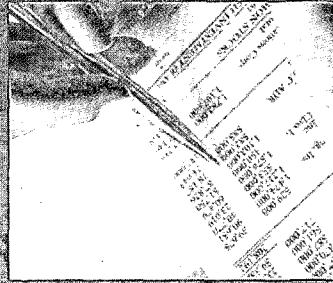


Visu International Ltd.

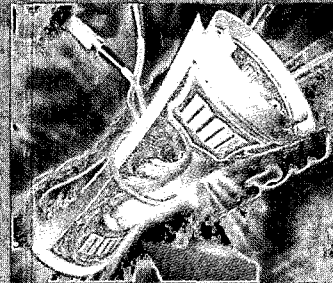


2006 - 2007

REPORT

ANNUAL

TENTH



Creating Global Futures!  
Since 1983

Visu International Limited



<b>Board of Directors</b>	<b>Sri C. Chandrasekhar Reddy</b>	Chairman
	<b>Dr. Y. Sonia Reddy</b>	Managing Director
	<b>Sri B. Prabhakar Reddy</b>	Director
	<b>Sri B. Siva Kumar Reddy</b>	Director
	<b>Dr. K. Viswanath Reddy</b>	Director
	<b>Dr. Dennis Dunham</b>	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: 23395214

**Registrars & Share  
Transfer Agents**      M/s. Aarthi Consultants Pvt. Ltd.,  
1-2-285, Domalguda,  
Hyderabad - 500 029  
Phone: 27634445, 27638111  
Fax: 27632184





## NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the company will be held on Saturday, the 29<sup>th</sup> day of September, 2007, 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 31<sup>st</sup> March, 2007 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 appoint a Director in place of Dr. 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 appoint a Director in place of Dr. Dennis Dunham, 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.

BY ORDER OF THE BOARD

PLACE : HYDERABAD

DATE : 01-09-2007

**Dr. Y. SONIA REDDY**

Managing Director

### 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 25<sup>th</sup> September, 2007 to 29<sup>th</sup> September, 2007 (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) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- e) 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.
- f) Members holding shares in dematerialisation form are requested to notify/send any change in their address to the concerned depository participant (s).
- g) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

## Visu International Limited



- 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.

**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:

1. **Name** : Dr. K. Viswanath Reddy  
**Age** : 70 years  
**Qualifications** : Ph.D in Socio-Linguistic Study of Telugu  
**Experience** : He served as a professor of Telugu studies and for about 35 years at various universities. He was a Director, Student Service, Audio-Visual Production & Research Center Academic and Dean of Arts of Dr. Ambedkar Open University. He has more than 30 years of research experience in academics with respect to anthropology, sociology, linguistics, folklore, lexicography & culture. He was a member of the Academic Senate of Sri Krishna Devaraya University, Ananthapur, Osmania University, Hyderabad and Dr. B. R. Ambedkar Open University, Hyderabad  
**Other Directorships** : M/s. Indo African Industries Private Limited
2. **Name** : Sri B. Siva Kumar Reddy  
**Age** : 55 years  
**Qualifications** : M.Sc.  
**Experience** : more than 27 years in the field of education  
**Other Directorship** : Nil
3. **Name** : Dr. Dennis Dunham  
**Age** : 59 years  
**Qualifications** : Ph.D. in Educational Psychology and Technology and Master of TESOL from University of Oklahoma, USA  
**Experience** : He is an accomplished educationist and distinguished professor. He has to his credit "Malaysian American Society Leadership Award" and "Leadership Award" by Management Development Institute of Singapore. He also has received "Distinguished Leadership Award" from Oklahoma City University Malaysian Alumni Association. He has been associated with Oklahoma City University since 2001, as a Dean of Enrolment Management, responsible for admissions, enrollment and recruiting of all kinds of students Domestic, International, graduate, undergraduate, etc. He is a member of National Association of Foreign Student Advisors and was also associated with Rotary, Lions Club, Jaycees, etc  
**Other Directorships** : Nil



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting you the **Tenth Annual Report** together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Sl.No.	Particulars	2006-07	2005-06
1.	<b>Total Income</b>	<b>9069.91</b>	<b>6971.41</b>
2.	Coaching / Training Services	724.35	520.21
3.	Educational Consultancy	864.68	629.74
4.	Software Exports	7182.40	5535.80
5.	Merchant Exports	163.03	97.47
6.	Trading	60.41	168.40
7.	Other Income	75.04	19.79
8.	Profit before Financial Charges & Depreciation	1680.88	874.34
9.	Financial Charges	84.19	53.08
10.	Depreciation	129.39	110.12
11.	<b>Net Profit Before Tax</b>	<b>1467.30</b>	<b>711.14</b>
12.	<b>Profit After Tax</b>	<b>1352.68</b>	<b>647.44</b>
13.	Basic Earning Per Share (Rs.)	3.83	4.77

### PERFORMANCE

The total income of your Company for the year 2006-07 is Rs. 9069.91Lakhs as against Rs. 6971.41 Lakhs in 2005-06, showing an impressive growth rate of 30.10 per cent. Profit before tax (PBT) has been zoomed to Rs. 1467.30Lakhs in 2006-07 from Rs. 711.14 Lakhs in 2005-06 registering an increase of 106.33 percent. Profit after tax (PAT) for the year 2006-07 is Rs. 1352.68Lakhs as against the PAT of Rs. 647.44 Lakhs for the year 2005-06 a growth of 108.93%.

### BUSINESS OVERVIEW

The Company has been successful in exploring various business opportunities and maintaining business growth both vertically as well as horizontally.

## Visu International Limited



As you are aware, VISU has been a house name for providing unparalleled coaching and training in prerequisite tests such as TOEFL, GRE, SAT, GMAT & IELTS. The company has been successfully developing and implementing educational software products to expand its horizon.

In view of the constant endeavor, to bring out new products and services to cater to the needs of global student community, VISU is coming out with a new Portal in the name of My Career Port.Com (MCP).

### **My career port. Com (MCP)**

My career port. Com (MCP) is a unique educational, informational and testing services portal primarily designed to cater to the varied educational needs of global student community.

Using this Portal, any student anywhere in the world can avail the services of the company. A student in China can access the Portal and require information from the Portal regarding any university of his choice by paying the specified amount online.

This Portal further provides career guidance to students regarding the employment opportunities abroad and the skill set expected from students and the details of various employers and their services.

In a nutshell, this portal would become a mega market place catering to the global career ambitions and needs of Indian as well as International students.

### **Foreign operations**

A subsidiary of the Company is set up in Dubai to improve the scale of software operations in foreign countries.

The Company is also on the look out for acquiring a foreign company/firm to increase competency and economies of scale.

### **Listing on NSE**

The Equity Shares of the company have been listed on the National Stock Exchange of India Limited (NSE) and started trading on NSE since 29<sup>th</sup> December, 2006 vide NSE circular NSE/LIST/C/2006/0660 dated December 27, 2006.

### **Preferential Issue of Warrants**

Pursuant to the special resolution passed by the members of the Company under Section 81(1A) of the Companies Act, 1956, in the 9<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2006, 40,00,000 convertible warrants equivalent to 40,00,000 Equity Shares of Rs. 10/- each of the Company had been issued to the Promoters group for cash on preferential basis.

Consequent to the above the issued share capital of the company has been increased to Rs.39,33,00,000/- (Rupees thirty Nine crores thirty three lakhs only).

The Authorised Share Capital of the Company has been increased from Rs. 52.00 crores to Rs. 100.00 crores in the Extraordinary General Meeting of the Company held on 31<sup>st</sup> August, 2007 to facilitate the further GDR issue which was also approved by the members in the aforesaid General Meeting.



## DIRECTORS

Dr. K. Viswanath Reddy, Sri B. Sivakumar Reddy & Dr. Dennis Dunham retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

A brief resume / details relating to the Directors to be appointed / reappointed as stipulated under Clause 49 (VI)(A) of the listing agreement executed with the stock exchanges are furnished in the Explanatory Statement of the Notice of the ensuing Annual General Meeting.

## AUDITORS:

M/s. P. MURALI & Co., Chartered Accountants, retiring auditors of the Company being eligible offer themselves for appointment as auditors of the Company. M/s. P.MURALI & Co., Chartered Accountants have furnished a certificate of their eligibility u/s 224(1B) of the Companies Act, 1956.

## INFORMATION REQUIRED UNDER SECTION 217(1)(E) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### a) Conservation of Energy:

Company's operations require electrical energy for its use in air conditioning the premises, for power supply to computer systems and lighting which are not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.

### b) Research and Development and Technology Absorption:

Your Company will continue to focus and invest in its R & D activities in software engineering, technologies and products. Your company leverages its excellence in technology for producing World Class Products and solutions. The continual exposure to new technologies has helped maintain high motivation levels in employees and to generate higher levels of productivity, efficiency and quality. Your company continues to give due importance to research and development to maintain its leadership in the field of leading edge technologies.

### c) Foreign Exchange Earnings and Outgo:

Earnings: Rs. 7345.43 lakhs towards Exports

Outgo: Rs. 36.98 lakhs towards Foreign Travel and Rs. 39.48 lakhs towards others

## 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.

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance Report is set out as separate Annexure to this Report.

## Visu International Limited

**MANAGEMENT DISCUSSION AND ANALYSIS**

This has been dealt with in the separate Annexure to this Report.

**COMPLIANCE OF LISTING AGREEMENT**

Presently the Company's Equity shares are listed on The National Stock Exchange of India Limited (NSE), the Hyderabad Stock Exchange Limited (HSE) and the Bangalore Stock Exchange Limited (BSE).

The Bombay Stock Exchange Limited (BSE) has granted trading permission for trading of the equity shares of the Company on BSE- *INDONext*, vide its letter dated January 7, 2005.

The Company has paid the Annual Listing Fees up to the financial year 2007-08. There are no listing fees dues pending.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) we have 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 at the end of the financial year and/or of the Profit or Loss of the company for that period;
- iii) we have 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) we have prepared the annual accounts on a going concern basis.

**DEPOSITS**

The Company has not accepted fixed deposits as on 31<sup>st</sup> March, 2007 so as to attract the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of the Deposits) Rules, 1975 as amended from time to time.

**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 and the employees of the company.

For and on behalf of the Board

**C. CHANDRA SEKHAR REDDY**  
Chairman

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

PLACE : HYDERABAD.  
DATE : 01-09-2007





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

#### Education Sector-India

Education forms the backbone of a nation and is one of the most important key indicators of a country's growth and development. Infact, the rise of knowledge economy at a global level has once again reinforced education, in all its forms (elementary, secondary, higher, vocational, and adult), as the key economic and business driver.

The Eleventh Year Plan seeks to strengthen the nation with talented people, making scientific and technological advancement and innovation an important driving force for economic and social development, putting education and training of quality talents at a prominent strategic position while striving to build an innovative country with rich human resources. It emphasizes on:

- Investing more in education by ensuring higher financial expenditure for education so as to gradually increase the proportion of financial expenditure for education in GDP to 4 percent.
- Popularisation and consolidation of nine years of compulsory education in rural areas and eliminate tuition and incidental fees for rural students during the compulsory education period.

#### The Education Hub

India's youth, comprising over 50 percent of its population, is often referred to as its demographic dividend. With 367 universities and 18000 colleges, with over 11.2 million students on their rolls, and half a million teachers, India could reap huge returns off its demographic dividend.

#### Factors Affecting Education in India

1. Internet Based Business Models.
2. Industry's Changing Requirements from Education.
3. Incessant Demand for Practical Skill sets.
4. Increased Globalization of Education.
5. Imperative Industry-Academic Interfaces.



### Global opportunity for Indian Players

The U.S. and other developed countries are a preferred study destination for many Indian students. There is a steady growth in the segment of students interested in study abroad and the scope for consultancy services is widening.

Financing education abroad is no longer problematic for many Indian students, as liberalised loans are now being made available at low rates of interest. The total amount of loans advanced in India by Banks and financial institutions to the students studying abroad increased from Rs.66.8 billion in 2001 to Rs.260.7 billion in 2004.

### BUSINESS

The Company is engaged in activities ranging from Global Educational Consultancy, coaching and training in pre-requisite tests such as TOEFL, GRE, GMAT, SAT, IELTS, etc., Software Development, Merchant Exports, Imports & Trading.

The company operates its activities through the following divisions:

- (A) Business of education, placing of students globally in different Universities, Colleges & Institutions
- (B) Coaching and training students for various pre requisite tests.
- (C) Software development and services.
- (D) Merchant Exports, Imports & Trading

### Business Development

The Company is expanding its branch network every year and implementing new services and Systems to enhance its competitive strengths. A brief look on the developments of company's business.

### My career port. Com (MCP)

My career port. Com (MCP) is a unique educational, informational and testing services portal primarily designed to cater to the varied educational needs of global student community.

Using this Portal, any student anywhere in the world can avail the services of the Company. A student in China can access the Portal and require information from the Portal regarding any university of his choice by paying the specified amount online.

This Portal further provides career guidance to students regarding the employment opportunities abroad and the skill set expected from students and the details of various employers and their services.

In a nutshell, this portal would become a mega market place catering to the global career ambitions and needs of Indian as well as International students.