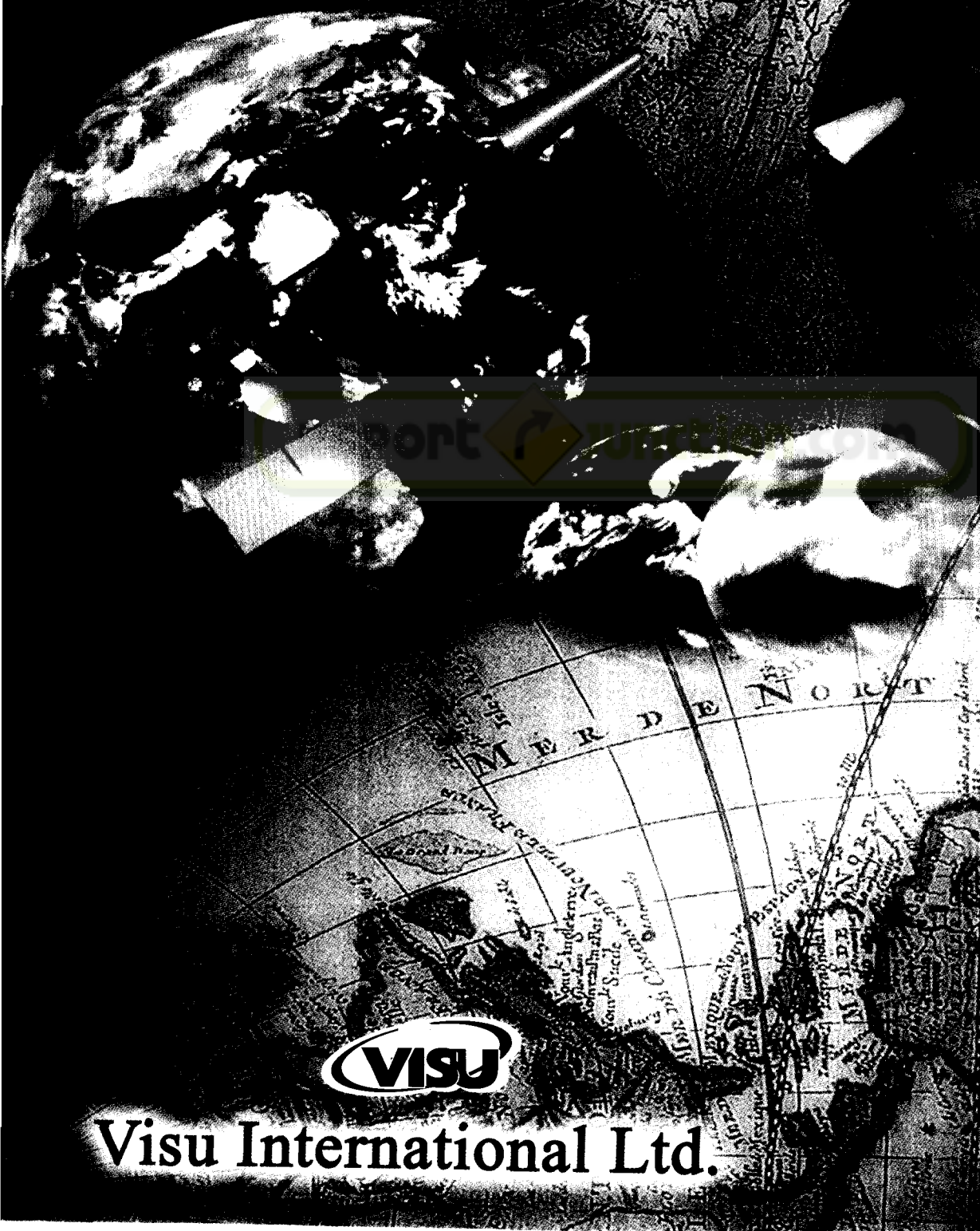


Always trying
to make a better world



Visu International Ltd.

ANNUAL REPORT 2004 - 2005

Visu International Limited

**CHAIRMAN****Sri C. Chandrasekhar Reddy****BOARD OF DIRECTORS**

| | |
|-------------------------|-------------------|
| Dr. Y. Sonia Reddy | Managing Director |
| Sri B. Prabhakar Reddy | Director |
| Sri B. Siva Kumar Reddy | Director |
| Dr. K. Vishwanath Reddy | Director |
| Dr. Dennis Dunham | Director |

COMPANY SECRETARY**E. Praveen Reddy****BANKERS**

Syndicate Bank,
Somajiguda,
Hyderabad – 500 082

AUDITORS

M/s. P. Murali & Co.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad – 500 082

REGISTERED OFFICE

104-106, Lumbini Enclave,
Opp. NIMS, Punjagutta,
Hyderabad – 500 082
Phone: 040-23399241, 23398359
Fax No. 23395214

**REGISTRAR &
SHARE TRANSFER AGENT**

M/s. Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad - 500 029
Ph Nos. 27634445, 27638111
Fax No. 27632184

CHAIRMAN'S SPEECH



Dear Partners-in-Progress

It is heartening to communicate to you, at a time when the Indian stock market performing at its all time high. The financial performance of our company during the previous year 2004-05 has been excellent with the annual total income exceeding Rs. 215.62 million.

I am happy to report that your company, Visu International Limited continues to be the leader in the global education field in spite of mushrooming competition. Visu brand has been evolved over the years as pioneers in the field of training/coaching and education.

On the global frontage, many countries including the U.S. are keen on Indian students. Indian students possess academic brilliance, all-round personality, creative and persuasive skills to succeed. These qualities of Indian students led India to remain the leading place of origin for students in the United States. Your company has been playing a proactive role in placing the Indian students on top spot in the global educational arena.

Having pioneered the global education business thus bringing within the reach of Indian students world-class education in advanced countries all over the world, your company has established the largest and the best training centers for qualifying examinations like TOEFL, GRE, GMAT, SAT which are pre-requisite for admission into foreign universities. In order to keep pace with technological innovations, your company has also excelled in developing education related software. While continuing to achieve excellence in these prime areas of focus, there is considerable progress made in import, export and international trading areas into which your company recently diversified.

In its continuing quest to improve the quality of human academic excellence, your company has ambitious plans to take education to the doorstep of students in all villagers/towns/cities in India and other countries also. This would help harvest brilliant human potential from students who can not afford to travel to cities for higher education. Soon, your company will be establishing E-Learning Laboratories and virtual classrooms.

Coming further to our future plans, your company is planning to setup schools of International standards with state of art campuses, modern amenities and latest technologies at Hyderabad and other places in India and abroad.

Visu International Limited



The Indian software industry has often been cited as an example of a 'role model' for other developing countries or even emerging economies trying to catch up, or leapfrog certain stages of industrial development.

Your company has since recognized the potential of this sector. In fact, the company has been showing remarkable progress and aspiring to become a recognizable force to reckon with in this field.

I am delighted to share with you the fact that the company's equity shares are now trading on the Bombay Stock Exchange Limited (BSE) enabling adequate liquidity to shareholders clubbed with nation wide presence to the company's script.

Together with my colleagues on the Board of your company, it will be my focused and constant endeavor to take your company to new heights of success and reputation in enriching the quality of human life at the same time earning significant benefits for all of us.

I wish to place on record the kind cooperation extended by all of you at all times in our efforts to strengthen the company.

I also wish to place on record deep appreciation on behalf of the member of the Board of Directors, members and management and on my own behalf to employees of the company at all levels who continue to be the core strength of the company.

Best Wishes

C. C. Reddy

C.C. Reddy
Chairman

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the company will be held on Thursday, the 29th day of September, 2005, at 3.00 P.M. at Sundarayya Kala Nilayam (Sundarayya Vignana Kendram), Baghlingampally, Hyderabad-500 044 to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend
3. To appoint a Director in place of Dr. K. Viswanath Reddy who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri B. Siva Kumar Reddy who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Dennis Dunham, who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, up to the date of ensuing Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, consent of the members of the company be and is hereby accorded for reappointment of Dr. Y. Sonia Reddy, Managing Director of the company for a period of five (5) years with effect from 1st September, 2005 at a remuneration and on the terms and conditions as given below:

- a. Salary: Salary of Rs 60,000/- (Rupees Sixty thousand) per month. This includes dearness allowance and all other allowances not otherwise specified herein.



- b. Commission : Commission shall be allowed upto one (1) percent on the net profits of the company calculated as per the provisions of Sections 349 & 350 of the Companies Act, 1956.
- c. Perquisites : In addition, the Managing Director will be entitled to the following Perquisites as under:
1. Housing: Rent-free accommodation will be provided to the appointee. In addition, the appointee shall be allowed free use of the company owned furniture and other consumable durables if required.
 2. The expenditure incurred by the Appointee on gas, electricity, water and furnishings shall be reimbursed by the company.
 3. All medical expenses incurred by the appointee for self and family shall be reimbursed.
 4. Leave travel concession for the appointee and her family will be allowed once in a year as may be decided by the Board.
 5. Fees of clubs subject to a maximum of two clubs, this will not include the admission and life membership fees.
 6. Personal Accident insurance, the premium of which shall not exceed Rs.10000/- per annum.
 7. Contribution to the Provident fund, Superannuation fund, Annuity fund to the extent the same are not taxable under the Income Tax Act.
 8. Provision of Car with driver for use of the Company's Business and telephone at the residence.

RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Dr. Y. Sonia Reddy, Managing Director as minimum remuneration during the currency of her tenure, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto from time to time."

8. To consider, and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and any other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications(s) or re-enactments(s) there of) and the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to the regulations/ rules/ guidelines issued by the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India (RBI), the Stock Exchanges, and all such other bodies, institutions as may be relevant (hereinafter singly or collectively referred to as "appropriate authorities") and subject to such conditions stipulated while granting such permissions and approvals / sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall deem to include any Committee of Directors, for the time being, duly authorized by the Board to exercise the powers conferred on the Board by this resolution) the consent of the company be and is hereby accorded to the Board for offering, issuing and allotting 20,00,000 equity shares of Rs. 10/- each to the following persons / entities;



- (i) 5,00,000 equity shares of Rs. 10/- each to Mrs. Y. S. Vidya Reddy, belongs to promoter group of the company; and
- (ii) 15,00,000 Equity Shares of Rs.10/- each to M/s. P.V.K. Engineers Private Limited, a company incorporated and registered under the provisions of the Companies Act, 1956, other than and not related to the promoters of the company;

on preferential basis and on the basis of issue price to be determined as per the existing SEBI (Disclosure and Investor Protection) Guidelines, 2000 and on such terms and conditions as may be decided by the Board including the terms of issue as to the price and other connected matters on such terms and conditions as may be decided and deemed appropriate by the Board.

RESOLVED FURTHER that the relevant date for the preferential allotment will be 30th August, 2005 as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER that the above shares when issued shall rank pari-passu with the existing equity shares of the Company in all respects except that they shall be entitled to pro rata dividend from the date of allotment.

RESOLVED FURTHER that for the purpose of giving effect to the aforesaid special resolution under section 81 (1A) of the Companies Act, 1956, the Board / Committee of Directors be and is hereby authorized to take all such steps and to do all such other acts, deeds, things and matters and accept any alterations or amendments or corrections or modifications as it may deem fit and appropriate and give such directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said securities and also to seek the listing of such securities in one or more stock exchanges in India."

- 9. To consider and if thought fit, to pass with or without modification (s), the following Resolution as a Special Resolution:

'RESOLVED THAT in accordance with the provisions contained in the Articles of Association of the Company and the provisions of Section 81 (1A) and such other provisions of the Companies Act, 1956 ("the Act") as may be applicable, in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines"), for the time being in force and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including ESOS Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person (s) who are in permanent employment of the Company, including Directors of the Company, whether whole time or not, whether working in India or out of India under a Scheme titled "Visu Employees Stock Option Scheme" (hereinafter referred to as the "VISOS") or such other name as may deem proper, such number of equity shares and/or equity linked instruments (including Options) and/or any other instrument or securities (hereinafter collectively referred to as "Securities") of the Company which may result into the issue of equity shares not exceeding 10 lacs equity shares or 10% of the paid-up capital of the company of the face value of Rs. 10/- each, whichever is higher, at such price, in one or more tranches and on such

Visu International Limited



terms and conditions as may be fixed or determined by the Board in accordance with the applicable provisions of the law or guidelines as may be prevailing at that time.

RESOLVED FURTHER THAT the said Securities may be allotted directly to such employees/directors or in accordance with a Scheme framed in that behalf or through a trust which may be setup in any permissible manner and that the scheme may also envisage for providing any financial assistance to the employees or to the trust to enable the employee/trust to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company, except that they shall be entitled for dividend on pro-rata basis from the date of allotment till the end of the relevant financial year in which the new Equity Shares are allotted.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

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BY ORDER OF THE BOARD

Dr. Y. SONIA REDDY
Managing Director

PLACE : HYDERABAD
DATE : 31-08-2005



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 AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- b) The Register of Members/Register of Beneficiaries and Share Transfer books of the company will remain closed from 23rd September, 2005 to 29th September, 2005 (both days inclusive).
- c) The relevant explanatory statement in respect of the special business set out above, as required by sec.173 (2) of the companies act, 1956 is annexed hereto.
- d) Dividend, if declared, will be paid to those shareholders, whose names appear on the company's register of members as on 29th September, 2005. Dividend warrants are scheduled to be posted on or after 4th October, 2005.

Dividend warrant is valid for payment by the company's bankers for three months from the date of issue. Thereafter, please contact our share registrars, M/s. Aarthi Consultants Pvt. Ltd, 1-2-285, Domalguda, Hyderabad -500 029, for revalidation of the warrants.

You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed / unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the company to the investor education and protection fund established under section 205C in terms of section 205A of the companies act, 1956.

It may be noted that no claim will lie against the company or the investor education and protection fund in respect of the said unclaimed dividend amount transferred to the fund.

- e) **Payment of Dividend through Electronic Clearing Service (ECS)**

The Securities and Exchange Board of India (SEBI) has advised the Companies to mandatorily use ECS facility, wherever available, for distributing dividends or other cash benefits etc, to the investors. This facility provides instant credit of dividend amount to your Bank account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.

Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book/ statement account. We would be issuing an advice to you directly after the transaction is effected.

In case you wish to have your dividends paid through ECS, and are holding the Company's shares in electronic form, you may kindly fill in the enclosed ECS mandate form and submit it to your Depository Participant. However, in case you are holding the company's shares in physical form and wish to have your future dividends paid through ECS, you may kindly return the said ECS mandate form duly completed and signed by you at our registered office mentioned elsewhere in this report.



If you do not wish to opt for ECS facility, we strongly recommend that you provide the details of your Bank's Name, Branch, type of Account, and Account Number to your depository participant, in cases where shares are held in electronic form, and to us in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the details that might have been provided by you earlier, kindly send revised particulars to your depository participant or to us, as the case may be, at an early date.

We request you to kindly submit the ECS/Bank details latest by 24th September, 2005 to enable us to include the same for the payment of the current year's dividend.

- f) Members holding shares in physical form are requested to notify/send any change in their address to the company's share transfer agents, or to the company at its registered office.
- g) Members holding shares in dematerialisation form are requested to notify/send any change in their address to the concerned depository participant (s).
- h) Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the company. Therefore, the shareholders willing to avail this facility may make nomination in form 2B.
- i) Members / Proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of annual reports to the Annual General Meeting.

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