

# ANNUAL REPORT 2006

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Visu International Ltd.

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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 Co-members,**

It is a matter of great pride to cherish and share with you the path breaking performance that your company delivered during the financial year 2005-06.

The total income of the company is reported more than Rs. 70 crores and the net profit of the company is Rs. 6.47 crores. The stupendous performance of the company definitely motivates us to work hard and to produce better results in future.

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

We are not second in terms of availability of intellectual capital. We need to adopt international best practices with respect to innovative models of education systems and to enhance competitiveness of the Indian Education System in the global market.

Your company has taken the initiative to start international schools to bring about a change in the practices followed at the school level by preparing students to be competitive in the global market and to be a role model in the Indian Education System.

We cannot imagine growth without innovation. We need to create conducive environment for finding better methodologies and techniques for improving efficiencies and confront competition.

At VISU, we strive to present the best products and offer quality services by constantly improving the existing systems and innovating better techniques to serve our customers in general and the student community in particular.

It is pertinent to highlight and compliment the achievement of the research team of VISU in churning out an innovative product called Visu Testing Service (VTS). VTS enables a student to test his/her strengths and weaknesses in a given area at a given time and to compare his /her standard at national level.

Visu International Limited



I am happy to share with you that the company has raised an amount of USD 9,657,000 from the GDR issue and I thank the overseas investors for the overwhelming response received by the company for subscribing the issue and making it a big success.

I am also delighted to share with you the fact that the GDRs of the company have been listed on the Luxembourg Stock Exchange, UK with effect from 24<sup>th</sup> April, 2006.

With regard to expansion, your company has opened branches at Ahmedabad, Vadodara, Warangal and Ananthapur and further the expansion of branch network still counting.

It is also in the sight of opening a subsidiary of the company in a foreign country to have an extended reach to our overseas clients.

Let us all work together to build the company to be a leader in its business and take it to new heights of success for the benefit of all.

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 would like to take this opportunity to express my sincere gratitude to my colleagues on the Board, employees, customers, bankers, suppliers and our shareholders who continued their support and cooperation and participated as partners in the growth of the company.

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Best Wishes

A handwritten signature in black ink, appearing to read "C. C. Reddy".

C.C. Reddy  
Chairman



## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the company will be held on Friday, the 29th day of September, 2006, at 12.30 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, 2006 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 a dividend on equity shares
3. To appoint a Director in place of Sri C. Chandrasekhar Reddy who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri B. Prabhakar 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 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 the revision in payment of remuneration to Dr. Y. Sonia Reddy, Managing Director of the company with effect from 1<sup>st</sup> September, 2006 on the terms and conditions as given below:

- a. Salary: Salary of Rs 1,00,000/- (Rupees one lakh only) 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."

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 the appointment of Sri C. Chandrasekhar Reddy as the wholetime Chairman of the company with effect from 1<sup>st</sup> September, 2006 at a remuneration and on the terms and conditions as given below:

- a. Salary: Salary of Rs 50,000/- (Rupees fifty thousand only) 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 Chairman 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 Sri C. Chandrasekhar Reddy, Chairman as minimum remuneration during the currency of his 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 314 (1B) read with Director's Relatives (Office or Place or Profit) Rules, 2003 and other applicable provisions, if any of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Ms. C. Sophia Reddy, who is the daughter of Sri. C. Chandrasekhar Reddy – Chairman and the sister of Dr. Y. Sonia Reddy–Managing Director, to hold and continue to hold office in the Company as "Chief Executive Officer (CEO)" with effect from 01.09.2006 at a consolidated remuneration of Rs. 48,000/- (Rupees Forty Eight Thousand Only).

9. 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) thereof) 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 40,00,000 convertible warrants equivalent to 40,00,000 equity shares of Rs. 10/-each



to the promoters and promoters' group, as detailed in the explanatory statement annexed herewith 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, 2006 as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER that the above warrants when converted into equity shares shall rank pari-passu, in all respects, with the existing equity shares of the Company including the payment of dividend.

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."

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

"RESOLVED that pursuant to section 81(1A) and any other applicable Provisions of the Companies Act, 1956 and relevant Provisions of the memorandum and articles of association of the Company and the listing agreements entered into by the Company Subject to any necessary approval, consent, Permission and/or sanction of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and any other appropriate authorities, institutions or bodies, and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, Permission, or sanction, the Board of Directors of the Company (hereinafter referred to as " the Board", which term shall be deemed to include any committee referred to below) , and duly authorized committee thereof for the time being exercising the powers conferred on the Board by this resolution be and is hereby authorized on behalf of the Company to issue and allot, any securities convertible into equity shares at the option of the company and/ or holder of the securities representing either Equity shares or convertible securities representing either Equity shares or convertible into equity shares either in India or in the course of international offerings in one or more foreign markets, either in the form and/or name of Global Depository Receipts/ FCCBs or otherwise, to Qualified Institutional Buyers (QIBs), foreign investors (Whether institutions and/ or incorporated bodies and/ or individuals or otherwise, and whether or not such investors are members of the Company), for (or which, upon conversion of all securities so issued or allotted, could give rise to the issue of) an aggregate number equity shares or such receipts or instruments equivalent to 50 million equity shares of Rs. 10/- each including the over allotment option, if any, and/or upto an amount not exceeding US Dollars 25 million as decided by the company/underwriters, in terms of Chapter XIII A of SEBI Disclosure and Investor Protection Guidelines, 2000, as amended, such issue and allotment to be made at such time or times, in such tranche or tranches, at such Price or Prices at a discount or premium to market price or prices, in such manner as the Board may, in its discretion think fit, in consultation with the lead manager and underwriters, and Otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.





RESOLVED FURTHER that the Company and /or any agency or body authorized by the Company may issue Depository Receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international Capital markets for instruments of this nature and to provide for the tradeability or free transferability thereof as per the international practices and regulation, and under the forms and practices prevalent in the international markets..

RESOLVED FURTHER that the securities issued as above shall be deemed to have been made abroad in the market and/or at the place of issue of the security in the international market and shall be governed by the respective Law of Land and the Listing Agreement(s) to be entered into with the stock exchange(s) abroad.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred to in paragraph above or as may be necessary in accordance with the terms of the offering , all such shares being pari passu with the equity shares of the company in all respects, expecting such right as to dividend as may be provided under the terms of the issue and in the Offer document.

RESOLVED FURTHER that for the purpose of giving effect to any issue or allotment of Equity Shares or Securities or instruments or securities representing the same, as described in paragraph above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit".

BY ORDER OF THE BOARD

Dr. Y. SONIA REDDY  
Managing Director

PLACE : HYDERABAD  
DATE : 01-09-2006



## 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, 2006 to 29th September, 2006 (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 25th September, 2006. Dividend warrants are scheduled to be posted on or after 4th October 2006.

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.