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to make a  
better world

# Sixth Annual Report

2002 - 2003





**Bankers:**

Syndicate Bank,  
Somajiguda,  
Hyderabad-500 082.

**Auditors:**

M/s Mogili Sridhar & Co.,  
Chartered Accountants,  
6-3-655/2/3, Somajiguda,  
Hyderabad-500 082.

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**Board of Directors:**

**Sri C. Chandrasekhar Reddy**, Chairman

**Dr.Y. Sonia Reddy**, Managing Director

**Sri B. Prabhakar Reddy**, Director

**Sri B. Siva Kumar Reddy**, Director

**Sri K. Viswanath Reddy**, Director

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**Registered Office:**

104-106, Lumbini Enclave,  
Opp. NIMS, Punjagutta,  
Hyderabad-500 082.  
Phone: 040-2339 9241

**Corporate Office:**

3rd Floor, Sairam Towers,  
Opp: YMCA, Alexander Road,  
Secunderabad-500 003.  
Phone: 040-5526 0413

**Share Transfer Agents:**

M/s Karvy Consultants Ltd  
Karvy House, 46 , Avenue 4,  
Street No 1, Banjara Hills,  
Hyderabad-500 034.  
Phone: 040-2331 2454



## NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held on Monday, the 29<sup>th</sup> day of September, 2003, at 3.30 P.M. at Sundarayya Kala Nilayam (Sundarayya Vignana Kendram), Baghlingampally, Hyderabad-500 044 to consider the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri K. Viswanath Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri B. Siva Kumar Reddy who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"WHEREAS a Special Notice has been received pursuant to Section 225(1) of the Companies Act, 1956 from Shareholders for the appointment of M/s P. Murali & Co., Chartered Accountants, in place of the retiring Auditors, namely M/s Mogili Sridhar & Co., Chartered Accountants.

NOW THEREFORE IT IS RESOLVED that M/s P. Murali & Co., Chartered Accountants, Hyderabad, be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 17 (1) of the Companies Act, 1956 and other applicable provisions of the Act, if any, the Objects Clause IIIA (Main Objects) of the Memorandum of Association of the Company be and is hereby altered by inserting the following New Objects 8,9,10 and 11 and renumber accordingly:

8. To carry on the business of Traders, Exporters, Importers, Buyers, Sellers and Promoters of Export and other related activities and enter into barter arrangements and compensation business, distribute, process and manufacture all commodities including and products or garments of all types, carpets, leather goods, Furniture, medicines, drugs, all kinds of electronic and computer hardware and software components, 100% Export oriented Items includes liquor and handicrafts, and deal in engineering goods, cosmetics and any other types of material and things and articles and otherwise deal in all kinds of ivory goods, brass wares, carved furniture, paintings, precious and semi precious stones, jewellers of all kinds, artificial stones, presentation and gift articles, wearing apparels, cloths of all kinds, furnishing material and all other items. And to act as export / import agents and purchase and sales representatives. And to export from India and Import into India any material, all Commodities, Consumer Goods and articles whether raw, semi manufactured or manufactured to/from all parts of the world.



9. To establish, purchase, take on lease or hire or otherwise acquire and maintain, and to sell, give on lease or hire studios, laboratories, cinemas, picture places, halls, multiplex theatres, I-max theatres, theatres, etc., for production, processing and printing of films and to carry on the business of exhibiting and distributing cinematographic films, television films video films and acquiring or selling rights therein. And do the business of Media communication, entertainment, production of films in digital or non-digital film distribution, Event management, and Event co-ordination and acquire rights of national & international films of digital or non-digital. And acquire rights for Satellite Channels, TV Channels.
  10. To carry on the business of designs, constructions and running of all kinds of hospitals, dispensaries, clinics, laboratories, health clubs, running of on-line hospital services, on-line consultancy and telemedicine in the field of above services, and also carry on the business of health insurance and other related activities.
  11. To carry on the business of on-line Education, video-conferencing, teleconferencing and other educational related activities within India and outside India.
6. To consider and if thought fit with or without modification, the following Resolution as Special Resolution:

"RESOLVED that subject to the approval of Central Government Under Section 21 of the Companies Act, 1956 the name of the Company be changed from M/s VISU CONSULTANTS LIMITED to M/s VISU INTERNATIONAL LIMITED and accordingly the name M/s VISU CONSULTANTS LIMITED wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the name M/s. VISU INTERNATIONAL LIMITED."

BY ORDER OF THE BOARD

**Dr. Y. SONIA REDDY**  
Managing Director

PLACE: HYDERABAD,  
DATE : 28<sup>th</sup> August, 2003.

#### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- b) Members / Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Copies of Annual Report will not be provided at the meeting.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 25.9.2003 to 29.9.2003 (both days inclusive)



- d) Your Company's securities are listed at the following exchanges and the Company is regular in paying the annual listing fee to these Stock Exchanges:

Sl. No.	Name of the Stock Exchange	Address
1.	The Hyderabad Stock Exchange Ltd.	3-6-275, Himayath Nagar, Hyderabad.
2.	The Bangalore Stock Exchange Ltd.	Stock Exchange Towers, No.51, 1 <sup>st</sup> Cross, J.C Road, Bangalore.

- e) Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 for the item No.4, 5 & 6 are annexed hereto.
- f) ITEM NOS., 5 & 6 i.e., RESOLUTIONS REGARDING a) ALTERATION OF OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION, b) CHANGE OF NAME REQUIRES THE CONSENT OF THE SHAREHOLDERS THROUGH POSTAL BALLOT. A POSTAL BALLOT FORM TOGETHER WITH A SELF-ADDRESSED DULY STAMPS AFFIXED ENVELOPE IS ENCLOSED FOR THIS PURPOSE. DULY COMPLETED POSTAL BALLOT FORM SHOULD REACH THE COMPANY NOT LATER THAN THE CLOSE OF WORKING HOURS ON THURSDAY, THE 25<sup>TH</sup> SEPTEMBER, 2003. POSTAL BALLOT FORM RECEIVED AFTER THIS DATE WILL BE STRICTLY TREATED AS IF THE REPLY FROM THE MEMBER HAS NOT BEEN RECEIVED.

### ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956.

#### ITEM NO. 4

The retiring auditors, namely, M/s Mogili Sridhar & Co., have given notice in writing of their unwillingness to be re-appointed and that a Special Notice in terms of Section 190 of the Companies Act, 1956 read with Section 225 of the Act has also been received from Shareholders of the Company for the appointment of new auditors in place of the retiring auditors M/s Mogili Sridhar & Co., Chartered Accountants. The Company has forthwith communicated to the retiring auditors of the Special Notice and that the retiring auditors have made no representation against the said special notice. A written certificate has been obtained from M/s P. Murali & Co., Chartered Accountants to the effect that in case of their appointment as Auditors of the Company, the appointment will be in accordance with the limits prescribed under Section 224 (1B) of the Act.

Your Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in this resolution.

#### ITEM NO.5

In view of encouraging measures taken by the Central Government to liberalize the Economy and in order to diversify into certain new business ventures, Your Directors have been considering various proposals for diversifying the Company's activities into other activities like Import and Export of Consumer goods & items and other activities. The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the Company to carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operations of the Company.



As per the Companies (Amendment) Act, 1996 and as per the Central Government Notification No. GSR 78 (E) dated 15-02-1997 and pursuant Section 17(1) of the Act, the above said proposal requires only the consent of the Members by way of Special Resolution.

The Directors recommend this Resolution for approval of the Shareholders by **Postal Ballot**.

None of the Directors of your Company is concerned or interested in this Resolution.

#### ITEM NO. 6

The Company is planning to enter into new business ventures like Import and Export all Consumer items and other activities. To reflect the objects in the name of the Company the Board of Directors have decided to change the name of the Company as M/s. VISU INTERNATIONAL LIMITED. The Directors trust that this change of name will have the members' support and approval.

The Registrar of Companies, Andhra Pradesh has confirmed that the new name is available for registration under section 21 of the Companies Act, 1956 and subject to the resolution being passed, an application will be made to the Central Government for approval to the change of name under section 21 of the Act.

If the change of name is approved, Share Certificates already issued will not be called in only for the purpose of exchange into certificates bearing the new name, but will be so exchanged as and when the existing Certificates come into the possession of the Company and in the meantime the existing Certificates will continue to be accepted for all purposes, as indicating entitlement to shares or debentures stock of the Company.

The Directors recommends that the proposed Special Resolution be passed by the Shareholders by **Postal Ballot**.

None of the Directors are interested in the Resolution.

#### ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are given below:

- |                     |   |
|---------------------|---|
| <b>1. Name</b>      | : <b>Sri K. Viswanath Reddy</b>   |
| Age                 | : 60 Yrs..  |
| Qualifications      | : PHD in Telugu.  |
| Experience          | : Served as Professor of Telugu Studies (retd) and Former Director (Student Service, Audio- Visual Production & Research Center Academic & Dean of Arts of Dr. Ambedkar Open University). |
| Other Directorships | : NIL   |
| <br><b>2. Name</b>  | :<br><b>Sri B. Siva Kumar Reddy</b>   |
| Age                 | : 51 Yrs..  |
| Qualifications      | : M.Sc.,  |
| Experience          | : Vast experience of 23 years in Educational field.   |
| Other Directorships | : M/s. Pinakini Educational Institution (P) Ltd.  |



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Sixth Annual Report for the year ended 31<sup>st</sup> March, 2003 together with audited accounts.

### FINANCIAL RESULTS

(Rs.in Lakhs)

Sl. No.	Particulars	2002-2003	2001-2002
1.	Training Fee & Software Development	30.14	26.22
2.	Sales & Service	639.10	502.08
3.	Software Exports	143.50	72.00
4.	Other Income	12.55	61.50
5.	Profit before Financial Charges & Depreciation	129.15	78.00
6.	Less: Financial Charges	18.13	13.50
7.	Depreciation	50.77	39.07
8.	Net Profit Before Tax	60.25	25.43
9.	Less: Provision for Tax	24.22	7.26
10.	Profit After Tax	36.03	18.17

### PERFORMANCE

The Total Income for the year was Rs.825.29 lakhs and the profit after tax for the year was Rs. 36.03 lakhs. The Total Income has shown a growth of over 35% (base year 1999) as Compounded Average Growth Rate (CAGR) and Profit Before Tax has shown a CAGR of over 11% which, by industry standards par excellence.

Your Company has intensified its management consultancy areas and has helped a Company in conceiving and setting up retail chain outlets first in Hyderabad and later on Metro Cities in India. Your Company is also in to process of setting up "Video Conferencing" facilities at various centers by which students at these centers will have the benefit of listening and attending to lecturers by eminent people located at other places.

This facility will also be utilized for tele-medicine concept, which is the latest concept in IT Industry. Your Company is also in the process of trying up with renowned hospitals for this purpose.

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report is given below:



## A. INDUSTRY BACKDROP AND COMPANY OUTLOOK

The IT Industry's composition is undergoing a major change. It was only the fourth quarter that brought relief to many Companies. Also the outsourcing markets started growing and the pie became bigger in favour of India. Business graphs again started moving towards the Northeast direction, though slower in pace. In due course, organizations consciously and judiciously explored the possibilities of new business models. It should not be a surprise to anyone who has been following the IT Sector closely for same time, that models were IT center and heavily depended on core vertical technologies.

BPO (Business Process Out Sourcing) is emerging as a winner. The role change is from "Solution Provider" to "Service Provider". The Companies have to gear up themselves for creating these "Service Providing" capabilities.

Your Company has understood the shift in emphasis. Your Company is also emerging in the market as a "Service Provider". Providing Education Services is the main activity. Providing Consultancy in various business areas even on turnkey basis is emerging as the focus area. The change in the composition of segment wise income is a clear indication of what is likely to happen in the years to come. Your Company is also in the process of equipping itself to handle the process that are out sourced by other Companies / Institutions / Hospitals. Your Company has also exported software on education & other software to USA & African Countries. Your Company is also planning to extend the software exports to Hong-Kong & few more Countries.

## B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems commensurate with the size of its operations and for the purpose of exercising adequate controls on the day-to-day operation systems are regularly reviewed to ensure effectiveness.

## C. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

Human resource development is a primary area of focus for the Company. The Company recruited senior level and other functional specialists during the year. The Human relations in the organization have been cordial. The total number of persons employed in the Company as on 31<sup>st</sup> March, 2003 were 183.

## ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956

### (a) CONSERVATION OF ENERGY:

The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.

- (b) (i) Technology Absorption, adaptation and innovation: -No technology either indigenous or Foreign is involved.
- (ii) Research and Development (R & D): No Research and Development has been carried out.





(c) Foreign Exchange earnings : Rs. 1,43,50,000/- towards Software Exports.

Foreign Exchange outgo : Rs. 67,90,730/- towards Travelling Expenses & Branch Transfers.

## PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of Rs.24, 00,000/- or more per annum or Rs.2,00,000/- or more per month where employed for a part of the year.

## DIRECTORS

Sri. K. Viswanath Reddy and Sri. B. Siva Kumar Reddy retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

## COMPLIANCE OF LISTING AGREEMENT

Presently the Company's Equity shares are listed at Hyderabad Stock Exchange (HSE) and Bangalore Stock Exchange (BSE) and the Company paid the Annual Listing Fees upto the year 2003-04. There are no listing fees dues pending.

## REPORT ON CORPORATE GOVERNANCE

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating the code of corporate governance to listed Companies. Your Company has always been committed to the best practices in the governance of its affairs. Your Company had taken steps and complied with most of the recommendations during the year. For the year under review, the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors' Certificate on compliance with the mandatory requirements of Corporate Governance is given in "Annexure "A" to this Report."

## DIRECTORS RESPONSIBILITY STATEMENT

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and/ of the Profit or Loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis.



## AUDITORS

M/s. P. Murali & Co., Chartered Accountants, are appointed as Auditors of the Company in place of M/s.Mogili Sridhar & Co., Chartered Accountants the retiring Auditors, who expressed their inability to continue as Auditors of the Company.

## PERSONNEL

The relations between the management and the staff were very cordial throughout the year. Your Directors take this opportunity to record their appreciation for the Co-Operation and loyal services rendered by the employees.

## DEPOSITS

The Company has not accepted any deposits during the year.

## ACKNOWLEDGEMENTS

The Board wishes to place on record their appreciation of support, cooperation and assistance received from all the Central and State Government Authorities, Banks and other Financial Institutions, Customers and Shareholders.

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For and on behalf of the Board

**C. CHANDRASEKHAR REDDY**  
Chairman

**Dr. Y. SONIA REDDY**  
Managing Director

PLACE : HYDERABAD,  
DATE : 28<sup>th</sup> August, 2003.