



**ASIA HR TECHNOLOGIES LIMITED**

**9th Annual Report 2008 - 2009**



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

<b>CONTENTS</b>	<b>PAGE</b>
Notice	2
Directors' Report	3
Auditors' Report	11
Balance Sheet	14
Profit and Loss Account	15
Schedules	16
Notes on Accounts	20
Cash Flow Statement	22
Part IV of Schedule VI	23

**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

**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 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.Mathsya 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 committe	Nil
Mr. Malayandi* 26.10.1937	Finance	undergraduate	Nil	Nil	Nil

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

**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.

<b>1. FINANCIAL RESULTS</b>	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
	<b>Rupees in lakhs</b>	
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.

**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.

**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.

Name of the Director	No of Board Meetings attended during 2007-08	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	6	No	Nil	Nil	Nil	Nil
Mr. S. Malayandi	Nil	No	Nil	Nil	Nil	16,980
Mr. Kalaimani	Nil	No	Nil	Nil	Nil	Nil
Mr. R. Muralidharan	6	Yes	Nil	Nil	Nil	5,000
Mr.Sunil Verma	6	No	Nil	Nil	Nil	Nil

**\* All the above directors are Independent and Non Executive**

**2. Board Meetings**

Six Board Meetings were held on the following dates 30.06.2008, 31.07.2008, 31.10.2008, 19.01.2009, 31.01.2009 and 31.03.2009.

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 30.06.2008, 31.07.2008, 31.10.2008, and 31.01.2009

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.
3. Reviewing with the management the annual financial statements before submission to the Board focusing primarily on:



- i) Any changes in accounting policies and practices.
  - ii) Major accounting entries based on exercise of judgment by Management.
  - iii) Qualification in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The 'Going Concern" assumption.
  - vi) Compliance with Accounting Standards.
  - vii) Any related party transaction ie., transaction of the company of material nature with promoters the management and their subsidiaries or relatives etc., that may have potential conflict with the interest of the company at large.
4. Reviewing with management, External and Internal audit function including the structure of internal control system.
  5. Reviewing the adequacy of internal audit function including the structure of Internal audit department, staffing and seniority of the official heading the department, reporting structure coverag  and frequency of internal audit.
  6. Discussing with internal auditors any significant findings and follow up thereon.
  7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud and irregularity or a failure of internal control systems of a material nature and reporting the matter of the Board.
  8. Discussing with the external auditors before the audit commences, nature and scope of audit, as well as post audit discussion to ascertain any area of concern.
  9. Reviewing the company's financial and risk management policies.
  10. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

**4. Share transfer and investors relation committee**

The committee approves and monitors transfers, splits, and consolidation of shares of the company and reviews the redressal of the complaints from shareholders and also the complaints with various statutory and regulatory requirements, during the year the committee met 4 times. The Composition of the committee and the attendance of the members are as follows:

The Share Transfer Committee met 4 (four) times during the year i.e. on 20.06.2008, 29.09.2008, 31.12.2008 and 31.03.2009

**Constitution**

The Committee consists of 3 (Three) Directors.

1. Mr. Uday Suresh Khedkar
2. Mr. R.Muralidharan
3. Mr. Sunil Verma

The Committee is headed by Mr. R.Muralidharan.

Name of the Compliance Officer : Mr. D.Hari Kumar  
 Designation of the Compliance officer : Asst. Manager - Accounts  
 Pending Share Transfers : There are no pending transfers.

**5. General Body Meetings in last three financial years**

**Time and location of the last three Annual General Meetings:**

Date	Venue	Time	Special Resolution Passed at Meeting
29.09.2006	#1, Sangeetha Residency Luz Church Road, Mylapore, Chennai – 600 004.	09.00 A.M.	Nil
29.09.2007	CVR Complex, II Floor No.1, Dr.Singaravelu Street, T.Nagar Chennai – 600 017	11.00 A.M	Nil
29.09.2008	Benzz Park Tulip Hotel 62, Thirumalai Pillai Road T.Nagar, Chennai - 600017	10.00 A.M	Nil

**6. Disclosures**

There were no materially significant transactions made by the company with related parties i.e. subsidiaries, promoters, Directors or the management, and their relatives conflicting with the company's interest.

SEBI had passed order on 25-02-2008 restraining the company from buying, selling and dealing or accessing the securities market in any manner for a period of 2 years. The company has filed an appeal against this order with securities appellate tribunal and the same is pending. The company presently has no specific whistle blower policy but no personnel has been denied access to the audit committee. The company has not followed any differential treatment relating to accounting policies. There is no pecuniary relationship or transactions with non-executive directors.

**7. Means of Communication**

**Quarterly Results**

The Company has published its quarterly Financial Results in the Following News papers:-

Quarter ended : 30.06.2008 : Trinity Mirror and Makkal Kural on 01.08.2008.

Quarter ended : 30.09.2008 : Trinity Mirror and Makkal Kural on 01.11.2008.

Quarter ended : 31.12.2008 : Trinity Mirror and Makkal Kural on 31.01.2009.

Quarter ended : 31.03.2009 : Trinity Mirror and Makkal Kural on 01.07.2009

**Company Website address : [www.asiahrtech.com](http://www.asiahrtech.com)**

**Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report is included in the Director's Report and Forms part of the annual Report.( Annexure – A to the Directors Report).

**General Shareholder Information**

**Financial Year : April 2008 to March 2009.**

**Annual General Meeting**

Date	Time	Venue
29.09-2009	12.30 P.M.	Hotel B R. Mathsya, 29/31, Thanikachalam Road, T.Nagar, Chennai – 600017

Book Closure on 29.09.2009.

Dividend Payment date: Not Applicable.

**Listing on Stock Exchanges**

The shares are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd, Mumbai

2. The Madras Stock Exchange Ltd, Chennai

Listing Fee: Listing Fee paid up to 2009 – 2010.

Mumbai Stock Code: Demat ISIN NO: IN9799C01015.

Scrip Code: 532435

Scrip Name: ASIA HR

**Stock Market Data**

The high and low prices of shares during the year in BSE

High Price : 3<sup>rd</sup> February, 2009 Rs.4.29

Low Price : 26<sup>th</sup> March, 2009 Rs. 1.72

MONTH	HIGH Rs.	LOW Rs.	MONTH	HIGH Rs.	LOW Rs.
April 2008	2.68	2.02	October 2008	3.45	2.86
May 2008	3.62	2.76	November 2008	3.49	2.57
June 2008	3.00	2.16	December 2008	3.99	2.60
July 2008	4.13	2.57	January 2009	4.28	3.54
August 2008	4.00	2.94	February 2009	4.29	2.94
September 2008	3.64	2.80	March 2009	3.08	1.72

Share transfers were processed and share certificates were dispatched within 15 days from the date of lodgment in accordance with the stock exchange listing agreement.

M/s Cameo Corporate Services Limited who have been appointed as Registrars and share transfer agents of the company for both physical and electronic segments have attended to the share transfer formalities regularly. The Registrars and share agents can be contacted by the investors at the following address:

**Registrars & Share Transfer Agents:** Cameo Corporate Services Limited,  
Subramaniam Building,  
1, Club House Road, Anna Salai, Chennai-2.  
Ph: 04428460390 Fax: 044 2846 0129  
Email: cameo@cameoindia.com  
Contact person: Mr. R.D.Ramasamy, Director

**Distribution of Shareholding As On 31.03.2009**

No of equity shares held	No of shareholders	%	No of shares	%
Up to 500	827	57.19	2,18,943	2.19
501-1000	272	18.81	2,52,566	2.53
1001-2000	154	10.65	2,56,153	2.56
2001-3000	47	3.25	1,22,364	1.22
3001-4000	21	1.45	75,250	0.75
4001-5000	36	2.49	1,76,749	1.77
5001-10000	46	3.18	3,35,499	3.36
10001-and above	43	2.98	85,62,476	85.62
	<b>1446</b>	<b>100.00</b>	<b>1,00,00,000</b>	<b>100.00</b>

No of shares in Demat mode: 9900263  
No of shares in Physical mode: 99737  
Outstanding GDRs/ADRs/Warrants: Nil

**Share Transfer System**

The share transfers are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, so long as the documents have been clear in all respects. The Company has, as per SEBI Guidelines offers the facility of transfer cum demats.

**Distribution of Shareholding as on 31st March 2009**

Category	No. of shares held	Percentage of shareholding
1. Promoters	4726425	47.26
2. Private Corporate Bodies	2995298	29.95
3. Indian Public	1742444	17.42
4. NRI	532345	5.32
5. Clearing Member	3488	0.05
<b>GRAND TOTAL</b>	<b>1,00,00,000</b>	<b>100.00</b>

**CEO/CFO Certification**

A Certificate from the Managing director of the company in terms of clause 49(v) of the listing agreement was placed before the board meeting held on 30<sup>th</sup> June 2009 to approve the audited annual accounts for the year ended 31<sup>st</sup> March 2009. The company has adopted mandatory requirements of clause 49 of the listing agreement and complied with the same.

**Certificate of Compliance with the code of conduct policy**

As provided under clause 49 of the listing agreement with the stock exchange the board members and senior management personnel have confirmed with the code of conduct for the period ended 31<sup>st</sup> March 2009.

Non-mandatory requirements : NIL

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER  
CLAUSE 49 OF THE LISTING AGREEMENT:-**Registration No. of the Company : **18 – 044664.**Nominal Capital : **Rs.10,00,00,000.00.**

The Members of the Asia Hr, Technologies Ltd, Chennai.

I have examined all the relevant records of M/s.Asia HR Technologies Ltd, Chennai for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the Listing Agreement with BSE for the financial year ended 31.3.2009. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanation and information furnished, I certify that the Company has complied with all the mandatory conditions of the said Clause 49 of the Listing Agreement.

Place : Chennai.  
Date : 30.06.2009.C.N. Srinivasan  
Chartered Accountant  
Membership No. 18216**AUDITOR'S REPORT TO THE MEMBERS**

1. I have audited the attached Balance Sheet of M/s. Asia HR Technologies Ltd, as at 31st March 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. a) Attention is drawn to the item (o) in Notes on accounts in Schedule N forming part of the financial statements in respect of and not charging of depreciation of Rs. 15,73,564/ (Arrears of depreciation not provided upto 31-3-2008 Rs.69,93,616) for the year ending 31-3-2009 in the profit and loss account and if it is charged to the Profit and loss account the profit will be converted into a loss of Rs. 5,60,886.84 and the total losses in the profit and loss account shown under Miscellaneous Expenditure Account would be Rs.8,17,23,085.70/- and correspondingly the fixed assets (Net Block are over stated by Rs.85,67,180 )  
b) Like-wise, Attention is drawn to the item (k) in Notes on accounts in Schedule N forming part of the financial statements in respect of non confirmation of balances of sundry creditors, loans and advances and this would have a bearing if there are any changes in the balances and the value of the total revenue, assets would vary accordingly..
5. Further to my comments in Paragraph 4 (a) and (b) as stated above, I report that:
  - i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - ii) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books;
  - iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
  - iv) In my opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009; and
  - in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- c) I have also examined the attached Cash Flow Statement of the Company for the year ended 31st March 2009. The Statement has been prepared by the company in accordance with the requirements of Clause 32 of the listing agreements entered into with the Stock Exchange.

Place : Chennai.  
Date : 30.06.2009.

C.N. Srinivasan  
Chartered Accountant  
Membership No. 18216

**ANNEXURE TO THE AUDITOR'S REPORT****The Annexure referred to in Para 3 of the Auditors' Report to the members of M/s. Asia HR Technologies Limited for the year ended 31st March 2009.**

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - All the assets are physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- Clauses (a) and (b) are not applicable as the company is not carrying any inventory during the year under review..
- The Company has not taken or granted any loans to any party listed in the register maintained under Section 301 of the Companies Act, 1956. Hence clause (iii) of the said order is not applicable.
- In my opinion and according to the information and explanations given to me there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
- The company has not entered into any contracts or arrangements attracting the provision of section 301 of the Companies Act, 1956 and hence the Clause (v) of the said order is not applicable.
- The company has not accepted any deposit from the public and hence provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable. Hence the Clause (vi) of the said order is not applicable.
- In my opinion, the company has an internal audit system commensurate with the size and nature of its business.
- I am informed the company has not been required by the Central Government to maintain cost records under section 209(1)(d) of the Companies Act, 1956. and hence the Clause (viii) of the said order is not applicable.
- The company is regular in depositing with appropriate authorities undisputed statutory dues of Income tax and other material statutory dues applicable to it.
  - According to the information and explanations given to me, no undisputed amounts payable in respect of income tax as at 31st March 2009 was outstanding for a period of more than six months from the date they became payable.
- The company has accumulated losses. The company has made cash profit during the financial year covered by my audit as against the cash loss made in the immediate preceding financial year.
- The company has neither taken any loan from financial institutions, bank nor issued any debentures. Accordingly clause 4(xi) of the Order is not applicable.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) is not applicable.
13. The company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. *The company is not dealing or trading in shares and other investment. The investments in shares were held in the name of the company.*
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.
16. The company has not taken any term loan during the year covered by this audit. Accordingly clause 4 (xvi) is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the company has not raised any funds on short-term basis for long terms Investment and the vice-versa. Accordingly clause (xvii) of the order is not applicable. All assets have been funded by the shareholder's funds.
18. The company has not made any preferential allotment of shares to any parties or companies. Accordingly Clause 4 (xviii) of the order is not applicable.
19. The company has not issued any debenture during the period covered by our audit. Accordingly Clause 4 (xix) of the Order is not applicable.
20. The company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Chennai.  
Date : 30.06.2009.

C.N. Srinivasan  
Chartered Accountant  
Membership No. 18216

**BALANCE SHEET AS AT 31ST MARCH 2009**

Particulars	Sch	As at		As at	
		31.03.2009		31.03.2008	
		Rs.	P.	Rs.	P.
<b>I SOURCES OF FUNDS</b>					
<b>1) SHARE HOLDER'S FUNDS</b>					
a) Share Capital	A	9,92,38,000.00		9,92,38,000.00	
b) Reserves & Surplus	B	5,50,00,000.00		5,50,00,000.00	
<b>2) LOAN FUNDS</b>					
a) Secured loans	C	5,13,000.00		6,49,800.00	
b) UnSecured loans			0.00		0.00
<b>3) DEFERRED TAX LIABILITY</b>					
		62,50,048.00		61,84,572.00	
<b>TOTAL</b>		<b>16,10,01,048.00</b>		<b>16,19,72,372.00</b>	
<b>II APPLICATION OF FUNDS</b>					
<b>1) FIXED ASSETS(Net Block)</b>	D	7,27,48,121.05		7,25,28,498.05	
<b>2) INVESTMENTS</b>			—		—
<b>3) CURRENT ASSETS, LOANS AND ADVANCES</b>					
a) Sundry Debtors	E	49,27,482.00		65,20,000.00	
b) Cash and Bank Balances	F	6,34,274.88		7,19,874.77	
c) Loans & Advances	G	1,10,648.75		33,31,273.75	
		56,72,405.63		1,05,71,148.52	
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	H	6,88,055.00		5,63,488.00	
<b>NET CURRENT ASSETS</b>		49,84,350.63		1,00,07,660.52	
<b>4) (a) MISCELLANEOUS EXPENDITURE</b>	I	1,02,54,462.00		44,49,263.00	
(To the extent not written off or adjusted)					
Deffered Interest		1,12,837.45		1,72,996.40	
Profit & Loss Account		7,29,01,276.87		7,39,13,954.03	
<b>TOTAL</b>		<b>16,10,01,048.00</b>		<b>16,10,72,372.00</b>	
<b>Notes on Accounts</b>	N				

Schedule A to I and N form part of the Balance sheet

As per my report of even date

For and on behalf of the board

Date : 30.06.2009

**C.N.Srinivasan**

**S. Malayandi**

Place : Chennai

Chartered Accountant

**R.Muralidharan**

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Sch	Year ended 31.03.2009		Year ended 31.03.2008	
		Rs.	P.	Rs.	P.
<b>INCOME</b>					
Sales		1,08,14,224.12		3,75,10,300.00	
Other Income		13,828.00		71,282.60	
<b>TOTAL</b>		<b><u>1,08,28,052.12</u></b>		<b><u>3,75,81,582.60</u></b>	
<b>EXPENDITURE</b>					
Cost of Software & Operation Expenses	J	52,514.00		2,63,33,293.50	
Administrative Expenses	K	82,15,876.00		14,01,952.25	
Employees Remuneration and Benefits	L	7,78,723.50		13,22,205.65	
Financial Charges	M	68,160.46		19,773.37	
Depreciation	D	2,07,964.00		1,38,771.00	
Preliminary Expenses written off	I	3,60,000.00		3,60,000.00	
<b>TOTAL</b>		<b><u>96,83,237.96</u></b>		<b><u>2,95,75,995.77</u></b>	
Profit /Loss For the Year		11,44,814.16		80,05,586.83	
Less: Provision For Taxation-Current		0.00		0.00	
-Fringe Benefit Tax		66,661.00		40,877.00	
-Deferred Tax Liability		65,476.00		-2,95,506.00	
Profit After Tax		<b>10,12,677.16</b>		<b>82,60,215.83</b>	
Add: Profit/Loss Brought Forward		-7,39,13,954.03		-8,21,74,169.86	
Total		-7,29,01,276.87		-7,39,13,954.03	
Dividend		0.00		0.00	
Balance carried forward to Balance sheet		-7,29,01,276.87		-7,39,13,954.03	
Earning Per Share		0.1		0.83	

Notes on Accounts N

Schedule J to N form part of the Profit and Loss Account

As per my report of even date

For and on behalf of the board

Date : 30.06.2009 C.N.Srinivasan  
Place : Chennai Chartered Accountant

S. Malayandi  
R.Muralidharan  
Directors



**Schedules A to N forming part of the Annual Accounts for the year ended 31-3-2009**

Particulars	As at 31.03.2009		As at 31-03-2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - A</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
1,10,00,000(1,10,00,000) Equity Shares of Rs.10/- each	11,00,00,000.00		11,00,00,000.00	
<b>Issued, Subscribed &amp; paid Up Capital</b>				
1,00,00,000 Equity shares of Rs.10/- each	10,00,00,000.00		10,00,00,000.00	
(out of this offered to Public 45,00,000 equity shares of Rs.10/- each) Less:Call In Arrears (101600 shares at Rs.7.50)	762000.00		7,62,000.00	
<b>TOTAL</b>	<b>9,92,38,000.00</b>		<b>9,92,38,000.00</b>	

**SCHEDULE - B: RESERVES & SURPLUS**

Share Premium	5,50,00,000.00		5,50,00,000.00	
	<b>5,50,00,000.00</b>		<b>5,50,00,000.00</b>	

**SCHEDULE - C: SECURED LOANS**

ICICI Bank Loan - Car	5,13,000.00		6,49,800.00	
(Car Hypothecated to Magma Finance and Loan repayable in 60 Months and expiring on 20th February of 2011) (including future deferred interest on car loan for Rs.112838.45)	<b>5,13,000.00</b>		<b>6,49,800.00</b>	

**SCHEDULE - D : FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	Rate %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.4.2008	Addition	deletion	As at 31.03.2009	Upto 31.03.2008	For the year	Deletions	Upto 31.03.2009	As on 31.03.2008	As on 31.03.2009
R & D Assets (Computers & Peripherals, & Software)	40.00%	1,09,51,425.00	4,465.00	0.00	1,09,55,890.00	0.00	14,025.00	0.00	14,025.00	1,09,51,425.00	1,09,41,865.00
R & D under Process		6,07,74,338.35	4,09,122.00	0.00	6,11,83,460.35	0.00	0.00	0.00	0.00	6,07,74,338.35	6,11,83,460.35
Office Equipments	13.91%	35,999.00	14,000.00	0.00	49,999.00	18,200.00	4,423.00	0.00	22,623.00	17,799.00	27,376.00
Furnitures & Fixtures	18.10%	3,51,937.00	0.00	0.00	3,51,937.00	2,16,546.00	24,508.00	0.00	2,41,054.00	1,35,391.00	1,10,883.00
Electrical Fittings	13.91%	75,508.70	0.00	0.00	75,508.70	49,118.00	3,672.00	0.00	52,790.00	26,390.70	22,718.70
Wagon R Car	25.89%	6,23,154.00	0.00	0.00	6,23,154.00	0.00	1,61,336.00	0.00	1,61,336.00	6,23,154.00	4,61,818.00
<b>TOTAL</b>		<b>7,28,12,362.05</b>	<b>4,27,587.00</b>	<b>0.00</b>	<b>7,32,39,949.05</b>	<b>2,83,864.00</b>	<b>2,07,964.00</b>	<b>0.00</b>	<b>4,91,828.00</b>	<b>7,25,28,498.05</b>	<b>7,27,48,121.05</b>

**SCHEDULE - E: SUNDRY DEBTORS**

Considered good ( Less than 6 months old )	49,27,482.00		65,20,000.00	
	<b>49,27,482.00</b>		<b>65,20,000.00</b>	

SCHEDULE - (Contd.,)	As at 31.03.2009		As at 31-03-2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - F : CASH AND BANK BALANCES</b>				
Cash in hand		2,437.70		10,385.20
ICICI Bank - Alwarpet Branch		6,31,837.18		7,03,489.57
		<b>6,34,274.88</b>		<b>7,13,874.77</b>
<b>SCHEDULE - G : LOANS &amp; ADVANCES</b>				
(Unsecured Considered good Advances recoverable in cash or in kind for value to be received)		0.00		32,20,625.00
Deposits		65,620.00		65,620.00
Tax Deducted at Source		45,028.75		45,028.75
		<b>1,10,648.75</b>		<b>33,31,273.75</b>
<b>SCHEDULE H : CURRENT LIABILITIES &amp; PROVISIONS</b>				
Sundry Creditors		72,972.00		72,972.00
Creditors for Expenses & Other Liabilities		5,48,422.00		4,49,639.00
Fringe Benefit Tax Provision		66,661.00		40,877.00
		<b>6,88,055.00</b>		<b>5,63,488.00</b>
<b>SCHEDULE - I: MISCELLANEOUS EXPENDITURE</b>				
<b>Preliminary Expenses</b>				
Opening Balance		10,80,000.00		14,40,000.00
Less : Written off during the year		3,60,000.00		3,60,000.00
		7,20,000.00		10,80,000.00
R & D Deferred Expenditure(refer item t in schedule N- notes to accounts )		95,34,462.00		33,69,263.00
		<b>1,02,54,462.00</b>		<b>44,49,263.00</b>

SCHEDULE - (Contd.,)	As at		As at	
Schedules forming part of Profit and Loss Account	31.03.2009	P.	31-03-2008	P.
	Rs.	P.	Rs.	P.
<b>SCHEDULE - J : COST OF SOFTWARE &amp; OPERATION EXPENSES</b>				
Out sourcing development	41,014.00		2,63,16,793.50	
Advertisement Expenses	11,500.00		16,500.00	
	<b>52,514.00</b>		<b>2,63,33,293.50</b>	
<b>SCHEDULE - K: ADMINISTRATIVE EXPENSES</b>				
Rent & Electricity	1,21,836.00		1,13,993.00	
Postage ,Telegram & Courier	17,514.00		76,904.60	
Printing & Stationery, xerox	36,505.00		81,181.90	
Consultation/Professional charges	4,03,744.00		2,01,366.00	
Rates & Taxes	16,335.00		1,800.00	
Telephone Charges	42,964.00		37,229.35	
Provision for Bad Debts	36,70,000.00		0.00	
Advance Property W/O	32,00,000.00		0.00	
Insurances	14,319.00		51,953.00	
Repairs & Maintenace for Computers/Internet	3,55,387.00		2,62,415.80	
Travelling & Conveyances	71,798.50		3,57,518.10	
Audit Fees	35,000.00		35,000.00	
M isc expenses/General Expenses	0.00		69,084.00	
Books & Periodicals	1,185.00		85,430.00	
AGM Expenses	16,034.00		0.00	
Office Maintenance	2,13,254.50		28,076.50	
	<b>82,15,876.00</b>		<b>14,01,952.25</b>	
<b>SCHEDULE - L: EMPLOYEES REMUNERATION &amp; BENEFITS</b>				
Salaries	6,78,533.00		11,81,574.00	
Staff Welfare	1,00,190.50		1,40,631.65	
	<b>7,78,723.50</b>		<b>13,22,205.65</b>	
<b>SCHEDULE - M: FINANCIAL CHARGES</b>				
Interest Paid	60,157.95		12,443.57	
Bank Charges	8,002.51		7,329.80	
	<b>68,160.46</b>		<b>19,773.37</b>	

**SCHEDULE - N****Significant Accounting Policy****a. Basis For preparation of Financial Statements:**

The Financial Statements are presented on going concern basis under the historical cost convention adopting accrual method of accounting and in accordance with the generally accepted Accounting principles and the Companies Act, 1956,.

**b. Fixed Assets:**

Fixed Assets are stated at the historical cost less accumulated depreciation.

**c. License Fees: - Intangible Assets**

License Fees represent amount paid for acquiring rights for publishing books. It has to be written off over 10 years starting from financial year 2001-2002

**d. Depreciation:**

Depreciation on Fixed Assets is provided on written down value basis at the rates prescribed in schedule XIV to the Companies Act 1956. Asset Purchased during the year after 30th September are depreciated based on the number of days the asset was put to use. The asset purchased before 30th September are depreciated at 100% of the normal eligible depreciation. Asset costing less than Rs.5000/- are fully depreciated.

Depreciation on R&D Assets to the extent not absorbed for the unfinished activities are deferred for future absorption as and when the jobs are completed and sales commences.

**e. Investment:**

Long-term investments are stated at cost and provision if any for decline in value other than temporary are made wherever necessary. Current Investments are stated at lower of cost or market value.

**f. Foreign Currency Transactions:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Current assets and Liabilities denominated in foreign currency are translated at the rate of exchange as at the balance-sheet date. All resulting gains or losses are recognized in the profit and loss account

**(i) RESEARCH AND DEVELOPMENT**

- a) Fixed assets acquired for R&D is valued at cost.
- b) Expenses attributable to R&D are absorbed to the extent of sale realization.
- c) Expenses on unfinished R&D jobs are deferred and treated as deferred R&D Expenditure and the same will be absorbed proportionately as and when sales realization takes place.

**g. Deferred Tax**

Deferred Tax resulting from timing differences between book and tax profit is accounted for at the current rate of tax to the extent that the timing differences are expected to crystallize.

**h. Deferred Revenue Expenditure**

Deferred interest payable on HP Loan, representing unexpired installments and same will be adjusted to the interest account as and when the installments are paid in each year.

**i. Impairment:**

At each Balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment of loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a Pre- tax discount rate that reflects the current market assessment of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

**NOTES TO ACCOUNTS:**

a. The Company undertook development of 3 different software products from 2006-07 onwards which is still under development stage in their in house R&D Department and these products are in the development stage for future use. Hence the R&D costs incurred for the development of these Softwares are deferred and treated as Deferred R&D expenditure.

b. The company is engaged in development of software, which as per Accounting Standard-17 is considered the only one reportable segment.

c. Related party transactions:

Accounting Standard 18 is not recognized since there are no related party transactions to report.

d. Earning in foreign exchange on export	2008-09	2007-08
of goods (F.O.B Basis)	Rs.86,74,224.12	Rs.82,50,000
Reimbursement of expenses	Rs. 1,81,109.00	Nil

e. Expenditure in Foreign Currency	Nil	Nil
------------------------------------	-----	-----

f. AUDIT FEES:	2008-09	2007-08
(Including service tax)		
Statutory Audit Fees	Rs. 38,605/-	Rs.39,370/-

g. The Deferred tax liability on account of timing differences is recognized in the accounts.

The Components of Deferred Tax Liability/ Asset as on 31.03.2009 is as under

	2008-2009	2007-2008
	Rs. in Lakhs	
Deferred Tax Liability		
Opening Balance of Deferred Tax Liability	61.84	64.80
Deferred Tax Asset	Nil	(2.96)
Deferred Tax Liability	0.66	Nil
Closing Balance Deferred Tax Liability	62.50	61.84

h. There are no dues of more than 30 days to Small Scale Industries.

i. Earnings Per Share	2008- 2009	2007-2008
Profit/ (Loss) (Rs. In Lakhs)	10.13	82.60
No. of Shares	10000000	10000000
Earning Per Share	0.10	0.83

j. Contingent Liability	Nil	Nil
-------------------------	-----	-----

k. Balances of Sundry Creditors, Loan & Advances are subject to confirmation, adjustments and reconciliation if any.

l. Information pursuant to the provisions of paragraph 3&4 of part II OF SCHEDULE VI of the companies act are not applicable.

m) Deferred revenue expenditure

This includes deferred interest of Rs 1,12,837.45 (P.Y.F Rs.60,157.95) payable on HP Loan, representing unexpired instalments interest and same will be adjusted to the interest account as and when the instalment are paid each year.

Amount O/s as on 31.03.2009 Rs.5,13,000/-

	No of future Instalment due as on 31.03.2009	No of future Instalment due as on 31.03.2008
No of instalments Due from 01.4.2009		
Upto 31.12.2012 included under secured loan	45	57
a) Principal	Rs. 4,00,161.55	Rs. 4,76,803.60
b) Interest	Rs. 1,12,838.45	Rs. 1,72,996.40
	<u>Rs. 5,13,000.00</u>	<u>Rs. 6,49,800.00</u>

- n. A sum of Rs. 32,00,000 being advance paid towards the purchase of property is considered irrecoverable and written off in the books of accounts.
- o. The company was providing depreciation on its software assets in all the earlier years. The company during the last year had not charged further depreciation since the asset is not put to use for different softwares which are in the process stage. On account of this, no depreciation on software asset amounting to Rs. 15,73,564 (PYF- Rs. 26,22,606) is charged to the profit and loss account during this current year. The total arrears of depreciation not provided in the books Rs. 85,67,180 The Company has taken these asset as R&D Asset for the development of new products. Consequently the R&D Asset is overstated to this extent of not providing depreciation and the WDV of the R&D Asset would be Rs. 23,60,345
- p. There are no dues to SSI's in excess of Rs. 1,00,000 and outstanding for more than 30 days.
- q. The company is engaged in the development of computer software. The production and sale of such software cannot be expressed by any generic unit. Hence it is not possible to give the quantitative details of sale and information as required under Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act 1956.
- r. No Provision for Taxation is made as the company has adequate unabsorbed loss and unabsorbed depreciation.
- s. As stated in Paragraph (a) the expenditure attributable to the development of new software and that are expected to result in gains in future are classified under Deferred RESEARCH AND DEVELOPMENT expenditure and the details are as under.

	2008-2009 Rs.	2007-2008 Rs.
Opening balance	33,69,263.00	—
Rent	68,400.00	91,200.00
Telephone Expense	55,470.00	71,236.00
Printing and stationery	44,067.00	17,594.00
Traveling and conveyance	0.00	1,17,818.00
Electricity charges	1,14,355.00	1,07,589.00
Staff welfare	1,03,267.00	22,173.00
Office maintenance	3,19,880.00	2,64,991.00
Leased line charges	2,94,012.00	2,17,465.00
Salaries	42,31,327.00	16,17,459.00
Provident Fund	2,69,320.00	3,99,312.00
Computer Repairs & Maintenance	2,25,025.00	11,300.00
UPS – AMC	14,045.00	52,740.00
Traveling R&D	4,13,562.00	2,90,786.00
Insurance	12,469.00	12,168.00
Fees – R&D	0.00	75,432.00
	<b>95,34,462.00</b>	<b>33,69,263.00</b>

- t. Previous year figures have been regrouped wherever necessary to make them comparable.

As per my report of even date

For and on behalf of the board

Date : 30.06.2009

**C.N.Srinivasan**

Place : Chennai

Chartered Accountant

**S. Malayandi**

**R.Muralidharan**

Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

(Amount in Rs.)

	2008-2009	2007-2008
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/Loss Before Tax And Extra Ordinary Items	11,44,814.16	80,05,586.83
Adjustment for:		
-Depreciation	2,07,964.00	1,38,771.00
-License fees written off	3,60,000.00	3,60,000.00
-Profit on sale of Fixed Assets	0.00	-71,282.60
-R&D written off	0.00	36,00,000.00
Operation Profit before Working Capital Changes	17,12,778.16	1,20,33,075.23
Adjustment for:		
-Trade Receivables & other assets	15,92,518.00	-65,20,000.00
- Inventory	0.00	0.00
- Loan & Advances	32,20,625.00	-56,245.00
-Current Liabilities & Provisions	1,24,567.00	-16,18,861.70
-Income Tax /Fringe Benefit Tax	-66,661.00	-40,877.00
<b>Net Cash From Operating Activities</b>	<b>A 65,83,827.16</b>	<b>37,97,091.53</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
- Purchase of Fixed Assets	-4,27,587.00	-42,90,874.35
- Proceeds from sale of Fixed Assets	0.00	2,10,000.00
- Miscellaneous Expenditure	-61,05,040.05	-4,73,420.43
- Purchase/Sale of Investments	0.00	0.00
<b>Net Cash used in Investing Activites</b>	<b>B -65,32,627.05</b>	<b>-45,54,294.78</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
-Proceed From Issue of Share Capital	0.00	0.00
-Proceed From Long Term Borrowings	0.00	5,00,000.00
-Repayment of Long Term Borrowings	-1,36,800.00	-88,618.00
<b>Net Cash From Financing Activies</b>	<b>C -1,36,800.00</b>	<b>4,11,382.00</b>
<b>D: NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>85,599.89</b>	<b>3,45,821.25</b>
E. Cash & Cash equivalents at the beginning of the year	7,19,874.77	10,65,696.02
F. Cash and Cash Equivalents at the end of the year	<b>6,34,274.88</b>	<b>7,19,874.77</b>

For and on behalf of the board

Date : 30.06.2009

Place : Chennai

**S. Malayandi**
**R.Muralidharan**

Directors

**AUDITORS CERTIFICATE**

I have examined the above cash flow statement of 2009 of Asia HR Technologies Ltd (formerly known as SMR UNIVERSAL SOFTECH LIMITED) (the company) for the year ended 31st March 2009. The statement has been prepared by the company in accordance with the requirements of Listing Agreement and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by my report of even date to the members of the company.

Place : Chennai

Date : 30-06-2009

**C.N.SRINIVASAN**

Chartered Accountant

Membership No. 18216

INFORMATION AS REQUIRED UNDER PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

**I. Registration Details**

Registration No.  State Code

Balance Sheet Date

**II. Capital raised during the year (Amount in Rs.Thousands)**

Public Issue  Rights Issue

Bonus Issue  Private Placement

**III. Position of mobilisation and deployment of funds (Amount in Rs.Thousands)**

Total Liabilities  Total Assets

**Sources of Funds**

Paid-up Capital  Reserves & Surplus

Secured Loans  Unsecured Loans

Deferred Tax Liability

**IV. Application of Funds**

Net Fixed Assets  Investments

Net Current Assets  Misc. Expenditure

Accumulated Losses

**V. Performance of Company (Amount in Rs.Thousands)**

Turn over & Other Income  Total Expenditure

Profit/(Loss) Before Tax  Profit/Loss After Tax   
(+) / (-) (+) / (-)

Earning per share in Rs.  Dividend Rate %

Generic Name of three principal products / services of company (as per Monetary Terms)

Item Code NO. (ITC Code)

Product Description

For and on behalf of the board

Date : 30.06.2009  
Place : Chennai

**S. Malayandi**  
**R.Muralidharan**  
Directors

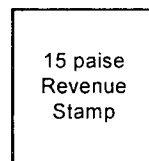


**ASIA HR TECHNOLOGIES LIMITED**

Regd. office : CVR Complex, II Floor No.1, Dr.Singaravelu Street,  
T.Nagar, Chennai – 600 017.

**PROXY FORM**

I/We.....  
of.....  
a member/members of Asia HR Technologies Limited hereby appoint.....  
..... of .....  
or failing him/her ..... of .....  
as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, the 29<sup>th</sup> September, 2009 at 12.30 P.M. at Hotel B.R.Mathsyia 29/31, Thanikachalam Road T.Nagar, Chennai -600 017 and any adjournment thereof.  
signed this ..... day of .....2009.  
Member's Folio .....  
\*DP ID : ..... \*Client's I.D. No.....  
No. of shares held .....



NOTE : The proxy form must be deposited at the Registered office of the Company not less than 48 hours before the time for holding of the meeting.

**ASIA HR TECHNOLOGIES LIMITED**

Regd. office : CVR Complex, II Floor No.1, Dr.Singaravelu Street,  
T.Nagar, Chennai – 600 017.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting place)

I hereby record my presence at the Annual General Meeting of the Company to be held at Hotel B.R.Mathsyia 29/31, Thanikachalam Road T.Nagar, Chennai -600 017 on Tuesday, the 29<sup>th</sup> September, 2009 at 12.30 P.M.  
Name of the attending member (in block letters) .....  
Name of the proxy (in block letters) .....  
Member's Folio .....  
\*DP ID : ..... \*Client's I.D .....  
No. of shares held .....

\* Applicable to investors holding shares in electronic form. (To be signed at the time of handing over this slip)

Member's /Proxy's signature

Book Post

Anugraha © : 42177037

If undelivered, Please return to :

**ASIA HR TECHNOLOGIES LIMITED**

CVR COMPLEX, II FLOOR

NO.1, DR.SINGARAVELU STREET,

T.NAGAR, CHENNAI – 600 017