



ASIA HR TECHNOLOGIES LIMITED

9th Annual Report 2008 - 2009

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

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

BOARD OF DIRECTORS

Mr.R.MURALIDHARAN
Mr.UDAY SURESH KHEDKAR
Mr.S.MALAYANDI
Dr.KALAIMANI
Mr.SUNIL VERMA

ANNUAL GENERAL MEETING

Date : 29th September, 2009
Day : Tuesday
Time : 12.30 P.M.
Place : Hotel B.R.Mathsy
29/31, Thanikachalam Road
T.Nagar, Chennai -600 017

AUDITORS

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

BANKERS

ICICI Bank Ltd
Alwarpet Branch – Chennai – 18

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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 Ninth Annual General Meeting of the members of the Company will be held on Tuesday, the 29th September, 2009 at 12.30 A.M at B.R.Mathsa 29/31, Thanikachalam 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 31.3.2009 and the Profit and Loss Account for the year ended 31.3.2009 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 a director in place of **Mr. S. Malayandi**, 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 : 30.06.2009
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 2009.
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.
6. The unclaimed dividend for the financial year ended 31st March, 2002 is due for transfer to the investor and Protection fund of the Central Government. In terms of the provisions of Section 205C of the Companies Act, 1956. No claim shall lie against the Company or the said fund after the transfer. Members who have not encashed dividend warrant for the financial year ended 31st March, 2002 are request to make the claim to the company.

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	Leadership & Facilitating Developer	B.E	Yes	Audit committee, Share transfer committee	Nil
Mr. Malayandi* 26.10.1937	Finance	undergraduate	Nil	Nil	Nil

* Related to Dr.Kalaimani, Director as his father-in-law

ASIA HR TECHNOLOGIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors are presenting the Ninth Annual Report of the company with audited accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS

**Year ended
31.03.2009**

**Year ended
31.03.2008**

Rupees in lakhs

Sales and other Income	108.28	375.82
Profit (Loss) before Depreciation & Tax	13.53	81.44
Depreciation	2.08	1.39
Profit (Loss) before Tax	11.45	80.05
Provisions for Tax-Current & Deferred	0.65	(2.96)
Fringe Benefit Tax	0.67	0.41
Profit(Loss) after Tax	10.13	82.60

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 Mr. Uday Suresh Khedkar and Mr. S. Malayandi retire by rotation and being eligible offer themselves for appointment.

4. DEPOSITS

The Company has not invited or 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 2009 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.

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 of 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.95,34,462.

II. Foreign Exchange Earnings and Outgo.

a	Foreign exchange earnings	: Rs. 86,74,224.12
	Reimbursement of expenses	: Rs. 1,81,109.00
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 : 30.06.2009

R.Muralidharan
Chairman

Addendum to Directors Report

Para 4(a) and 4(b) of the Auditor's Report

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. Efforts are being made to obtain confirmation of balances to the extent possible.

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

Last year was a tough year for your company.

An untimely economic slowdown has made business climate tough for your company. Despite the challenges we delivered a reasonably good performance. We continued to build up on the good work we did the previous year 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 expertise to develop software applications, support and implement them in a seamless manner has enabled us to grow and create value.

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

Last year 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 are in line with the strategy we laid out last year. Slowly but steadily it is paying results.
2. Our Software Consulting practice has grown and now contributes significantly to our revenue stream. We marketed the IT technical & consulting services provided by our team to great success. We bagged independent software consulting assignments from overseas markets.
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. We are confident that we will return to a high growth trajectory once the economy rebounds.

Financial Review

Our revenues fell since customers were not committing projects due to an uncertain economic situation. We earned Rs. 108.14 lakhs with a profit after tax of Rs.10.13 lakhs

Operations Review

Your company's products are in the area of Human Resources Management- more specifically in the area of e - Learning. Our e-Learning Platform: e-HRD Campus 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 last year we started focusing on providing IT consulting services to our customers. This decision has served us well.

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

The significant slowdown of the US economy is bothering economies all over the globe.

However there has been a significant and positive change in the way India has been managing its external sector with respect to changes in the global scenario. Appropriate exchange rate methods and good external debt management are some of the positive traits of the Indian economy. New policies and mature governance has helped India face numerous global crises and yet maintain an enviable growth rate.

But there is a silver lining in a slowing economy, jobs are cut and companies invest in automation, so that the demand for software services and for IT products is likely to increase as the economy slows down. This will help your company since it is in the business of providing IT services.

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.

While US might have softened, emerging markets such as the Middle East & Africa 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.

Appreciation

Your board of directors would like to record their appreciation and gratitude to

- The various stake holders of the company – our shareholders, customers, business associates, bankers and relevant regulatory authorities for their ongoing support and co-operation.
- The esteemed shareholders for believing in what we do and supporting us in this endeavor.
- The hardworking employees of your company who have demonstrated excitement, sense of ownership, exceptional energy and unflinching commitment.

Conclusion

We have a professional management team that is competent & well versed with Information Technology business practices. Despite economic challenges it is committed to take this company to greater heights. Your board is also hopeful that the employees' commitment and optimism about the future is going to make a big difference. With strong team work we are going to leverage on the successes of the past year into even greater success for the company in the coming years to ensure we deliver value to the stake holders.

We assure you, our shareholders that the entire team at your organization is more committed than ever to growing the company successfully.

We sincerely thank for your support during the past year and in the promising years ahead.

Cautionary statement

Certain statements in the management discussion and analysis describing the company's views about the industry, expectations, and 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.