

18th
Annual Report
2008-2009



VISTA PHARMACEUTICALS LIMITED

VISTA PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

Dr. Dhananjaya Alli
Dr. Stanley Prabhakar Reddy
Sri G. Narendra
Sri Y.V. Rao
Sri M.H. Rao
Smt. Vani Vatti
Sri K. Rajendra Prasad

Managing Director
Director
Director
Director
Director
Director
Director (APIDC Nominee)

CORPORATE OFFICE

7-1-212/A/70
1st Floor, Plot No. 85
Shivbagh, Ameerpet
Hyderabad - 500 016
Ph. 040-65581585
Fax 040-23741585
E-mail: vistapharma@gmail.com

BANKERS

State Bank of India
Balkampet branch,
Hyderabad - 500 038.

State Bank of Hyderabad
Industrial Finance Branch,
Punjagutta, Hyderabad - 500 482.

Canara Bank
Somajiguda Branch,
Hyderabad - 500 482.

Citi Bank N.A.
Pulla Reddy Buildings,
Begumpet, Hyderabad - 500 016.

REGD. OFFICE & FACTORY

APIIC Industrial Estate
Gopalaipalli Village
Narketpally Mandal
Nalgonda District
Andhra Pradesh
Ph. 08682-272552
Fax 08682-272551
E-mail: vistapharmankp@hotmail.com

SHARE TRANSFER AGENTS & DEMAT REGISTRARS

M/s. Aarthi Consultants Private Ltd.
H.No. 1-2-285, Domalguda
Hyderabad - 500 029
Ph.Nos. 040-27634445 /
27638111 / 27642217
Fax No. 040-27632184
E-mail: hyd2_aarcons@sancharnet.in

AUDITORS

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

VISTA PHARMACEUTICALS LIMITED

NOTICE:

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of the Company will be held on Tuesday, **the 29th day of September, 2009** at 11.30 AM at the Registered Office of the Company i.e., APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, Andhra Pradesh, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended **31st March, 2009** and Balance Sheet as on that date and the report of Auditors' and Directors' thereon.
2. To appoint a Director in Place of Mr. G. Narendra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Vani Vatti who retires by rotation and being eligible offers herself for re-appointment.
4. **To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to section 224 and other applicable provisions of the Companies Act, 1956 **M/s PRV Associates, Chartered Accountants**, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board Directors of the Company".

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 the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of this Annual report
2. The register of members and share transfer books of the Company will remain closed from 25.09.2009 to 29.09.2009 (both days inclusive)
3. Members are requested to notify immediately any change in their address to the Company's Registered Office.
4. Members/Proxies are requested to bring duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.

While members holding shares in the physical form may write to the Company for any change in their addresses and bank mandates, members holding shares in electronic form may write to their depository participants for immediate updation so as to enable the Company to dispatch dividend warrants to the correct address,

**FOR AND ON BEHALF OF THE BOARD OF
VISTA PHARMACEUTICALS LIMITED**

Dr. DHANANJAYA ALLI
Managing Director

Date: 25.08.2009
Place: Hyderabad

VISTA PHARMACEUTICALS LIMITED

DIRECTORS' REPORT

To
The Members
Vista Pharmaceuticals Limited

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Statements of Account for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Current Year 2008-09 (Rs)	Previous Year 2007-08 (Rs)
Income	1,82,89,711	1,02,75,938
Expenditure	2,51,34,086	1,62,71,019
Depreciation	27,30,054	27,22,454
Profit/(Loss) for the year	(-) 95,74,428	(-)87,17,535
(Loss) Brought forward	(-)6,73,20,712	(-) 5,84,74,313
Fringe Benefit Tax	(-) 42,000	(-)1,20,000
Prior period adjustments	-	8,864
(Loss) carried forward	(-)7,69,37,140	(-)6,73,20,712

OPERATIONS:

During the year under review the company has recorded a turnover of Rs.182.90 lakhs against the turnover of Rs.102.76 lakhs in the previous year.

DIVIDEND:

No dividend has been recommended by Board of Directors during the financial year 2008-09.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on The Bombay Stock Exchange Limited

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Director, Sri. G. Narendra and Smt. Vani Vatti retire by rotation and are eligible for reappointment.

Your Board recommends the re-appointment of the Directors above.

VISTA PHARMACEUTICALS LIMITED

Mr. B.V.S. Prakasa Rao, Director of the company passed away, during the year. The Board places its deep condolences to the family of Mr. B.V.S. Prakasa Rao and also records its sincere appreciation for the valuable services rendered by him during his tenure as director on the Board of the company

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms 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. The Directors have selected such accounting policies and applied them consistently and made judgment 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;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A) CONSERVATION OF ENERGY – 2008-09:

POWER AND FUEL CONSUMPTION	2008-09	2007 – 08
1. ELECTRICITY		
a. Purchased units (KWH)	3,13,774	1,19,541
Total Amount (in Rs.)	15,38,162	9,58,380
Unit Rate (in Rs.)	4.90	8.02
b. Own Generation (Through Diesel Generator)		
Units	39180.30	6423.35
Unit per litre of diesel oil	4.94	4.94
Cost / Unit (Rs.)	8.25	7.04
2. COAL	–	–
3. FURNACE OIL (Diesel Oil for Boiler)		
Quantity (in Litres)	8,000	2,464
Total Amount (in Rs.)	2,94,800	83,185
Average Rate / Litre (in Rs.)	36.85	33.76
4. OTHERS / INTERNAL GENERATION	–	–

B. Research and Development (R&D)

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

Development of generic products for US market.
Improvement & cost reduction of existing products.
Stability studies on all of the above products.

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

Developed OTC as well as prescription products for USA market and also products for South American, African and European markets.

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 :

No benefits derived in the year under review.

3. In case of imported technology following information may be furnished.

No Technology is imported during financial year 2008 – 09.

C. TOTAL FOREIGN EXCHANGE USED AND EARNED

Sl. No.	Particulars of the transaction	2008 - 09 (Rs. in lakhs)	2007 - 08 (Rs. in lakhs)
	Foreign Exchange earnings against sales	182.30	102.44
	Foreign Exchange Inflow on account of application money for issue of warrants	223.80	379.24
	Foreign Exchange Inflow on account of application money for conversion of warrants	0.00	0.00
1.	Total Foreign Exchange inflow	406.10	481.68
2.	Total Foreign Exchange outgo	NIL	20.04

VISTA PHARMACEUTICALS LIMITED

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217(2A). Therefore the disclosures required to be made under section 217(2A) of the companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

AUDITORS

M/s. PRV Associates, Chartered Accountant retire at the ensuing Annual General Meeting and being eligible have expressed willingness for re-appointment. Your directors propose the appointment of M/s. PVR Associates, Chartered Accountant, as statutory auditor to hold office until the conclusion of the next Annual General Meeting of the company.

CORPORATE GOVERNANCE

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, Forms part of this Report as Annexure.

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

Declaration by Managing Director of affirmation by Directors and senior Management personnel of compliance with the code of conduct

To

The shareholders,

I, Dr.Dhananjaya Alli, Managing Director of the Company do hereby declare that the Directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**FOR AND ON BEHALF OF THE BOARD OF
VISTA PHARMACEUTICALS LIMITED**

**Dr. DHANANJAYA ALLI
Managing Director**

**Date: 25.08.2009
Place: Hyderabad**

**G. NARENDRA
Director**

VISTA PHARMACEUTICALS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry structure and developments:

Generic Pharmaceuticals Industry is positioned to perform very well in the next few years, even though the World Economy is in recovery mode.

Vista is targeting US Generic market, which accounts almost to 70% of all prescriptions dispensed in the United States. US Generic drug industry is expected to reach \$ 100 billion sales by 2012.

Company performance, strength and weakness:

During the year under review, the Company could register an export turnover of Rs. 182.90 lakhs as against Rs. 102.76 lakhs in the previous year.

The expansion of the facility is completed to produce "Bactrim" generic product for US market and waiting for US FDA inspection.

Future:

The Company is expecting a sizable market penetration in US for Bactrim Generic product, after obtaining the US FDA approval for the product. The Company is evaluating other Generic Products for US market.

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance**

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

In accordance with the requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the corporate governance is reproduced here under:

2. Board of Directors:

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition:

The Board of Vista Pharmaceuticals Limited comprises of one executive director and 7 non-executive directors. The following is the Composition of the Board as on 31st March 2009:

Sl. No.	Name and category of Directors	No. of directorships held in other Public companies	No. of Memberships/ Chairmanships held in Committees of other Companies
1.	Dr. Dhananjaya Alli Promoter, Executive	Vista Pharmacetucials Inc. USA American Generics, USA	Nil
2.	Dr. Stanley Prabhakar Reddy Promoter, Non executive	Vista Pharmacetucials Inc. USA American Generics, USA	Nil
3.	Mr. G. Narendra Independent, Non executive	Nil	Nil
4.	Mr. Y. V. Rao Independent, Non executive	Nil	Nil
5.	Mr. M.H. Rao Promoter, Non executive	Nil	Nil
6.	Mr. B.V.S. Prakasa Rao * Independent, Non executive	Nil	Nil
7.	Mrs. Vani Vatti Independent, Non executive	Nil	Nil
8.	Mr. K. Rajendra Prasad Independent, Non Executive	M/s. Restile Ceramics Ltd.	Nil

* Expired on 22.05.2009

VISTA PHARMACEUTICALS LIMITED

Board Meetings

During the Financial Year 2008-2009, the Board of Directors met 8 times on the following dates: 30.04.2008, 22.07.2008, 28.07.2008, 08.09.2008, 31.10.2008, 15.11.2008, 15.12.2008 and 31.01.2009

The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was under:

Name of the Directors	No of meetings held during the tenure of the Director	No of meetings attended by the Director	Whether present at the previous AGM	No. of shares held in the company
Dr. Dhananjaya Alli	8	2	Yes	20
Dr. Stanley Prabhakar Reddy	8	1	Yes	Nil
Mr. G. Narendra	8	8	Yes	Nil
Mr. Y. V. Rao	8	4	No	Nil
Mr. M.H. Rao	8	5	Yes	20000
Mr. B.V.S. Prakasa Rao *	8	2	No	5000
Mrs. Vani Vatti	8	0	No	Nil
Mr. K. Rajendra Prasad	8	1	No	Nil

*Expired on 22.05.2009

2. Audit Committee

The Audit Committee was formed by the Board of Directors. The terms of reference of this committee cover the matters specified in the clause 49 of the Listing Agreement and as may be referred to the committee by the Board of Directors of the company such as:

Terms of Reference

Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report; changes, if any, in accounting policies and practices and reasons for the same; major accounting entries involving estimates based on the exercise of judgment by management; significant adjustments made in the financial statements arising out of audit findings; compliance with listing and other legal requirements relating to financial statements; disclosure of any related party transactions; and qualifications in the draft Audit Report;

Reviewing with management, the quarterly financial statements before submission to the Board for approval;

Reviewing with management, performance of statutory and internal auditors, and adequacy of internal systems;

VISTA PHARMACEUTICALS LIMITED

Reviewing adequacy of internal audit functions, if any, including the structure of the internal audit department staffing and seniority of the officials heading the department, reporting structure, coverage and frequency of internal audit;

Discussions with internal auditors, any significant findings and follow-up thereon;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; and

To review the functioning of the Whistle Blower mechanism, in case the same exists.

Composition, name of Members and Chairman:

Name	Designation	Category
Mr. G. Narendra	Chairman	Independent, Non- executive
Mr. Y. V. Rao	Member	Independent, Non- executive
Mr. B.V. S. Prakasa Rao *	Member	Independent, Non- executive
Mr. M.H. Rao **	Member	Promoter, Non- executive

*Expired on 22.05.2009

** Appointed on 30.07.2009

Statutory Auditors are invitees to the meeting. The total number of meetings held is 5 on 30.04.2008, 28.07.2008, 08.09.2008, 31.10.2008 and 31.01.2009.

Meetings and attendance during the year

Name	No. of meetings held during the year	Attendance
Mr. G. Narendra	5	4
Mr. Y. V. Rao	5	3
Mr. B.V. S. Prakasa Rao *	5	1
Mr. M.H. Rao **	5	3

*Expired on 22.05.2009

** Appointed on 30.07.2009

3. Shareholders/Investors Grievance Committee

Shareholders/Investors Grievance Committee was formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

Terms of Reference

To look into the shareholder complaints, if any, and to redress the same expeditiously; and to do all the necessary things as may be required from time to time under the Companies Act, 1956 and other related enactment.

VISTA PHARMACEUTICALS LIMITED

Share Transfer Committee

The Share Transfer Committee was constituted on September 15, 2006. This Committee has been constituted to specifically look into the transfer and/or transmission of shares lodged by the investors and any other matter related thereto. It has the following terms of reference and composition:

Terms of Reference:

To accept the share application along with the share application money and reject the application as may be deem fit and proper;

To do all work relating to transfer, transmission, consolidation, split and issue of duplicate shares of the company;

To do all the necessary things as may be required from time to time under the Companies Act, 1956 and other related enactment; and

To take on record the transfer/transmission effected by the RTA and/or the person to whom the power to approve the transfer/transmission has been delegated.

The Shareholders/Investors Grievance Committee was constituted with the following persons:

Name	Designation
Mr. G. Narendra	Chairman
Mr. Y. V. Rao	Member
Mr. B.V. S. Prakasa Rao*	Member
Mr. M.H. Rao**	Member

* Expired on 22.05.2009

** Appointed on 30.07.2009

The committee looks into the matters relating to the shareholder's complaints, grievances, various requests in the nature of transfer, transmission, etc., and also overseeing the performance of the Registrar & Transfer agents to improve the quality of investor services. During the year no investor complaint was received.

4. Compensation Committee

The committee was constituted with the following Directors for determining the remuneration packages of Executive / Non-Executive Directors. The Committee met 1 time during the year on 15.10.2008

The Company is having a remuneration committee comprising of the following:

Name	Designation
Mr. G. Narendra	Chairman
Mr. Y. V. Rao	Member
Mr. B.V. S. Prakasa Rao*	Member
Mr. M.H. Rao**	Member

* Expired on 22.05.2009

** Appointed on 30.07.2009

Details of remuneration for the year ended 31.03.2009

Managing Director has not drawn any remuneration during the year though the Government of India has approved for payment of US \$ 2500 per month.

VISTA PHARMACEUTICALS LIMITED

5. Information on General Body Meetings:

The last 3 Annual General Meetings were held as under:

Date	Time	Venue
22.12.2008	12.00-Noon	Plot No. 10 to 14 & 16 to 20, APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.
24.09.2007	11.30 A.M	Plot No. 10 to 14 & 16 to 20, APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.
08.11.2006	11.30 A.M	Plot No. 10 to 14 & 16 to 20, APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.

Special Resolution(s) passed by postal ballot

During the year, the Company has not passed any resolution through Postal Ballot.

6. Disclosures

- i) There are no materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or their relatives etc. that may have potential conflicts with the interest of the company at large;
- ii) There are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or other authority on any non-compliance of laws related to capital markets, during last three years;

7. Means of Communication:

As per the listing requirements quarterly, half yearly and yearly financial results of the Company are published in leading English and regional newspapers for public information.

8. General Shareholder Information

i) Annual General Meeting

Date : 29.09.2009

Time : 11.30 A.M.

Venue : Plot No. 10 to 14 & 16 to 20, APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.
Tel: 08682-272551
Fax:08682-272552

ii) Financial Calendar

Financial Reporting for 2009-2010
(tentative)

The first quarter results 31.07.2009

The second quarter results 31.10.2009

The third quarter results 31.01.2010

The Fourth quarter results 30.04.2010

iii) Book Closure :

25.09.2009 to 29.09.2009
(Both dates inclusive).

iv) **Dividend payment** : The Board has not recommended any dividend for the financial year 2008-09.

VISTA PHARMACEUTICALS LIMITED

v) **Listing on Stock Exchanges**

Shares of the Company are listed on the Bombay Stock Exchange Limited.

The Company has paid Annual Listing Fees for the year 2009-10

vi) **Demat ISIN no for CDSL and NSDL : INE427C01013**

vii) **All time high of company's Share on Stock Exchange, Bombay :**

Month	High (Rs.)	Low (Rs.)
April, 2008	10.45	8.50
May, 2008	10.24	9.01
June, 2008	9.59	7.25
July, 2008	10.49	9.55
August, 2008	12.24	8.95
September, 2008	9.84	7.74
October, 2008	8.39	5.50
November, 2008	6.25	6.14
December, 2008	6.50	5.02
January, 2009	5.77	5.00
February, 2009	5.25	4.50
March, 2009	4.95	4.00

viii) **Shareholding pattern as on 31st March, 2009**

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group		
1.	Promoters & Persons Acting in concert	41,33,126	27.55
	Sub-Total A	41,33,126	27.55
B	Public Shareholding		
1.	Institutions	8,600	0.06
2.	Non Institutions		
	a. Bodies Corporate	4,59,368	3.06
	b. Indian Public and others	47,70,220	31.80
	c. Non Resident Indians	56,28,686	37.53
	Sub Total B	1,08,66,874	72.45
	Grand Total (A+B)	1,50,00,000	100.00

ix) **Registrars and Transfer Agents**

M/s. Aarthi Consultants Pvt.Limited
1-2-285, Domalguda
Hyderabad-500029
Ph.Nos.040-27638111/27634445

x) **Delegation of Share Transfer Formalities**

The Board has delegated share transfer formalities to the Registrars and Transfer Agents:

VISTA PHARMACEUTICALS LIMITED

M/s. Aarthi Consultants Pvt.Limited
1-2-285, Domalguda,
Hyderabad-500029.
Ph.Nos.040-27638111/27634445.

All communications regarding Share Transfers, Transmissions Change in Address and any other correspondence etc., may be addressed to the Registrars & Transfer Agents. The company has constituted Share Transfer Committee, which meets 2 times in a month. Physical transfers are effected within the statutory period of one month. The Board has designated Mr. G. Narendra as the Compliance Officer. Hence, in case of any grievances the shareholders are free to approach the Share Transfer Committee for due redressal of their grievances.

xi) Dematerialization of shares

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is **INE427C01013**.

xii) Address for Correspondence

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the Corporate office of the company as detailed below:-

7-1-212/A/70, 1st Floor,

Plot No. 85,

Shivbagh,

Ameerpet,

Hyderabad – 500016,

Ph. 040-65581585,

Fax. 040-23741585,

E-mail: vistapharma@gmail.com

VISTA PHARMACEUTICALS LIMITED

COMPLIANCE CERTIFICATE OF THE AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

TO
THE MEMBERS OF
VISTA PHARMACEUTICALS LIMITED
HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by **VISTA PHARMACEUTICALS LIMITED** for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are remaining unattended/pending against the company as at 31st March, 2009 for more than 30 days as per the records maintained by the Registrar of the Company and presented to the Shareholders/Investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For PRV ASSOCIATES
Chartered Accountants**

Place : Hyderabad
Date : 25.08.2009

(CH.VENKATRAMAYYA)
Partner

VISTA PHARMACEUTICALS LIMITED

AUDITORS' REPORT

TO
THE SHAREHOLDERS,
VISTA PHARMACEUTICALS LIMITED,
HYDERABAD

1) We have audited the attached Balance Sheet of VISTA PHARMACEUTICALS LIMITED, Hyderabad as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report thereto.

3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate, we enclose in the annexure a statement on the matters specified in the said Order.

4) Further to our comments in annexure referred to in paragraph (3) above:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of such books.

The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.

In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred in sub-section 3(c) of Section 211 of the Companies Act, 1956.

On the basis of representations received from the Directors as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, read with the accounting policies together with notes thereon the said accounts give the information required by the Companies Act, 1956 in the manner so required and give us a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2009
- ii) in the case of Profit and Loss Account, of the loss for the year ended on that date.
- iii) in case of Cash Flow Statement of the cash flows for the year ended on that date.

**For PRV ASSOCIATES
Chartered Accountants
(CH.VENKATRAMAYYA)**

Place : Hyderabad.
Date : 25.08.2009

Partner

VISTA PHARMACEUTICALS LIMITED

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has not taken any loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits as defined under Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund,

VISTA PHARMACEUTICALS LIMITED

Investor Education Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Sale Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following disputed income tax due:

Assessment Year	Amount in Rupees	Forum where Pending
2006-07	3,86,58,242/-	Commissioner of Income Tax Appeals - IV Hyderabad.

- x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has incurred cash loss of Rs.68.44 lacs during the financial year.
- xi) We are of the opinion that the company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The company has not given any guarantees for loans taken by others from Banks or Financial institutions.
- xv) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
- xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.
- xviii) The Company has not raised money by way of public issues during the year.
- xix) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For PRV ASSOCIATES.
Chartered Accountants

(CH.VENKATRAMAYYA)

Place : Hyderabad
Date : 25.08.2009

Partner

VISTA PHARMACEUTICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULES	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
I. SOURCES OF FUNDS :			
A. Share Holders Funds	1	15,22,13,501	14,52,10,253
B. Reserves & Surplus	2	4,54,64,875	3,00,87,853
TOTAL		19,76,78,376	17,52,98,106
II. APPLICATION OF FUNDS :			
A. Fixed Assets	3		
Gross Block		9,48,90,393	9,44,75,029
Less : Depreciation		3,85,84,848	3,58,54,794
Net Block		5,63,05,545	5,86,20,235
B. Investments	4	5,000	5,000
C. Current Assets	5	66,87,350	87,83,991
Less : Current Liabilities	6	1,62,20,684	1,44,54,710
Net Current Assets		(95,33,334)	(56,70,719)
D. Capital Work-in-Progress	7	7,39,64,026	5,50,22,878
E. Mis. Expenditure & Losses Profit & Loss Account		7,69,37,140	6,73,20,712
TOTAL (A+B+C+D+E)		19,76,78,376	17,52,98,106
ACCOUNTING POLICIES	12		
NOTES ON ACCOUNTS	13		

AS PER OUR REPORT OF EVEN DATE

FOR PRV ASSOCIATES
CHARTERED ACCOUNTANTS

CH. VENKATRAMAYYA
PARTNER

HYDERABAD
DATE : 25.08.2009

FOR AND ON BEHALF OF THE BOARD

Dr. DHANANJAYA ALLI
MANAGING DIRECTOR

G. NARENDRA
DIRECTOR

HYDERABAD
DATE : 25.08.2009

VISTA PHARMACEUTICALS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2009**

PARTICULARS	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
A. INCOME			
Export Turnover		1,82,30,522	1,02,43,788
Other Income	8	59,189	32,150
TOTAL :		1,82,89,711	1,02,75,938
B. EXPENDITURE			
Cost of Material Consumed	9	1,13,73,080	61,11,806
Manufacturing & Administrative Expenses	10	1,36,53,726	1,00,70,811
Financial Charges	11	1,07,280	88,402
Depreciation		27,30,054	27,22,454
TOTAL :		2,78,64,140	1,89,93,473
Profit / (Loss) for the year		(95,74,428)	(87,17,535)
Fringe Benefit Tax		42,000	1,20,000
Prior Period Adjustments (+/-)		0	8,864
		(96,16,428)	(88,46,399)
Profit / (Loss) Brought Forward		(6,73,20,712)	(5,84,74,313)
Profit / (Loss) C/F to Balance Sheet		(7,69,37,140)	(6,73,20,712)

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR PRV ASSOCIATES
CHARTERED ACCOUNTANTSDr. DHANANJAYA ALLI
MANAGING DIRECTORCH. VENKATRAMAYYA
PARTNERG. NARENDRA
DIRECTORHYDERABAD
DATE : 25.08.2009HYDERABAD
DATE : 25.08.2009

VISTA PHARMACEUTICALS LIMITED

SCHEDULES TO BALANCE SHEET

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 1		
SHAREHOLDERS FUNDS		
Authorised Capital :		
1,50,00,000 Equity shares of Rs. 10/- each	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed and Paid-up capital :	15,00,00,000	10,72,86,060
1,50,00,000 Equity shares of Rs. 10/- each fully paid up		
Warrants Application Money	22,13,501	3,79,24,193
TOTAL :	<u><u>15,22,13,501</u></u>	<u><u>14,52,10,253</u></u>

SCHEDULE - 2

RESERVES AND SURPLUS

Capital Reserve	80,95,000	80,95,000
State Investment Subsidy	15,00,000	15,00,000
Share Premium	3,58,69,875	2,04,92,853
TOTAL :	<u><u>4,54,64,875</u></u>	<u><u>3,00,87,853</u></u>

SCHEDULE - 3

FIXED ASSETS STATEMENT AS AT 31.03.2009

Amounts in Rs.

SL. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS AT 01.04.2008	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2009	UP TO 31.03.2008	FOR THE YEAR	TOTAL UP TO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
1.	Land	9,92,892	-	-	9,92,892	-	-	-	9,92,892	9,92,892
2.	Building-Factory	1,17,67,063	-	-	1,17,67,063	52,51,812	3,93,020	56,44,832	61,22,231	65,15,251
3.	Building-Others	72,02,093	-	-	72,02,093	15,61,639	1,17,394	16,79,033	55,23,060	56,40,454
4.	Plant & Machinery	6,39,74,405	-	-	6,39,74,405	2,21,00,096	16,38,776	2,37,38,872	4,02,35,533	4,18,74,309
5.	Lab & R&D Equipment	12,24,196	-	-	12,24,196	7,22,417	58,149	7,80,566	4,43,630	5,01,779
6.	Elect. Installation	63,18,663	5,300	20,000	63,03,963	39,01,815	2,99,312	42,01,127	21,02,836	24,16,848
7.	Office Equipment	5,67,523	1,37,161	-	7,04,684	3,26,937	28,217	3,55,154	3,49,530	2,40,586
8.	Furniture & Fixures	8,28,099	30,350	-	8,58,449	6,64,205	52,652	7,16,857	1,41,592	1,63,894
9.	Tools & Instruments	4,77,046	-	-	4,77,046	2,96,728	22,660	3,19,388	1,57,658	1,80,318
10.	Vehicles	88,241	-	-	88,241	88,241	-	88,241	-	-
11.	Non-Trading Office Equipment	68,674	-	-	68,674	68,674	-	68,674	-	-
12.	Computers	9,66,134	2,62,553	-	12,28,687	8,72,230	1,19,874	9,92,104	2,36,583	93,904
	TOTAL	9,44,75,029	4,35,364	20,000	9,48,90,393	3,58,54,794	27,30,054	3,85,84,848	5,63,05,545	5,86,20,235

NOTE:

Plant and Machinery installed but not put to use Rs. 294.74 lacs has not been considered for depreciation claim.

VISTA PHARMACEUTICALS LIMITED

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 4		
INVESTMENTS		
Everest Organics Ltd.	5,000	5,000
TOTAL :	5,000	5,000
SCHEDULE - 5		
CURRENT ASSETS		
I. INVENTORIES :		
Raw-Materials	9,58,660	22,11,347
Stock in Process	16,11,208	-
Packing Materials	83,208	1,36,525
Stores & Consumables	4,06,835	5,08,544
TOTAL (a) :	30,59,911	28,56,416
II. SUNDRY DEBTORS :		
(Unsecured, Considered good)		
Outstanding for a period exceeding six months other debts	-	-
TOTAL (b) :	-	-
III. CASH & BANK BALANCES :		
Cash in Hand	7,58,894	1,31,908
With Scheduled Banks in Current Account	1,50,134	35,05,774
TOTAL (c) :	9,09,028	36,37,682
IV. Miscellaneous		
Advance to Staff	-	1,11,135
Advance to Suppliers	12,149	-
Expences Prepaid	1,24,122	21,435
CST Claim Receivable	1,77,321	4,49,082
VAT Receivable	12,60,202	5,78,019
Advance FBT 2005-06	30,601	30,601
Advance FBT 2006-07	71,940	71,940
Advance FBT 2007-08	60,245	60,245
Advance FBT 2008-09	57,237	-
Deposits	3,21,470	3,96,470
Prepaid Insurance	55,695	70,991
Bank Guarantee	4,69,000	4,69,000
Accrued Interest on Bank Guarantee	48,253	13,432
TDS Refundable	30,176	17,543
TOTAL (d) :	27,18,411	22,89,893
TOTAL (a+b+c+d) :	66,87,350	87,83,991

VISTA PHARMACEUTICALS LIMITED

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 6		
CURRENT LIABILITIES		
Advance against Sales	1,22,45,555	79,75,119
Creditors for Supplies	20,27,872	55,69,540
Creditors for Services	7,88,382	1,80,855
Outstanding Liabilities	11,54,397	7,29,196
Other Liabilities	4,478	-
TOTAL :	<u>1,62,20,684</u>	<u>1,44,54,710</u>
SCHEDULE - 7		
CAPITAL WORK-IN-PROGRESS		
Buildings	1,64,52,695	86,34,515
Electrical Installations	65,28,913	53,15,533
Plant & Machinery - Imported	59,04,261	59,04,261
Plant & Machinery - Indegenous	3,74,21,551	2,82,49,284
Consultancy charges - Project	26,20,136	15,49,368
Analytical Charges - Project	7,18,561	-
Lab and R & D Equipment - Project	9,39,586	-
QC & R & D Chemicals - Project	11,07,442	-
Advances to Machine Suppliers	22,70,881	53,69,917
TOTAL :	<u>7,39,64,026</u>	<u>5,50,22,878</u>
SCHEDULE - 8		
OTHER INCOME		
Interest on APCPDCL Deposit	14,780	14,780
Interest on Bank Guarantee Deposit	44,409	17,370
TOTAL :	<u>59,189</u>	<u>32,150</u>
SCHEDULE - 9		
RAW MATERIAL CONSUMPTION		
Opening Stock of Raw Material	22,11,347	10,92,199
Add: Purchase of Raw Materials	1,10,76,007	70,99,457
	1,32,87,354	81,91,656
Less: Closing Stock	9,58,660	22,11,347
Less: Closing Stock in process	16,11,208	-
Consumption of Raw Material (A)	<u>1,07,17,486</u>	<u>59,80,309</u>
PACKING MATERIAL CONSUMPTION		
Opening Stock of Packing Material	1,36,525	87,010
Add: Purchase of Packing Materials	6,02,277	1,81,012
	7,38,802	2,68,022
Less: Closing Stock	83,208	1,36,525
Consumption of Packing Material (B)	<u>6,55,594</u>	<u>1,31,497</u>
Total Consumption of Materials (A + B)	<u>1,13,73,080</u>	<u>61,11,806</u>

VISTA PHARMACEUTICALS LIMITED

PARTICULARS	ASAT 31.03.2009 (Rs.)	ASAT 31.03.2008 (Rs.)
SCHEDULE-10		
MANUFACTURING & ADMINISTRATIVE EXPENCES		
Salaries & Benefits	39,33,757	24,56,232
Office Rent	1,58,400	1,40,700
House Keeping Expences	1,38,652	2,14,336
Office Expenses	2,05,112	1,59,986
Pooja Expences	25,970	34,976
Printing & Stationery	1,96,571	1,07,743
Postage, Courier & E-Mail Charges	31,526	80,757
Telephone & Cell Phone Expences	1,86,583	1,47,919
Conveyance & Buspasses - Staff	93,796	1,09,108
Travelling & Conveyance - Staff and Others	5,89,141	2,26,043
Travelling Expenses - Directors	8,27,270	7,01,274
Auditors Remuneration		
a. Statutory Audit	33,090	33,672
b. Tax Audit	16,545	16,836
c. Certification	5,515	5,672
Staff Welfare	1,68,664	68,436
Freight Charges	9,63,473	10,83,568
Vehicle Hire & Maintenance	6,99,631	4,94,310
Power & Fuel	21,36,833	10,80,056
Machinery Maintenance	4,12,707	4,58,096
R & D, Testing Charges	87,592	39,965
Security Charges	4,29,697	3,77,976
Stores Consumed	1,01,710	1,01,710
Q.C. / R & D Expenses	2,89,629	1,92,272
Rates & Taxes	43,248	10,875
AGM & EGM Expenses	91,195	2,86,223
Listing Fees and Fees & Renewals	2,49,795	3,78,878
Insurance Premium	1,26,885	1,46,528
Advertisement	1,04,312	91,857
Consultancy & Professional Charges	4,68,671	1,88,268
Factory Maintenance	3,11,020	1,91,140
Employer Contribution to P.F.	1,69,055	1,27,015
Employer Contribution to E.S.I.	90,730	57,976
Employees Gratuty	94,058	73,987
Demat Service Charges	81,007	75,277
Business Promotion	18,020	23,046
Donations	73,866	23,098
Debit & Credit Balances Written Off	-	65,000
Interest & Damages to Government	-	-
TOTAL	1,36,53,726	1,00,70,811
SCHEDULE-11.		
FINANCIAL CHARGES		
Bank Charges	1,07,280	88,402
TOTAL	1,07,280	88,402

VISTA PHARMACEUTICALS LIMITED

SCHEDULE – 12

SIGNIFICANT ACCOUNTING POLICIES:

- 1) The Financial statements are prepared on the Historical cost convention on an accrual basis and in accordance with normally accepted accounting principles.
- 2) Fixed Assets and Depreciation: Fixed Assets are stated at cost less depreciation. Depreciation on Fixed Assets has been provided on straight line method at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation has been provided prorata from the date of the Asset is put to use.
- 3) Inventory : Raw Materials, Stores & Spares and Packing Materials are valued at cost. Work in Progress and Finished Goods is stated at cost or net realizable value whichever is lower.
- 4) Research and Development :
 - a) Capital Expenditure is shown separately under respective heads of fixed assets.
 - b) Revenue Expenditure is included under the respective heads of expenditure.
- 5) Current Tax and Deferred Tax : No Provision for taxation is made as the Company has no taxable profits.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and may be reversed in one or more subsequent periods.

Since the Company has substantial carried forward business losses and unabsorbed depreciation, it is unlikely to have taxable profits in near future and hence it is not considered necessary to create deferred tax assets in accordance with the Accounting

Standard – 22 issued by the Institute of Chartered Accountants of India.

- 6) Investments: Investments are shown at cost.
- 7) Recognition of Income: Sales represent the CIF price of Goods sold. Exchange fluctuations and other export benefits shall be accounted for in the year of receipt/realization.
- 8) 1/10 Value of stores and consumables such as machinery punches and dies, packing machine change parts are written off during the year.
- 9) Contingent Liabilities: Contingent Liabilities not provided for are disclosed by way of notes to Balance Sheet.
- 10) Retirement Benefits: Gratuity has been provided for according to the Service Rules of the Company.

SCHEDULE – 13

NOTES FORMING PART OF ACCOUNTS :

1. Previous year's figures have been regrouped/rearranged wherever necessary.
- 2.(a) Managerial
Remuneration: 2008-2009 2007-2008
NIL NIL
(b) No provision has been made for Managing Director's remuneration with his consent, as the expansion project is still under implementation.
3. Foreign Exchange earnings through export sales received (US\$ 417110)
inRs.1,82,30,522 (Previous year US\$ 2,47,136 in Rs. 1,02,43,788).
4. No depreciation on Imported Plant & Machinery of Rs.294.74 lakhs has been provided as the Machinery though installed during the year, but not put to commercial use.

VISTA PHARMACEUTICALS LIMITED

5. Stores and Consumables: 1/10 of closing stock value of Rs.1,01,710/- purchase of consumables like punches and dies, which are used for tablet compressions are written off during the year. The balance amount of Rs.4,06,835 shown under the head inventories.
6. Sundry Creditors include dues to SSI Units of Rs 93,481/- outstanding for more than 30 days as on 31.03.2009, which was paid subsequently.
7. The Company has only one business segment, i.e. formulations, hence segment reporting as defined in Accounting Standard – 17 is not applicable.
8. Basic and Diluted Earnings per Share (Pursuant to Accounting Standard – 20)

	2008-09	2007-08
Net loss for the year (Rs.)	(-)96,16,428	(-)88,46,399
Weighted average number of equity shares (Nos.)	1,50,00,000	1,07,28,610
Nominal value of Equity Shares (Rs.)	10	10
Basic and diluted earning per share	(-)0.64	(-)0.81

9. Related Party Transactions:

In terms of AS 18 "Related Party Disclosures" issued by the ICAI; related party transactions are as follows:

S.No.	Related Party	Relationship	Transactions
1	American Generics	Associate Company	Export Sales to the tune of Rs.182.30 Crores

10. Contingent Liabilities:

The Deputy Commissioner of Income Tax has passed an order for the Assessment Year : 2006-07 and raised a demand of Rs.3,86,58,242/-. The Company has filed an appeal before the Commissioner of Income tax (Appeals), Hyderabad. No provision has been made in the accounts since the matter is disputed in Appeal.

VISTA PHARMACEUTICALS LIMITED

ADDITIONAL INFORMATION PURSUANT TO PART II & III OF SCHEDULE VI OF THE COMPANIES ACT, 1956

(to the extent applicable to the company are as under)

	2008 - 09	2007 - 08
A) ACTUAL PRODUCTION Tablets/Capsules (Million Nos.)	50.936	30.892
B) OPENING STOCK	NIL	NIL
C) CLOSING STOCK	NIL	NIL
D) TURNOVER (Tablets/Capsules Million Nos.)	50.936	30.892
VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED		
Imported (Rs. In lacs)	NIL	NIL
Indigenous (Rs. In lacs)	107.17	59.80
Value of Imported Machinery (CIF)	NIL	NIL
Value of Exports (FOB) (Rs. In lacs)	182.30	102.44
EXPENDITURE IN FOREIGN CURRENCY		
Travelling (Rs. In lacs)	NIL	NIL

AS PER OUR REPORT OF EVEN DATE

for PRV ASSOCIATES
CHARTERED ACCOUNTANTS

(CH. VENKATRAMAYYA)
PARTNER

HYDERABAD
DATE: 25.08.2009

FOR AND ON BEHALF OF THE BOARD

(DR. DHANANJAYA ALLI)
MANAGING DIRECTOR.

(G.NARENDRA)
DIRECTOR.

HYDERABAD
DATE: 25.08.2009

VISTA PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT

	YEAR ENDED 31-03-2009	YEAR ENDED 31-03-2008
A. Cash flow from Operating Activities		
Net Profit before tax & extraordinary items	(95,74,428)	(87,17,535)
Adjustments:		
Depreciation	27,30,054	27,22,454
Interest income & Other income	(59,189)	(32,150)
Financial Charges	1,07,280	88,402
Extraordinary items/Tax	(42,000)	(1,28,864)
Operating Profit before Working Capital charges adjustments for :	(68,38,283)	(60,67,693)
Sale of Fixed Assets	20,000	1,20,000
Increase in Trade and other receivables	-	-
Decrease/increase in Inventories & Other Current Assets	6,32,013	(14,41,006)
Increase in Trade payables	17,65,975	93,20,549
Cash Generated from Operations:		
Net cash from Operating activities A	(56,84,321)	18,11,850
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	1,93,76,512	3,64,28,286
Financial charges paid	1,07,280	88,402
Net cash used in Investing Activities B	(1,94,83,792)	(3,65,16,688)
C Cash Flow from Financial Activities		
Proceeds from issue of shares (Including premium)	2,23,80,270	3,79,24,193
Decrease in Long Term Borrowings	-	-
Interest & Other Income	59,189	32,150
Net Cash used in Financial Activities C	2,24,39,459	3,79,56,343
Net increase in cash and cash Equivalents (A+B-C)	(27,28,654)	32,51,505
Cash & Cash equivalents as at 31.03.2008 (opg.Bal)	36,37,682	3,86,177
Cash & Cash equivalents as at 31.03.2009 (Clg.Bal)	9,09,028	36,37,682
Net increase / Decrease in Cash and Cash Equivalents	27,28,654	32,51,505

for and on behalf of the Board

Place : Hyderabad
Date : 25.08.2009

DR. DHANANJAYA ALLI
Managing Director

G. NARENDRA
Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Vista Pharmaceuticals Limited from the audited annual financial statements for the year ended 31st March, 2009 and found the same to be drawn in accordance therewith and also with the requirement of Clause 32 of the listing agreements with the Stock Exchange.

For PRV Associates
Chartered Accountants

Place : Hyderabad
Date : 25.08.2009

CH. VENKATRAMAYYA
Partner

VISTA PHARMACEUTICALS LIMITED

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 0112264

State Code 01

Balance Sheet Date : 31 03 2009
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Private Placement

22380

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

197678

Total Assets

197678

Sources of Funds

Paid-up-Capital

150000

Share Application Money

2214

Secured Loans

NIL

Reserves & Surplus

45464

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

130269

Net Current Assets

(-) 9533

Accumulated Losses

76937

Investments

05

Misc. Expenditure

NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

18290

Profit Before Tax

(-) 9574

Earning Per Share in Rs.

(-) 0.64

Total Expenditure

27864

Profit After Tax

(-) 9616

Dividend Rate

NIL

V. Generic Names of Principal Products of Company (as per monetary terms)

Item Code No. : --

Product Description : Pharmaceutical Formulations.

VISTA PHARMACEUTICALS LIMITED



VISTA PHARMACEUTICALS LIMITED

Registered Office : Plot No. 10 to 14 & 16 to 20, APIIC Industrial Estate, Gopalaipalli Village,
Narketpally Mandal, Nalgonda Dist. A.P.
Corporate Office : 7-1-212/A/70, 1st Floor, Plot No. 85, Shivbagh, Ameerpet, Hyderabad - 500 016

PROXY FORM

Regd. Folio / Client Account No. No. of Shares held I/We
..... of being a Member
Members of the above named Company, hereby appoint
..... of or failing
him of as my / our proxy to
attend and vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be
held at 11:30 A.M. on Tuesday 29th September, 2009 at APIIC Industrial Estate, Chityal, Gopalai Palli
Village, Narkatpalli Mandal, Nalgonda District, Andhra Pradesh.

Signed :

Date :

15 paise
Revenue
Stamp

Note : Proxy Form must reach the Company's Regd. / Corporate Office not less than 48 hours before the Meeting.



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ATTENDANCE SLIP

18th Annual General Meeting - 29th September, 2009

Regd. Folio / Client Account No. No. of Shares held To be
handed over at the entrance of the Meeting Venue,
..... Name of the
attending Member (in block letters)

..... Name of Proxy
(in block letters) (to be filled in by the Proxy attending instead of the Member).

I hereby record my presence at the 18th Annual General Meeting at APIIC Industrial Estate, Chityal, Gopalai
Palli Village, Narkatpalli Mandal, Nalgonda District, Andhra Pradesh, to be held on
29-09-2009 at 11:30 A.M.

Member's / Proxy's Signature

Notes :

1. Interested Joint Members may obtain Attendance Slips from the Corporate office of the Company.
2. Member's / Joint Member's Proxies are requested to bring the Attendance with them. Duplicate slips will not be issued at the venue.

PRINTED MATTER - BOOK POST

If undelivered, Please return to:

VISTA PHARMACEUTICALS LIMITED

7-1-212/A/70, Plot No. 85, Shivbagh,
Ameerpet, Hyderabad - 16. A.P. India

Email : vistapharma@gmail.com