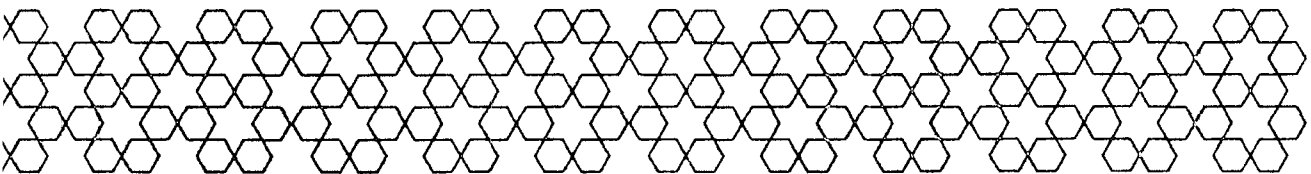


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ASIA HR TECHNOLOGIES LIMITED

ASIA HR TECHNOLOGIES LIMITED

8th Annual Report 2007 - 2008



ASIA HR TECHNOLOGIES LIMITED**ASIA HR TECHNOLOGIES LIMITED****REGISTERED OFFICE**

CVR COMPLEX, II FLOOR
NO.1, DR.SINGARAVELU STREET, T.NAGAR
CHENNAI – 600 017

ANNUAL GENERAL MEETING

Date : 29th September, 2008
Day : Monday
Time : 10.00 A.M.
Place : Benzz Park Tulip Hotel, 62,
Thirumalai Pillai Road,
T.Nagar, Chennai -600 017

CONTENTS	PAGE
Notice	2
Directors' Report	3
Auditors' Report	12
Balance Sheet	15
Profit and Loss Account	16
Schedules	17
Notes on Accounts	21
Cash Flow Statement	23
Part IV of Schedule VI	24

BOARD OF DIRECTORS

Mr.R.MURALIDHARAN
Mr.UDAY SURESH KHEDKAR
Mr.S.MALAYANDI
Dr.KALAIMANI
Mr.SUNIL VERMA
(from 19.02.08)
Mr.DEENADAYALAN
(upto 31.01.08)
Mr.ROBERT LIM
(upto 19.02.08)
Mr.KRISHNAN
(upto 19.02.08)

AUDITORS

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

BANKERS

ICICI Bank Ltd
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



ASIA HR TECHNOLOGIES LIMITED

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on Monday, the 29th September, 2008 at 10.00 A.M at Benz Park Tulip Hotel, 62, Thirumalai Pillai Road, T.Nagar, Chennai -600 017 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.2008 and the Profit and Loss Account for the year ended 31.3.2008 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 Dr. Kalaimani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Sunil Verma, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board
For Asia HR Technologies Limited

R.Muralidharan
Director

Date : 30.06.2008
Place : Chennai

Registered Office:

CVR Complex, II Floor,
No.1, Dr.Singaravelu Street,
T.Nagar, Chennai -600 017

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 on 29th September 2008.
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.

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
Dr. Kalaimani* 23.09.1950	Management	B.D.S	Nil	Nil	Nil
Mr. Sunil Verma 15.03.1963	Finance	C.A	Nil	Nil	Nil

* Related to Mr. Malayandi, Director as his son-in-law

ASIA HR TECHNOLOGIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors are presenting the Eighth Annual Report of the company with audited accounts for the year ended 31st March 2008.

1. FINANCIAL RESULTS

	Year ended 31.03.2008	Year ended 31.03.2007
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Rupees in lakhs

Sales and other Income	375.8	34.10
Profit (Loss) before Depreciation & Tax	81.44	2.39
Depreciation	1.39	0.81
Profit (Loss) before Tax	80.05	1.58
Provisions for Tax-Current & Deferred	(2.96)	—
Fringe Benefit Tax	0.41	0.27
Profit(Loss) after Tax	82.60	1.31

2. DIVIDEND

With a view to conserve the profits your directors do not recommend any dividend for the year under review.

3. DIRECTORS

During the year Dr. Kalaimani and Mr. Sunil Verma retire by rotation and being eligible offer themselves for appointment.

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 that

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 2008 and of the profit 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.

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 is eligible for reappointment.

With regard to comments of the auditors in para 4(a) and 4(b) of the report the notes (o) & (k) of the notes to accounts are self explanatory.

8. LISTING

The Company's shares are listed in Chennai and Mumbai Stock Exchanges.

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 but efforts are being made in technology absorption. The requirements for disclosure of R&D costs are as under.

A) SPECIFIC AREAS IN WHICH R&D ACTIVITIES ARE CARRIED OUT

Your company is primarily carrying out R&D on "Microsoft Technologies" under "Microsoft.net Platform". The company's core product will be e-HRD Campus. The company will build an array of products around e-HRD Campus to make it a compelling proposition for potential buyers.

The revolutionary Microsoft.net platform allows us to connect everything residing as Soft copy through XML Web services. It will provide greater user control over Personal Information and preferences, new user interface technologies, a new breed of smart internet devices, and the ability to harness multiple devices and services towards a common goal promoting our products and services.

B) BENEFITS TO BE DERIVED AND FUTURE PLANS

There is a huge potential for e-learning products as corporations are unable to Release their people for classroom training and the need is urgent. Information is needed immediately and people cannot wait for a course. We believe the following emerging trends will have significant impact on the e-learning market.

In this context, the company has decided to amortize R&D related expenditure after commercialisation of the re-developed products. Until such time R&D related expenditure would not be charged to profit and loss account.

C) EXPENDITURE ON R&D:

The expenditure attributable to the product is directly charged to the Profit and Loss Account to the extent of the benefit derived and expenses that were incurred for the development of new products that are unfinished are treated as deferred R&D expenditure amounting to Rs .33,69,263.

II. Foreign Exchange Earnings and Outgo.

- a. Foreign exchange earnings : Rs. 82,50,000.00
- b. Foreign exchange outgo : 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 : 30.06.2008

R.Muralidharan
Chairman

ASIA HR TECHNOLOGIES LIMITED**ANNEXURE FORMING PART OF DIRECTORS' REPORT****Management Discussion & Analysis Report**

Last year was a great year for your company.

We delivered strong performance leading to good financial results. We manage to turn the tide from the previous years and position AHRT as one of the premium IT services Vendor. Your company's products and services are now being recognized locally as well as overseas.

We are optimistic and excited about the future of the company. Our competency to develop software applications, support and implement them in a seamless manner has enabled us to grow and create value.

With our e-Learning products we are changing the dimensions of learning and development by helping organizations move up the value chain and reduce training costs.

We made changes and improvements in several areas:

1. We made several changes at the executive and line management level to improve the performance of our company. These changes done over the last 3 years have already started paying results.
2. We created a Software Consulting revenue channel apart from the product channel. We marketed the IT technical & consulting services provided by our team to great success. We bagged independent software consulting assignments from Asia Pacific & Middle East.
3. We recognized the ability to sell our software products and services depend our quick turnaround time to the customer. This requires exceptional talent. Recognizing this need we focused on building talent at all levels and ensure we have adequate bench strength.
4. Our success as a software company would depend on the quality of the product and services we provide. To address this need we have taken steps to institutionalize software quality management principles within the company. Task forces have been formed to attain CMM level certification which would lead to high customer confidence and satisfaction.
5. The need to remain on a growth path and profitable course would require us to sell in to high value markets. We see a lot of potential in the Asia Pacific, Middle East and US region. We have identified sales partners in these regions to expand our reach.

Over the past several months we dedicated resources to operationalize these measures and create value for all stakeholders of the company. Today we are confident that we are on a growth trajectory that will take this company to great heights.

Financial Review

The revenue increased from **Rs.34.10 lakhs** To **Rs 375.10 lakhs** due to the improved demand for our products and services worldwide.

We also recorded a high profit after tax of **Rs.82.60 lakhs** from **Rs. 1.31 lakhs** in the previous year. The increase in profit is due to the higher margins on our software consulting services and more value added products and services.

Operations Review

Your company's products 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.

From this year onwards we started focusing on providing IT consulting services to our customers. International Data Corporation (IDC) splits the IT services market into three segments:

1. Project-oriented
2. IT outsourcing
3. Support and training.

Currently we are operating in the project oriented segment, with a view to develop capabilities on IT outsourcing and support segments as well.

Improving business confidence, a robust economy growing stronger, improved availability & quality of infrastructure at a lower cost, awareness about strategic benefits of IT deployment, government initiatives as a facilitator for IT deployment are some factors that drive our growth in this area.

To be successful in the Software Consulting business the company has aggressively positioned itself as Tier 3 IT services vendor with a unique customer value proposition.

Economic Review

According to a NASSCOM-McKinsey report, annual revenue projections for India's IT industry in 2008 are US \$ 87 billion and market openings are emerging across four broad sectors, IT services, software products, IT enabled services, and e-businesses thus creating a number of opportunities for Indian companies.

Other key findings of this report are:

- Software & Services will contribute over 7.5 % of the overall GDP growth of India
- IT Exports will account for 35% of the total exports from India
- Potential for 2.2 million jobs in IT by 2008
- IT industry will attract Foreign Direct Investment (FDI) of U.S. \$ 4-5 billion
- Market capitalization of IT shares will be around U.S. \$ 225 billion

India's most prized resource in today's knowledge economy is its readily available technical work force. India has the second largest English-speaking scientific professionals in the world, second only to the U.S. It is estimated that India has over 4 million technical workers, over 1,832 educational institutions and polytechnics, which train more than 67,785 computer software professionals every year. Government of India is stepping up the number and quality of training facilities in the country to capitalize on this extraordinary human resource. It is the knowledge industry that will help take the Indian economy to a sustained higher rate of growth and the policy makers are fully aware of this.

Opportunities:

The opportunity analysis carried out by us reveals huge opportunities around the IT Consulting Services we provide.

Technology is clearly going to drive business. Backed by the robust economic growth there is a new wave of evolving domestic IT service buyers who are of significant value to us. Increasing overheads and margins of Tier 1 and Tier 2 IT vendors have forced customers to start looking at smaller vendors who can deliver results. This will help us increase our IT Consulting Services revenue.

Emerging markets such as the Asia Pacific and Middle East are of great business significance to the company. The need for IT systems and IT enabled services in these target markets offer great opportunities to us. Your company is well positioned to realize these opportunities by its presence through a network of sales partners.

The talent pool within the company and a sustained focus to develop a new and young workforce is expected to augur well for your company.