

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: admin.hyd@vistapharmaceuticals.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: admin.nkp@vistapharmaceuticals.com

BANKERS

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

State Bank of Hyderabad
Punjagutta, Hyderabad - 500 082.

AUDITORS

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

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

COMPLIANCE OFFICE

Mr. G. Narendra

SHARE TRANSFER AGENTS & DEMAT REGISTRARS

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

Ph. Nos. 040-27634445 / 27638111 / 27642217 Fax No. 040-27632184

E-mail: info@arthiconsultants.com

IMPORTANT COMMUNICATION TO MEMBERS

1. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of the notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the following addresses.

Corporate Office:

7-1-212/A/70, 1st Floor, Plot No. 85
Shivbagh, Ameerpet
Hyderabad 500 016
Ph. 040-65581585
Fax 040-23741585
Email: admin.hyd@vistapharmaceuticals.com

Aarthi Consultants Private Ltd

Registered Office :
H.No. 1-2-285, Domalguda
Hyderabad 500029
Ph. Nos. 040-27634445/27638111/27642217
Fax No. 040-27632184
E-mail: info@aarthiconsultants.com

2. SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN card, duly attested to the Demat Registrar and Share Transfer Agent of the Company, M/s Aarthi Consultants Private Ltd as above.

NOTICE:

NOTICE is hereby given that the **22nd Annual General Meeting** of the Members of the Company will be held on Saturday, the 28th day of September, 2013 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, 2013 and Balance Sheet as on that date and the report of Auditors' and Directors' thereon.
2. To appoint a Director in Place of Dr.Stanley Prabhakar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in Place of Ms.Vani Vatti, who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to

attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of this Annual report.

2. The register of members and share transfer books of the Company will remain closed from 26.09.2013 to 28.09.2013 (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.

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

Mr. G. NARENDRA
Director

Date: 14.08.2013
Place: Hyderabad

VISTA PHARMACUTICALS LIMITED

Brief profile of Directors Retiring at the Annual General Meeting of the Company (As per Clause 49 of the Listing Agreement)

Name of the Director	Dr. Stanely Prabhakar Reddy	Ms. Vani Vatti
Date of Birth	14.03.1950	27.07.1971
Date of Appointment	17.02.1994	17.08.2005
Expertise in specific functional areas	Psychiatrist Expert in human clinical studies	HR Experience in India and USA
Qualifications	M.B.B.S.	B.Com, LLB
List of other companies in which directorship is held as on March 31, 2013	Vista Pharmaceuticals Inc. USA American Generics, USA	NIL
Chairman/Member of the Committees of the Board of the Companies in which he/she is a director as on March 31, 2013	NIL	NIL
Equity Shares held in the Company	NIL	NIL

DIRECTORS' REPORT

To
The Members
Vista Pharmaceuticals Limited

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Statements of Account for the year ended 31st March, 2013.

FINANCIAL RESULTS:

	Current Year 2012-13 (Rs)	Previous Year 2011-12(Rs)
Income	7,47,73,240	3,62,23,141
Expenditure	6,66,20,652	4,53,35,139
Depreciation	64,48,437	63,68,603
Profit/(Loss) for the year (Before Tax)	17,04,151	(-)1,54,10,117
Profit/(Loss) for the year (After Tax)	8,05,354	(-)1,66,30,208
(Loss) Brought forward	10,99,91,165	(-)9,33,60,957
(Loss) carried forward	10,91,85,811	(-)10,99,91,165

Operational Performance

During the financial year, your Company has registered a turnover of Rs. 746.89 lakhs as against Rs.362.23 lakhs in the previous year. The Company earned the profit after tax of Rs. 8.05 lakhs as against the loss in the previous year of Rs. 166.30 lakhs.

Dividend

No dividend has been recommended by Board of Directors during the financial year 2012-13.

Transfer to reserve

There were no transfers to Reserves during the financial year 2012-2013.

Share Capital

The authorised share capital of the company as on March 31, 2013 is Rs. 150,000,000/- divided into 1,50,00,000 equity shares of Rs.10/- each.

Issued, subscribed and paid up capital of the company as on March 31, 2013 is Rs. 150,000,000 /- divided into 1,50,00,000 equity shares of Rs.10/- each.

Scheme of Arrangement for reduction of capital

The Company proposed Scheme of Reduction of Capital involving fully paid up equity share capital from Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000(One Crore Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000(Fifty Lakhs

only) equity shares of Rs.10/- (Rupees Ten only) each, whereby 2/3rd of shares are extinguished out of total paid up capital of the company and splitting of par value of the share from Rs.10/- to Rs.2/- each which was approved by the members on the Extra-ordinary meeting held on 15.11.2012. The company filed the application for obtaining NOC under Clause 24(f) Listing Agreement for Draft Scheme of Reduction of Equity Share Capital with the BSE Ltd. / SEBI.

Since the SEBI issued the circular CIR/CFD/DIL/5/2013 dated 04.02.2013 regarding revised requirements for the Stock exchanges and listed companies relating the Scheme of Arrangement/ Amalgamation, the company filed the revised application with the stock exchange and the approval is pending.

Directors

In accordance with the Companies Act, 1956 read with Articles of Association of the company Mr. Stanely Prabhakar Reddy and Ms. Vani Vatti are retiring by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. That in the preparation of the Annual Accounts for the financial year ending 31st March, 2013 the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. That such Accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken.
4. That accounts for the financial year ended on 31st March 2013 are prepared on a going-concern basis.

Auditors

M/s PRV Associates, Chartered Accountants, Hyderabad, who retire at this Annual General Meeting, have signified their willingness for reappointment and accordingly Directors have recommended the reappointment of M/s PRV Associates, Chartered Accountants Hyderabad, who confirmed their eligibility under Section 224(1B) of the Companies Act, 1956.

Replies to Auditors' Report

Observations made by the auditor are suitably replied in the notes and accounts wherever required.

Fixed 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.

Particulars of Employees

In pursuance of section 217(2A) of the Companies Act, 1956 none of the employees of the Company was drawing a remuneration exceeding the limits stated in section 217(2A) of the Act.

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 2012-13:

POWER AND FUEL CONSUMPTION	2012-13	2011-12
1. ELECTRICITY		
a. Purchased units (KWH)	3,00,308	3,11,076
Total Amount (in Rs.)	23,36,897	18,86,243
Unit Rate (in Rs.)	7.78	6.06
b. Own Generation		
(Through Diesel Generator)	1,19,050	57,768
Units Unit per litre of diesel oil	5.78	5.21
Cost / Unit (Rs.)	8.69	8.22
2. COAL	---	
3. FURNACE OIL (Diesel Oil for Boiler) Quantity (in Litres)	28,000	15,200
Total Amount (in Rs.)	13,45,880	6,64,880
Average Rate / Litre (in Rs.)	48.06	43.74
4 OTHERS / INTERNAL GENERATION		

B. Research and Development (R&D)

- 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.
- 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:

- 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 activates.

- Benefits derived as a result of the above efforts. No benefits derived in the year under review.
- In case of imported technology following information may be furnished. No Technology is imported during financial year 2012-13.

VISTA PHARMACUTICALS LIMITED

C. TOTAL FOREIGN EXCHANGE USED AND EARNED

Sl. No.	Particulars of the transaction	2012 - 13 (Rs. in lakhs)	2011 - 12 (Rs. in lakhs)
	Foreign Exchange earnings against sales	746.89	362.23
	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	746.89	362.23
2.	Total Foreign Exchange outgo	NIL	NIL

Listing

The shares of the Company are listed on Bombay Stock Exchange.

Corporate Governance

In pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchange, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders.

A certificate from the Auditors of the Company regarding the Compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this Annual Report.

Management's Discussion and Analysis

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this report and same is annexed.

Personnel

Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the employees has been cordial throughout the year.

Acknowledgements

Yours Directors wish to express their thanks for the guidance and assistance received from various departments of State and Central Government and their bankers. Your Directors also wish to thank all the Shareholders for their confidence reposed in the Company.

FOR AND ON BEHALF OF THE BOARD OF
VISTA PHARMACEUTICALS LIMITED

Mr. G. NARENDRA
Director

Date: 14.08.2013
Place: Hyderabad

Ms. VANI VATTI
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. 746.89 lakhs as against Rs.362.23 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.