

**—11th—**  
**Annual Report**  
**2001 - 2002**

**VISTA**

**Vista Pharmaceuticals Limited**

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

<b>Shri K.V. Rao, I.A.S.</b>	<b>Chairman</b> <b>(Nominee Director - APIDC)</b>
<b>Dr. Dhananjaya Alli</b>	<b>Managing Director</b>
<b>Dr. Stanley Prabhakar Reddy</b>	<b>Director</b>
<b>Shri Dez Moneesh Desai</b>	<b>Director</b>
<b>Shri M.H. Rao</b>	<b>Director</b>
<b>Shri B.V.S. Prakasa Rao</b>	<b>Director</b>
<b>Shri Y.V. Rao</b>	<b>Director</b>
<b>Shri M. Satya Prasada Rao</b>	<b>Director</b>

**AUDITORS**

M/s. PRV Associates  
3-6-203, Himayatnagar,  
Hyderabad - 500 029.

**BANKERS**

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

**Canara Bank**

Somajiguda Branch,  
Hyderabad.

**Citi Bank N.A.**

Pulla Reddy Buildings,  
Begumpet,  
Hyderabad.

**CORPORATE OFFICE**

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

**REGD. OFFICE & FACTORY**

APIIC Industrial Estate,  
Gopalaipalli Village,  
Nalgonda District,  
Andhra Pradesh.

**DEMAT REGISTRARS**

Venture Capital & Corporate Investments Ltd.  
Progressive Towers,  
Khairatabad, Hyderabad - 500 004.

**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.

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

Notice is hereby given that the Eleventh Annual General Meeting of Vista Pharmaceuticals Limited will be held on Thursday the 26<sup>th</sup> of September 2002 at the Registered Office of the Company at Plot Nos. 10 to 14 and 16 to 20, APIIC Industrial Estate, Chityal, Gopalaipalli Village, Narketpalli Mandal, Nalgonda District, Andhra Pradesh at 10.30 A.M to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2002 and the Balance Sheet as at that date together with the reports of the Auditors and of the Directors thereon.
2. To appoint a Director in place of Dr. Stanley Prabhakar Reddy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in Place of Sri B.V.S. Prakasa Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and appoint M/s P R V Associates, Chartered Accountants as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors.

By order of the Board of Directors  
For VISTA PHARMACEUTICALS LIMITED

Dr. DHANANJAYA ALLI  
Managing Director

Place: Hyderabad  
Date : 28.06.2002

**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 24.09.2002 to 26.09.2002 (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 Reports are not being distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual Report to the Meet

By order of the Board of Directors  
For VISTA PHARMACEUTICALS LIMITED

Dr. DHANANJAYA ALLI  
Managing Director

Place: Hyderabad  
Date : 28.06.2002

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

To  
The Members,  
Vista Pharmaceuticals Limited,

Your Directors present the Eleventh Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2002 along with the Auditors Report thereon.

**FINANCIAL RESULTS:**

The financial results during 2001-2002 are as under:

	2001-2002 Rs.	2000-2001 Rs.
Income	1,05,25,102	1,51,63,981
Expenditure	3,10,44,674	3,28,76,110
Depreciation	28,29,148	28,04,712
Profit/Loss for the year	(-) 2,33,48,720	(-) 2,05,16,841
Preliminary Expenses written off	3,26,416	3,26,416
Differed Revenue Expenses written off	1,50,000	1,35,341
Loss Brought forward	(-) 8,49,64,659	(-) 6,40,71,584
Prior period adjustments	2,66,070	85,523
Loss Carried forward	(-) 10,85,23,725	(-) 8,49,64,659

**PROSPECTS FOR THE COMPANY**

Your Company has exported Rs. 105.17 lakhs worth of pharmaceuticals to US during the financial year 2001 - 2002. Projected sales for the financial year 2002 - 2003 are Rs. 150 lakhs. These projected sales will be greatly influenced by the US economy during the financial year 2002 - 03.

Some of the following products are currently in the US market : (1) Isoxsuprine HCl, (2) Phenylpropanolamine HCl, (3) Diphenhydramine HCl, (4) Bisacodyl, (5) Phenylbutazone, and (6) Acetaminophen & combination products.

Your Company is negotiating with potential distributors to market products in South America, Middle East and African countries. To this effect, your company developed certain value-added products for these markets, which are currently under going stability studies. Your Company has gained WHOGMP approval for a number of products to market in these countries.

Your Company has taken DTA sales permission from VEPZ and is working out the feasibilities for maximum capacity utilization of the manufacturing facility.

The management is continuously evaluating off-patented generic drugs for future business expansion, whose expected sales will be in the range of Rs. 20 to 30 crores per drug product per year. Each drug product needs an investment, on an average of Rs. 5 crores and 3 years of development, bio-study and USFDA approval time. Your Management is exploring the possibilities of bringing investments into the company in order to bring these products to the US market.

**REFERENCE TO BIFR:**

Your Company having accumulated losses exceeding its entire net worth had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) as required under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However, BIFR declined to register the Company as a Sick Industrial Company as the number of workers on rolls of the Company are Twelve as against the minimum of Fifty workers required by the provisions of SICA read with the provisions of the Industries (Development & Regulation) Act, 1951.

**VISTA PHARMACEUTICALS LIMITED****DEPOSITS:**

Your Company has not invested / 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.

**TECHNOLOGY ABSORPTION, ENERGY CONSERVATION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to 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 is annexed to this Report.

**PERSONNEL:**

During the year under review, the relations with employees were cordial. There were no employees drawing remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**SAFETY MEASURES & INSURANCE:**

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

During the year under review, your Company has raised an Insurance Claim of Rs.32 lakhs, for the damage caused by a fire accident in the Quality Control Department.

**DIRECTORS:**

Dr. Stanley Prabhakar Reddy and Sri. B.V.S. Prakasa Rao, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In pursuance to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors states that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. the Directors have adopted 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 for that period.
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors had prepared the Annual Accounts on a going concern basis.

**DEMATERIALIZATION OF SECURITIES:**

0.953% of the shares have been dematerialized as on date.

**BENEFITS TO EMPLOYEES:**

The Company was not depositing the PF & ESI collected from the salaries of employees within the statutory period. However as on date there are no dues to PF & ESI authorities.

**AUDITORS:**

M/s. PRV Associates, Chartered Accountants, Statutory Auditors of your Company hold office till the conclusion of the Eleventh Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their reappointment.

**VISTA PHARMACEUTICALS LIMITED****ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of the support received from various Central and State Government Authorities, IDBI, RBI, APIDC, APSEB, Banks and other local agencies and bodies. Your Directors also thank the Shareholders for the confidence and trust they have reposed in the Company.

Your Directors appreciate the dedicated services rendered by all the executives and staff of the Company.

By order of the Board of Directors  
For VISTA PHARMACEUTICALS LIMITED

Dr. DHANANJAYA ALLI  
Managing Director

Y.V. RAO  
Director

Place: Hyderabad  
Date : 28.06.2002

**ANNEXURE**

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31<sup>st</sup> March, 2002 are as follows:

**A. Conservation of Energy (2001 – 2002) :**

Power and fuel consumption:

	2001 – 02	2000 – 01
1. ELECTRICITY:		
a. Purchases units (KWH)	88,548	—
Total Amount (Rs.)	6,76,209	—
Unit Rate (Rs.)	7.63	—
b. Own Generation (Through Diesel Generator)		
Units	60,268	2,39,257
Unit per liter of diesel oil	5.55	5.51
Cost / Unit (Rs.)	3.36	3.36
2. COAL	—	—
3. FURNACE OIL (Diesel Oil for Boiler)		
Quantity (Ltrs)	2,971	3,170
Total Amount (Rs.)	54,488	58,011
Average Rate / Ltrs (Rs.)	18.34	18.30
4. OTHERS / INTERNAL GENERATION	—	—

**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) :**

	2001 – 02	2000 – 01
a. Total Foreign Exchange used	—	—
b. Total Foreign Exchange earned against sales	105.17	151.63

**VISTA PHARMACEUTICALS LIMITED****VISTA****FORM B**

Form for disclosure of particulars with respect to Technology absorption, Research and Development (R&D)

**A. Research and Development (R&D) :**

1. Specific areas in which R & D carried out by the Company :

Development of New Products, Improvement and Cost Reduction of existing products, Stability studies for fixing expiry dates.

2. Benefits derived as a result of the above R & D :

Developed OTC Products for US market and developed products for African and European markets.

3. Future plan of action :

To develop better Quality Control measures, Cost Reduction, Development of prescription products for US market and development of controlled release dosage form.

**B. Technology Absorption, Adoption and Innovation:**

1. Efforts in brief made towards technology absorption, adoption and innovation:

The Company has neither absorbed nor adopted any new technology. The Company has also not made any innovation in technology other than the R & D efforts mentioned above.

2. Benefits derived as a result of the above efforts :

None in the year under review.

3. In case of imported technology following information may be furnished  
No Technology is imported during financial year 2001 - 02.

**C. Expenditure on R & D :**

	(Rs. in Lakhs)
a. Capital	NIL
b. Recurring	3.80
c. Total	3.80
d. Total R & D Expenditure as a percentage of total turnover	3.61%