



VISTA

21st Annual Report
2011-2012

VISTA PHARMACEUTICALS LIMITED

VISTA PHARMACUTICALS LIMITED

BOARD OF DIRECTORS

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

Managing 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

REGD. OFFICE & FACTORY

Plot Nos.10 to 14 And 16 To 20,
APIIC Industrial Estate, Chityal,
Gopalaipalli Village
Narketpally Mandal Nalgonda District
Andhra Pradesh Ph. 09291015956
Fax 08682-272551
E-mail: nkpvistapharma@gmail.com

BANKERS

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

State Bank of Hyderabad
Punja Gutta, Hyderabad - 500 482.

AUDITORS

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

State Bank of Hyderabad,
Chityal Branch, Chityal
Nalgonda (District)

SHARE TRANSFER AGENTS & DEMAT REGISTRARS

M/s. Aarathi Consultants Private Ltd.
H.No. 1-2-285, Domalguda
Hyderabad - 500 029
Ph.Nos. 040-27634445 / 27638111 / 27642217
Fax No. 040-27632184
E-mail: info@aarthiconsultants.com

NOTICE:

NOTICE is hereby given that the **21st Annual General Meeting** of the Members of the Company will be held on Thursday, the 15th day of November, 2012 at 11.30 AM at the Registered Office of the Company i.e., Plot Nos. 10 to 14 And 16 To 20 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, 2012 and Balance Sheet as on that date and the report of Auditors' and Directors' thereon.
2. To appoint a Director in Place of Mr. M. H. Rao, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in Place of Mr. G. Narendra, 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".

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 13.11.2012 to 15.11.2012 (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: 01.10.2012
Place: Hyderabad

DIRECTORS' REPORT

To
The Members
Vista Pharmaceuticals Limited

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Statements of Account for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	Current Year 2011-12 (Rs)	Previous Year 2010-11(Rs)
Income	3,62,23,141	5,67,97,411
Expenditure	4,53,35,139	5,45,24,835
Depreciation	63,68,603	51,94,278
Profit/(Loss) for the year (Before Tax)	(-)1,54,10,117	(-)29,21,702
Profit/(Loss) for the year (After Tax)	(-)1,66,30,208	(-)29,21,702
(Loss) Brought forward	(-)9,33,60,957	(-)9,04,39,255
(Loss) carried forward	(-)10,99,91,165	(-)9,33,60,957

OPERATIONS:

During the year under review the company has recorded a turnover of Rs. 362.23 lakhs against the turnover of Rs.567.97lakhs in the previous year.

DIVIDEND:

No dividend has been recommended by Board of Directors during the financial year 2011-12.

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, Mr. M. H. Rao and Mr. G Narendra retire by rotation and are eligible for reappointment.

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

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 2011-12.
- 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 2011-12:

POWER AND FUEL CONSUMPTION	2011-12	2010-11
1. ELECTRICITY		
a. Purchased units (KWH)	3,11,076	4,33,500
Total Amount (in Rs.)	18,86,243	24,42,357
Unit Rate (in Rs.)	6.06	5.63
b. Own Generation		
(Through Diesel Generator) Units	57,768	57,202
Unit per litre of diesel oil	5.21	4.77
Cost / Unit (Rs.)	8.22	8.42
2. COAL	—	
3. FURNACE OIL (Diesel Oil for Boiler) Quantity (in Litres)	15,200	10,425
Total Amount (in Rs.)	6,64,880	4,20,649
Average Rate / Litre (in Rs.)	43.74	40.35
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.

VISTA PHARMACEUTICALS LIMITED

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 activities.

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 2011-12.

C. TOTAL FOREIGN EXCHANGE USED AND EARNED

Sl. No.	Particulars of the transaction	2011 - 12 (Rs. in lakhs)	2010 - 11 (Rs. in lakhs)
	Foreign Exchange earnings against sales	362.23	567.45
	Foreign Exchange Inflow on account of application money for issue of warrants	NIL	NIL
	Foreign Exchange Inflow on account of application money for conversion of warrants	NIL	NIL
1.	Total Foreign Exchange inflow	362.23	567.45
2.	Total Foreign Exchange outgo	NIL	23.14

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 auditors 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: 01.10.2012
Place: Hyderabad

G. NARENDRA
Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

Generic Pharmaceuticals Industry is positioned to perform very well in comparison to high cost branded drugs, especially in the weak world economic conditions.

US Generic Drug Industry is expected to reach \$140 Billion sales by 2015. US accounts for almost \$90 billions of world sales.

Vista is targeting US Generic market, which accounts for 80% of prescriptions dispensed in the United States.

Company Performance, strength and weakness:

During the year under review, the Company could register an export turnover of Rs. 362.23 lakhs as against Rs.567.45 lakhs in the previous year.

Future:

The Company obtained US FDA approval for the manufacture of Bactrim generic product for US market and expecting a sizable market penetration.

The company is also evaluating few ANDAs for future 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.

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 3 non-executive directors. The following is their 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:

Composition of the Board as on 31 March 2012.

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 Pharmaceuticals Inc. USA American Genetics, USA	Nil
2.	Dr. Stanely Prabhakar Reddy Promoter, Non executive	Vista Pharmaceuticals Inc. USA American Genetics, USA	Nil
3.	Mr. M.H. Rao Promoter, Non executive	Jagruti Co-operative Urban Bank Ltd.	1
4.	Mr. G. Narendra Independent, Non executive	Nil	Nil
5.	Ms. Vani Vatti Independent, Non executive	Nil	Nil
6.	Mr. K. Rajendra Prasad Independent, Non Executive	M/s. Restile Ceramics Ltd.	Nil

Board Meetings

During the Financial Year 2011-2012, the Board of Directors met 5 times on the following dates: 02.05.2011, 10.08.2011, 18.08.2011, 09.11.2011 and 10.02.2012.

VISTA PHARMACEUTICALS LIMITED

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	5	2	YES	20
Dr. Stanley Prabhakar Reddy	5	1	NO	NIL
Mr. G. Narendra	5	4	YES	NIL
Mr. M.H. Rao	5	4	YES	20000
Ms. Vani Vatti	5	3	YES	NIL
Mr. K. Rajendra Prasad	5	2	NO	NIL

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;

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, share holders (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. M.H.Rao	Member	Promotor, Non- executive
Ms. Vani Vatti	Member	Independent, Non- executive

Statutory Auditors are invitees to the meeting. The total number of meetings held is 4 on 02.05.2011, 10.08.2011, 09.11.2011, and 10.02.2012.

Meetings and attendance during the year

Name	No. of meetings held during the year	Attendance
Mr. G. Narendra	4	4
Mr. M.H.Rao	4	4
Ms. Vani Vatti	4	3

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.

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

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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 deemed 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.

Mr. G. Narendra	Chairman
Mr. M.H. Rao	Member
Ms. Vani Vatti	Member

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 09.11.2012.

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

Name	Designation
Mr. G. Narendra	Chairman
Mr. M.H. Rao	Member
Ms. Vani Vatti	Member

Details of remuneration for the year ended 31.03.2012

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

5. Information on General Body Meetings:

The last 3 Annual General Meetings were held as under:

Date	Time	Venue
08.06.2011	11.00 A.M	APIIC IndustrialEstae,Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.
30.09.2010	11.30 A.M	APIIC IndustrialEstae,Gopalaipalli Village, Narketpally Mandal, Nalgonda District, A.P.
29.09.2009	11.30 A.M	APIIC IndustrialEstae,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 : 15.11.2012
 Time : 11.30 A.M.
 Venue : APIIC Industrial Estate, Gopalaipalli Village,
 Narketpally Mandal, Nalgonda District, A.P.
 Tel: 092910 15956, Fax:08682-272552

ii) Financial Calendar:

Financial Reporting for 2011-2012 (tentative)

The first quarter results	31.07.2012
The second quarter results	31.10.2012
The third quarter results	31.01.2013
The Fourth quarter results	30.04.2013

iii) Book Closure:

13.11.2012 to 15.11.2012 (Both dates inclusive).

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- iv) Dividend payment: The Board has not recommended any dividend for the financial year 2011-12.
- 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 2011-12
- 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, 2011	12.00	9.11
May, 2011	9.99	8.16
June, 2011	10.50	8.55
July, 2011	9.73	8.29
August, 2011	9.81	7.55
September, 2011	11.20	8.16
October, 2011	10.00	7.83
November, 2011	9.80	7.05
December, 2011	8.20	6.44
January, 2012	10.00	6.80
February, 2012	9.36	7.88
March, 2012	8.00	6.58

- viii) Shareholding pattern as on 31st March, 2012

Particulars	Category	No. of shares Held	Percentage of Shareholding
A	Shareholding of Promoter and Promoter Group		
	Promoters and Persons acting in concert	40,30,477	26.87
1	Total	40,30,477	26.87
	Public Shareholding		
B 1	Institutions	8,600	0.06
2	Non Institutions		
	a. Bodies Corporate	2,88,826	1.93
	b. Indian Public and others	51,13,684	34.08
	c. Non		
	b. Indian Public and others		
	Non resident Indian	55,58,413	37.06
	Sub Total B	1,09,60,923	73.07
	Grand Total (A-B)	1,50,00,000	100.00

- ix) Registrars and Transfer Agents
M/s. Aarathi Consultants Pvt. Limited
1-2-285, Domalguda, Hyderabad - 500 029
Ph. Nos. 040-27638111/27634445

- x) Delegation of Share Transfer Formalities

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

M/s. Aarathi Consultants Pvt. Limited
1-2-285, Domalguda, Hyderabad - 500 029.
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/70,1stFloor, 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, 2012, 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, 2012 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**

**(CH.VENKATRAMAYYA)
Partner**

Place : Hyderabad
Date : 01-10-2012

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, 2012 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 31.03.2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2012 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 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, 2012
- 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**

Place : Hyderabad.
Date : 01-10-2012

(CH.VENKATRAMAYYA)
Partner

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.
 - (d) Valuation of 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.
- 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 no internal audit system in force, however the internal control procedures prevalent in the company are commensurate with the size and the opinion of the management is not required in view of the nature of business of the company.

- 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, 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. However Provident Fund & ESI contributions of Rs.2,43,749/- and Rs.1,23,407/- are yet to be deposited as on 31-03-2012.
- (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, 2012 for a period of more than six months from the date they became payable.
- x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has made cash loss of Rs90.42 lacs during the financial year.
- xi) The company has not 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

Place: Hyderabad.
Date: 01-10-2012

(CH.VENKATRAMAYYA)
Partner

VISTA PHARMACEUTICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Rs.)

Particulars	Note No.	Figures for the current reporting period as at 31/03/2012	Figures for the previous reporting period as at 31/03/2011
I EQUITY AND LIABILITIES			
(i) <u>Shareholder's Fund</u>			
(a) Share Capital	2.1	150,000,000	150,000,000
(b) Reserves and Surplus	2.2	(64,526,290)	(47,896,082)
(c) Money received against Share Warrants	2.3	1,000,000	1,000,000
(ii) <u>Non Current Liabilities</u>			
(a) Deferred Tax Liability	2.4	1,220,091	-
(b) Long Term Provisions	2.5	602,299	627,741
(iii) <u>Current Liabilities</u>			
(a) Trade Payables	2.6	21,072,473	35,603,048
(b) Other Current Liabilities	2.7	35,996,475	10,302,212
(c) Short Term Provisions	2.8	2,059,061	2,313,030
TOTAL		147,424,109	151,949,949
II ASSETS			
(i) <u>Non Current Assets</u>			
(a) Fixed Assets	2.9		
- Tangible Assets		129,648,099	134,784,215
(b) Non Current Investments	2.10	5,000	5,000
(c) Long Term Loans and Advances	2.11	1,283,944	1,107,504
(ii) <u>Current Assets</u>			
(a) Inventories	2.12	11,506,648	11,972,936
(b) Cash and Cash Equivalents	2.13	1,878,933	568,874
(c) Short Term Loans and Advances	2.14	3,057,707	3,462,421
(d) Other Current Assets	2.15	43,777	48,999
TOTAL		147,424,109	151,949,949

Significant Accounting Policies and Notes to Accounts 2.16

As per our report of even date.

For and on behalf of the Board

PRV ASSOCIATES

Chartered Accountants
(Firm Reg. No. 0064475)

Dr. Dhananjaya Alli
Managing Director

Ch. Venkatramayya
Partner
Membership No. 009867

G. Narendra
Director

Place: Hyderabad
Date: 01-10-2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2012

(Amount in Rupees)

Particulars	Note No.	Figures for the current reporting period as at 31/03/2012	Figures for the previous reporting period as at 31/03/2011
I Revenue from Operations	3.1	36,223,141	56,744,609
II Other Income	3.2	70,484	52,802
III Total Revenue (I+II)		36,293,625	56,797,411
IV Expenses			
(a) Cost of Materials Consumed	3.3	23,823,811	35,357,550
(b) Manufacturing and Other Direct Expenses	3.4	93,96,971	8,442,290
(c) Employee Benefit Expenses	3.5	70,24,626	6,704,330
(d) Finance Costs	3.6	119,332	91,762
(e) Depreciation and Amortization Expenses	3.7	6,368,603	5,194,278
(f) Administrative and Other Expenses	3.8	4,970,400	3,928,903
Total Expenses		51,703,742	59,719,113
V Profit before Exceptional and Extraordinary items and Tax (III-IV)		(15,410,117)	(2,921,702)
VI Exceptional Items			
VII Profit before Extraordinary items and Tax (V-VI)		(15,410,117)	(2,921,702)
VIII Extraordinary Items			
IX Profit Before Tax (VII-VIII)		(15,410,117)	(2,921,702)
X Tax Expense			
(a) Deferred Tax		1,220,091	-
XI Profit / (Loss) for the period from Continuing Operations (IX-X)		(16,630,208)	(2,921,702)
XII Profit / (Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations			
XIV Profit / (Loss) from Discontinuing Operations after Tax (XII-XIII)		-	-
XV Profit / (Loss) for the period (XI+XIV)		(16,630,208)	(2,921,702)
XVI Earnings Per Equity Share			
(a) Basic		(1.11)	(0.19)
(b) Diluted		(1.11)	(0.19)

As per our report of even date.

For and on behalf of the Board

PRV ASSOCIATES
Chartered Accountants
(Firm Reg. No. 0064475)

Dr. Dhananjaya Allu
Managing Director

Ch. Venkatramayya
Partner
Membership No. 009867

G. Narendra
Director

Place: Hyderabad
Date: 01-10-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012
ANNEXURE TO CLAUSE-32 OF THE LISTING AGREEMENT

(Amount in Rs.)

Cash Flows	Year ended 31.03.2012	Year ended 31.3.2011
I Cash Flows from Operating Activities		
1 Net Profit Before Tax	-15,410,117	-2,921,702
Adjustments for :		
2 Depreciation	6,368,603	5,194,278
3 Preliminary Expenses w/off	-	-
4 Deferred Revenue Expenditure	-	-
5 (Profit)/Loss on Sale of Assets	-	-
6 Interest & Finance-Charges paid	119,332	91,762
7 Interest on Fixed Deposits	-70,484	-52,802
8 Dividend Income	-	-
9 Operating Profit before Working Capital Changes		
Adjustments for :	(8,992,666)	2,311,536
10 increase/(Decrease) in Trade Payables	(14,530,575)	9,753,849
11 Decrease/(Increase) in Short Term provisions	(253,969)	1,877,615
12 Decrease/(Increase) in other current Liability	25,694,263	19,779
Decrease/(Increase) in other long term liability	-25442	-
Decrease/(Increase) in trade receivable	-	-
Decrease/(Increase) in Inventories	466,288	(7,881,551)
Decrease/(Increase) in Short Term loans and advance	404,714	-1,586,300
Decrease/(Increase) in other current Assets	(171,218)	-
Net Cash from Operating Activities	2,591,395	4,494,928
II Cash Flows from Investing Activities		
14 Purchase of Fixed Assets	1,232,488	4,108,412
15 Proceeds from Sale of Fixed Assets	-	-
16 Increase in Advances & others	-	-
17 Interest Received	70,484	52802
18 Dividends Received	-	-
Net Cash from Investing Activities	1,162,004	4,055,610
III Cash Flows from Financing Activities		
19 Proceeds from Issue of Share Capital	-	-
20 Proceeds from Long Term Borrowings	-	1,213,501
21 Repayment of Long Term Borrowings	-	-
22 Proceeds from Short Term Borrowings	-	-
23 Repayment of Short Term Borrowings	-	-
24 Increase in Short Term Provision	-	-
25 Interest Paid	119,332	91,762
Net Cash Used in Financing Activities	119,332	1,305,263
26 Net Increase in Cash & Cash Equivalents	1,310,059	(865,945)
28 Cash & Cash Equivalents at Beginning of Measurement period	568,874	1,434,819
29 Cash & Cash Equivalents at End of Measurement period	1,878,933	568,874
30 Cash Deficit Financing (In the event Total at Sl. No 29 is Negative)		
Bank Borrowings	-	-
Inter Corporate Deposits	1,878,933	568,874
Note: Cash & Cash Equivalents: Cash & Cash Equivalents consist of cash on hand, balances with banks.		

Place: HYDERABAD

Date: 01.10.2012

Dr.DHANANJAYA ALLI

Managing Director

G.NARENDRA

Director

We have verified the above Cash Flow Statement of Vista Pharmaceuticals Limited from the audited annual financial statements for the year ended 31st March, 2012 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.

Place : HYDERABAD

Date : 01.10.2012

For PRV ASSOCIATES

Chartered Accountants

CH. VENKATRAMAYYA

Partner - M.M.No.009867

SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements:

The financial statements of the Company prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles(GAAP) applicable in India and the provisions of the Companies Act, 1956.

B. Use of Estimates:

The preparation of financial statements require certain estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. Difference between the actual and estimates are recognized in the period in which the actual are known/ materialized.

C. Fixed Assets, Depreciation and impairment:

Expenditure of capital nature has been capitalized at cost, comprising of purchase price and the expenditure related to bringing the asset to its working condition for the intended use. Depreciation has been provided from the date the asset is put to use on written down value method at the rates and in the manner specified under XIV to the companies Act, 1956.

An asset will be treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

D. Inventories:

Inventories have been valued at lower of

the cost or net realizable value based on the certification by the Management.

E. Investments:

Investments are stated at cost.

F. Income and Expenditure:

Income is accounted for the expenditure recognized on accrual basis. Sales comprise sale of goods and services, net of trade discounts. Purchases are net of transit insurance claims.

G. Contingent Liabilities:

All liabilities have been provided for in the accounts except liabilities of contingent nature which have been disclosed at their estimated value in the notes on accounts.

H. Employee Benefits:

(i) Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment and long term employee benefits in general are recognized as an expense in the profit and loss account during the year in which the employee has rendered services. As a onetime measure accrued liability is accounted for during the current year.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

I. Revenue Recognition

The company recognizes revenue on sale of products, net of discounts, when the product is shipped to customer i.e. when

VISTA PHARMACEUTICALS LIMITED

the risks and rewards of ownership are passed to the customer.

Sale of product is disclosed as net of excise duty and breakup of the same.

J. Taxes:

Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

K. Foreign Exchange Translation and Foreign Currency Transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss Account.

Monetary assets and liabilities related to foreign currency transactions remaining un settled at the end of the year are translated at year end rates. The difference in transaction of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in Profit and Loss Account.

L. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with the

Accounting Standard-20 "Earnings per Shares" notified by the Companies (Accounting Standard) Rules, 2006.

Basic earning per equity shares is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential shares outstanding during the year except where the results are anti dilutive.

NOTES FORMING PART OF ACCOUNTS :

1. Previous year's figures have been regrouped/rearranged wherever necessary.
2. (a) Managerial Remuneration:

	2011-2012	2010-2011
	NIL	NIL

(b). No provision has been made for Managing Director's remuneration with his consent.
3. Foreign Exchange earnings through export sales received (US\$739247) inRs.3, 62, 23,141 (Previous year (US\$ 1256750) inRs.5, 67, 44,609
4. No depreciation on Imported Plant & Machinery of Rs.294.74 lakhs has been provided as the Machinery though installed not put to commercial use.
5. Stores and Consumables: 1/10 of closing stock value of Rs.1, 01,709/- purchase of consumables like punches and dies, which are used for tablet compressions are written off during the year. The balance amount of Rs 1,01,706 shown under the head inventories.
6. Sundry Creditors include dues to SSI Units of Rs 1, 51,046 outstanding for more than 30 days as on 31.03.2012, 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)

	2011-12	2010-11
Net loss for the year (Rs.)	(-)1,66,30,208	(-)29,21,702
Weighted average number of equity shares (Nos.)	1,50,00,000	1,50,00,000
Nominal value of Equity Shares (Rs.)	10	10
Basic and diluted earning per share	(-)1.11	(-)0.19

9. Payment to Auditors :

Particulars	For the year ended on 31-03-2012	For the year ended on 31-03-2011
(i) Statutory Audit fees	40,000	40,000
(ii) Tax Audit fees	10,000	10,000
(iii) Service tax	6,180	5,150
Total	56,180	55,150

10. 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.203.17 Lakhs
2	Vista Pharmaceutical Inc	Associate Company	Export Sales to the tune of Rs.159.06 Lakhs

11. Some of the trade creditors and other liabilities are yet to be confirmed.

12. The Revised Schedule VI to the Companies Act, 1956 has become effective from 1st April, 2011, for preparation and presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Accordingly the figures for the previous year have been reclassified, wherever necessary to conform with the current year's classification.

VISTA PHARMACEUTICALS LIMITED

Notes on Financial statements as on 31.03.2012

2.1 Share Capital(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Authorized Capital 1,50,00,000 Equity shares of Rs.10/- Each	150,000,000	150,000,000
(ii) Issued, Subscribed and Paid Up Capital 1,50,00,000 Equity shares of Rs.10/- Each, fully paid up 1,50,00,000 Equity shares of Rs. 10/- Each, not fully paid up	150,000,000	150,000,000
Total	150,000,000	150,000,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Equity Shares		
No. of Equity Shares at the beginning of reporting period	15,000,000	15,000,000
Add: No. of Equity Shares issued during the period	-	-
Less: No. of Equity Shares bought back during the period	-	-
No. of Equity Shares at the end of the reporting period	15,000,000	15,000,000

List of the shareholders holding more than five percent of shares in the company as at the Balance Sheet date:

Names of the shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	in %age	No. of Shares	in %age
1 VISTA PHARMACEUTICALS INC,	2,617,457	17.45%	2,617,457	17.45%
2 B.SRINIVASULU	1,603,979	10.69%	1,603,979	10.69%
3 D.GOPAL	1,603,000	10.69%	1,603,000	10.69%
4 KESHAVA MURTHY SHIV SHANKAR	1,563,395	10.42%	1,563,395	10.42%

2.2 Reserves and Surplus

(Amount in Rs)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) <u>Capital Reserve/General Reserve/Other Reserve (Specify)</u>		
Opening Balance		
Capital Reserve - Principal remission by Financial Institutions	8,095,000	8,095,000
General Reserve - State Investment Subsidy	1,500,000	1,500,000
Closing Balance	9,595,000	9,595,000
(ii) <u>Securities Premium Reserve</u>		
Opening Balance	35,869,875	35,869,875
Closing Balance	35,869,875	35,869,875
(iii) <u>Surplus</u>		
Opening Balance	(93,360,957)	(90,439,255)
Add: Profit for the year as per Statement of Profit & Loss a/c	(16,630,208)	(2,921,702)
Total Profit available for Appropriation	(109,991,165)	(93,360,957)
Closing Balance	(109,991,165)	(93,360,957)
Grand Total	(64,526,290)	(47,896,082)

2.3 Money received against share warrants

The company proposed to issue shares against share warrants after complying with the statutory formalities and collected Rs.10 lacks from the prospective share holders. However, as the warrant holders decided to exercise their right for allotment of shares, the money was refunded subsequently in June 2012.

2.4 Deferred Tax Assets (Net)

(Amount in `)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) <u>Deferred Tax Liabilities</u>		
- For Depreciation		
WDV as at Balance Sheet date as per Companies Act	6,368,603	-
WDV as at Balance Sheet date as per Income Tax Act	10,317,116	-
Timing Difference	(3,948,513)	-
Deferred Tax Liability @ 30.90%	(1,220,091)	-
Deferred Tax Liability (Net)	(1,220,091)	-

VISTA PHARMACEUTICALS LIMITED

2.5 Long Term Provisions

(Amount in `)

Particulars	As at 31/03/2012	As at 31/03/2011
Provision for Gratuity	445,879	471,321
Fringe Benefit Tax	156,420	156,420
Total	602,299	627,741

2.6 Trade Payables

(Amount in `)

Particulars	As at 31/03/2012	As at 31/03/2011
Trade Payables For Goods	18,131,218	33,338,961
Trade Payables For Direct Expenses	2,941,255	2,264,087
Total	21,072,473	35,603,048

2.7 Other Current Liabilities

(Amount in `)

Particulars	As at 31/03/2012	As at 31/03/2011
Advances From Customers	35,861,153	10,278,316
Caution Deposit- staff	135,322	23,896
Total	35,996,475	10,302,212

2.8 Short Term Provisions

(Amount in `)

Particulars	As at 31/03/2012	As at 31/03/2011
Other Short Term Provisions - Annexure enclosed	2,059,061	2,313,030
Total	2,059,061	2,313,030

2.9 Fixed Assets

(Amount in Rupees `)

Particulars	Rate of Depreciation	Gross Block			Depreciation				Net Block		
		As at 01/04/2011	Additions/ Adjustments during the period	Deductions/ Retirement during the period	As at 31/03/2012	As at 01/04/2011	For the period	Deductions/ Retirement during the period	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
I Tangible Assets											
(a) Land	-	-	-	-	-	-	-	-	-	-	-
(i) Freehold	-	992,892	-	-	992,892	-	-	-	-	992,892	992,892
(ii) Leasehold	-	-	-	-	-	-	-	-	-	-	-
(b) Buildings											
(i) Freehold											
Factory	3.34%	42,640,082	800,000	-	43,440,082	7,064,466	1,426,588	-	8,491,054	34,949,028	35,575,616
Others	1.63%	7,202,093	-	-	7,202,093	1,913,821	117,394	-	2,031,215	5,170,878	5,288,272
(ii) Leasehold											
(c) Plant and Machinery	4.75%	95,019,325	87,108	-	95,106,433	27,924,946	3,114,379	-	31,039,325	64,067,108	67,094,379
(d) Furniture and Fixtures	6.33%	4,837,023	-	-	4,837,023	1,089,091	306,184	-	1,395,275	3,441,748	3,747,932
(e) Vehicles		88,241	-	-	88,241	88,241	-	-	88,241	-	-
(f) Office Equipments	4.75%	1,320,142	17,350	-	1,337,492	453,397	63,079	-	516,476	821,016	866,745
(g) Computers	16.21%	1,311,081	-	-	1,311,081	1,267,242	8,146	-	1,275,388	35,693	43,839
(h) Others (Specify Nature)											
Lab and R&D Equipment	4.75%	10,263,059	-	-	10,263,059	1,297,626	487,439	-	1,785,065	8,477,994	8,965,433
Electrical Installation	4.75%	14,803,555	47,266	-	14,850,821	5,050,489	703,905	-	5,754,394	9,096,427	9,753,066
Tools & Instruments	4.75%	2,886,105	280,761	-	3,166,866	430,062	141,489	-	571,551	2,595,315	2,456,043
Non-Trading Off. Equipment		68,674	-	-	68,674	68,674	-	-	68,674	-	-
Sub-Total		181,432,272	1,232,485	-	182,664,757	46,648,055	6,368,603	-	53,016,658	129,648,099	134,784,217
II Intangible Assets											
Sub-Total											
III Capital Work In Progress											
Sub-Total											
IV Intangible Assets under Development											
Sub-Total											
Grand Total		181,432,272	1,232,485	-	182,664,757	46,648,055	6,368,603	-	53,016,658	129,648,099	134,784,217
Previous Year											

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

VISTA PHARMACUTICALS LIMITED

2.10 Non Current Investments

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
I Trade Investments		
(b) Investment in Equity Instruments		
Everest Organics Limited	5,000	5,000
Grand Total	5,000	5,000

Additional disclosures related to Non Current investments as per requirement of Revised Schedule VI:

(Amount in Rs.)

Particulars	Relation / Name of All the Partners with their Capital Balance and Share in Profit	As at 31/03/2012	As at 31/03/2011
Investment in Equity Instruments			
(a) Everest Organics	Non Related	5,000	5,000
Grand Total		5,000	5,000

Classification of Non Current Investments

Particulars	Market Value As at 31/03/2012	Book Value As at 31/03/2012	Book Value As at 31/03/2011
(a) Aggregate amount of Quoted Investments and market value thereof	5,000	5,000	5,000
(b) Aggregate amount of Unquoted Investments	-	-	-
(c) Aggregate Provision for Diminution in value of Investments	-	-	-

2.11 Long Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Security Deposits		
(a) A.P.S.EB Security Deposit	397,527	255,307
Deposits- others	25,881	25,881
Deposits- cellphones	3,749	3,749
Rent Deposit	42,000	42,000
Telephone Deposit	3,500	3,500
(ii) Other Long Term Loans and Advances		
(a) Bank Guarantee with SBI	469,000	469,000
Accrued Interest on Bank Guarantee	122,264	88,044
Advance Fringe Benefit Tax of Earlier Years	220,023	220,023
Total	1,283,944	1,107,504

VISTA PHARMACEUTICALS LIMITED

2.12 Inventories

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
Raw Materials	6,813,496	4,375,187
Work in Progress	4,220,512	6,183,505
Packing Materials	370,930	1,210,827
Stores and Spares	101,710	203,417
Total	11,506,648	11,972,936

2.13 Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
Balances with Banks		
State Bank of Hyderabad & ,S.B.I	1,112,498	47,233
Cash on Hand	766,435	521,641
Total	1,878,933	568,874

2.14 Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Advances recoverable in cash or kind		
(a) Prepaid Expenses	178,849	68,332
Prepaid Insurance	61,245	61,347
(ii) Balance with Revenue Authorities		
(a) VAT Credit Receivable	2,364,550	3,084,647
CST Claim Receivable	415,620	208,120
(b) TDS Receivable	37,443	39,975
Total	3,057,707	3,462,421

2.15 Other Current Assets

(Amount in Rs.)

Particulars	As at 31/03/2012	As at 31/03/2011
Accrued Interest on Bank Guarantee	43,777	34,219
Electricity Deposit Interest Receivable	-	14,780
Total	43,777	48,999

VISTA PHARMACUTICALS LIMITED

3. Notes referred to in the Statement of Profit and Loss are as follows:

3.1 Revenue from Operations

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Sale of Products:		
Export Turnover	36,223,141	56,744,609
Sub-Total	36,223,141	56,744,609
Less: Excise Duty	-	-
Total	36,223,141	56,744,609

3.2 Other Income

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Interest Income	70,484	52,802
Total	70,484	52,802

3.3 Cost of Materials Consumed

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
(i) Raw Materials		
Opening Stock:		
Opening Stock of Raw Material	4,375,187	1,387,966
Opening Stock in Process	6,183,505	1,764,287
Add: Purchase of Raw Materials	22,815,271	39,807,868
	33,373,963	42,960,121
Less : Closing Stock		
Closing Stock of Raw Material	6,813,496	4,375,187
Closing Stock in Process	4,220,512	6,183,505
Raw Materials Consumed	22,339,955	32,401,429
(ii) Packing Materials		
Opening Stock	1,210,827	634,006
Add: Purchase during the period	643,959	3,532,942
Less: Closing Stock	370,930	1,210,827
Packing Materials Consumed	1,483,856	2,956,121
Total Cost of Materials Consumed	23,823,811	35,357,550

3.4 Manufacturing and Other Direct Expenses

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
House Keeping Expenses	319,352	313,152
Freight Charges	4,227,342	3,313,388
Power & Fuel	2,637,370	3,085,034
Machinery Maintenance	744,622	604,442
Stores Consumed	101,706	101,709
Factory Maintenance	872,722	563,768
Q.C. / R & D Expenses	493,857	460,797
Total	9,396,971	8,442,290

3.5 Employee Benefit Expenses

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Salaries and Wages	6,607,933	6,044,359
Employer Contribution to Provident Fund	225,749	228,105
Employer Contribution to ESI	136,483	148,215
Employees Gratuity	-	195,307
Staff Welfare Expenses	54,461	88,344
Total	7,024,626	6,704,330

3.6 Finance Costs

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Bank Charges	119,332	91,762
Total	119,332	91,762

3.7 Depreciation and Amortization Expenses

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Depreciation on Fixed Assets	6,368,603	5,194,278
Total	6,368,603	5,194,278

VISTA PHARMACUTICALS LIMITED

3.8 Administrative and Other Expenses

(Amount in Rs.)

Particulars	For the year ended on 31/03/2012	For the year ended on 31/03/2011
Rent	369,054	319,440
Insurance	139,221	160,941
Rates and Taxes, excluding Taxes on Income	12,500	26,126
Conveyance	221,994	103,287
Travelling Expenses	671,363	573,023
Telephone and Communication Expenses	152,493	152,094
Security Charges	580,641	544,464
Office Expenses	112,065	143,992
Pooja Expenses	283,915	153,522
Printing & Stationery	267,284	300,987
Audit Fees	56,180	55,150
Postage, Courier & Email Charges	37,513	52,511
Vehicle Hire Charges	697,231	558,765
AGM & EGM Expenses	80,764	105,965
Listing Fees and Fees & Renewals	179,549	183,530
Advertisement	55,408	55,246
R & D Testing Charges	445,526	30,053
Consultancy & Professional Charges	234,680	294,740
Demat Service Charges	80,280	80,067
Business Promotion Expenses	25,000	-
Donations	160,000	35,000
Recruitment Service Charges	107,738	-
Total	4,970,400	3,928,903

As per our report of even date.

PRV ASSOCIATES
Chartered Accountants
(Firm Reg. No. 006447S)

Ch. Venkatramayya
Partner
Membership No. 009867

Place: Hyderabad
Date: 01-10-2012

For and on behalf of the Board

Dr. Dhananjaya Alli
Managing Director

G. Narendra
Director

**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)

	2011-2012	2010 - 2011
A) ACTUAL PRODUCTION		
Tablets/Capsules (Million Nos.)	63.781	71.215
B) OPENING STOCK	NIL	NIL
C) CLOSING STOCK	NIL	NIL
D) TURNOVER (Tablets/Capsules Million Nos.)	63.781	71.215
VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED		
Imported (Rs. In lacs)	NIL	NIL
Indigenous (Rs. In lacs)	223.39	324.01
Value of Imported Machinery (CIF)	NIL	NIL
Value of Exports (FOB) (Rs. In lacs)	362.23	567.45
EXPENDITURE IN FOREIGN CURRENCY		
Travelling (Rs. In lacs)	NIL	NIL

As per our report of even date.
PRV ASSOCIATES
Chartered Accountants
(Firm Reg. No. 006447S)

For and on behalf of the Board
Dr. Dhananjaya Alli
Managing Director

Ch. Venkatramayya
Partner
Membership No. 009867

G. Narendra
Director

Place: Hyderabad
Date: 01-10-2012



VISTA PHARMACEUTICALS LIMITED

Plot Nos.10 to 14 And 16 To 20 APIIC Industrial Estate, Gopalaipalli Village,
Narketpally Mandal, Nalgonda District, Andhra Pradesh

PROXY FORM

I/We _____ of _____ being a Member(s) of above named company, hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us, on my/our behalf at the 21st Annual General Meeting of the Company to be held on Thursday, **the 15 November 2012 at 11.30 AM # Plot Nos.10 to 14 And 16 To 20 APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, Andhra Pradesh** and at any adjourned meeting thereof.

As Witnessed Signed this _____ day of November 2012

Affix
Re.1/-
Revenue
Stamp

Signed by the said _____

Folio No./Client ID _____

No. of shares held _____

Note:

The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 21st Annual General Meeting of the members of the company to be held on Thursday, **the 15 November 2012 at 11.30 AM # Plot Nos.10 to 14 And 16 To 20 APIIC Industrial Estate, Gopalaipalli Village, Narketpally Mandal, Nalgonda District, Andhra Pradesh**

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

Folio No. / Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

VISTA PHARMACUTICALS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at the Registered Office of the Company at APIIC, Industrial estate, Gopalaipalli Village, Narketpalli Mandal, Nalgonda District, Andhra Pradesh, on Thursday, the 15th day of November 2012 at 12.30 p.m. to transact the following Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 100-103 r/w 94 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and Article 57 of the Articles of Association of the Company and subject to obtaining such approvals, consents, permissions and sanctions as may be required including that of Creditors (if necessary) and subject to the sanction by the Hon'ble High Court of Andhra Pradesh at Hyderabad consent of the members be and is hereby accorded to,

- (i) the reduction in the issued, subscribed and paid-up share capital of the Company from Rs.15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 Equity Shares of face value Rs.10/- each to Rs.5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 equity shares of face value Rs.10/- each.
- (ii) and split the par value of the share from Rs.10/- each to Rs.2/- each, consequent to reduction of capital, on and from the date on which the Scheme will come into effect, by way of a reduction on a proportionate basis from each Equity Share of Rs.10/- each and splitting of par value of each Equity Shares, pursuant to the aforesaid reduction.

"FURTHER RESOLVED THAT subject to such conditions as may be prescribed while granting such approvals, consents,

permissions and sanctions, which the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee which the Board of Directors of the Company may have constituted or may hereafter constitute and/or any director or any individual, delegated with the powers necessary for the purpose) of the Company may agree and accept, such amendments/alterations etc.

"FURTHER RESOLVED THAT pursuant to the reduction of capital and splitting shares of the company, Clause no. IV (i) in Memorandum of Association of the Company be altered as given hereunder:

'The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 2/- (Two Only) each with power of the company to consolidate & convert subdivide, perjure or increase the capital unto issue any new shares with any preferential or special rights and conditions attached there to, subject to The Companies Act, 1956'

"FURTHER RESOLVED THAT pursuant to the reduction of capital and splitting shares of the company, Article no. 4 (i) in Articles of Association of the Company be altered as given hereunder:

'The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 2/- (Two Only) each with power of the company to consoiidate & convert subdivide, reduce or increase the capital unto issue any new shares with any preferential or special rights and conditions attached there to, subject to The Companies Act, 1956'

"RESOLVED FURTHER THAT the Directors of the Company, be and are hereby severally authorised to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental thereto for giving effect to the above resolution including but not limited to:

- (i) settling, finalising, executing and filing all

necessary documents including the petitions, affidavits, pleadings and such other documents as may be required to be filed with the Hon'ble High Court of Andhra Pradesh, at Hyderabad or any other authority and such further deeds, documents and writings as may be necessary in this regard;

- (ii) making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required, including but not limited to Bombay Stock Exchange.
- (iii) making such disclosures to governmental or regulatory authorities as may be required;
- (iv) affixing the Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents in connection with the above resolution, as may be required; and
- (v) settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as it may, in its absolute discretion, deem fit."

By order of the Board
For Vista Pharmaceuticals Limited

(G. Narendra)
Director

Registered Office:
APIIC Industrial estate,
Gopalaipalli Village, Narketpalli Mandal,
Nalgonda District, Andhra Pradesh.

Date: 09-10-2012

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company and or

Corporate Office located at Plot No.85, Shivbagh, Ameerpet, Hyderabad 500 016, not less than 48 hours before the commencement of the Extraordinary General meeting.

2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Extraordinary General Meeting.
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the said resolution is annexed herewith.
4. The scheme annexed here with

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

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned in the accompanying Notice dated October 09, 2012.

1. A Scheme of Reduction of Capital under Sections 100 to 103 r/w 94 of the Companies Act, 1956 (the "Act") has been proposed between the Company and its shareholders and creditors (the "Scheme").
2. The Scheme provides for:
 - (i) Reduction of capital of the Company, pursuant to Sections 100 to 103 and other relevant provisions of the Act and applicable law.
 - (ii) Splitting par value of the share from Rs.10/- to Rs.2/- each pursuant to reductio of capital.
3. A copy of the Scheme is being annexed and sent to you along with the notice of this EGM and notice of AGM,
4. Since the shareholders' funds of the Company comprising share capital is no longer be fully represented by assets of the

VISTA PHARMACUTICALS LIMITED

Company and to reflect the true position and picture of the same, as an integral part of the Scheme, the issued, subscribed and paid-up share capital of the Company shall stand reduced by an amount of Rs.10,00,00,000/- whereby paid up capital will stand at Rs. 5,00,00,000/- comprising of 2,50,00,000 equity shares of Rs.2- each, without any further act or deed. The reduction shall be effected by reducing the paid up equity share capital of the Company on a proportionate basis from each equity share of Rs.10/- each which are issued and outstanding. Further to the aforesaid reduction of share capital of the Company, 100 equity shares so held by share holder will be reduced and shall be split into 165 equity shares of Rs.2/- each.

FOR BETTER UNDERSTANDING AND CLARITY A SHARE HOLDER IN VISTA PHARMACEUTICALS LIMITED WILL BE HOLDING SHARES AS MENTIONED BELOW:

S.No.	Particulars	No.of shares	Paid up per Share Rs.	Total Value Rs.
1.	Before Scheme	100	10	1,000
2.	After reduction of Capital	165	2	330

- In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company after reduction, the Company shall not issue fractional share certificates to such members but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by the Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to their respective fractional entitlements in Company.
- The shares certificates in relation to the share held by Equity Shareholders whose names appear in the register of Members as on Record Date, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and new share certificates with the revised number of shares will be issued by the Company. It is clarified that the number of shares held in dematerialised form will be reduced automatically and it will be deemed that on such reduction, the shares were reduced in accordance with the Scheme.
- The reduction of capital in the manner proposed will enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- The proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole. Such reduction will also not cause any prejudice to the creditors of the Company. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The creditors of the Company are in no way affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- The reduction as aforesaid shall be effected in accordance with the provisions of Sections 100 to 103 r/w 94 and any other applicable provisions of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be the order under Section 102 of the Act for the purpose of confirming the reduction. This meeting is being convened to consider the resolution for reduction of share capital of the Company pursuant to the provisions of section 100 of the Act.

VISTA PHARMACEUTICALS LIMITED

10. The shareholding pattern of the Company as on date i.e., before reduction of capital and after reduction of capital as contemplated under the Scheme is set out below:

	Before Reduction of capital		After Reduction of capital		After splitting Par value of shares	
	No. of Shares of Rs. 10 each	% to Total	No. of Shares of Rs. 10 each	% to Total	No. of Shares of Rs. 2 each	% to Total
a) Promoters Group holding	40,30,457	26.87	13,43,486	26.87	67,17,430	26.87
b) Directors	20,020	0.13	6,673	0.13	33,365	0.13
c) Public Holding	1,09,49,523	73.00	36,49,841	73.00	1,82,49,205	73.00
TOTAL	1,50,00,000	100.00	50,00,000	100	2,50,00,000	100.00

11. The share capital structure of the Company as on date i.e., before reduction of capital and after reduction of capital as contemplated under the Scheme is set out below:

Amount in Rupees

Particulars	As on 31.03.2012	As on Effective Date
I) Restructuring of Capital by Reduction & Splitting of par value of each share		
Share pare value of each share	Rs. 10/-	Rs. 2/-
Authorised Share Capital:		
a) No. of shares	1,50,00,000 of Rs 10/- each	7,50,00,000 of Rs 2/- each
b) Amount	Rs. 15,00,00,000/-	Rs. 15,00,00,000/-
Issued, Subscribed and Paid up Capital:		
a) No. of Shares	1,50,00,000 of Rs 10/- each	2,50,00,000 of Rs 2/- each
b) Additional Shares to be issued	Nil	Nil
c) Total paid up share capital	Rs. 15,00,00,000	Rs. 5,00,00,000
i) Profit and Loss Account (Debit Baiance)	Rs. 10,99,91,165	Rs.99,91,165
ii) Capital Reserve Account	Rs. 95,95,000	Rs. 95,95,000
iii) Share Premium Reserve	Rs. 3,58,69,875	Rs.3,58,69,875
iv) Capital Reduction Account	Nil	Nil

12. The resolution is subject to the confirmation of the Hon'ble High Court of Andhra Pradesh at Hyderabad. After obtaining approval of the shareholders, the Company will approach Bombay Stock Exchange for its In principle Approval and the Hon'ble High Court of Andhra Pradesh at Hyderabad for its confirmation.

VISTA PHARMACEUTICALS LIMITED

13. The Board of Directors recommends adoption of the said resolution.
14. None of the Directors of the Company is concerned or interested in the resolution except to the extent of their shareholding in the Company. The directors of the company have the following shares in the company mentioned below:

	Name of the Director	No. of Shares
1.	Dr. Dhananjaya Alli	20
2.	Dr. Stanely Prabhakar Reddy	0
3.	Mr. M.H. Rao	20,000
4.	Mr. G. Narendra	0
5.	Ms. Vani Vatti	0
6.	Mr. K. Rajendra Prasad	0

15. The documents referred to in this notice/explanatory statement are open for inspection by any Member at the Registered Office/Corporate office of the Company during the Company's business hours on any working day up to the date of the Extraordinary General Meeting.

By order of the Board
For Vista Pharmaceuticals Limited

Mr. Narendra
Director

Registered Office:
APIIC Industrial estate, Gopalaipalli Village,
Narketpalli Mandal, Nalgonda District,
Andhra Pradesh.

Corporate Office:
7-1-212/A/70, Plot No.85, Shivbagh,
Ameerpet, Hyderabad - 500 016.
E-mail : vistapharma@gmail.com

Date: 09-10-2012

VISTA PHARMACEUTICALS LIMITED

SCHEME OF REDUCTION OF CAPITAL

BETWEEN

M/s. VISTA PHARMACEUTICALS LTD AND ITS MEMBERS

PART I

1. GENERAL

The Scheme of Reduction of Capital (herein after referred to as "Scheme") is made pursuant to the provisions of Sections 100-103 r/w section 94 and other relevant provisions of the Companies Act, 1956.

2. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below, and applicable to both sections, unless otherwise stated specifically.

"Act" or "the Act" means the Companies Act, 1956 or any amendments thereto or re-enactment thereof.

"Board" means Board of Directors of the Company, as the case may be.

"Company" means 'VISTA PHARMACEUTICALS LIMITED'

"Effective Date" shall be the last of the following dates or such other dates as the Court may direct, namely:

The date on which certified copies of the order of the High Court of Andhra Pradesh under Sections 100-103 r/w 94 of the Act are filed with the Registrar of Companies, Andhra Pradesh or the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in paragraph 7 of this Scheme have been obtained, whichever is later.

"Equity Shares" means fully paid equity shares of Rs. 10/- each issued by the Company, till the effective date and post effective date, the Equity shares means Fully paid Equity shares of Rs. 5/- each.

"High Court" means the High Court of Judicature of Andhra Pradesh at Hyderabad.

"PROMOTERS" means and include Dr Dhananjaya Alli and associates who promoted the Company.

"Record Date" means the date to be fixed by the Board of Directors or a Committee of the Company and for the purpose of determining the members of the Company to whom shares of the Company will be exchanged pursuant to this Scheme.

The **"Scheme"** means this Scheme of Reduction of Capital of the Company, in its present form or with any modification(s) approved or directed by the Hon'ble High Court of Andhra Pradesh.

VISTA PHARMACUTICALS LIMITED

“Shareholder” means a person holding Equity Shares, who is registered as a member in the Register of Members of the Company on such dates as specified in the Scheme.

PART- II

1. SHARE CAPITAL STRUCTURE:

The share capital of the Company as on 31/03/2012, the date of last Audited Financial Statements, is as under:

Particulars	Particulars	Amount in Rs.
AUTHORISED CAPITAL	1,50,00,000 Equity Shares of Rs. 10 each.	15,00,00,000
ISSUED and SUBSCRIBED CAPITAL	1,50,00,000 Equity Shares of Rs. 10 each.	15,00,00,000
PAID UP CAPITAL	1,50,00,000 Equity Shares of Rs. 10 each.	15,00,00,000

2. MAIN OBJECTS OF THE COMPANY:

To carry on the business of Manufacture, formulate and process all kinds of Pharmaceutical Drugs and Its allied products, as detailed in Main Objects Clause III of Memorandum of Association of the Company

3. FINANCIAL PERFORMANCE OF THE COMPANY:

As per Audited Financial Statements of the Company, as on 31/03/2012, the following is the summary:

(Rs. lacs)

PARTICULARS	AMOUNT
Paid up Capital	1500.00
Share premium	358.69
Secured Loans	Nil
Unsecured loans	Nil
Current liabilities	591.23
Current Assets	166.29
Fixed Assets (Net)	1296.48
Revenue	362.93
Expenditure	571.04
Loss for the year	166.30
Accumulated Losses	1099.91

VISTA PHARMACEUTICALS LIMITED

PART III

THE SCHEME: The Scheme includes the following:

1. REDUCTION OF FULLY PAID EQUITY SHARES CAPITAL:

The Scheme seeks to reduce or otherwise alter the Issued, subscribed and paid up capital of the Company and the same will therefore remain altered as a result of the Scheme.

On the effective date and after securing necessary approvals and permissions, the Company shall reduce its fully paid up equity share capital from Rs. 15,00,00,000 of 1,50,00,000 Equity Shares of Rs10/- each to Rs. 5,00,00,000 consisting of 50,00,000 equity shares of Rs.10/- each, whereby 2/3rd of shares are extinguished out of total paid up capital of the company.

2. SPLITTING OF EQUITY SHARES OF RS. 10 EACH INTO RS. 2/- EACH

It is also proposed, on effective date, pursuant to reduction of capital, each of the paid shares of Rs. 10 each is split into Rs.2/- per share. Accordingly, after effective date of the Scheme, every equity share of Rs.10/- paid up shall be deemed to be paid up only to the extent of Rs 2.00/- per equity share. Accordingly number of shares shall be held by shareholders will be altered as under:

A share holder who is holding 100 shares of Rs10/- each aggregating to Rs.1,000/- shall hold (after reduction) 165 shares of Rs. 2/-each aggregating to Rs.330/-. The revised structure of the share capital of the Company shall be as specified in below mentioned clauses of the Scheme. The Company is not intending to call for any additional amount from any of the existing shareholders, after reduction of capital, as per the present scheme.

FOR BETTER UNDERSTANDING AND CLARITY A SHARE HOLDER IN VISTA PHARMACEUTICALS LIMITED WILL BE HOLDING SHARES AS MENTIONED BELOW:

S.No.	Particulars	No.of shares	Paid up per Share Rs.	Total Value Rs.
1.	Before Scheme	100	10	1,000
2.	After reduction of Capital	165	2	330

VISTA PHARMACEUTICALS LIMITED

3. THE PROPOSED RESTRUCTURING OF CAPITAL BY REDUCTION OF CAPITAL UNDER SECTION 100 r/w 94 OF COMPANIES ACT, 1956 OF THE COMPANY SHALL BE REFLECTED IN THE BOOKS OF ACCOUNTS OF THE COMPANY IN THE FOLLOWING MANNER AS ON EFFECTIVE DATE.

Particulars	As on 31.03.2012	As on Effective Date
1) Restructuring of Capital by Reduction & Splitting of par value of each share		
Share Value of each share	Rs. 10/-	Rs. 2/-
Authorized Share Capital		
a) No. of shares	1,50,00,000 of Rs 10/- each	7,50,00,000 of Rs 2/- each
b) Amount	Rs. 15,00,00,000/-	Rs. 15,00,00,000/-
Issued, Subscribed and Paid up Capital		
a) No. of Shares	1,50,00,000 of Rs 10/- each	2,50,00,000 of Rs 2/- each
b) Additional Shares to be issued	Nil	Nil
c) Total paid up share capital	Rs. 15,00,00,000	Rs. 5,00,00,000
I) Profit and Loss Account (Debit Balance)	Rs. 10,99,91,165	Rs.99,91,165
ii) Capital Reserve Account	Rs. 95,95,000	Rs. 95,95,000
iii) Share Premium Reserve	Rs. 3,58,69,875	Rs.3,58,69,875
iv) Capital Reduction Account	Nil	Nil

4. PRE & POST APPROVAL OF SCHEME, THE SHARE HOLDING PATTERN OF THE COMPANY SHALL BE IN THE FOLLOWING MANNER.

	Before Reduction of capital		After Reduction of capital		After splitting Par value of shares	
	No. of Shares of Rs. 10 each	% to Total	No. of Shares of Rs. 10 each	% to Total	No. of Shares of Rs. 2 each	% to Total
a) Promoters Group holding	40,30,457	26.87	13,43,486	26.87	67,17,430	26.87
b) Directors	20,020	0.13	6,673	0.13	33,365	0.13
c) Public Holding	1,09,49,523	73.00	36,49,841	73.00	1,82,49,205	73.00
TOTAL	1,50,00,000	100.00	50,00,000	100	2,50,00,000	100.00

5. The Scheme is merely a reduction of capital of the company and its members under Section 100 to 103 and Splitting of Par Value of Equity Shares under Section 94 of the Act and does not envisage transfer or vesting of any properties and or liabilities to or in favour of the Company.

6. The Scheme does not involve any conveyance or transfer of any property and consequently, further the order of the Hon'ble High Court of Andhra Pradesh approving the Scheme will not attract any stamp duty, under the Andhra Pradesh Stamp Act.
7. In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company after reduction, the Company shall not issue fractional share certificates to such members but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by the Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to their respective fractional entitlements in Company.
8. The shares certificates in relation to the share held by Equity Shareholders whose names appear in the register of Members as on Record Date, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and new share certificates with the revised number of shares will be issued by the Company. It is clarified that the number of shares held in dematerialised form will be reduced automatically and it will be deemed that on such reduction, the shares were reduced in accordance with the Scheme.
9. The reduction of capital in the manner proposed will enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
10. The proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole. Such reduction will also not cause any prejudice to the creditors of the Company. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The creditors of the Company are in no way affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
11. The Company need to obtain Share holders Approval as required under Section 100 to 103 r/w section 94 of the Act, by passing a Special Resolution at its Shareholders meeting to be held on Thursday, the 15th November, 2012, as per the notice Dated 09/10/2012, for Reduction of Capital and splitting of par value of each share, as per the Special Resolution given here under;

"RESOLVED THAT pursuant to the provisions of Sections 100-103 r/w 94 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and Article 57 of the Articles of Association of the Company and subject to obtaining such approvals, consents, permissions and sanctions as may be required including that of Creditors (if necessary) and subject to the sanction by the Hon'ble High Court of Andhra Pradesh at Hyderabad consent of the members be and is hereby accorded to,

- (i) the reduction in the issued, subscribed and paid-up share capital of the Company from Rs.15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 Equity Shares of face value Rs.10/- each to Rs.5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 equity shares of face value Rs.10/- each.

VISTA PHARMACUTICALS LIMITED

- (ii) and split the par value of the share from Rs.10/- each to Rs.2/- each, consequent to reduction of capital, on and from the date on which the Scheme will come into effect, by way of a reduction on a proportionate basis from each Equity Share of Rs.10/- each and splitting of par value of each Equity Shares, pursuant to the aforesaid reduction.

"FURTHER RESOLVED THAT subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee which the Board of Directors of the Company may have constituted or may hereafter constitute and/or any director or any individual, delegated with the powers necessary for the purpose) of the Company may agree and accept, such amendments/alterations etc.

"FURTHER RESOLVED THAT pursuant to the reduction of capital of the company, Clause no. IV (i) in Memorandum of Association of the Company be altered as given hereunder:

'The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 2/- (Two Only) each with power of the company to consolidate & convert subdivide, reduce or increase the capital unto issue any new shares with any preferential or special rights and conditions attached there to, subject to The Companies Act, 1956'

"FURTHER RESOLVED THAT pursuant to the reduction of capital of the company, Article no. 4 (i) in Articles of Association of the Company be altered as given hereunder:

'The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 2/- (Two Only) each with power of the company to consolidate & convert subdivide, reduce or increase the capital unto issue any new shares with any preferential or special rights and conditions attached there to, subject to The Companies Act, 1956'

"RESOLVED FURTHER THAT the Directors of the Company, be and are hereby severally authorised to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental thereto for giving effect to the above resolution including but not limited to:

- (i) settling, finalising, executing and filing all necessary documents including the petitions, affidavits, pleadings and such other documents as may be required to be filed with the Hon'ble High Court of Andhra Pradesh, at Hyderabad or any other authority and such further deeds, documents and writings as may be necessary in this regard;
- (ii) making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required, including but not limited to Bombay Stock Exchange.
- (iii) making such disclosures to governmental or regulatory authorities as may be required;
- (iv) affixing the Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents in connection with the above resolution, as may be required; and
- (v) settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as it may, in its absolute discretion, deem fit."

Part IV

1. RATIONALE AND PURPOSE OF THE SCHEME

- a) As on 31.03.2012 as per the Audited Financial results of the Company, the total accumulated losses and share capital unrepresented by available assets of the Company are Rs 10,99,91,165 as against the Paid-up equity share capital of Rs 15,00,00,000. Mere infusion of further funds into the Company will not benefit any existing share holder even if the Company registers profits in coming years since no dividend can be paid out of profits unless accumulated losses are wiped out. Under this Scheme the accumulated losses are reduced to the extent of reduction of capital. Under this Scheme, if approved, the Company will represent true financial position which would benefit both the Company, Institutions In general, and share holders in particular as their holding will yield better results and value.
- b) To improve the liquidity of shares for trading purposes on Bombay Stock Exchange, the par value of each equity share has been split into Rs. 2/- each.
- c) On the approval of the Scheme, by the Hon'ble High Court of AP, the words "and reduced" after name of the company may be dispensed with, as the company is a listed company.

2. IMPACT OF THE SCHEME ON EMPLOYEES/WORKERS:

If approved the Scheme shall not have any impact on the employees/workers of the Company and generally they may be benefited since true financial position of the Company would be improved and made clear.

3. IMPACT OF THE SCHEME ON CREDITORS/BANKS/FINANCIAL INSTITUTIONS.

If approved the Scheme of Arrangement shall not have any impact on the creditors/banks/financial institutions of the Company and generally they may be benefited since true and better financial position of the Company would be made out. Also there is no effect on the outstanding dues to creditors/banks/financial institutions and the charge on the assets of the Company shall continue in favour of secured creditors.

4. LEGAL PROCEEDINGS

All legal or other proceedings by or against the Company pending and/or arising on or before the 'Effective Date' relating to the said Company including their property, rights powers, liabilities, debts, obligations and duties of the Company shall be continued and be enforced by or against Company as the case may be.

5. APPLICATION TO THE HIGH COURT OF ANDHRA PRADESH

This Scheme involves (i) reduction of share capital as contemplated by the Articles of Association of the Company, as per Article No 57. Approvals of the Hon'ble High Court of Andhra Pradesh pursuant to this Scheme under section 100 to 103 r/w 94 and other applicable provisions, if any, of the Companies Act 1956 are being sought as a measure of legal compliance, transparency, prudence and extra caution.

6. MODIFICATIONS / AMENDMENTS OF THE SCHEME.

The Company by its Directors (including a Committee of Directors constituted for this purpose) may affect or assent to any modification(s) or amendment(s) of the Scheme or agree to any terms

VISTA PHARMACUTICALS LIMITED

and/or conditions which the Court and/or any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board of Directors of the Company for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme or otherwise as may be considered to be in the best interest of the Company and its members and do all acts, deeds and things as may be necessary desirable or expedient for giving effect to the Scheme.

7. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- a) The approval to the Scheme by the requisite majority of the members of the Company.
- b) The requisite resolutions under the applicable provisions of the Act including in particular Section 100 and other applicable provisions, if any, of the Act being passed by the members of the Company for any of the matters provided for or relating to the Scheme as may be necessary.
- c) The sanction of the Hon'ble High Court of Judicature at Andhra Pradesh under the section 100 to 103 r/w 94 of the Act, being obtained.
- d) The requisite approval of the Reserve Bank of India and/or the Central Government being obtained under the provisions of Foreign Exchange Management Act, 1999 if any required, for the issue of shares pursuant to the Scheme to the non-resident Members of the Company.
- e) Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the Board of Directors of the Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

8. EFFECT OF NON-RECEIPT OF APPROVAL /SANCTIONS:

In the event of any of the aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court of Andhra Pradesh and/or the order or orders not being passed as aforesaid the Scheme shall become null and void and Company shall bear and pay the costs, charges and expenses for/or in connection with the Scheme.

9. SEVERABILITY

If any part of the said Scheme hereof is ruled illegal or invalid by, or is not sanctioned by this Hon'ble High Court, or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the said Scheme, and the said Scheme shall not be affected thereby, unless the deletion of such part shall cause the said Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the said Scheme, as will best preserve for the parties the benefits and obligations of the said Scheme, including but not limited to such part.

10. EXPENSES CONNECTED WITH THE SCHEME.

All costs, charges and expenses in relation to or in connection with the Scheme and of carrying out and implementing/complementing the terms and provisions of this Scheme and/or incidental to the completion thereof in pursuance of the Scheme shall be borne and paid solely by the Company.



VISTA PHARMACEUTICALS LIMITED

Regd. Office: Plot Nos.10 to 14 And 16 To 20 APIIC Industrial Estate,
Gopalaipalli Village, Narketpally Mandal, Nalgonda District, Andhra Pradesh
Corp. Office: 7-1-212/A/70, 1st Floor, Plot No. 85, Shivbagh, Ameerpet, Hyderabad - 500 016.

PROXY FORM

Member's Folio No. : _____

and/or DP ID No./Client ID No.*: _____

I/We.....of
..... in the district of being a member of VISTA
PHARMACEUTICALS LIMITED, hereby Appoint of
..... or failing him
.....of as my/our proxy to vote
for me/us and on my/our behalf at the EXTRAORDINARY GENERAL MEETING of the Company to be held on
THURSDAY, November 15, 2012 at 12.30 P.M. at the Registered Office of the Company at APIIC Industrial
Estate, Gopalaipalli (Village), Narketpalli (Mandal), Nalgonda Dist. and or at every adjournment thereof.
Signed thisday of2012

PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE/CORPORATE OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

* Applicable only in case of Investors holding shares in electronic form.

Affix Re.015
Revenue Stamp
SIGNATURE



VISTA PHARMACEUTICALS LIMITED

Regd. Office: Plot Nos.10 to 14 And 16 To 20 APIIC Industrial Estate,
Gopalaipalli Village, Narketpally Mandal, Nalgonda District, Andhra Pradesh
Corp. Office: 7-1-212/A/70, 1st Floor, Plot No. 85, Shivbagh, Ameerpet, Hyderabad - 500 016.

ATTENDANCE SLIP

Member's Folio No. : _____

and/or DP ID No./Client ID No.*: _____

NOTE:

1. Admission restricted to Members/Proxies only.
2. Please avoid bringing children/non-members with you.
* Applicable only in case of investors holding shares in electronic form.

EXTRAORDINARY GENERAL MEETING TIME : 12.30P.M.

DATE : NOVEMBER 15, 2012

VENUE : APIIC Industrial Estate, Gopalaipalli (Village), Narketpalli (Mandal), Nalgonda Dist.

MEMBER

PROXY

[Name in Capital letters]

I hereby record my presence at the Extraordinary General Meeting of the Company

Signature of Member/Proxy

If undelivered, please return to :

VISTA PHARMACEUTICALS LIMITED

7-1-212/A/70, Plot No. 85, Shivbagh,
Ameerpet, Hyderabad - 500 016, A.P, India.

Ph: 040-23741585

E-mail : vistapharma@gmail.com