



14<sup>th</sup>  
Annual Report  
2004-2005



**VISTA PHARMACEUTICALS LIMITED**

## **VISTA PHARMACEUTICALS LIMITED**

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### **BOARD OF DIRECTORS**

<b>Dr. Dhananjaya Alli</b>	Managing Director
<b>Dr. Stanley Prabhakar Reddy</b>	Director
<b>Shri M.H. Rao</b>	Director
<b>Shri B.V.S. Prakasa Rao</b>	Director
<b>Shri Y.V. Rao</b>	Director
<b>Shri G. Narendra</b>	Director
<b>Shri K. Rajendra Prasad</b>	Nominee Director - APIDC

### **CORPORATE OFFICE**

7-1-212/A/70,  
1<sup>st</sup> Floor, Plot No. 85,  
Shivbagh, Ameerpet,  
Hyderabad - 500 016.

### **REGD. OFFICE & FACTORY**

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

## **VISTA PHARMACEUTICALS LIMITED**

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### **AUDITORS**

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

### **BANKERS**

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

**State Bank of Hyderabad**  
Chityal Branch,  
Chityal, Nalgonda Dist.

**Canara Bank**  
Somajiguda Branch,  
Hyderabad.

**Citi Bank N.A.**  
Pulla Reddy Buildings,  
Begumpet, Hyderabad.

### **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 with regards to 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.

### **SHARE TRANSFER AGENTS & DEMAT REGISTRARS**

M/s. Aarthi Consultants Private Ltd.,  
H.No. 1-2-285 Domalguda,  
Hyderabad - 500 029.

## VISTA PHARMACEUTICALS LIMITED

### NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of VISTA PHARMACEUTICALS LIMITED will be held on Wednesday the 10<sup>th</sup> day of August, 2005 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 10.00 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, 2005 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.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased, from Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each to Rs.11,00,00,000 (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lakh) Equity Shares

of Rs.10/- each by creation of 10,00,000 (Ten Lakhs only) Equity Shares of Rs.10/-(Rupees Ten only) each which shall rank pari passu with the existing equity shares of the Company as respect to dividend and other entitlements."

"FURTHER RESOLVED THAT sub-clause (a) of Clause V of the Memorandum of Association be and is hereby replaced by the following clause:

The authorized share capital of the Company is Rs.11,00,00,000 (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lakhs only) Equity Shares of Rs.10/-(Rupees Ten only) each with power of the Company to consolidate & convert, sub-divide, reduce or increase the Capital and to issue any new share with any preferential or special rights and conditions attached there to subject to the Companies Act, 1956

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 Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of members in the general meeting and in accordance with the provisions of the Memorandum and Articles of Association of the Company and of the subsisting guidelines / regulations prescribed by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) or any other relevant authority to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be stipulated by any of them while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee (s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) be and are hereby authorized on behalf of the Company to issue, offer and allot 30,00,000 Equity Shares of Rs.10/- (Rupees Ten only) at Rs.15.00 (including a premium of Rs.5.00) which is higher than the price calculated by the Board and is in accordance with the subsisting

**VISTA PHARMACEUTICALS LIMITED**

SEBI guidelines in this behalf, on preferential basis to Mrs. Padmavathi Alli, Ms. Roshni Alli, Mr. Vasanth Alli, Mr. Vamshi Alli, Mr. Murali Meraga, Mr. Kasturaiah Avula, Mr. Rajendar Balakrishna and M/s. Aktiva Biotech Limited."

"FURTHER RESOLVED THAT the equity shares allotted on Preferential basis shall in all respects rank pari pasu with the existing equity shares of the Company except that unless otherwise specified by the Board at the time of issue and allotment of the Equity Shares with regard to any dividend in respect of Company's financial year in which these Shares are allotted, they shall be eligible for pro-rata dividend, if any, on the amount actually paid upon them and proportionate to the period beginning from the date of allotment."

"FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved in such issues and also to settle any questions or difficulties that may arise in regard to the offer, issue and allotment of equity shares and further to do all such acts and execute such deeds, documents and writing in connection with the issue of equity shares, entering into such other agreements and arrangements as may be necessary."

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

**Dr. DHANANJAYA ALLI**  
Managing Director

Place: Hyderabad  
Date: 09-07-2005

**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 be remain closed from 04.08.2005 to 10.08.2005 (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 Meeting.

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

**Dr. DHANANJAYA ALLI**  
Managing Director

Place: Hyderabad  
Date: 09-07-2005

**VISTA PHARMACEUTICALS LIMITED****EXPLANATORY STATEMENT  
AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956:****Item No. 5:**

The management of the Company is proposing to issue Equity Shares on preferential basis to various investors to meet the working capital requirements and term loan obligation.

The present authorized capital of the Company is Rs.10,00,00,000/- and it is proposed to increase the same to Rs.11,00,00,000/- for infusing the funds required for aforesaid purposes.

Amendment to the Capital Clause to the Memorandum of Association requires the approval of members by the way of Ordinary Resolution. Hence this resolution is placed before you for approval.

None of the Directors is interested in this resolution.

**Item No. 6:**

Your Company is proposing to offer and issue 30,00,000 Equity Shares on preferential basis to Mrs. Padmavathi Alli, Ms. Roshni Alli, Mr. Vasanth Alli, Mr. Vamshi Alli, Mr. Murali Meraga, Mr. Kasturaiah Avula, Mr. Rajendar Balakrishna and M/s. Aktiva Biotech Limited." at a price of Rs. 15.00 (including a premium of Rs.5.00)

As per regulation 13.1A of SEBI (disclosure and Investor Protection) Guidelines, 2000 are required details are furnished as under:

**1. Object of the Issue:**

The object of the present issue of Equity Shares on preferential basis is to meet Term Loan obligation and working capital requirements.

**2. Pricing:**

The Equity Shares to be issued on preferential basis shall be at a price Rs.15.00 (Rupees fifteen only), which is higher than the price calculated in accordance with regulation 13.1.1.1 of SEBI Guidelines for preferential issue of Equity Shares.

**3. Intention of Promoters/Directors/Key Management persons to subscribe to the offer:**

The Promoters have the intension to subscribe for the issue.

**4. Relevant Date:**

"Relevant Date for this purpose is the date 30 days prior to the date of this meeting of the members of the Company i.e., 9<sup>th</sup> July, 2005

**5. Shareholding Pattern of the Company before and after the issue:**

The Pattern of Shareholding before and the one likely to emerge after the proposed allotment would be as under:

PARTICULARS	BEFORE ISSUE		AFTER ISSUE	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters Group	36,63,726	49.32	45,43,726	43.57
NRI's/FII's/OCB's	4,85,701	6.54	16,05,701	15.40
Mutual Funds and UTI	10,500	0.14	10,500	0.10
Bank's, Financial Institutions & Insurance Companies	100	0.00	100	0.00
Private Bodies Corporate	2,45,057	3.30	12,45,057	11.93
Trusts	-	-	-	-
General Public	30,24,542	40.70	30,24,542	29.00
<b>Total</b>	<b>74,29,626</b>	<b>100.00</b>	<b>1,04,29,626</b>	<b>100.00</b>

After allotment of the equity shares, the promoters and associates holding will be 43.57%.

**VISTA PHARMACEUTICALS LIMITED****6. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them:**

Name of the Party	Equity Shares to be allotted in the present issue	Pre-allotment holding	Post-allotment holding	Percentage to Equity
Mrs. Padmavathi Alli	2,00,000	78,200	2,78,200	2.66
Ms. Roshni Alli	2,00,000	4,800	2,04,800	1.96
Mr. Vasanth Alli	2,30,000	--	2,30,000	2.20
Mr. Vamshi Alli	2,50,000	--	2,50,000	2.40
Mr. Murali Meraga	3,50,000	--	3,50,000	3.35
Mr. Kasturaiah Avula	3,50,000	--	3,50,000	3.35
Mr. Rajendar Balakrishna	4,20,000	--	4,20,000	4.02
M/s. Aktiva Biotech Limited."	10,00,000	--	10,00,000	9.58
<b>Total</b>	<b>30,00,000</b>	<b>83,000</b>	<b>30,83,000</b>	

**7. Auditor's Certificate:**

A Certificate, as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company and will be available for inspection seven days prior to the date of Annual General Meeting at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day.

**8. Lock-in:**

The Equity Shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

**9. Change in Management:**

The issue of Equity Shares on preferential basis will not result in any change in the management or control of the Company.

The Company is taking necessary steps to obtain the requisite approvals from regulatory agencies, as may be applicable, for the proposed investment.

The Listing Agreement entered into by the Company with various Stock Exchanges where the Company's equity shares are listed and the provisions of Section 81 (1A) of the Companies Act, 1956 provide inter alia that where a Company proposing to make any issue and allotment of further shares, such shares shall be first offered to the existing shareholders of the Company for subscription in proportion to their shareholding, unless the shareholders decide otherwise in a general meeting by a Special Resolution.

As it is proposed to issue Equity Shares to the persons named in the resolution herein above on preferential basis, the above resolution is placed before you for approval.

None of the Directors of the Company is concerned or interested except to the extent of their shareholding.

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

**Dr. DHANANJAYA ALLI**  
**Managing Director**

Place: Hyderabad  
Date : 09-07-2005

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

To

**The Members,  
Vista Pharmaceuticals Limited,**

Your Directors present the Fourteenth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2005 along with the Auditors Report thereon.

**FINANCIAL RESULTS:**

The financial results during 2004 – 2005 are as under:

	<b>2004 – 2005</b>	<b>2003 – 2004</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Income	<b>1,03,25,806</b>	1,14,52,213
Expenditure	<b>4,15,20,209</b>	3,94,44,663
Depreciation	<b>26,08,075</b>	26,87,156
Profit/(Loss) for the year	<b>(-) 3,38,02,478</b>	(-) 3,06,79,606
Preliminary Expenses written off	<b>-</b>	3,26,421
(Loss) Brought forward	<b>(-) 18,18,82,297</b>	(-) 15,09,01,657
Prior period adjustments	<b>16,11,374</b>	25,387
(Loss) Carried forward	<b>(-) 21,40,73,401</b>	(-) 18,18,82,297

**PROSPECTS FOR THE COMPANY:**

Your Company has exported Rs. 102.20 lakhs worth of pharmaceuticals to US during the financial year 2004-05.

Products in the market: (1) Isoxsuprine HCl, (2) Phenylpropanolamine HCl, (3) Diphenhydramine HCl, (4) Bisacodyl, (5) Phenylbutazone, (6) Acetaminophen and combination products, (7) Metformin, and (8) Sulfamethoxazole & Trimethoprim.

**CORPORATE GOVERNANCE:**

The Corporate Governance Report and a certificate by the Statutory Auditors regarding compliance of the conditions of corporate governance by your Company as stipulated in clause 49 of the Listing Agreement with Stock Exchanges, are annexed to this Report.

**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.



## **VISTA PHARMACEUTICALS LIMITED**

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### **SAFETY MEASURES :**

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

### **DIRECTORS:**

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

Sri K. Rajendra Prasad was inducted as Director on the Board by APIDC as its nominee w.e.f. 19.02.2005.

### **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 concept basis.

### **AUDITORS:**

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

### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of the support received from various Central and State Government Authorities, IDBI, RBI, APIDC, 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

**G. NARENDRA**  
Director

Place: Hyderabad  
Date : 09-07-2005

**VISTA PHARMACEUTICALS LIMITED****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, 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, 2005 as follows :

**A. CONSERVATION OF ENERGY – 2004–05:**

<b>POWER AND FUEL CONSUMPTION</b>	<b>2004 – 05</b>	<b>2003 – 04</b>
<b>1. ELECTRICITY</b>		
a. Purchased units (KWH)	<b>1,16,536</b>	1,35,148
Total Amount (in Rs.)	<b>9,40,624</b>	10,32,756
Unit Rate (in Rs.)	<b>8.07</b>	7.64
b. Own Generation		
(Through Diesel Generator)		
Units	<b>3,816</b>	9,558
Unit per litre of diesel oil	<b>4.68</b>	6.03
Cost / Unit (Rs.)	<b>5.64</b>	3.84
<b>2. COAL</b>	--	--
<b>3. FURNACE OIL (Diesel Oil for Boiler)</b>		
Quantity (in Litres)	<b>2,470</b>	2,810
Total Amount (in Rs.)	<b>64,220</b>	64,630
Average Rate / Litre (in Rs.)	<b>26</b>	23
<b>4. OTHERS / INTERNAL GENERATION</b>	--	--

**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**

<b>Sl. No.</b>	<b>Particulars of the transaction</b>	<b>2004 – 05 (Rs. in lakhs)</b>	<b>2003 – 04 (Rs. in lakhs)</b>
	Foreign Exchange earnings against sales	<b>102.21</b>	113.56
	Foreign Exchange Inflow on account of application money for issue of warrants and for issue of equity	<b>29.30</b>	26.27
<b>1.</b>	<b>Total Foreign Exchange inflow</b>	<b>131.51</b>	139.83
<b>2.</b>	<b>Total Foreign Exchange outgo</b>	<b>NIL</b>	NIL