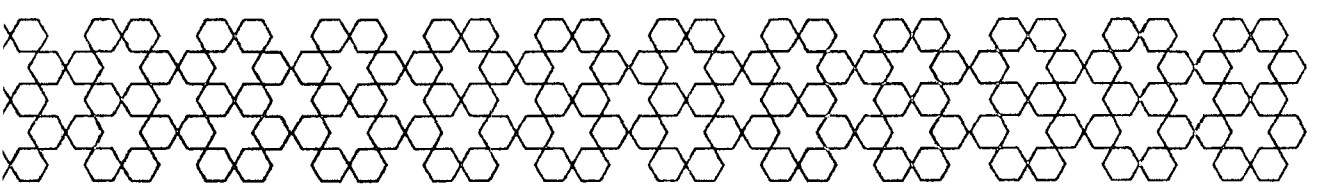


AHRT

ASIA HR TECHNOLOGIES LIMITED

ASIA HR TECHNOLOGIES LIMITED

8th Annual Report 2007 - 2008



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, 2008
Day	:	Monday
Time	:	10.00 A.M.
Place	:	Benzz Park Tulip Hotel, 62, Thirumalai Pillai 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
(from 19.02.08)

Mr.DEENADAYALAN
(upto 31.01.08)

Mr.ROBERT LIM
(upto 19.02.08)

Mr.KRISHNAN
(upto 19.02.08)

AUDITORS

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

BANKERS

ICICI Bank Ltd
Nandanam Branch – Chennai – 35

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 Eighth Annual General Meeting of the members of the Company will be held on Monday, the 29th September, 2008 at 10.00 A.M at Benzz Park Tulip Hotel, 62, Thirumalai Pillai 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 31.3.2008 and the Profit and Loss Account for the year ended 31.3.2008 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 Dr. Kalaimani, who retires by rotation and being eligible offers himself for reappointment.

3. To appoint a director in place of Mr. Sunil Verma, 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 : 30.06.2008
Place : Chennai

R.Muralidharan
Director

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 2008.
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.

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
Dr. Kalaimani* 23.09.1950	Management	B.D.S	Nil	Nil	Nil
Mr. Sunil Verma 15.03.1963	Finance	C.A	Nil	Nil	Nil

* Related to Mr. Malayandi, Director as his son-in-law

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting the Eighth Annual Report of the company with audited accounts for the year ended 31st March 2008.

1. FINANCIAL RESULTS

	Year ended 31.03.2008	Year ended 31.03.2007
	Rupees in lakhs	
Sales and other Income	375.8	34.10
Profit (Loss) before Depreciation & Tax	81.44	2.39
Depreciation	1.39	0.81
Profit (Loss) before Tax	80.05	1.58
Provisions for Tax-Current & Deferred	(2.96)	—
Fringe Benefit Tax	0.41	0.27
Profit(Loss) after Tax	82.60	1.31

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 Dr. Kalaimani and Mr. Sunil Verma retire by rotation and being eligible offer themselves for appointment.

4. DEPOSITS

The Company has not accepted any deposits from the public.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, 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 2008 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.

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.

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 fo 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 .33,69,263.

II. Foreign Exchange Earnings and Outgo.

a. Foreign exchange earnings : Rs. 82,50,000.00
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 : 30.06.2008

R.Muralidharan
Chairman

ANNEXURE FORMING PART OF DIRECTORS' REPORT

Management Discussion & Analysis Report

Last year was a great year for your company.

We delivered strong performance leading to good financial results. We manage to turn the tide from the previous years 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 competency to develop software applications, support and implement them in a seamless manner has enabled us to grow and create value.

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

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 done over the last 3 years have already started paying results.
2. We created a Software Consulting revenue channel apart from the product channel. We marketed the IT technical & consulting services provided by our team to great success. We bagged independent software consulting assignments from Asia Pacific & Middle East.
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. Today we are confident that we are on a growth trajectory that will take this company to great heights.

Financial Review

The revenue increased from **Rs.34.10 lakhs** To **Rs 375.10 lakhs** due to the improved demand for our products and services worldwide.

We also recorded a high profit after tax of **Rs.82.60 lakhs** from **Rs. 1.31 lakhs** in the previous year. The increase in profit is due to the higher margins on our software consulting services and more value added products and services.

Operations Review

Your company's products are in the area of Human resources - more specifically in the area of e- Learning. Our e-Learning Platform: e-HRDCampus 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 this year onwards we started focusing on providing IT consulting services to our customers. 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

According to a NASSCOM-McKinsey report, annual revenue projections for India's IT industry in 2008 are US $ 87 billion and market openings are emerging across four broad sectors, IT services, software products, IT enabled services, and e-businesses thus creating a number of opportunities for Indian companies.

Other key findings of this report are:

- Software & Services will contribute over 7.5 % of the overall GDP growth of India
- IT Exports will account for 35% of the total exports from India
- Potential for 2.2 million jobs in IT by 2008
- IT industry will attract Foreign Direct Investment (FDI) of U.S. $ 4-5 billion
- Market capitalization of IT shares will be around U.S. $ 225 billion

India's most prized resource in today's knowledge economy is its readily available technical work force. India has the second largest English-speaking scientific professionals in the world, second only to the U.S. It is estimated that India has over 4 million technical workers, over 1,832 educational institutions and polytechnics, which train more than 67,785 computer software professionals every year. Government of India is stepping up the number and quality of training facilities in the country to capitalize on this extraordinary human resource. It is the knowledge industry that will help take the Indian economy to a sustained higher rate of growth and the policy makers are fully aware of this.

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.

Emerging markets such as the Asia Pacific and Middle East 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:

The lack of management in the past has inhibited the growth of the company. This is no longer the case now. We now have a new professional management team in place which is committed to take this company to greater heights.

Your board is also hopeful that the employees' high energy and excitement 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 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 in the Company
Mr.Deenadayalan (upto 31.01.08)	5	No	Nil	Nil	Nil	Nil
Mr.Udhay Suresh Khedkar	6	No	Nil	Nil	Nil	Nil
Mr.Malayandi	Nil	Yes	Nil	Nil	Nil	16,980
Mr.KalaiMani	Nil	No	Nil	Nil	Nil	Nil
Mr.Krishanan (upto 19.02.08)	Nil	No	Nil	Nil	Nil	4,75,000
Mr.Muralidharan	6	Yes	Nil	Nil	Nil	5,000
Mr.RobertLim (upto 19.02.08)	Nil	No	Nil	Nil	Nil	Nil
Mr. Sunil Verma (from 19.02.08)	1	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 30.06.2007, 31.07.2007, 31.10.2007, 19.01.2008, 31.01.2008 and 31.03.2008.

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 29.06.2007, 31.07.2007, 31.10.2007 and 31.01.2008.

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

	Name of director		No. of meetings attended
1.	Mr. S.Deenadayalan	Member (upto 31.01.2008)	4
2.	Mr. Uday Suresh Khedkar	Member	4
3.	Mr. R.Muralidharan	Member	4
4.	Mr. Sunil Verma	(from 19.02.2008)	-

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 coverage 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 postaudit 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 30.06.2007, 31.10.2007, 31.01.2008 and 21.03.2008.

Constitution

The Committee consists of 3 (Three) Directors.

1. Mr. S.Deenadayalan (upto 31.01.2008)
2. Mr. Uday Suresh Khedkar
3. Mr. R.Muralidharan
4. Mr. Sunil Verma (from 19.02.2008)

The Committee is headed by Mr. R.Muralidharan.

Name of the Compliance Officer	:	Mr. K.V.Viswanathan
Designation of the Compliance officer	:	Company Secretary
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
30.09.2005	#1, Sangeetha Residency Luz Church Road, Mylapore, Chennai – 600 004.	10.00 A.M.	Nil
29.09.2006	- do -	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

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 an 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 : 30.06.2007 : Trinity Mirror and Makkal Kural on 02.08.2007.
Quarter ended : 30.09.2007 : Trinity Mirror and Makkal Kural on 01.11.2007.
Quarter ended : 31.12.2007 : Trinity Mirror and Makkal Kural on 01.02.2008.
Quarter ended : 31.03.2008 : Trinity Mirror and Makkal Kural on 30.06.2008.

Company Website address : 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.

General Shareholder Information

Financial Year : April 2007 to March 2008.

Annual General Meeting

Date	Time	Venue
29.09.2008	10.00. A.M.	Benzz Park Tulip Hotel, 62, Thirumalai Pillai Road, T.Nagar, Chennai – 600 017

Book Closure on 29.09.2008. 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 2008 – 2009.
   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: 08th January 2008 Rs.6.96.
Low Price: 26th June 2007 Rs.1. 59.

MONTH	HIGH	LOW	MONTH	HIGH	LOW
	Rs.	Rs.		Rs.	Rs.
April 2007	2.42	2.30	October 2007	4.79	3.05
May 2007	2.50	2.02	November 2007	3.53	2.77
June 2007	2.44	1.59	December 2007	5.21	2.88
July 2007	2.75	1.67	January 2008	6.96	3.68
August 2007	2.80	2.01	February 2008	4.53	2.94
September 2007	4.34	2.78	March 2008	3.14	2.03

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, Subramanaiam 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, Vice President.

Distribution of Shareholding As On 31.03.2008

No of equity shares held	No of shareholders	%	No of shares	%
Up to 500	788	55.65	2,11,422	2.12
501-1000	283	19.99	2,61,348	2.61
1001-2000	149	10.52	2,49,381	2.49
2001-3000	53	3.74	1,39,731	1.40
3001-4000	21	1.48	75,923	0.76
4001-5000	38	2.68	1,86,112	1.86
5001-10000	42	2.97	3,06,003	3.06
10001-and above	42	2.97	85,70,080	85.70
	1416	**100.00**	**1,00,00,000**	**100.00**

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 2008

Category	No. of shares held	Percentage of shareholding
1. Promoters	4728775	47.29
2. Private Corporate Bodies	3006741	0.07
3. Indian Public	1730254	17.30
4.NRI	533530	5.33
4. Any other (please specify) Clearing Member	700	0.01
GRAND TOTAL	1,00,00,000	100.00

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 30th June 2008 to approve the audited annual accounts for the year ended 31st March 2008. 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 exchanges the board members and senior management personnel have confirmed compliance with the code of conduct for the period ended 31st March 2008.

Non-Mandatory requirements : Nil

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE NDER 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 31.3.2008. 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 as 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 .

C.N. Srinivasan
Chartered Accountant
Membership No. 18216

Place : Chennai.
Date : 30.06.2008.

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 2008 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.26,22,606/ in the profit and loss account and if it is charged to the Profit and loss account the profit will be converted to Rs.53,82,981 and the total losses in the profit and loss account shown under Miscellaneous Expenditure Account would be Rs.**7,65,36,560.03/-**.

   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 2008 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March 2008 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:

a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2008; and

b) 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 2008.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.

C.N. Srinivasan
Chartered Accountant
Membership No. 18216

Place : Chennai.
Date : 30.06.2008.

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 2008.

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b. 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.

2. Clauses (a) and (b) are not applicable as the company is not carrying any inventory during the year under review..

3. 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.

4. 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.

5. 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.

6. 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.

7. In my opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. 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.

9. a) The company is regular in depositing with appropriate authorities undisputed statutory dues of Income tax and other material statutory dues applicable to it.

   b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax as at 31st March 2007 was outstanding for a period of more than six months from the date they became payable.

10. 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.

11. 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.

C.N. Srinivasan
Chartered Accountant
Membership No. 18216

Place : Chennai.
Date : 30.06.2008.

BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Sch	As at 31.03.2008 Rs. P.	As at 31.03.2007 Rs. P.
I SOURCES OF FUNDS			
1) SHARE HOLDER'S FUNDS			
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
2) LOAN FUNDS			
a) Secured loans	C	6,49,800.00	54,418.00
b) UnSecured loans		0.00	0.00
3) DEFERRED TAX LIABILITY		61,84,572.00	64,80,078.00
TOTAL		**16,10,72,372.00**	**16,07,72,496.00**
II APPLICATION OF FUNDS			
1) FIXED ASSETS(Net Block)	D	7,25,28,498.05	7,21,15,112.10
2) INVESTMENTS		0.00	0.00
3) CURRENT ASSETS, LOANS AND ADVANCES			
a) Sundry Debtors	E	65,20,000.00	-
b) Cash and Bank Balances	F	7,19,874.77	10,65,696.02
c) Closing Stock	G	-	-
c) Loans & Advances	H	33,31,273.75	32,75,028.75
		1,05,71,148.52	43,40,724.77
Less: CURRENT LIABILITIES & PROVISIONS	I	5,63,488.00	21,82,349.70
NET CURRENT ASSETS		1,00,07,660.52	21,58,375.07
4) (a) **MISCELLANEOUS EXPENDITURE**	J	44,49,263.00	43,23,399.00
(To the extent not written off or adjusted)			
Deffered Interest		1,72,996.40	14,39.97
Profit&Loss Account		7,39,13,954.03	8,21,74,169.86
TOTAL		**16,10,72,372.00**	**16,07,72,496.00**
Notes on Accounts	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 : 30.06.2008
Place : Chennai

C.N.Srinivasan
Chartered Accountant

K.V. Viswanathan
Company Secretary

S. Malayandi
R.Muralidharan
Directors

ASIA HR TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Sch	Year ended 31.03.2008 Rs. P.	Year ended 31.03.2007 Rs. P.
INCOME			
Sales		3,75,10,300.00	34,10,000.00
Other Income		71,282.60	0.00
TOTAL		**3,75,81,582.60**	**34,10,000.00**
EXPENDITURE			
Cost of Software & Operation Expenses	K	2,63,33,293.50	19,59,000.00
Adminstrative Expenses	L	14,01,952.25	5,89,726.83
Employees Remuneration and Benefits	M	13,22,205.65	1,94,246.70
Financial Charges	N	19,773.37	67,429.74
Depreciation	D	1,38,771.00	81,301.00
Preliminary Expenses written off	J	3,60,000.00	3,60,000.00
TOTAL		**2,95,75,995.77**	**32,51,704.27**
Profit /Loss For the Year		80,05,586.83	1,58,295.73
Less: Provision For Taxation-Current		0	0
-Fringe Benefit Tax		40,877.00	27,577.00
-Deferred Tax Liability		-2,95,506.00	0.00
Profit After Tax		**82,60,215.83**	**1,30,718.73**
Add:Profit/Loss Brought Forward		-8,21,74,169.86	-8,23,04,888.59
Total		-7,39,13,954.03	-8,21,74,169.86
Dividend		0.00	0.00
Balance carried forward to Balance sheet		-7,39,13,954.03	-8,21,74,169.86
Earning Per Share		0.83	0.01
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 : 30.06.2008
Place : Chennai

C.N.Srinivasan
Chartered Accountant

K.V. Viswanathan
Company Secretary

S. Malayandi
R.Muralidharan
Directors

Schedules A to N forming part of the Annual Accounts for the year ended 31-3-2008

Particulars	As at 31.03.2008 Rs. P.	As at 31-03-2007 Rs. P.
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
1,10,00,000(1,10,00,000) Equity Shares of Rs.10/- each	11,00,00,000.00	11,00,00,000.00
Issued ,Subscribed & paid Up Capital		
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 eaquity shares of Rs.10/- each)		
Less:Call In Arrears (101600 shares at Rs.7.50)	7,62,000.00	7,62,000.00
TOTAL	**9,92,38,000.00**	**9,92,38,000.00**
SCHEDULE - B: RESERVES & SURPLUS		
Share Premium	5,50,00,000.00	5,50,00,000.00
	5,50,00,000.00	**5,50,00,000.00**
SCHEDULE - C: SECURED LOANS		
ICICI Bank Loan - Car	6,49,800.00	54,418.00
(Car Hypothecated to Magma Finance and Loan repayable in 60 Months and expiring on 20th February of 2011)	**6,49,800.00**	**54,418.00**
(including future deferred interest on car loan for Rs.172996.40)		

SCHEDULE - D : FIXED ASSETS

(Amount in Rs.)

PARTICULARS	Rate %	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.4.2007	Addition	deletion	As at 31.03.2008	Upto 31.03.2007	For the year	Deletions	Upto 31.03.2008	As on 31.03.2007	As on 31.03.2008
R & D Assets (Computers & Perhipherals, & Software)	40.00%	2,26,64,006.00	34,850.00	–	2,26,98,856.00	1,17,36,481.00	10,950	–	1,09,51,425.00	1,09,27,525.00	1,09,51,425.00
R&D under Process		6,08,86,481.00	34,87,857.35	36,00,000.00	6,07,74,338.35	–	–	–	–	6,08,86,481.00	6,07,74,338.35
Office Equipments	13.91%	36,000.00	–	–	36,000.00	15,324.00	2,876	–	17,799.97	20,675.00	17,799.00
Furnitures & Fixtures	18.10%	2,99,587.00	52,350.00	–	3,51,937.00	1,88,528.00	28,018	–	1,35,391.00	1,11,059.00	1,35,391.00
Electrical Fittings	13.91%	75,510.00	–	–	75,510.00	44,854.00	4,264	–	26,391.75	30,654.70	26,390.70
Wagon R Car	25.89%	3,82,159.00	7,15,817.00	3,82,159.00	7,15,817.00	2,43,446.00	92,663	–	3,79,708.49	1,38,717.40	6,23,154.00
TOTAL		8,43,43,743.00	42,90,874.35	39,82,159.00	8,46,52,458.35	1,22,28,633.00	1,38,771	–	1,15,10,716.21	7,21,15,112.10	7,25,28,498.05

SCHEDULE -E : SUNDRY DEBTORS

Considered good (Less than 6 months old)	65,20,000.00	0.00
	65,20,000.00	0.00

ASIA HR TECHNOLOGIES LIMITED

SCHEDULES - (Contd.,)	As at 31.03.2008 Rs. P.	As at 31-03-2007 Rs. P.
SCHEDULE -F : CASH AND BANK BALANCES		
Cash in hand	16,385.20	9,73,524.30
ICICI Bank -Pursawalkam Branch	0.00	180.24
Corporation Bank - Pondhicherry	0.00	4,855.00
ICICI Bank - Nandanam Branch	7,03,489.57	87,136.48
	7,19,874.77	**10,65,696.02**
SCHEDULE -G : CLOSING STOCK		
Opening Balance of Stock	0.00	6,28,36,481.00
Stock - Current year	0.00	0.00
	0.00	6,28,36,481.00
Less: Transferred to R&D Capital Work in Progress	0.00	6,28,36,481.00
SCHEDULE - H : LOANS & ADVANCES		
Unsecured Considered good Advances recoverable in cash or in kind for value to be received	32,20,625.00	32,00,000.00
Deposits	65,620.00	30,000.00
Tax Deducted at Source	45,028.75	45,028.75
	33,31,273.75	**32,75,028.75**
SCHEDULE I : CURRENT LIABILITIES & PROVISIONS		
Advance Software	0.00	13,00,000.00
Sundry Creditors	72,972.00	1,15,106.00
Creditors for Expenses & Other Liabilities	4,49,639.00	3,00,598.00
Provision for Taxation (2003-04)	0.00	0.00
Fringe Benefit Tax Provision	40,877.00	27,570.00
Mr.Krishnan	0.00	4,39,075.70
	5,63,488.00	**21,82,349.70**
SCHEDULE - J: MISCELLANEOUS EXPENDITURE		
Preliminary Expenses		
Opening Balance	14,40,000.00	18,00,000.00
Less : Written off during the year	3,60,000.00	3,60,000.00
	10,80,000.00	14,40,000.00
R & D Deferred Expenditure(refer item t in schedule N-notes to accounts)	33,69,263.00	28,83,399.00
	44,49,263.00	**43,23,399.00**

SCHEDULES - (Contd.,) Schedules forming part of Profit and Loss Account	Year ended 31.03.2008 Rs. P.	Year ended 31-03-2007 Rs. P.
SCHEDULE - K : COST OF SOFTWARE & OPERATION EXPENSES		
Out sourcing development	2,63,16,793.50	19,50,000.00
Advertisment expenses	16,500.00	9,000.00
	2,63,33,293.50	**19,59,000.00**
SCHEDULE - L: ADMINISTRATIVE EXPENSES		
Rent & Electricity	1,13,993.00	49,697.00
Postage ,Telegram & Courier	76,904.60	3,790.73
Printing & Stationery,Xerox	81,181.90	4,398.23
Consultancy charges	2,01,366.00	1,79,888.00
Rates & Taxes	1,800.00	0.00
Telephone Charges	37,229.35	17,809.20
Insurances	51,953.00	5,775.00
Repairs & Maintenace for Computers/Internet	2,62,415.80	73,373.00
Travelling & Conveyances*	3,57,518.10	29,455.00
Audit Fees	35,000.00	39,375.00
Share Transfer Agent Fees	0.00	22,450.00
Misc. expenses/General expenses	69,084.00	95,480.67
Books & Periodicals	85,430.00	0.00
AGM expenses	0.00	7,035.00
Office Maintenance	28,076.50	61,200.00
	14,01,952.25	**5,89,726.83**
SCHEDULE - L: EMPLOYEES REMUNERATION & BENEFITS		
Salaries	11,81,574.00	1,88,703.00
Staff Welfare	1,40,631.65	5,543.70
	13,22,205.65	**1,94,246.70**
SCHEDULE - M: FINANCIAL CHARGES		
Interest Paid	12,443.57	8,071.30
Bank Charges	7,329.80	59,358.44
	19,773.37	**67,429.74**

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 instalments and same will be adjusted to the interest account as and when the instalments 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 ON ACCOUNTS:

a During this year the Company had decided to develop 3 different software products 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	2007-08	2006-07
	of goods(F.O.B Basis)	Rs.82,50,000	Rs.34,10,000
e.	Expenditure in Foreign Currency	Nil	Nil
f.	AUDIT FEES: (Including service tax)	2007-08	2006-07
	Statutory Audit Fees	Rs. 39,370/-	Rs.39,375/-

g. There is no Deferred tax liability on account of timing differences during this year.

However deferred tax asset amounting to Rs.2,95,506 has been recognized on unabsorbed depreciation relating to earlier years Rs.2,69,710 (year 2006),Rs.11,657 (year 2007) and depreciation for the year 2008 Rs.14,139.

The Components of Deferred Tax Liability/ Asset as on 31.03.2008 is as under

	2007-2008	2006-2007
	Rs. in Lakhs	
Deferred Tax Liability		
Op. Balance of Deferred Tax Liability	64.80	64.80
Deferred Tax Asset	(2.96)	Nil
Deferred Tax Liability	Nil	Nil
Closing Bal Deferred Tax Liability	61.84	64.80

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

i.	Earnings Per Share	2007- 2008	2006-2007
	Profit/ (Loss) (Rs. In Lakhs)	82.60	1.31
	No of Shares	10000000	10000000
	Earning Per Share	0.83	0.01
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 paragraph3&4 of part II OF SCHEDULE VI of the companies act are not applicable.

m) Deferred revenue expenditure

This includes deferred interest of Rs 172996.40(P.Y.F Rs.12443.57) 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 31.03.2008 Rs.649800/-

	No of future principal Instalments due	No of future Interest Instalments due
No of instalments Due from 01.4.2008	57	57
Upto 31.12.2012 included under secured loan.	Rs.4,76,803.60	Rs.1,72, 996.40

n. Loan and Advance includes a sum of Rs.32,00,000 towards advance paid towards the purchase of property and none of the directors are interested in the above said transactions.

o. The company was providing depreciation on its software assets in all the earlier years. The company during this year has not charged further depreciation since the asset is put to use for different softwares which are in the process stage. On account of this, no depreciation on software asset amounting to **Rs26,22,606(PYF-43,71,010)** is charged to the profit and loss account as the company had decided to upgrade the software for future economic benefit.. However addition representing printer etc., were provided for Rs.10,950. Consequently depreciation since not provided on the current year as well as the previous year the WDV of the assets are stated at the higher value and profit also at a higher value. The Company has taken this asset as R&D Asset and using this asset for the development of new products.

p. There are no dues to SSI's in excess of Rs 100000 and outstanding for more than 30 days.

q. Current liability include Rs NIL (PYF Rs. 4,39,076) due to Mr. Krishnan a Director of the company.

r. 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 o f sale and information as required under Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act 1956.

s. No Provision for Taxation is made as the company has adequate unabsorbed loss and unabsorbed depreciation.

t. 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.

	Rs.
Rent	91,200-00
Telephone Expense	71,236-00
Printing and stationery	17,594-00
Traveling and conveyance	1,17,818-00
Electricity charges	1,07,589-00
Staff welfare	22,173-00
Office maintenance	2,64,991-00
Leased line charges	2,17,465-00
Salaries	16,17,459-00
Provident Fund	3,99,312-00
Computer Repairs	11,300-00
UPS – Rent	52,740-00
Traveling R&D	2,90,786-00
Insurance	12,168-00
Fees – R&D	75,432-00
	3369263-00

u. 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

S. Malayandi
R.Muralidharan
Directors

Date : 30.06.2008
Place : Chennai

C.N.Srinivasan
Chartered Accountant

K.V. Viswanathan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

(Amount in Rs.)

		2007-2008	2006-2007
A: CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit/Loss Before Tax And Extra Ordinary Items		80,05,586.83	1,58,295.73
Adjustment for:			
-Depreciation		1,38,771.00	81,301.00
-License fees written off		3,60,000.00	3,60,000.00
-Profit on sale of Fixed Assets		-71,282.60	—
-R&D written off		36,00,000.00	—
Operation Profit before Working Capital Changes		1,20,33,075.23	5,99,596.73
Adjustment for:			
-Trade Receivables & other assets		-65,20,000.00	—
- Inventory		—	6,28,36,481.00
- Loan & Advances		-56,245.00	—
-Current Liabilities & Provisions		-16,18,861.70	13,70,280.23
-Income Tax /Fringe Beneit Tax		-40,877.00	-27,577.00
Net Cash From Operating Activities	**A**	**37,97,091.53**	**6,47,78,780.96**
B: CASH FLOW FROM INVESTING ACTIVITIES:			
- Purchase of Fixed Assets		-42,90,874.35	-6,09,59,416.00
- Proceeds from sale of Fixed Assets		2,10,000.00	—
- Miscellaneous Expenditure		-4,73,420.43	-28,75,327.70
- Purchase/Sale of Investments		—	—
Net Cash used in Investing Activites	**B**	**-45,54,294.78**	**-6,38,34,743.70**
C: CASH FLOW FROM FINANCING ACTIVITIES:			
-Proceed From Issue of Share Capital		—	—
-Proceed From Long Term Borrowings		5,00,000.00	—
-Repayment of Long Term Borrowings		-88,618.00	-93,288.00
Net Cash From Financing Activies	**C**	**4,11,382.00**	**-93,288.00**
D: NET INCREASE IN CASH AND CASH EQUIVALENTS	**A+B+C**	3,45,821.25	8,50,749.26
E.Cash & Cash equivalents at the beginning of the year		10,65,696.02	2,14,946.76
F.Cash and Cash Equivalents at the end of the year		**7,19,874.77**	**10,65,696.02**

For and on behalf of the board

S. Malayandi

Date : 30.06.2008
Place : Chennai

K.V. Viswanathan
Company Secretary

R.Muralidharan
Directors

AUDITORS CERTIFICATE

I have examined the above cash flow statement of 2008 of Asia HR Technologies Ltd for the year ended 31st March 2008. 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.

C.N.SRINIVASAN
Chartered Accountant
Membership No. 18216

Place : Chennai
Date : 30-06-2008

ASIA HR TECHNOLOGIES LIMITED

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

I. Registration Details

Registration No.	44664	State Code	18
Balance Sheet Date	31 03 08		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	161072	Total Assets	161072
Sources of Funds			
Paid-up Capital	99238	Reserves & Surplus	55000
Secured Loans	650	Unsecured Loans	NIL
		Deferred Tax Liabilit	6184

IV. Application of Funds

Net Fixed Assets	72528	Investments	NIL
Net Current Assets	10008	Misc. Expenditure	4622
Accumulated Losses	73914		

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

Turn over & Other Income	37582	Total Expenditure	29576
Profit/(Loss) Before Tax (+) / (-)	(+) 8008	Profit/Loss After Tax (+) / (-)	(+) 8260
Earning per share in Rs.	0.83	Dividend Rate %	NIL

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

Item Code NO. (ITC Code) 8471 99

Product Description DEVELOPMENT OF SOFTWARE

For and on behalf of the board

S. Malayandi
R.Muralidharan
Directors

K.V. Viswanathan
Company Secretary

Date : 30.06.2008
Place : Chennai

Book Post

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