

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BOARD OF DIRECTORS

Mr.DEENADAYALAN
Mr.UDAY SURESH KHEDKAR
Mr.MALAYANDI
Dr.KALAIMANI
Mr.ROBERT LIM
Mr.R.MURALIDHARAN
Mr.KRISHNAN

AUDITORS

Mr.C.N.SRINIVASAN
Chartered Accountant
7A, Kalinga Colony ,P.T. Rajan Salai
K.K.Nagar, Chennai .

BANKERS

ICICI Bank Ltd
Purasawalkam Branch – Chennai – 7
Nandanam Branch – Chennai – 35

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited,
"Subramanian Building", V Floor,
1, Club House Road, Chennai-600 002.
Phone (044) 28460390 (5 lines)
Fax: (044) 28460129

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of the Company will be held on Friday, the 29th September, 2006 at 9.00 A.M at The Emerald, Sangeetha Residency, No.2, Luz Church Road, Mylapore, Chennai- 600 004 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended 31.3.2006 together with the schedules and notes attached thereto and the report of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Uday Suresh Khedkar, who retires by rotation and being eligible offers himself for reappointment
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolutions.
 - a. "RESOLVED that Mr.S.Malayandi, be and is hereby appointed as a Director of the Company."
 - b. "RESOLVED that Mr.R.Krishnan be and is hereby appointed as a Director of the Company."
 - c. "RESOLVED that Mr. R.Muralidharan be and is hereby appointed as a Director of the Company."
 - d. "RESOLVED that Mr. S.Kalaimani, be and is hereby appointed as a Director of the Company."
 - e. "RESOLVED that Mr. Robert Lim, be and is hereby appointed as a Director of the Company."

BY ORDER OF THE BOARD
For ASIA HR TECHNOLOGIES LIMITED

Date : 30.06.2006
Place : Chennai

R.Muralidharan
Director

Note:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.**
2. The proxy form duly stamped and executed, should be deposited at the Registered office of the company at least 48 hours before the time fixed for the commencement of the meeting
3. The Register of Members and the Share transfer books of the company will remain closed from 28th September 2006 to 29th September 2006 (both days inclusive).

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4. Members desirous of obtaining any information on the Annual Accounts that is to be considered at the meeting are requested to write to the company at an early date to facilitate compilation of information.
5. The Members' are requested to intimate change of their address ,if any, to the Registrar and Transfer Agents, **Cameo Corporate Services Limited** Subramanian Building, #1, Club House Road, Anna Salai, Chennai-2, quoting their registered folio number.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 4**

Mr. S. Malayandi, Mr. R. Krishnan, Mr. R. Muralidharan, Mr. S. Kalaimani and Mr. Robert Lim were appointed as additional directors effect from 1-10-2005 at the Board Meeting held on 1-10-2005 and hold office till the annual general meeting. Company has received proposal from a member for the appointment of the above persons as directors. Hence, the proposal is placed for your consideration. Other than the above directors who are interested in their appointment no other director is interested in the above resolution.

Details of Directors seeking reappointment

Name & Date of Birth	Expertise in Specific Function area	Qualification	List of outside directorship held excluding alternate directorship and Private Companies	Chairman/Member of the Committee Of the Board of Directors of the Company	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director
Mr. Uday Suresh Khedkar 22.11.1966	Human Resource	BE, MBA, ATP	Nil	Audit and Share Transfer Committee	Nil
Mr. S.Malayandi 8.10.1937	Finance	Undergraduate	Nil	Nil	Nil
Mr. R.Krishnan 26.09.1959	Marketing	B.Com., (M.B.A)	Nil	Nil	Nil
Mr. S.Kalaimani 23.09.1950	Management	B.D.S	Nil	Nil	Nil
Mr. R.Muralidharan 26.09.1979	Human Resource	MBA	Nil	Audit and Share Transfer Committee	Nil
Mr. Robert Lim 15.02.1964	Finance	MBA	Nil	Nil	Nil

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DIRECTORS' REPORT

Dear Members,

Your Directors are presenting the Sixth Annual Report of the company with audited accounts for the year ended 31st March 2006.

1. FINANCIAL RESULTS	Year ended 31.03.2006	Year ended 31.03.2005
	Rupees in Lakhs	
Sales and other Income	Nil	104.67
Profit (Loss) before Depreciation & Tax	(260.43)	(607.72)
Depreciation	57.28	60.84
Profit (Loss) before Tax	(317.71)	(668.56)
Provisions for Tax-Current & Deferred	—	—
Adjustments for Deferred Tax	—	8.39
Fringe Benefit Tax	0.14	—
Profit(Loss) After Tax	(317.85)	(660.17)

2. DIVIDEND

In view of the Loss your directors do not recommend any dividend for the year under review.

3. DIRECTORS

During the year Mr.Uday Suresh Khedkar retires by rotation and being eligible offers himself for appointment.Mr.Ajay.K.Arya Director resigned from the board on 31.01.2006. During the year Mr.Malayandi,Mr.Krishnan,Mr.Kalaimani, Mr. Robert lim and Mr.Muralidharan have been appointed as additional directors.

4. DEPOSITS

The Company has not accepted any deposits from the public

5. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, the Directors hereby confirm

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2006 and of the loss of the Company for that year;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

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**6. CORPORATE GOVERNANCE:**

Pursuant to the provisions contained in the listing agreement, a management discussion and analysis report, a report on corporate governance together with the auditor's certificate on the compliance of conditions of corporate governance are furnished as annexure forming part of this directors report.

7. AUDITORS:

Mr.C.N.Srinivasan, Chartered Accountant, Chennai retires at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

8. LISTING

The Company's shares are listed in Chennai and Mumbai Stock Exchanges. Further the shares are traded in demat mode.

9. PARTICULARS OF EMPLOYEES:

There is no employee during the year under review whose particulars are required to be given as per the provision of Section 217 (2A) of the Companies Act, 1956.

10. STATUTORY DISCLOSURE:

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988

i). CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

The Company has no activity relating to Conservation of energy or technology absorption and research and development during the year..

ii). FOREIGN EXCHANGE EARNINGS AND OUTGO.

Foreign exchange earnings — Rs. Nil

Foreign exchange outgo — Rs. Nil

11. ACKNOWLEDGEMENTS:

Your directors acknowledge the continued support and cooperation of the customers and employees of the company. Further your directors thank the shareholders for their continued confidence in the company.

For and on behalf of the Board

Place : Chennai
Date : 30.06.2006

R.Muralidharan
Chairman



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(Annexure A)

Management Discussion & Analysis Report

SWOT ANALYSIS

Strengths

Your company's projects are in the area of Human resources - more specifically in the area of E - Learning. Our e-Learning Platform: e-HRDCampus has equipped your company with learning consulting abilities and creation and customization of online courses and multimedia products, development of online campuses and lease of online courses to the education and business communities. Emphasis on research and development has enabled your company to address the clients' needs for delivering high quality instruction via the Internet.

Weaknesses

Due to the unfortunate developments in the past where the company has been caught in the wrong foot by market changes and inability to respond to the market, the company has had to incur losses. The company has limited resources at its disposal which may handicap the company from implementing the strategies in an ideal manner.

Opportunities

Although most training budgets were down, the percentage of training programs delivered through e-learning grew from 14% to 16%. (Training Magazine, Fall 2005). Clearly companies are turning toward e-learning as a strategic way to reduce training costs, increase reach, and leverage internet investments. Research continues to show a fragmented and complex marketplace for Learning Management Systems(LMS). The market is only about half penetrated, and many companies with LMS systems are already thinking about replacing them. In 2005 the ERP players (Peoplesoft, SAP, Oracle, and Siebel) did not make any significant impact in the market. Each has a few customers, but products are still immature products and none have "broken through" to become a leader

Threats, Risks and Concerns

The competition is also setting the pace. New standards are emerging all the time. The inability to respond to these changes in a timely manner will make the company obsolete.

The implementation costs for a LMS system is considerably high. Typically implementation costs are 1.5-2X the initial cost of software. Implementation times run from 9 to 18 months and sometimes longer.

Review of Operation & Future prospects

a. Industry Structure and development

As per the "2005: e-Learning Year in Review Report" the E-Learning marketplace "grew up." Recent research tells us that now, more than 4 years into the application of internet technologies to training, as much as 20% or more of corporate training is being conducted online. These numbers are staggering: as much as \$12-14 Billion of total training content, services, and technology is now dedicated to e-learning world wide. In 2003 estimates showed that approximately 16% of training was conducted via e-learning—indicating that the growth rate was nearly 30%.

What happens in all markets as they grow is that buyers start to become more pragmatic. Rather than buying products because they are "exciting" or "technologically interesting," they buy to solve a very specific problem. This is the transition which has taken place in internet-based corporate training. There are no longer any "one size fits all" solutions. Buyers now buy to solve specific problems – not just to "catch the wave" of new approaches.

There are e-learning solutions, for example, which are very well designed and suited for field sales and customer service training. There are "out-of-the-box" proven solutions for IT certification and mid-level soft skills training. The most mature e-learning application is IT training. In other application areas such as sales training, management training, and application training, solutions are more hand-crafted and not as "productized."

Your company is seeking to carve a niche for itself in this online management training market. We seek to deliver a customized and personalized e-learning experience for the executives of very large organizations. The E-HRD Campus, which is primarily an e-learning platform provides all the planning, delivery, tracking, testing, and reporting functionality that most e-Learning projects will ever need. It also provides the infrastructure and dynamic content integration for additional optional components and external tools and consulting opportunities.

b. Future prospects and Segment Reporting

Your company has gone through a tough time in the past due to market changes as well as internal management issues. However the future looks promising with the introduction of new systems and processes. Your Company's sole product E-HRD Campus is promising to be a great solution.

In addition, the company plans to use this tool as third party tool to plug - in with other vendors' products besides