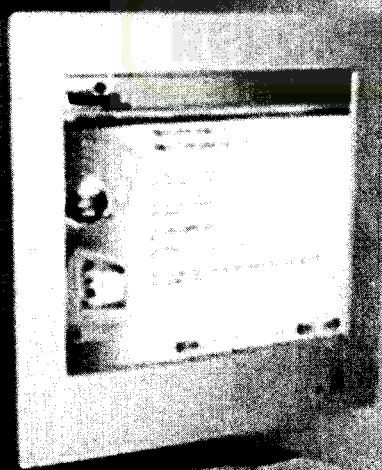




**ASIA HR TECHNOLOGIES LIMITED**  
(Formerly SMR Universal Softech Limited)



**4th Annual Report 2003-2004**

**ASIA HR TECHNOLOGIES LIMITED**

(Formerly known as SMR Universal Softech Limited)

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(Formerly known as SMR Universal Softech Limited)

**REGISTERED OFFICE**

5, DAMODHARAN STREET,  
KELLYS, CHENNAI - 600 010  
PHONE : 044-5215 2302, 5215 2301

**BRANCH OFFICE**

# 542, BHARATHI STREET,  
PONDICHERRY - 605 001

**ANNUAL GENERAL MEETING**

Date : 15th September, 2004  
Day : Wednesday  
Time : 10.00 a.m.  
Place : No.5, Damodaran street,  
Kellys,  
Chennai - 600 010.

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**DIRECTORS**

Dr. R. PALANIAPPAN  
(Chairman)

Prof. P.G. RANGANATHAN  
(Whole time Director)

MR. AJAY ARYA  
Mr. S. DEENADAYALAN  
Mr. UDAY SURESH KHEDKAR  
Mr. G.P. VENKATESWARAN

**AUDITORS**

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

**BANKERS**

CORPORATION BANK  
Kellys Branch, Chennai - 600 010.

ICICI BANK  
Purasawalkam Branch, Chennai - 600 007.

ANDHRA BANK  
Sowcarpet Branch, Chennai - 600 079.

**REGISTRARS & TRANSFER AGENTS**

CAMEO CORPORATE SERVICES LIMITED  
"Subramanian Building"  
1, Club House Road, Chennai - 600 002.  
Phone : 044-28460390 (5 lines)  
Fax : 044-28460129



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Fourth Annual General Meeting of the members of the Company will be held on Wednesday, the 15<sup>th</sup> September, 2004 at 10.00 A.M at the Registered Office of the Company situated at No.5, Damodaran Street, Kellys, Chennai 600010 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended 31.3.2004 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. R.Palaniappan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. S.Deenadhayalan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolutions.
  - a. "RESOLVED that Mr. Ajay Arya, be and is hereby appointed as a Director of the Company."
  - b. "RESOLVED that Prof. P.G.Ranganathan, be and is hereby appointed as a Director of the Company."
  - c. "RESOLVED that Mr. Uday Suresh Khedkar be and is hereby appointed as a Director of the Company."
  - d. "RESOLVED that Mr. G.P.Venkateswaran, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit to pass with or without modification the following resolution.
 

"RESOLVED that subject to the provisions of Sec.198, 269, and 309 read with schedule XIII to the Companies Act, 1956 and other applicable provisions if any Prof. P.G.Ranganathan, be and is hereby appointed as the whole time Director of the Company for a period of one year with effect from 4.6.2004 and be paid a remuneration of Rs. 5,000/- p.m."

BY ORDER OF THE BOARD  
For **ASIA HR TECHNOLOGIES LIMITED**

Date. 29.6.2004  
Place: Chennai

Prof. P.G.Ranganathan  
Whole time Director

### Note:

1. **A member entitled to attend and vote 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 14<sup>th</sup>-September 2004 to 15<sup>th</sup> September 2004 (both days inclusive).

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4. Members desirous of obtaining any information on the Annual Accounts which 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** #1, Subramanian Building, Club House Road, Mount Road, Chennai-2, quoting their registered folio number.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No .5**

Mr.Ajay Arya was appointed as an additional director at the Board Meeting held on 22.02.2004, Prof P.G.Ranganathan and Mr.Uday Suresh Khedkar were appointed as additional directors at the Board Meeting held on 23.04.2004 and Mr.G.P.Venketeswaran was appointed as an additional director at the Board Meeting held on 04.06.2004 and they hold the office till the Annual General Meeting. The company has received proposal from members for their appointment as directors. Hence, the above resolutions are placed for your consideration. Other than the above directors who are interested in their appointment no other director is interested in the above resolution.

**Item No. 6**

At the board meeting held on 04.06.2004 Mr.K.N.Kumaresan, Managing Director resigned and the Board at the same meeting appointed Prof.P.G.Ranganathan as a whole time Director for a period of one year from 04.06.2004 on a remuneration of Rs.5000/- p.m. subject to the consent of the members at the General Meeting. Hence, the above resolution is placed for your consideration. Other than Prof.P.G.Ranganathan no other director is interested in the above resolution.

Name & D.O.B	Expertise in Specific Function Area	Qualification	List of Out side directorship held excluding alternate Directorship and in 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.R.Palaniappan 13.11.1955	Management Consultant HRD Consultant	Ph.D. in HRD California	-	Asia HR Technologies limited	-
Mr. S.Deenadhayalan 11.06.1951	Developing organizational Capability, strategy Development for Organization, Leadership, Mentoring and coaching	P.G.D.S.S.A. from Madras School of Social work	-	-	-
Mr.Ajay Arya 03.11.1955	Management Information	B.E., M.S.(IT)	-	-	-
Prof.P.G.Ranganathan 02.08.1939	Organisational Behaviour Train the trainer, Change management, Culture change, Presentation skills	M.Phil. in Social Work Madras University	-	-	-
Mr.Uday Suresh Khedkar-22.11.1966	Personal growth, leadership Communication, exe.coach	B.E., M.B.A.	-	-	-
Mr.G.P.Venkateswaran 14.7.1943	Finance and Corporate laws	B.Com., FCA, FCS	-	-	-



## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Fourth Annual Report of the company with audited accounts for the year ended 31<sup>st</sup> March 2004.

1. FINANCIAL RESULTS:	2003-2004	2002-2003
	.....(Rupees in lakhs).....	
Income from Operations	315.43	465.68
Profit before Depreciation & Tax	184.87	250.20
Less: Depreciation	175.93	246.49
Profit before Tax	8.94	3.71
Provisions for Tax-Current & Deferred	2.88	1.66
Profit After Tax	6.06	2.05

Your company's name has been changed from SMR UNIVERSAL SOFTECH LIMITED to ASIA HR TECHNOLOGIES LIMITED.

### 2. DIVIDEND

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

### 3. DIRECTORS

Mr. S.Deenadhayalan and Dr. R.Palaniappan retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

The following directors have joined the Board.

Mr. S.Deenadhayalan w.e.f. 31.12.2003, Mr. Ajay Arya w.e.f. 22.2.2004, Prof. P.G.Ranganathan and Mr. Uday Suresh Khedkar w.e.f. 23.4.2004 and Mr. G.P.Venkateswaran w.e.f. 4.6.2004

The following directors have resigned from the Board.

Ms. Karen Ong w.e.f. 1.11.2003, Mr. Mubeenur Rahman and Mr. S.Moorthy w.e.f. 29.4.2004, Mr. A.X.N.Prabhu w.e.f. 21.4.2004, Mr. K.N.Kumaresan Managing Director w.e.f. 4.6.2004

The Board takes this opportunity to record their appreciation for the valuable guidance provided by them during their tenure as directors.

### 5. Deposits

The Company has not accepted any deposits from the public.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, 1956 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

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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 31<sup>st</sup> March 2004 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.

**7. 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.

**8. AUDITORS:**

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

**9. LISTING**

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

**10. 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.

**11. 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.

**12. 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.

**13. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Foreign exchange earnings	— Rs. Nil
Foreign exchange outgo:	
Import of software	— Rs. 98,809/-

**14. ACKNOWLEDGEMENTS:**

Your directors acknowledge the continued support and co-operation 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

Date. 29.6.2004  
Place: Chennai

**R. Palaniappan**  
Chairman



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1) SWOT ANALYSIS****a) Strengths :**

Your Company's projects are in the area of Human Resources technology. In a business context where the competitive edge is dominated by people driven issues such as Knowledge Management and People development, the company has excellent prospects in the long term.

The Company has an office in Chennai with a well equipped lab.

**b) Weaknesses :**

As a new company with limited resources focused on development, the company does not have adequate resources for marketing. Even a small portion of the enquiries to be converted into orders, requires a huge amount of time for securing the business. A sales channel has to be established quickly to tap the opportunities.

**c) Opportunities :-**

The entire concept of globalization is based on the approach that work can be carried out in any part of the world and costs can be managed to give the best to the customer. With the trend also moving towards people development, management and outsourcing, there are numerous opportunities.

**d) Risks and Concerns :-**

The products and services developed by your company are applicable only to large corporations and require significant Research & Development. Furthermore the technology may go obsolete too. Hence the company has to be lean and mean to ensure it is always careful in its endeavours.

**2. REVIEW OF OPERATIONS AND FUTURE PROSPECTS: -****a) Industry Structure and Development**

- The packaged software market was indeed affected by the turn of events in the United States of America.
- The business process outsourcing market in the United States of America has become buoyant. The company is seeking suitable opportunities in this lucrative market.
- The growth in business still seems to be in the United States of America though the Asian market is strong and viable if the company is able to customize the packaged software for the Asian countries.
- The e-learning market has been slow with the initial promise not resulting in business.
- The training business has huge potential in China and India but needs a lot of sales partners.

**b) Future prospects & Segment Reporting**

Your company has survived the tough years due to the aftermath of 9/11 in the United States of America. However there is tremendous future potential in the HR software market with business process outsourcing in the HR area expected to grow rapidly.

It is with this view that your directors recommended a name change to Asia HR technologies Limited to reflect the changed nature of business. The need to segment reporting could not arise for your company at this stage.

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**c) Growth Prospects**

With the globalization trend and business process outsourcing growth, the prospects for growth remain very promising in the long term. The company has put in a new team of management, directors and advisors –business, legal and compliance to ensure that growth opportunities are not missed.

**d) Risks and Concerns**

The economic cycles resulting in recessions and any adverse implications in the United States of America will affect the company's prospects.

**e) Internal control systems and their adequacy**

This is a critical area that needs to be carefully looked upon. We believe that your company can still improve on this area by tightening resource utilization and control systems. Great care is currently being shown to productivity and performance though this requires massive changes.

**f) Human Resources and Industrial relations**

Your directors place on record their deep appreciation of the dedication and commitment of the staff, banks, auditors and consultants for their co-operation.

**g) Cautionary statement**

Certain statements in the management discussion and analysis describing the company's views about the industry, expectations, objectives may be forward looking within the applicable laws and regulations. However the actual results could differ materially from those expressed in the statement. Factors like supply and demand situation, international competition, changes in the government policies and other factors may influence the company's operations and performance.

**STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE****MANDATORY REPORTS ON CORPORATE GOVERNANCE****Company's Philosophy on Corporate Governance**

The company believes in the philosophy of continuous improvement in all facets of its operations which depends on mutual faith, customer satisfaction, investors confidence and employee loyalty. It believes in maintaining high standards of integrity through excellence in service.

**1. Board of Directors**

The Board as on 31.3.2004 consisted of 1 executive director and 6 non-executive Directors. During the current year 1 executive director and 3 non-executive directors had resigned and 3 non-executive directors and 1 executive director were appointed.

The Board comprised the following directors as on 31.3.2004

1. Dr. R.Palaniappan
2. Mr. K.N.Kumaresan
3. Mr. Mubeenur Rahaman
4. Mr. A.X.N.Prabhu
5. Mr. S.Moorthy
6. Mr. S.Deenadhayalan
7. Mr. Ajay Arya

Other than Mr. K.N.Kumaresan all the directors are non-executive and other than Dr.R.Palaniappan other non-executive directors are independent directors.