

# Annual Report - 2009

*For making a better world*

TWELFTH  
ANNUAL REPORT  
2008 - 2009



Visu International Ltd.

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

**Bankers** Indian Overseas Bank,  
Main Branch, Koti,  
Hyderabad - 500 095.

**Auditors** M/s. P. Murali & Co.,  
Chartered Accountants,  
6-3-655/2/3, Somajiguda,  
Hyderabad-500 082.  
Ph. No: 040-23326666  
Fax: 040-23392474

**Registered Office** 104, Lumbini Enclave,  
Opp. NIMS, Punjagutta,  
Hyderabad - 500 082.  
Ph. No: 040-23399241, 23398359  
Fax: 23395214

**Share Transfer Agents** M/s. Aarthi Consultants Pvt. Ltd.,  
1-2-285, Domalguda,  
Hyderabad - 500 029  
Ph. No: 27634445, 27638111  
Fax: 27632184



## NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the company will be held on Wednesday, the 30th day of September, 2009, 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, 2009 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 K. Vishwanath Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Dennis Dunham, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 : 02-09-2009

**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 28<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
- c) 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.

## Visu International Limited



- d) 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.
- e) Members holding shares in dematerialisation form are requested to notify/send any change in their address to the concerned depository participant (s).
- f) 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.
- g) 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.
- h) 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

Brief Details of Directors seeking reappointment at this Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Dr. K. Vishwanath Reddy	Dr. Dennis Dunham
Date of Appointment	05.10.2001	02.02.2005
Date of Birth	01.07.1937	20.11.1948
Expertise in Specific functional areas	Has got vast experience in the field of education and associated with the company for more than 9 years.	More than 20 years experience in education field.
List of Companies in which Directorships held as on 31.03.2009	NIL	NIL
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2009	NIL	NIL



## DIRECTORS' REPORT

To  
The Members  
VISU INTERNATIONAL LIMITED

Your Directors have pleasure in presenting you the **Twelfth 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, 2009.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2008-2009	2007-2008
Total Income	3114.57	5893.54
Coaching / Training Services	645.29	755.21
Educational Consultancy	510.90	407.59
Software Exports	1625.38	4418.95
Merchant Exports	301.92	275.68
Trading	27.04	32.85
Other Income	4.04	3.26
Profit before Financial Charges & Depreciation	760.47	1138.45
Financial Charges	218.53	130.80
Depreciation	226.10	157.79
Net Profit Before Tax	315.84	849.86
Profit After Tax	280.05	754.04
Basic Earning Per Share (Rs.)	0.73	1.97

### PERFORMANCE

The decrease in turnover and profitability of the Company was due to the effect of the recession and economic slowdown at global level. A glance at the segment performance of the Company will definitely predict potentiality in education consultancy and merchant exports whereas the coaching and training services reasonably decreased. The revenue was recorded at Rs.3114 Lakhs as compared to Rs.5893 during the previous year and posted net profit after tax at Rs.280 Lakhs as against Rs.754 Lakhs during the previous year.



## **BUSINESS OVERVIEW**

The unanticipated tremble has left no industry unaffected. However, your Directors are constantly making their efforts to bounce back the performance of the Company and could achieve appreciable results in potential segments like providing educational consultancy and merchant exports. Your Company has taken advantage of the worldwide threat as opportunity to convince the importance of the higher education and demerits in early employment. This move contributed significantly in the operations of the Company. For the rest of the operations necessary parallel and alternate measures are under designing so as to achieve the goals determined in previous years and for the implementation of which the Board has initiated steps.

## **POSTAL BALLOT RESOLUTIONS**

The members have accorded their consent for increasing the Authorised Share Capital of the Company from Rs.100 Crores to Rs.105 Crores and for issue of further shares in the form of Global Depository Receipts (GDR), the results of which were declared by the Chairman of the Company on 4<sup>th</sup> July, 2009.

## **STATUS OF MERGER AND DEMERGER**

Your Directors would like to inform you that the proposal of merger and de-merger informed in the previous year has been withdrawn by the Board of Directors in view of the present market conditions.

## **DIVIDENDS**

In view of the present market conditions and to maintain liquidity, your Directors have not recommended any dividend for the reporting period.

## **FIXED DEPOSITS**

The Company has not accepted fixed deposits as on 31<sup>st</sup> March, 2009 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.

## **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:**

Your Company is engaged in non-manufacturing activities hence, need not provide information on conservation of Energy. However, we mention that the consumption of Electrical energy for the Company is limited to air conditioning the premises, Computers systems & accessories and lighting which is low intensive in nature and does not require any specific arrangements. In spite of this, the Company has been adopting necessary measures to control the power consumption wherever applicable and to the extent required.



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

The R & D is a continuous process for exposure to new technology in respect of software engineering, technology in related avenues and products thereof. This environment creates aggravated minds to deliver efficiently and effectively thereby increasing the productivity level. Hence, to keep abreast of the challenges and competition, due importance to R & D will be on.

**c) Foreign Exchange Earnings and Outgo:**

The Company during the reporting period earned foreign currency to the extent of Rs.19,27,30,792/- and incurred in foreign currency Rs. 6,13,657/-

**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.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**COMPLIANCE OF LISTING AGREEMENT**

The Company is complying with the Listing Agreement from time to time. The company has paid the Annual Listing Fees. 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.

Visu International Limited



## **DIRECTORS**

Dr. K. Vishwanath Reddy and Dr. Dennis Dunham retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

A brief details relating to the Directors to be re-appointed as stipulated under Clause 49 (VI)(A) of the listing agreement executed with the stock exchanges are furnished as an attachment to 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.

## **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.

## **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 : 02-09-2009





## 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 & Training Industry:

The time has changed when coaching classes were run by the middle-aged former teacher down the road or your neighbour's kids ran a tuition centre from a rickety room. Now it's as formal and prearranged sector as any other and is housed in a commercial building with easy access to maximum students. Outsourcing teachers is the latest trend as there are many who prefer this form of employment to a regular one with fixed hours in schools. There are many who work as freelancers too and they can teach elsewhere. There are also those who teach in schools and who tie up with coaching centre and charge a lot more than the rest.

It has also been recognised that behind the success of Indian workforce there is a strong education system. It seems to be a boom time for the education industry in India as the concept of business through education catches up with the Indian market.

India's youth, often referred to as its demographic dividend, accounts for over 50 per cent of its total population, with 367 universities and 18,000 colleges with half-a-million teachers and about 11 million students on the rolls, India could reap huge returns off its demographic dividend. It has been estimated that in last five years there are about 1,200 management colleges, over 3,000 technical colleges and about 1000 plus medical colleges have been established. In terms of private schools growing, a majority of the new institutions being private would not be anything less than some thousand Crores.

In recent months, the education segment has also seen the rising interest of private equity players. It is assumed that based on the current and future manpower requirements of the various sectors there is a huge demand-supply gap in the education space. This has attracted many players to invest in education and training institutions with the aim of building valuable franchises that can be rapidly scaled up.

#### IT Industry:

The Indian information technology industry has played a key role in putting India on the global map. Thanks to the success of the IT industry, India is now a power to reckon with. According to the National Association of Software and Service Companies (NASSCOM), the apex body for software services in India, the revenue of the information technology sector has risen considerably in FY 2008-09.



India's IT growth in the world is primarily dominated by IT software and services such as Custom Application Development and Maintenance (CADM), System Integration, IT Consulting, Application Management, Infrastructure Management Services, Software testing, Service-oriented architecture and Web services.

As per NASSCOM's latest findings, the Indian IT-BPO sector grew by 12 per cent in FY 2009 to reach US\$ 71.7 billion in aggregate revenue (including hardware). Of this, the software and services segment accounted for US\$ 59.6 billion. IT-BPO exports (including hardware exports) grew by 16 per cent from US\$ 40.9 billion in FY 2007-08 to US\$ 47.3 billion in FY 2008-09.

Despite the uncertainty in the global economy, the IT industry has growth from all important sources from the North American and European regions, in the financial services vertical and from application maintenance and development (ADM) offerings between fiscal years 2008 and 2009.

### **IT-Domestic Markets**

The domestic market has also become a force to reckon with, as the existing IT infrastructure evolves both in terms of technology and depth of penetration. India Inc's demand for IT services and products has bolstered growth in the domestic sector with deal sizes going up remarkably. Such growth in the software and services sector has been achieved because of spectacular growths in some segments. According to research firm Gartner, India's personal computer (PC) market is likely to grow by 13.7 per cent to 11.1 million units in 2009, aided by a surge in demand for laptops. The laptop market is expected to grow by 37 per cent in 2009 to 3.69 million units and constitute a third of the total PC market.

### **Government Initiatives**

The government set up the National Taskforce on Information Technology and Software Development with the objective of framing a long term National IT Policy for the country. *Enactment of the Information Technology Act which provides a legal framework to facilitate electronic commerce and electronic transactions.* The government-led National e-Governance Programme, has played an important role in increasing internet penetration in rural India.

### **Road Ahead**

*The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise. According to a report prepared by McKinsey for NASSCOM, the exports component of the Indian industry is expected to reach US\$ 175 billion in revenue by 2020. The domestic component will contribute US\$ 50 billion in revenue by 2020. Together, the export and domestic markets are likely to bring in US\$ 225 billion in revenue, as new opportunities emerge in areas such as public sector and healthcare, and as geographies including BRIC and Japan opt for greater outsourcing.*