

# 7<sup>th</sup> Annual Report 1997-98

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

## VISTA

Vista Pharmaceuticals Limited



**VISTA PHARMACEUTICALS LIMITED****BOARD OF DIRECTORS**

<b>Shri K.V. Rao, I.A.S.</b>	Chairman (Nominee Director - APIDC)
<b>Dr. Dhananjaya Alli</b>	Managing Director
<b>Shri Sudhakar Chakrala</b>	Director
<b>Dr. Stanley Prabhakar Reddy</b>	Director
<b>Shri M.H. Rao</b>	Director
<b>Shri B.V.S. Prakasa Rao</b>	Director

**AUDITORS**

M/s. PRV Associates  
3-6-203, Himayatnagar,  
Hyderabad - 29.

**BANKERS**

**State Bank of Hyderabad**  
Industrial Finance Branch,  
Punjagutta, Hyderabad.

**Canara Bank**

Somajiguda Branch,  
Hyderabad.

**REGISTERED OFFICE**

7-1-212/A/26, Plot No. 41/B  
Shivbagh, Ameerpet, Hyderabad - 500 016.

**FACTORY**

APIIC Industrial Estate  
Gopalaipalli Village  
Nalgonda District  
Andhra Pradesh.

**Request to Members**

- Members are requested to bring their copies of Annual Report to the meeting.
- Members are requested to avoid being accompanied by non-members and/or children.
- Members/bodies corporate/proxies should bring the attendance slip duly filled-in for attending the meeting.
- Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.
- Gifts will not be distributed at the meeting.
- For redressal of any investor grievances, the investors are requested to contact the shares department at the registered office of the company on all working days during the business hours between 8.30 a.m. to 4.45 p.m.

**VISTA PHARMACEUTICALS LIMITED****NOTICE**

Notice is hereby given that the Seventh Annual General Meeting of Vista Pharmaceuticals Limited, will be held at 08.30 AM on 24th September 1998 at Huda Community Hall, Vanasthalipuram Market Complex, Vanasthalipuram-500 070, Hyderabad to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr Dhananjaya Ali who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri.Sudhakar Chakrala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s.PR.V Associates, Chartered Accountants are eligible for re-appointment.

**SPECIAL BUSINESS**

5. To consider, and if thought fit, to pass, with or without modification, the following resolution as a special resolution:

**RESOLVED THAT** the Board of Directors be and hereby authorised to appoint, the Companies Auditors and/or in consultation with the Company's Auditors any person or persons qualified as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956 to audit the accounts of the financial year 1998-99 of the Companies Non-Trading office at United States of America in accordance with the laws of the United States of America and to fix their remuneration (which in the case of Auditors of the Company shall be in addition to the remuneration as auditors of the Company) and the terms and conditions in which they can carry on the audit".

6. To consider, and if thought fit, to pass, with or without modification, the following resolution as a special resolution:

**"RESOLVED THAT** Pursuant to the provision of section 146 of the Companies Act 1956 the Registered Office of the Company be shifted from 7-1-212/A/26, Plot No. 41 B, Shivbagh, Ameerpet, Hyderabad 500 016 to APIIC Indl. Estate, Chityal, Gopalapalli Village, Narketpalli Mandal, Nalgonda Dist. Andhra Pradesh, India".

7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**RESOLVED THAT** pursuant to Section 94 and other applicable provisions of the Companies Act, 1956 the authorised Share Capital of the Company be increased from Rs.7 Crores (Rupees Seven Crores only) divided

into 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Rupees Ten only) each to Rs.8 Crores (Rupees Eight Crores only) divided into 80,00,000 ( Eighty Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each by creation of additional 10,00,000 (Ten Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each ranking in all respects pari-passu with the existing equity shares of the Company".

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be amended to read as follows:

The Authorised Share Capital of the Company is Rs.8 Crores (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each with power for the Company to consolidate and convert, subdivide, Prejure or increase the Capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the Companies Act, 1956".

8. To consider, and if thought fit, to pass, with or without modification, the following resolution as a special resolution:

**RESOLVED THAT** article 4 (1) of the Articles of Association of the Company be amended to read as follows: The Authorised Share Capital of the Company is Rs.8 Crores (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each with power for the Company to consolidate and convert, subdivide, prejure or increase the Capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the Companies Act, 1956".

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

**"RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any of the Companies Act, 1956 and in accordance with the Memorandum and Articles of Association of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company and also subject to such approvals, Consents, permissions or sanctions as may be required from the Reserve Bank of India and such other statutory authorities, consent of the Company be and is hereby accorded to the Board of Directors to issue and allot 17,40,600 equity shares of Rs. 10/- each for cash at par aggregating Rs.1,74,06,000 on preferential basis to the promoters of the Company, their relatives and associates including associate Companies, Non-Resident Indians, Overseas Corporate Bodies or to such other persons whether members of the Company or not and such shares rank pari-passu in all respects with the existing equity shares of the Company, provided that the shares so issued and allotted shall not be transferable in any manner for such period as the Securities and Exchange Board of India (SEBI) may allow, from the date of allotment".

**VISTA PHARMACEUTICALS LIMITED**

"RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its absolute discretion deem necessary or desirable".

By order of the Board of Directors  
for **VISTA PHARMACEUTICALS LIMITED**

Sd/-  
**Dr.DHANANJAYA ALLI**  
MANAGING DIRECTOR

NJ, U.S.A.

Date: 22.08.1998

**NOTES**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17.9.98 to 24.09.98 (both days inclusive).
3. The Shareholders are requested to intimate immediately any change in their address registered with the Company.
4. As a measure of economy, copies of the Annual Report are not being distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual report to the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Item No.5. The Company has a non-trading office at New Jersey, United States of America. The accounts of the non-trading office have to be audited under the laws of United States of America. Hence this special resolution. Your Directors recommend the resolution for acceptance and none of the Directors of the company are interested in the resolution.

Item No. 6. In order to reduce the Administrative Overheads and for better Administrative convenience, it has been proposed to shift the Registered Office from the present address 7-1-212/A/26, Plot No. 41 B, Shivbagh, Ameerpet, Hyderabad 500 016 to APIC Indl. Estate, Chityal, Gopalapalli Village, Narketpalli Mandal, Nalgonda Dist. Andhra Pradesh, India.

As per the provisions contained in provision to Section 146 (2) (a) consent of the shareholders by way of special resolution is required for shifting the Registered Office outside the local limits of the city. Hence the same is being placed before the members for approval. None of the Directors is concerned or interested in the resolution.

Item No. 7,8 & 9. With a view to augment the Companies resources for Working Capital and to discharge part of the liabilities to make the Plant viable and competitive, it is proposed to raise an amount of Rs.1,74,06,000 by way of equity by preferential allotment to promoters their friends, relatives, associates and associate companies, overseas corporate bodies etc. for cash at par. Pursuant to Section 81(1A) of the Companies Act 1956 further issue of Capital to persons other than the members requires to be approved by way of Special Resolution. There is no change in constitution of Board of Directors nor change in the control of the company subsequent to the allotment of shares on preferential basis.

There is a corresponding increase in shareholding pattern of the promoters to the extent of allotment of shares on preferential basis. There would be consequential variance in voting rights of the promoters in proportion to the enhanced capital.

The shareholding pattern subsequent to the preferential allotment would be as under.

	Before allotment		After allotment	
	No. of shares	%	No. of Shares	%
Promoters	25,00,000	39.94	42,40,000	53.01
Public Financial Institutions/Mutual Funds	1,44,400	2.31	1,44,400	1.83
Public	36,15,000	57.75	36,15,000	45.19

The above material facts are furnished in pursuance of SEBI (Substantial acquisition of shares and take overs) Regulations, 1997.

The necessary Auditors Certificate complying with the guidelines of SEBI on preferential issue dated 4th August, 1994 will be placed before the ensuing Annual General Meeting.

As the present Authorised Capital of the Company is only Rs.7 Crores, to enable issue of further equity, it is proposed to increase the same to Rs.8 Crores. The proposed increase of the Authorised Capital and consequent alterations to the Memorandum and Articles of Association reflecting the proposed increase requires the approval of the shareholders in the General Meeting. The Board accordingly, recommends the resolutions for your approval.

All the directors of the company may be deemed to be directly or indirectly interested or concerned to the extent of the shares that may be allotted to them or to the companies in which they are majority shareholders.

By order of the Board of Directors  
for **VISTA PHARMACEUTICALS LIMITED**

Sd/-  
**Dr. DHANANJAYA ALLI**  
MANAGING DIRECTOR

NJ, U.S.A.

Date:22.08.98

**VISTA PHARMACEUTICALS LIMITED****DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

**FINANCIAL RESULTS**

The financial results during 1997-98 are as under:

	1997-98 Rs.	1996-97 Rs.
Income	41,08,192	27,62,153
Expenditure	73,89,204	92,30,875
Depreciation	30,24,082	28,10,198
Profit/Loss for the year	(-)63,05,094	(-) 92,78,920
Preliminary expenses written off	3,26,416	3,26,416
Loss brought forward	(-)187,84,270	(-) 91,89,353
Prior period adjustments	50,560	(-) 10,419
Loss carried forward	(-) 2,54,66,360	(-) 1,87,84,270

**PROSPECTS FOR THE COMPANY** 43.51

Your Company was able to export Rs. 45.30 Lacs worth of pharmaceuticals to US during 1997-98. Your Company is targeting to reach 1 to 2 crores of exports to US during 1998-99. In addition, we are exploring targeted markets in Latin America, South East Asia, Middle East, and African countries.

Your Company is successful in marketing the following products in USA and Latin American Countries : (1) Isoxsuprine HCL, (2) Phenylbutazone, and (3) Acetaminophen Tablets.

Vista developed 20 products for US market and 35 products for non-US market. In addition, your company is working with both US and non-US customers to develop and produce OTC as well as Prescription products as per the customer specifications using our expertise in "Sustained Release, Enteric Coating, and Aqueous Coating" technologies.

Your Directors are confident that the coming years would be rewarding for the Company. Your support and encouragement will give added strength to our efforts to achieve our goals.

**DEPOSITS**

The Company has not accepted any fixed deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

**STATUTORY DISCLOSURES**

Information pursuant to Sec.217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-1 to this Report. Statement giving particulars of employees as required under Sec.217 (2A) of the Companies Act, 1956 are given in Annexure-II to this Report.

**SAFETY MEASURES & INSURANCE**

Your Company strictly follows the safety measures and all the assets of your Company are insured.

**DIRECTORS RE-APPOINTMENT**

Shri Sudhakar Chakrala and Dr.Dhananjaya Alli retire by rotation at the ensuring Annual General Meeting and being eligible, offers themselves for re-appointment.

**EMPLOYEE RELATIONS**

Employee Relations at all levels remained cordial during the year.

**AUDITORS**

M/s.PRV Associates, Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the Seventh Annual General Meeting and being eligible offer themselves for reappointment.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the support received from Central and State Governments, IDBI, RBI, APIDC, banks and other local agencies and bodies. Your Directors wish to thank the Shareholders for the confidence and trust they have reposed in the Company. Your Directors place on record their appreciation of the dedicated services rendered by all the executives and staff of the Company.

By order of the Board of Directors  
for **VISTA PHARMACEUTICALS LIMITED**

Sd/-  
**Dr. DHANANJAYA ALLI**  
Managing Director

Sd/-  
**Dr.Stanley Prabhakar Reddy**  
Director

NJ, U.S.A.  
Date:22.08.98

**VISTA PHARMACEUTICALS LIMITED****ANNEXURE - I**

Information regarding conservation of energy, technology absorption and foreign exchange earning and outgo required to be furnished pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Director's report of the year ended 31st March, 1998.

**A. Conservation of Energy - 1997-98****Power and Fuel Consumption**

	<b>1997-98</b>	<b>1996-97</b>
<b>1. Electricity</b>		
a. Purchases		
Units	—	63,218
Total Amount (Rs.)	—	7,12,789
Unit Rate (Rs.)	—	2.97
b. Own Generation (Through Diesel Generator)		
Units:	<b>67,941</b>	58,242
Unit per litre of diesel oil	<b>5.14</b>	4.41
Cost/Unit Rs.	<b>2.39</b>	2.05
<b>2. COAL (Specify quality and where used)</b>	—	—
<b>3. FURNACE OIL (Diesel Oil for Boiler)</b>		
Quantity (Lts)	<b>1,193</b>	2,215
Total Amount (Rs)	<b>13,170</b>	20,068
Average Rate/Lts(Rs)	<b>11.04</b>	9.06
<b>4. OTHERS/INTERNAL GENERATION:</b>	<b>Nil</b>	Nil

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Since the Company manufactures different types of Formulations. It is not practicable to give consumption per unit of production.

**C. TOTAL FOREIGN EXCHANGE USED AND EARNED (RUPEES IN LAKHS)**

	<b>1997-98</b>	<b>1996-97</b>
a. Total Foreign Exchange used	—	1.67
b. Total Foreign Exchange received against sales	<b>37.02</b>	13.75