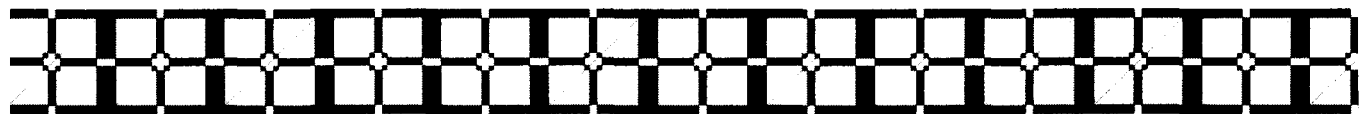


**ASIA HR TECHNOLOGIES LIMITED**

**11th Annual Report 2010 - 2011**





**ASIA HR TECHNOLOGIES LIMITED**

**REGISTERED OFFICE**

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

**ANNUAL GENERAL MEETING**

Date : 30th September, 2011  
Day : Friday  
Time : 9.00 A.M.  
Place : Hotel B.R.Mathsy  
29/31, Thanikachalam Road  
T.Nagar, Chennai -600 017

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**BOARD OF DIRECTORS**

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

**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  
Canara Bank  
Nungambakkam Branch – Chennai – 34

**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

**NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of the Company will be held on Friday, the 30th September, 2011 at 09.00 A.M at Hotel B R Mathsya, 29/31, Thanikachalam Road, T.Nagar, Chennai - 600017 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.2011 and the Profit and Loss Account for the year ended 31.3.2011 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. Sunil Verma**, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of **Mr. Uday Suresh Khedkar**, 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

Date : 31.05.2011  
Place : Chennai

R.Muralidharan  
Director

**Registered Office:**

CVR Complex, II Floor,  
No.1, Dr.Singaravelu Street,  
T.Nagar, Chennai - 600017

**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 30th September 2011.
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-600 002, quoting their registered folio number/ DPID and Client ID 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
<b>Mr. Sunil Verma</b> 15.03.1963	Finance	C.A	Nil	Audit Committee Share transfer committee	Nil
<b>Mr. Uday Suresh khedkar</b> 22.11.1966	Leadership Facilitating Developer	B.E	Yes	Audit Committee, Share transfer committee	Nil

**DIRECTORS' REPORT**

Dear Members,

Your Directors are presenting the Eleventh Annual Report of the company with audited accounts for the year ended 31st March 2011.

**1. FINANCIAL RESULTS**

	Year ended 31.03.2011	Year ended 31.03.2010
	Rupees in lakhs	
Sales and other Income	98.35	40.38
Profit (Loss) before Depreciation & Tax	(9.67)	9.65
Depreciation	1.23	1.55
Profit (Loss) before Tax	(10.90)	8.10
Provisions for Tax-Current & Deferred	0	0.37
Fringe Benefit Tax	0	0
Profit(Loss) after Tax	(10.90)	7.73

**2. DIVIDEND**

In view of the losses, your directors do not recommend any dividend during the year.

**3. DIRECTORS**

During the year **Mr. Sunil Verma** and **Mr. Uday Suresh Khedkar** 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 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 2011 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 is eligible for reappointment.

**8. LISTING**

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

**9. PARTICULARS OF EMPLOYEES**

There are no employees 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.

**II. Foreign Exchange Earnings and Outgo.**

a. Foreign exchange earnings	: Rs.	1,08,27,669-00
Reimbursement of expenses	: Rs.	Nil
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 : 31.05.2011

Dr.Kalaimani  
Director

S.Malayandi  
Chairman

**Addendum to Directors' Report**

para 4(a), 4(b) and 4(c) of the Auditor's Report

With regard to comments of the auditors in para 4(a), 4(b) and 4(c) of the report the notes (j) , (h) & (o) of the notes to accounts are self explanatory. Efforts are being made to obtain confirmation of balances to the extent possible.

With regard to comments of the auditors' in para 9(a) of the annexure to auditors report there was some delay in remitting PF due within the stipulated period due to difficult cash flow at that time. However company had taken steps to avoid such delay in future.

With regard to para 9(b) The company had received order from Income tax authorities to remit the rent and amenities cheque payable to the landlord since 1<sup>st</sup> April, 2010. However the landlord had informed the company that they had filed an appeal against the department and had requested the company to retain the funds till the appeal is disposed. Since the company has not received any information regarding to extension of the appeal, company proposes to take steps to remit the amount to Income tax department.

**ANNEXURE FORMING PART OF DIRECTORS' REPORT  
Management Discussion & Analysis Report**

Last we continued our efforts to recover from the untimely economic downturn.

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 recognized that the ability to sell our software products and services are dependent on talent with in. In line with this , we hired young and dynamic executives 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 become more matured and it contributes significantly to our revenue stream. We bagged independent software consulting assignments from overseas markets with a large concentration on the Asia Pacific & Middle East area.
3. We recognized the ability to sell our software products and services depend our value addition to the customer in terms of product differentiation and faster turnaround time. To address this issue, we built vanilla models that can be customized to specific industries quickly.
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.
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 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. 97.76 lakhs with a loss of Rs.10.90 lakhs. We take this loss in our stride, as we consciously added people to our bench to better position us to win large contracts. This resulted in higher payroll costs & lower margins in the short term.

**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 world is slowly getting out of the economic downturn.

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 growing economy, so that the demand for software services and for IT products is likely to increase. 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.

## 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:

Name of the Director	No of Board Meetings attended during 2009-10	Whether attended the Last AGM	No of Directorships in public companies	No of other Board committees in which he is Member or Chairman	Remuneration Paid	No. of Shares held
Mr.Udhay Suresh Khedkar	5	No	Nil	Nil	Nil	Nil
Mr. Malayandi	Nil	No	Nil	Nil	Nil	Nil
Mr. Kalaimani	Nil	No	Nil	Nil	Nil	Nil
Mr.R.Muralidharan	5	Yes	Nil	Nil	Nil	5,000
Mr.Sunil Verma	5	No	Nil	Nil	Nil	Nil

\* All the above directors are Independent and Non Executive

#### 2. Board Meetings

Five Board Meetings were held on the following dates 31.05.2010, 30.07.2010, 29.10.2010, 31.01.2011 and 31.03.2011

None of the Directors is member in more than 10 committees or acting as Chairman of more than Five Committees.

#### 3. Audit Committee

The audit committee reviews, the financial accounts/policies, adequacy of internal control system and interacts with the statutory auditors. The committee also reviews the audit plans, interim financial results, and observations of the auditors and follow-up reports of the management.

During the year 4 meetings were held on 31.05.2010, 30.07.2010, 29.10.2010, and 31.01.2011

Composition of the committee and attendance of the members are as follows:

Name of director	No. of meetings attended
1. Mr. Uday Suresh Khedkar	Member 4
2. Mr. R.Muralidharan	Member 4
3. Mr. Sunil Verma	Member 4

The Committee is chaired by Mr. R.Muralidharan

#### TERMS OF REFERENCE

The charter of the committee is prescribed under clause 49 of the Listing Agreement viz.,

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval of any other services.