

BOARD OF DIRECTORS

Shri S.T.R. Mady
Shri S. Jayaprakash Mady
Shri H.R. Kedlaya
Dr. K. Nagarajan
Dr. C. Prakash

Chairman
Managing Director
Director
Director
Director

G.M. (FINANCE) & SECRETARY

Shri B.P. Thyagaraj

BANKERS

UCO Bank, K.G. Road, Bangalore.
STATE BANK OF INDIA, T.R. Nagar, Bangalore.

AUDITORS

M/s. Rao & Swami
Chartered Accountants,
2/1, Connaught Road,
Bangalore-560 052.

SHARE TRANSFER AGENT

Canbank Computer Services Ltd.
No.218, J.P. Royale, I Floor, II main,
Sampige Road, (Near 14th Cross),
Malleshwaram, Bangalore-560003

SHARES LISTED AT

Bangalore Stock Exchange Limited
Bombay Stock Exchange Limited
(Listing fee paid for the year 2009-10)

REGISTERED OFFICE

16/2, OVH Road, Basavanagudi,
Bangalore - 560 004.

CORPORATE OFFICE

163, Reservoir Street, Basavanagudi,
Bangalore-560 004.
Phones : 080-26612792/26677027
Fax : 080-26622566

MANUFACTURING UNIT

54/1, NH4, Near 39th Mile Stone,
Boodihal Village, Nelamangala Taluk,
Bangalore District, Karnataka.

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Wintac Limited will be held at Pai Vijay Hall, 530/58, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore-560 011 on Thursday, the 9th September 2010 at 10.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri S.T.R.Mady who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Pursuant to the provisions of Section 205A and Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Accordingly, the dividend which had remained unpaid/unclaimed for the financial years from 1995-96 to 2001-2002 have been transferred to the Fund. Members who have not encashed dividend warrant(s) for the financial year ended 30th June, 2003 and thereafter, are requested to make their claims to the Company accordingly without any delay.
3. The Register of Members and the Transfer Books of the Company will remain closed from 1st September 2010 to 9th September 2010.
4. Members who have multiple folios in identical names are requested to send all their share certificates to the Company's Share Transfer Agent for consolidating all such share holdings into one account to facilitate better service.
5. Members holding shares in physical form and desirous of making a nomination in

respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit nomination in Form 2B to the Share Transfer Agents of the Company.

6. Members are requested to notify the change in their address to the Company's Share Transfer Agents – Canbank Computer Services Limited, R&T Centre, No.218, J.P.Royale, 1st Floor, 2nd Main, Sampige Road (Near 14th Cross), Malleswaram, Bangalore-560 003.
7. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name	Date of Birth	Date of Appointment	Qualifications	Directorships/ Committee Memberships	No.of Shares held
Sri.S.T.R.Mady	10.12.1936	04.02.1993	B'Pharma	BPRL Pvt. Ltd. Sastha Pharma Pvt.Ltd.	4,07,750

Regd. Office :
 No. 16/2, OVH Road,
 Basavanagudi,
 Bangalore - 560 004.
 Date : 04-08-2010.
 Place : Bangalore.

By Order of the Board of Directors
 For Wintac Limited

B.P.THYAGARAJ
G.M. (FINANCE) & SECRETARY

DIRECTORS' REPORT

To the Shareholders

The Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

Financial Performance	Rs.Lakhs	
	For the year ended 31st March, 2009	For the year ended 31st March, 2010
Gross Sales	1645.28	2167.76
Excise Duty	136.27	88.57
Net Sales	1509.01	2079.19
Increase/(Decrease) in stock	(43.97)	12.87
Other Income	36.99	60.68
Total Revenue	1502.03	2152.74
Total Expenditure	1443.85	1701.29
Operating Profit/(Loss)	58.18	451.45
Interest	127.78	174.66
Profit/(Loss) before Depreciation (PBDT)	(69.60)	276.79
Depreciation	127.29	145.61
Profit before Provisions/Prior period expenses	(196.89)	131.18
Provisions/Prior period expenses	6.04	17.37
Provision for Taxation (FBT)	1.50	-
Profit/(Loss) after Tax	(204.43)	113.81
Appropriations:		
Balance brought down from previous year	(283.63)	(488.06)
Balance carried forward	(488.06)	(374.25)

Operations

The operations of the Company during the year turned around. The total income during the year under review was Rs.2153 lakhs as compared to Rs.1502 lakhs, a growth of 43%. The net profit during the year was Rs.113.81 lakhs as against a loss of Rs.204.43 lakhs during the previous year. The increase in sales and higher technical know-how fee contributed to the turn-around of the operations. We are hopeful of further improving the performance during the current year although we are yet to commence the commercial production for the US market.

Exports

We are happy to inform you that the Company has received the formal USFDA approval for the

Manufacturing Plant and approval for ANDA for one injectable Product (Ondansetron 20ml injection through our customer). We expect approval for couple of more ANDA's during the current year and hope to commence the commercial production towards the end of current financial year.

We have so far furnished dossiers for ten products to our Customers who have filed the ANDAs. The commercial production for all these products is expected to commence in the financial year 2011-12. We are confident of a substantial growth in sales and profitability with the commencement of commercial supplies for all the products now under development for the US Market. The development work for other products is as per schedule. Your Company is also taking steps to explore the other regulated markets like Europe, Canada, etc and hope to file the dossiers in the near future.

Your Company has entered into an agreement with Mylan Inc, USA through their Indian subsidiary (Matrix Laboratories Ltd.) for development, submission of documents for filing ANDA/Dossiers and world-wide commercial supplies for an Ophthalmic Product. The customer has already filed the ANDA for this product and commercial volumes are very attractive and would contribute substantially to the top line as well as bottom line of the profitability statement. We are also discussing with this company to tie-up for another product.

Your Company has also tied-up with another US based company Ocusoft Inc. for the supply of certain OTC products. The product development work is under progress and we expect the commercial production to commence towards the last quarter of the current financial year.

Directors

Sri.S.T.R.Mady, Director retires by rotation and being eligible offers him-self for re-appointment.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis statement, Corporate Governance Report and Auditors' Certificate on the compliance of conditions of Corporate Governance are made a part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that

in the preparation of the annual accounts for the year 2009-10, the applicable accounting standards have been followed along with proper explanation relating to material departures;

they have selected such accounting policies and applied them consistently and made judgements 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 and of the profit or loss of the company for that period;

they 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;

they have prepared the annual accounts on a going concern basis.

Auditors observation

Auditors have drawn attention to Notes No.6, 7(a), 7(b), 9(a), 10(a) of Schedule-R forming part of the accounts and expressed their reservation on the recoverability of the said loans & advances. The Director are of the opinion that the said Loans and Advances are recoverable and the said notes to accounts are self explanatory.

Personnel

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is as under:

Name & Designation	Qualifications & Experience	Age	Commencement of employment	Remuneration	Last Employment
Dr.Shiv D Kamat Executive Vice President	Msc, Phd.Org.Chemistry 31 Years	60 Years	July, 2007	Rs.28,60,000	Strides Acrolab Ltd., Vice President 1 year

Dr.Shiv D Kamat is not related to any Director of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

In pursuance of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to the Report.

Auditors

The Auditors M/s Rao & Swami, Chartered Accountants (ICAI Firm Registration No.003105S) retire at the forthcoming Annual General Meeting and being eligible offer for reappointment.

Acknowledgement

The Board places on record its appreciation for the continued cooperation and support received from the Medical Profession, various Government Agencies, Shareholders, Business Associates, Employees, Depositors and Bankers.

For and on behalf of the Board of Directors

Date : 04.08.2010
Place : Bangalore

S.T.R.MADY
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 2010.

I. CONSERVATION OF ENERGY

The Company continues to explore measures which will help in conservation and saving of energy.

FORM – A

A. Power and Fuel Consumption

		<u>2008-2009</u>	<u>2009-2010</u>
1. Electricity			
a. Purchased Units	KWH	12,97,700	16,84,759
Total Amount	Rs. Lakhs	60.99	63.73
Rate /Unit	Rupees	4.95	3.78
b. Own Generation			
Through Diesel Generators :			
Units	KWH	2,26,297	4,83,080
Cost/unit	Rupees	14.30	11.94
2. Coal	Tonnes	-	-
3. Furnance Oil			
Quantity	Kilolitre	47.01	-
Total Amount	Rs. Lakhs	16.86	-
Average	Rs./KL	35,858	-
4. Other/Internal Generator (Diesel -Ltrs)		98,582	1,81,858

B. Consumption per unit of Production

Total Production	Capsules (Nos)		Sterile Products (Ltrs)	
	2008-09	2009-10	2008-09	2009-10
	114 Lakhs	71.45 Lakhs	3.51 Lakhs	3.91 Lakhs

FORM – B

II RESEARCH AND DEVELOPMENT (R&D)

- | | |
|--|--|
| I. Specific areas in which R&D carried out | : i. Formulations development for Exports to US, North American, Canada and Australian Market. |
| | ii. Process improvement and technology upgradation to increase the output and to Improve efficiency & achieve price competitiveness. |
| ii. Benefits derived as a result of the above | : i. ANDA's filed for two Injectables and four Ophthalmic Products with US-FDA. |
| | i. Company has obtained USFDA approval for the Plant and for one injectable formulation. |
| | ii. Four ophthalmic preparations are registered in North America and few more products are in the process of registration. |
| iii. Future plan of action | : i. The above R&D activity will be continued. |
| | ii. ANDA's for three more injectable products and three more ophthalmic products is expected to be filed during the next financial year. |
| | ii. Eight more products are under development for supply to US market as OTC Products during the next financial year. |
| | iv. Upgradation of R&D facility. |
| iv. Expenditure on R&D | |
| a. Capital | Rs. 26.02 Lakhs |
| b. Recurring | Rs. 129.62 Lakhs |
| c. Total | Rs. 155.64 Lakhs |
| d. Total R&D expenditure as a percentage of total turnover | 7.23 % |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | | | |
|------|--|---|---|
| i. | Efforts, in brief, made towards technology absorption, adaptation and innovation | : | Technology transfer from US is in progress for ophthalmic and injectable preparation for the US market. Technology transfer also in progress for the products to be marketed in European markets. |
| ii. | Benefits derived as a result of the above | : | Technical capability of the personnel strengthened to handle more projects and also to facilitate registration of the product in highly regulated markets.. |
| iii. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be given: | | |

Technology imported	:	Nil
Year of import	:	N.A.
Has technology been fully absorbed ?	:	N.A.
If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	:	N.A.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned	:	Rs.690.79 Lakhs
Foreign Exchange used	:	Rs. 54.93 Lakhs

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES, THREATS AND OUTLOOK

The extreme volatility experienced in the global markets during 2008-09 moderated to some extent during the year under review. However, uncertainty still looms large on the global business horizon. The developed economies of USA and Europe have invested trillions of dollars to stabilize their economies. The long term effects of these measures are yet to be seen. Though there are emerging signs of recovery, these are still not strong enough to instill confidence in the system as a whole. The Indian economy also witnessed a slowdown in the growth which is tentatively assessed at over 6%. The delayed and sub-normal monsoon added to the overall uncertainty prevailing in the Indian economy. However, Indian GDP growth is one of the highest in the world during the year under review.

During the current year 2009-10, the Indian Pharmaceutical Industry was among the few sectors that managed to expand its revenues despite global recession and financial crisis. Strong domestic demand and growing preference for generics worldwide helped Indian Pharmaceutical sector and is estimated to have grown by about 12% during the year. The Indian pharmaceutical industry has grown from a mere US\$ 0.32 billion turnover in 1980 to approx. US\$ 21.26 billion in 2009-10. The country now ranks 3rd in terms of volume of production (10% of global share) and 14th largest by value.

Increasing number of Indian Pharmaceutical Companies have been getting international regulatory approvals for their plants from agencies like USFDA (USA), MHRA (UK), TGA (Australia), MCC (South Africa), etc. India has the largest number of USFDA approved plants for generic manufacture. Considering that the pharmaceutical industry involves sophisticated technology and stringent 'Good Manufacturing Practice' (GMP) requirements, major share of Indian Pharma exports going to highly developed western countries bears testimony to not only the excellent quality of Indian pharmaceuticals but also its price competitiveness.

Wintac has made substantial investment in the manufacturing plant to upgrade the facility to meet International Standards. This would enable the Company to avail opportunities in the area of Contract Research and Manufacturing Services in the global market. Wintac has now received the formal approval from the USFDA for the injectable manufacturing plant. Our customer has received the USFDA approval for one ANDA for Ondansetron 20ml Injection which was developed by us. Wintac has so far furnished dossiers for Eleven products to our customers for filing the ANDAs. The development work on the other products are as per schedule and we hope to tie-up for few more products in the current year. We expect a substantial growth after the commencement of commercial supplies for all the products to US Market. Your Company is also exploring the marketing opportunities in other regulated markets. We are hopeful of materializing some of these opportunities and expect to commence the commercial supplies in about a year from now.