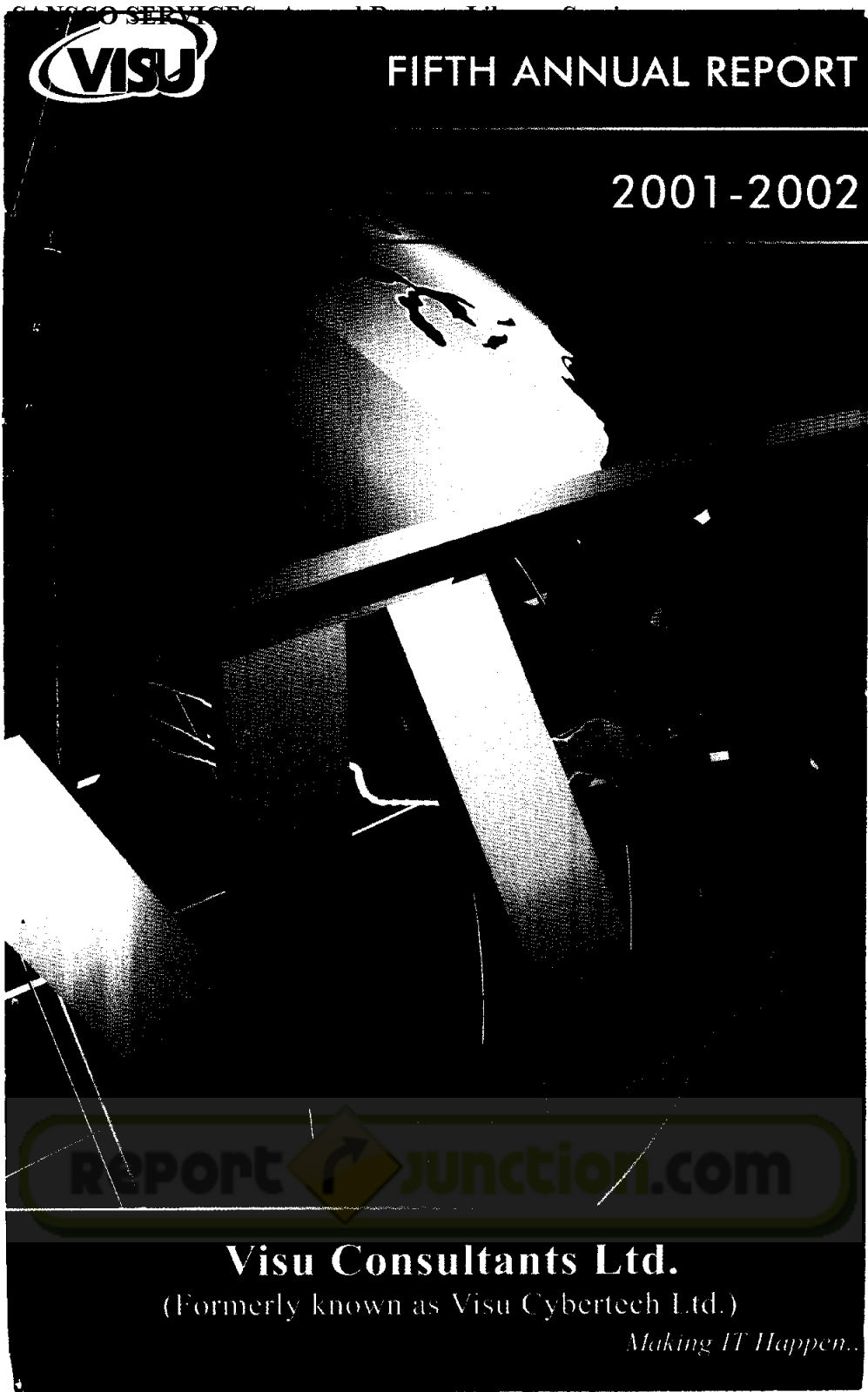




# FIFTH ANNUAL REPORT

2001-2002



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**Visu Consultants Ltd.**

(Formerly known as Visu Cybertech Ltd.)

*Making IT Happen..*



**Bankers:**

Syndicate Bank,  
Somajiguda,  
Hyderabad-500 082.

**Auditors:**

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

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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,  
Punjagutta,  
Hyderabad-500 082.

**Corporate Office:**

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

**Share Transfer Agents:**

M/s Karvy Consultants Ltd  
Karvy House, 46 , Avenue 4,  
Street No 1, Banjara Hills,  
Hyderabad.

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**NOTICE:**

Notice is hereby given that the Fifth Annual General Meeting of the Members of the Company will be held on Saturday, the 28<sup>th</sup> day of September, 2002, at 3.00 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 31st March 2002 and 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 B. Prabhakar Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Sri K. Viswanath Reddy who was appointed as an Additional Director of the Company by the Board, who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company".
5. To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Sri B. Siva Kumar Reddy who was appointed as an Additional Director of the Company by the Board, who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company".
6. To consider and if thought fit to pass with or without modification, the following Resolution as an Special Resolution:  
 "RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956 the following 'Article' shall be inserted in the Articles of Association of the Company as Article No.50A:  
 "50A: The Company shall have the power to hold Board or Committee Meetings through the means of video or tele-conferencing, and also allow Directors to participate in the Board or Committee Meetings through the means of video or tele-conferencing, subject to the applicable provisions, if any, of the Act and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee Meetings shall be read mutatis mutandis".

PLACE: HYDERABAD  
 DATE: 28-08-2002

By Order Of The Board

**Dr. Y. SONIA REDDY**  
 MANAGING DIRECTOR

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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) Members/proxies are requested to bring their copies of Annual Report to the Meeting and the attendance slip duly filed 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 26.9.2002 to 28.9.2002 (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 and 6 is Annexed hereto

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

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

**Item No. 4**

Sri K. Viswanath Reddy was co-opted as Additional Director. As per the provisions of Section 260 of the Companies Act, 1956, he ceases to be Director at the ensuing Annual General Meeting. As required by Section 257 of the said Act, Notice along with a deposit of Rs.500/- was received from Members signifying intention proposing the appointment of Sri K. Viswanath Reddy as Director of the Company.

The Board considers it desirable that the company should continue to avail itself of his services. None of the Directors except Sri K. Viswanath Reddy is interested in the Resolution.

**Item No. 5**

Sri B. Siva Kumar Reddy was co-opted as Additional Director. As per the provisions of Section 260 of the Companies Act, 1956, he ceases to be Director at the ensuing Annual General Meeting. As required by Section 257 of the said Act, Notice along with a deposit of Rs.500/- was received from Members signifying intention proposing the appointment of Sri B. Siva Kumar Reddy as Director of the Company.

The Board considers it desirable that the company should continue to avail itself of his services. None of the Directors except Sri B. Siva Kumar Reddy is interested in the Resolution.

**ITEM NO.6.**

The information Technology (IT) Act, 2000 recognizes Communications in digital or electronic form and holding of Board or Committee meetings through electronic means are permissible under the IT Act. It is contemplated that necessary amendments to the Companies Act, 1956 and regulatory provisions may be introduced to facilitate conduct of Board or Committee Meetings through electronic means i.e., video or tele-conferencing. Your Directors felt that conduct of Board or Committee meetings through video or tele-conferencing will facilitate increase in frequency of meetings and participation of Directors from anywhere. This amendment to Articles of Association shall come into force upon notification of necessary amendments to the Companies Act, 1956 and/or necessary clarifications from the Government of India.

Your directors recommend the resolution for your approval.

None of the Directors is interested or concerned in the proposed 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 appointed/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 centre academic & Dean of Arts) of Dr. Ambedkar Open University. |
| Other Directorships | : NIL   |
| <b>2. Name</b>      | <b>: Sri B. Siva Kumar Reddy</b>  |
| Age                 | : 51 yrs.   |
| Qualifications      | : M.sc., (Physics)  |
| Experience          | : Vast experience of 23 years in educational field  |
| Other Directorships | : M/s. Pinakini Educational Institution (P) Ltd   |
| <b>3. Name</b>      | <b>: Sri B. Prabhakar Reddy</b>   |
| Age                 | : 51 yrs.   |
| Qualifications      | : B.Sc ,  |
| Experience          | : Vast experience in educational consultancy & associated with the company for the last three years   |
| Other Directorships | : NIL   |

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**Dr. Y. SONIA REDDY**  
MANAGING DIRECTOR

PLACE : HYDERABAD  
DATE : 28-08-2002



## DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Fifth Annual Report for the year ended 31st March 2002 together with audited accounts.

### AMALGAMATION

During the year under review, the scheme of arrangement for amalgamation of M/s Visu Educational Services Ltd., with M/s Visu Consultants Ltd., which has been consented to by the shareholders of both the Companies has been sanctioned and confirmed by the Hon'ble High Court of Andhra Pradesh vide Orders dated 26<sup>th</sup> June, 2002 with effect from 01-04-2001. As you are aware, the said amalgamation has been arranged keeping in view of the benefits emanating from the merger of M/s Visu Educational Services Ltd., with your Company. Principally, both these companies are engaged in similar activities and that the amalgamation would benefit both the companies financially. Moreover, both these companies have developed infrastructure facilities in order to take advantage of facilities that are available and also in view of the synergy of operations and also to reduce the overhead costs.

### FINANCIAL RESULTS

(Rs in Lakhs)

S.No.	Particulars	2001-2002	2000-2001
1.	Training Fee & Software Development	26.22	72.72
2.	Sales & Service	502.08	—
3.	Software Exports	72.00	279.51
4.	Other Income	61.50	16.34
5.	Profit before Financial Charges & Depreciation	78.00	93.42
6.	Less: Financial Charges	13.50	1.56
7.	Depreciation	39.07	15.05
8.	Net Profit Before Tax	25.43	76.81
9.	Less: Provision for Tax	7.26	0.00
10.	Profit After Tax	18.17	76.81

### PERFORMANCE:

The total income for the year was Rs 661.80 lakhs and the profit after tax for the year was 18.17 lakhs. The Company endeavoured on development of educational software and educational CDs. The educational software entitled **Chanakya, Vidura, Yaqsha and Acharya** CDs, launched earlier have been successful. The Company has also entered into the arena of educational and other management consultancy activities in addition to the software services. The company has definite plans to embark on development of educational and other management consultancy services abroad in general and in particular in countries like East Africa, U.K., Singapore and Canada etc., Your company is also engaged in providing Coaching services activities on various courses such as TOEFL, GRE, GMAT etc., at its branches at Chennai, Bangalore, Vijayawada, Vizag & New Delhi.

### CHANGE IN THE NAME OF THE COMPANY

During the year under review, the company changed the name of the company from M/s Visu Cybertech Limited to M/s Visu Consultants Limited.



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

During the recent months, in general, there has been a considerable slow down in the technology sector in the US, which in turn has contributed to a slow down in the overall economy.

The IT budgets have been cut down drastically in many of the sectors and are under close scrutiny. This has resulted in deeper evaluation of IT budgets and hence longer sales cycles for decision making. The focus of companies is on integration of disparate systems in the company and consolidation of various platforms and systems in the company. The IT sector is beginning to witness profound transformation to provide products and services which offer value for money which means highest quality and functionalities at lowest prices.

Nevertheless, Your Company being a software provider in the field of education, educational services and other management consultancy activities, the scenario of expected to be quite different. Your Company is engaged in providing educational software and educational services and other management consultancy activities and developed among other products and services. Products like "Chanakya, Vidura, Yaqsha and Acharya" CDs. The products are instantly deployable and ready to use. As stated in the previous Annual Report, all these products have been demonstrated before the State and Central Government officials concerned and also in colleges and schools and were received by one and all. The Company has also submitted formal proposals to both Central and State Governments for the use of these software and CDs in their schools. In addition to these the Company is developing few more software relevant for education and speedy communication. Your company is endeavoring to embark on the market both in India and abroad with educational services and other management consultancy activities. Your company is also engaged in providing Coaching services activities on various courses such as TOEFL, GRE, GMAT etc., at its branches at Chennai, Bangalore, Vijayawada, Vizag & New Delhi.

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 operations 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 2002 were 242.

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.	72,00,000/-
Foreign exchange outgo	: Rs.	1,53,04,997/-

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**

During the year, Sri K. Thirupal Reddy, Director, stepped down as Director from the Board on 05-10-2001. The Board takes this opportunity to thank him for his valuable contribution. Sri K. Viswanatha Reddy and Sri B. Shiva Kumar Reddy were inducted into the Board as additional Directors on 5.10.2001. Sri. B. Prabhakar Reddy retires by rotation at the ensuing Annual General Meeting and being eligible offers himself 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 for the year 2002-03. 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 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/ 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. MOGILI SRIDHAR & CO., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956.

#### **PERSONNEL**

The relations between the management and the staff were very cordial throughout this 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**

Your Directors wish to express their sincere gratitude for the continued co-operation and assistance extended by various departments viz., Government of Andhra Pradesh, Financial Institutions viz. Andhra Pradesh Industrial Development Corporation Ltd., and Syndicate bank.

Your Directors also wish to take this opportunity to thank all the shareholders for the confidence reposed in the Company.

**For and on behalf of the Board**

PLACE : HYDERABAD.  
DATE : 28-08-2002

**C. CHANDRASEKHAR REDDY**  
CHAIRMAN

**Dr. Y. SONIA REDDY**  
MANAGING DIRECTOR





**ANNEXURE – “A” TO DIRECTORS REPORT- CORPORATE GOVERNANCE**  
**(Pursuant to Clause 49 of the Listing Agreement)**

**1. Company's Philosophy on code of governance :**

The Basic philosophy of corporate governance of the company is to achieve business excellence and enhance shareholder value keeping in view the interests of all stake-holders. The company stands by transparency in all its dealings and strict regulatory compliance. The company believes that strong corporate governance is indispensable for healthy business growth and to be resilient in a vibrant capital market and is an important instrument of investor protection.

**2. Board of Directors**

**a) Composition**

The composition of Board of Directors of the company meets the stipulated requirements. The Board of Directors comprises of One Chairman, One Managing Director, and 3 Independent Non Executive Directors. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the Share Holders.

**b) Attendance of each Director at the Board Meetings and the last AGM**

The Board of Directors of the Company met 15 times during the last financial year. The date of Board meetings are : 10.4.01, 19.4.01, 27.4.01, 30.7.01, 18.08.01, 29.08.01, 5.10.01, 30.10.01, 31.12.01, 9.01.02, 23.01.02, 30.01.02, 1.3.02, 4.3.02 & 25.3.02. The Company placed before the Board the annual operating plans and budgets and performance of the Company from time to time. Information which is materially important viz., details of amalgamation scheme etc., were placed before the Board meetings as and when the same takes place.

Name of the Director	Category	No.of Other Director-ships	No.of Committees In which member	No.of Board Meetings attended	Whether attended last AGM
Sri.C.Chandrasekhar Reddy	Chairman	Nil	Nil	12	Yes
Dr.Y.Sonia Reddy	Managing Director	2	1	15	Yes
Sri.B.Prabhakar Reddy	Independent	Nil	2	14	Yes
*Sri K. Thirupai Reddy	Non-Executive Independent	Nil	1	Nil	No
**Sri K.Viswanath Reddy	Non-Executive Independent	Nil	2	7	No
**Sri.B.Siva Kumar Reddy	Non-Executive Independent	1	2	8	No

\* Sri K. Thirupai Reddy resigned from the Board on 05-10-2001

\*\* Sri.K.Viswanath Reddy and Sri B Siva Kumar Reddy were inducted as additional directors on 05-10-2001