



Asia HR Technologies Limited

F I F T H A N N U A L R E P O R T 2 0 0 4 - 2 0 0 5

ASIA HR TECHNOLOGIES LIMITED
ASIA HR TECHNOLOGIES LIMITED
 (Formerly known as SMR Universal Softech Limited)
REGISTERED OFFICE

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

ANNUAL GENERAL MEETING

Date : 30th September, 2005
 Day : Friday
 Time : 10.00 a.m.
 Place : The Emerald,
 Sangeetha Residency,
 No.2, Luz Church Road,
 Mylapore Chennai- 600 004

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DIRECTORS

MR. AJAY K. ARYA
 Mr. S. DEENADAYALAN
 Mr. UDAY SURESH KHEDKAR

AUDITORS

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

BANKERS

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 Fifth Annual General Meeting of the members of the Company will be held on Friday, the 30th September, 2005 at 10.00 A.M at The Emerald, Sangeetha Residency, No.2, Luz Church Road, Mylapore Chennai- 600 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005 and the Profit and Loss Account for the year ended 31.3.2005 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. Ajay K.Arya, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD
For ASIA HR TECHNOLOGIES LIMITED

Date : 30.06.2005

S.Deenadayalan

Place : Chennai

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 29th to 30th September 2005 (both days inclusive).
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 Share Transfer Agents, Cameo Corporate Services Limited , Subramanian Building, #No 1, Club House Road, Chennai-2, quoting their registered folio number.

6. Details of Directors seeking reappointment :

Name	: Mr. Ajay K. Arya
Date of Birth	: 3.11.1955
Expertise in Specific Function area	: Management Information
Qualification	: B.E., M.S.(IT)
List of outside directorship held excluding alternate directorship and Private Companies	: --
Chairman/Member of the Committee of the Board of the Company	: Member of share transfer and audit committee
Chairman/Member of the Committee of the Board of other companies in which he is a Director	: --

ASIA HR TECHNOLOGIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors are presenting the Fifth Annual Report of the company with audited accounts for the year ended 31st March 2005.

1. Financial Results

	Year ended 31.03.2005	Year ended 31.03.2004
	Rupees in Lakhs	
Sales and other Income	104.67	315.43
Profit / (Loss) before Depreciation & Tax	(607.72)	184.37
Less : Depreciation	60.84	175.93
Profit / (Loss) before Tax	(668.56)	8.94
Provisions for Tax-Current & Deferred Tax Asset (liability)	8.39	(2.88)
Profit / (Loss) After Tax	(660.17)	6.06

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.Ajay K.Arya retires by rotation and being eligible offers himself for appointment. Dr. R.Palaniappan, Prof P.G.Ranganathan and Mr.G.P.Venketeswaran Directors resigned from the board on 1.09.2004, 06.06.2005 and 13.06.2005 respectively. The Board takes this opportunity to record its appreciation for the valuable guidance provided by them during their tenure as 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, 1956 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 2005 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.



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.

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, technology absorption or research and development during the year..

ii) **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings	-	Rs. Nil
Foreign exchange outgo	-	Rs. Nil

11. ACKNOWLEDGEMENT:

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 : 30.06.2005

S.Deenadayalan
Director

ASIA HR TECHNOLOGIES LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****SWOT Analysis****Strengths**

Your company's projects are in the area of Human resources - more specifically in the area of E - Learning. The focus today is on Human Capital management. There are good long term prospects. Areas such as Knowledge Management and Change Management are being emphasized today in an environment where speed in taking action is becoming increasingly important. E - Learning helps people learn immediately. The company has internal strength to exploit these strengths.

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. Now, the company has limited resources at its disposal. The turnover of staff puts the company in the risk of not being able to respond to the market needs on time. Limited resources also handicap the company from implementing the strategies in an ideal manner.

Opportunities

There is a huge market potential for e-learning software solutions in the United States of America and South East Asia. There is also a possibility of supporting the establishing e-learning providers by taking on turn-key projects.

Weaknesses

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.

Risks and Concerns

The products and services such as e-learning are catered mainly for large corporations who are subject to the economic cycles. In the event of an economic recession, the company would be adversely affected.

Review of Operation & Future prospects**a. Industry Structure and development**

The e-learning business has great potential in the United States Of America. The company is seeking business opportunities in this market with large corporations. Though the company has been trying to penetrate the Human Capital Management software since last year, it has had little success. The plan last year to only focus on Human Capital Management software tools was based on the opportunities in this market. This was the reason why your company disposed of all fixed assets in other domains and focused on just one huge product - the E-HRD Campus, which is primarily an e-learning product.

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 also running e-learning courses using the E-HRD Campus.



The company hopes to generate revenue by selling:

- The product E-HRD Campus
- Selling parts of the module to third party vendors
- Running E-Learning courses using the product.

At the moment, your company is also taking steps to register the intellectual property through trademarks and copyright of the product.

The key features of the product :-

- A full fledged LMS and LCMS(Learning Content Management System) with built - in Self Service features
- Intelligent, interactive, self-paced, teaching and learning tool.
- Fully Web based. Can run on the internet or the intranet.
- Supports blended learning; combine both onsite and online course progressions and learning paths.
- Conformance to international e-learning standards such as SCORM and IMS specifications.
- Features a highly interactive virtual learning / tutoring / administration environment .
- Supports multimedia and video streaming across the corporate network or world wide web.
- Supports Qualification / curriculum frameworks such as ANTA, Dacum etc.

c. Growth Prospects

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. they need to be able to do things immediately due to the urgent nature of the business.

d. Risks & Concerns

The products and services such as e-learning are catered mainly for large corporations who are subject to the economic cycles. In the event of an economic recession, the company would be adversely affected.

e. Internal systems & adequacy

There is a huge requirement in this area to minimize past mistakes. Your company is about to hire talented and qualified people to tighten internal controls.

f. Human Relations & Industrial Relations

Your company wishes to put in place good systems to ensure good working environment and best practices. Though it may not yet be in place, in line with the corporate governance practices, your directors will endeavour to put in place a comprehensive system.

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

ASIA HR TECHNOLOGIES LIMITED

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**A 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 31.3.2005 consisted of 1 executive director and 4 non-executive Directors.

The Board comprised the following directors as on 31.3.2005

1. Mr. S.Deenadhayan
2. Mr. Ajay Arya
3. Prof.P.G.Ranganathan
4. Mr.Uday Suresh Khedkar
5. Mr.G.P.Venketeswaran

Other than Mr. Prof.P.G.Ranganathan all are non-executive directors and independent directors.

2. Board Meetings

The Board of directors formulates the business and operational policies and decide on strategic issues concerning the company. The board generally meets every quarter to review the performance. During the year under review Board meetings were held on the following dates : 26.04.2004, 04.06.2004, 29.6.2004, 30.07.2004, 15.09.2004, 29.10.2004, 31.01.2005.

The details of attendance of Board Meetings and details of other directorships, committee chairmanship/memberships held by the directors during the year are as follows.

Name of Director	No. of Board Meetings attended	Directorship in other companies		Committees in which Chairman/ Member in other Companies	
		Chairman	Director	Chairman	Director
1. Dr.R.Palaniappan	1	--	--	--	--
2. Mr. K.N.Kumaresan	1	--	--	--	--
3. Mr. S. Dheenadhayan	7	--	--	--	--
4. Mr. Ajay K. Arya	0	--	--	--	--
5. Prof.Ranaganthan	7	--	--	--	--
6. Mr.Uday Suresh Khedkar	4	--	--	--	--
7. Mr.G.P.Venketeswaran	6	--	--	--	--