

17th
Annual Report
2007-2008



VISTA

VISTA PHARMACEUTICALS LIMITED

VISTA PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

Dr. Dhananjaya Alli	Managing Director
Dr. Stanley Prabhakar Reddy	Director
Sri G. Narendra	Director
Sri Y.V. Rao	Director
Sri M.H. Rao	Director
Sri B.V.S. Prakasa Rao	Director
Smt. Vani Vatti	Director
Sri K. Rajendra Prasad	Director (APIDC Nominee)

CORPORATE OFFICE

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

REGD. OFFICE & FACTORY

APIIC Industrial Estate
 Gopalaipalli Village
 Narketpally Mandal
 Nalgonda District
 Andhra Pradesh
 Ph.No. 08682-272552
 Fax No. 08682-272551
 E-mail: vistapharmankp@hotmail.com

AUDITORS

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

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.

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

VISTA PHARMACEUTICALS LIMITED

NOTICE:

NOTICE is hereby given that the 17th **Annual General Meeting** of the Members of the Company will be held on Monday, **the 22nd of December, 2008** at 12.00 Noon 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, 2008** and Balance Sheet as on that date and the report of Auditors' and 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 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".

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.**

"Resolved that pursuant to the provisions of the Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required from time to time Dr. Dhananjaya Alli be and is hereby re-appointed as Managing Director of

the Company with effect from 01.12.2007 for a further period of three years at a remuneration of US \$ 2,500 per month."

BY THE ORDER OF THE BOARD
For VISTA PHARMACEUTICALS LIMITED

Dr.DHANANJAYAALLI
Managing Director

Date: 15.11.2008
Place: Hyderabad

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH 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.
2. The Register of Members and the Share Transfer Books of the Company will be remain closed from 18.12.2008 to 22.12.2008 (both days inclusive).
3. The Shareholders are requested to intimate immediately any change in their address registered with the Company.
4. Explanatory statement u/s 173 of the Companies Act, 1956 in Annexure herewith.

EXPLANATORY STATEMENT U/S 173 OF THE COMPANIES ACT, 1956 IN ANNEXURE HEREWITH

Item No. 5:

The Board of Directors have considered and re-appointed Dr. Dhananjaya Alli as Managing Director of the Company and fixed Remuneration as recommended by the Remuneration Committee. Members approval is required for appointment of Dr. Dhananjaya Alli as placed before you.

None of the Directors is interested in the above resolution except Dr. Dhananjaya Alli.

BY THE ORDER OF THE BOARD
For VISTA PHARMACEUTICALS LIMITED

Dr.DHANANJAYAALLI
Managing Director

Date: 15.11.2008
Place: Hyderabad

VISTA PHARMACEUTICALS LIMITED**DIRECTORS' REPORT**

To
The Members
Vista Pharmaceuticals Limited

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statements of Account for the year ended 31st March, 2008.

FINANCIAL RESULTS

	Current Year 2007-08 (Rs)	Previous Year 2006-07 (Rs)
Income	1,02,75,938	1,09,79,842
Expenditure	1,62,71,019	1,55,05,481
Depreciation	27,22,454	26,21,761
Profit/(Loss) for the year	(-)87,17,535	(-)71,47,400
(Loss) Brought forward	(-)5,84,74,313	(-) 5,13,26,913
Fringe Benefit Tax	(-)1,20,000	-
Prior period adjustments (+/-)	8,864	-
(Loss) carried forward	(-)6,73,20,712	(-)5,84,74,313

DIVIDEND

No Dividend has been recommended by Board of Directors keeping in view of above Financial Results.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors wish to confirm that:

- * in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures , if any;
- * such Accounting policies have been selected and applied consistently and judgments and estimates are made 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;
- * 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 any fraud or other irregularities has been taken.
- * Accounts for the period ended on 31st March, 2008 are prepared on a going-concern basis.

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.

FIXED DEPOSITS

The Company has not raised any fixed Deposits as on 31st March, 2008 so as to attract the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time. There is no amount outstanding or due to any deposit holder.

VISTA PHARMACEUTICALS LIMITED

DIRECTORS

Dr.Stanley Prabhakar Reddy and Mr.B.V.S. Prakasa Rao Directors retire by rotation and being eligible offer themselves for re-appointment.

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, signified their willingness for re-appointment. The Board recommends their re-appointment.

AUDIT COMMITTEE

The following are the members of the Audit Committee.

- 1.Mr.G.Narendra - Chairman
- 2.Mr.Y.V.Rao
- 3.Mr.B.V.S.Prakasa Rao

PERSONNEL

Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial through out the year None of the employees are drawing Rs. 2,00,000/- and above per month or Rs. 24,00,000/- and above in aggregate per annum, the limits prescribed under section 217(2A) of the Companies Act 1956. Hence, the information as required under the Companies (disclosure of particulars in the report of Board of Directors). Rules, 1988 is not annexed to this report.

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

Particulars with respect to Conservation of Energy as required under 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 is annexed herewith.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their sincere appreciation and wish to express their thanks for the guidance and assistance received from State & Central Government agencies, bankers, Share holders for their continued support and faith in the Company.

By order of the Board of Directors
For VISTA PHARMACEUTICALS LIMITED

Dr. DHANANJAYA ALLI
Managing Director

G.NARENDRA
Director

Place: Hyderabad
Date: 15.11.2008

VISTA PHARMACEUTICALS LIMITED**FORM A**

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 31st March, 2008 as follows :

A) CONSERVATION OF ENERGY – 2007–08:

POWER AND FUEL CONSUMPTION	2007-08	2006 – 07
1. ELECTRICITY		
a. Purchased units (KWH)	1,19,541	1,03,995
Total Amount (in Rs.)	9,58,380	9,02,731
Unit Rate (in Rs.)	8.02	8.68
b. Own Generation		
(Through Diesel Generator)		
Units	6423.35	7,738.32
Unit per litre of diesel oil	4.94	4.72
Cost / Unit (Rs.)	7.04	7.98
2. COAL	–	–
3. FURNACE OIL (Diesel Oil for Boiler)		
Quantity (in Litres)	2,464	2,986
Total Amount (in Rs.)	83,185	1,04,241
Average Rate / Litre (in Rs.)	33.76	34.91
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

Sl. No.	Particulars of the transaction	2007 - 08 (Rs. in lakhs)	2006 – 07 (Rs. in lakhs)
	Foreign Exchange earnings against sales	102.44	108.78
	Foreign Exchange Inflow on account of application money for issue of warrants	379.24	0.00
	Foreign Exchange Inflow on account of application money for conversion of warrants	0.00	0.00
1.	Total Foreign Exchange inflow	481.68	108.78
2.	Total Foreign Exchange outgo	20.04	NIL

VISTA PHARMACEUTICALS LIMITED

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 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.

3. Future plan of action :

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 :

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 2007 – 08.

VISTA PHARMACEUTICALS LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

The company firmly believes in and has consistently endeavored to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facts of its operations and in its interactions with stake holders including shareholders, employees, the government and the lenders.

2. Board of Directors

Composition:

The Board consists of 8 Directors with considerable professional experience and expertise in various fields. The Board of Directors has the ideal composition with more than half the directors being non-executive Directors. Since the Company has a non-executive chairman, the Board's composition meets the stipulated requirement of at least one-third of the Board comprising independent directors.

Functions:

The functions, responsibility, role and accountability of the Board are well defined. Board of Directors manages the business policies and reviews the operations of the Company periodically and involves in formulating various strategies, techniques for improvement of performance of the Company. The Managing Director looks after the day-to-day operations of the Company.

The Board is provided with sufficient documents and information of each Board and Committee

meetings to enable the members to discharge their responsibilities effectively.

The Board of your company meets regularly to discharge its functions and has met seven (7) times during the year under review on the following dates:

Sl. No.	Date of Board Meeting
1	30.04.2007
2	06.06.2007
3	07.07.2007
4	30.07.2007
5	27.08.2007
6	31.10.2007
7	31.01.2008

During the year under review the time gap between the two Board meetings did not exceed 4 months.

Composition and Category of Directors is as follows:

Category	Name of the Director
Promoter / Executive Directors	Dr. Dhananjaya Alli
Promoter / Non-Executive Directors	Dr. Stanley Prabhakar Reddy
Non-Executive and Independent Directors	Mr.G.Narendra Mr. Y.V.Rao Mr. M.H. Rao Mr. B.V.S. Prakasa Rao Ms.Vani Vatti Mr.K.Rajendra Prasad

VISTA PHARMACEUTICALS LIMITED

Attendance of each Director at the Board Meetings, last Annual General Meetings & Number of other Directorship and Chairmanship / membership of committee of each Directors in various companies.

Name	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at Annual General Meeting Held on 24-09-2007
Dr. Dhananjaya Alli	7	3	Yes
Dr. Stanley Prabhakar Reddy	7	0	Yes
Sri. G. Narendra	7	6	Yes
Sri. Y.V. Rao	7	4	Yes
Sri. M.H. Rao	7	5	Yes
Sri. B.V.S. Prakasa Rao	7	3	No
Smt. Vatti Vani	7	0	No
Sri: K. Rajendra Prasad	7	2	No

Profile of Directors Retiring at AGM

1. Dr. Dhananjaya Alli

Designation : Managing Director
 Education Qualification : M.Pharmacy, Ph.D.,
 Age : 58 years
 Other Directorship : NIL

2. Dr. Stanely Prabhakar Reddy

Designation : Promoter Director
 Education Qualification : M.B.B.S.
 Age : 58 years
 Other Directorship : Nil

3. Mr. B.V.S. Prakasa Rao

Designation : Independent Director
 Education Qualification : B.A.
 Age : 82 years
 Other Directorship : Nil

VISTA PHARMACEUTICALS LIMITED

Directorship in other Companies:

The Directors of the Company also hold positions as Directors, Members and Partners in other Bodies Corporate, Associations and Firms as per details furnished hereunder:

Sl.No.	Name of the Director	Name of other Organization	Position
01	Dr. Dhananjaya Alli	Vista Pharmaceuticals Inc. USA American Generics, USA	Chairman Director
02	Dr. Stanley Prabhakar Reddy	Vista Pharmaceuticals Inc. USA American Generics, USA	Director Director
03	Sri. G. Narendra	Nil	-
04	Sri. Y.V. Rao	Nil	-
05	Sri. M.H. Rao	Nil	-
06	Sri. B.V.S. Prakasa Rao	Nil	-
07	Smt. Vani Vatti	Nil	-
08	Sri. K. Rajendra Prasad	M/s. Restile Ceramics Ltd.	-

CEO Certification:

As required under Clause 49 of the Listing Agreement with Stock Exchange, the Managing Director certified to the Board Financial Statements for the year ended 31.03.2008.

3. Audit Committee

Composition:

The Company has constituted the Audit Committee of the Board comprising of 3 Non-Executive Independent Directors.

The Committee consists of:

Sri. G. Narendra - Chairman

Sri. Y.V. Rao

Sri. B.V.S. Prakasa Rao

The main functions of the Audit Committee include:

The Audit committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial condition and results of operation, review adequacy of

internal audit function, internal audit report relating to internal control weakness, related party transactions, review financial and risk management policies, to look into the reasons for substantial defaults in the payment to depositors, debenture/shareholders and creditors, oversee compliance with stock exchange and legal requirements concerning financial statements, review auditors qualifications (draft) compliance with Accounting Standards, recommending the appointment and renewal of external Auditors/ Chief internal Auditor, fixation of audit fees and also approval for payment for any other services, etc.

The Audit Committee provides an open avenue of communication between the Statutory Auditors, Internal Auditors and the Board of Directors.

The Audit Committee has met 4 times during the year in due compliance with the Listing Agreement and Section 292 A of the Companies Act, 1956 on the following dates: