Wintac
LIMITED

BOARD OF DIRECTORS

Shri S.T.R. Mady	Chairman
Shri S. Jayaprakash Mady	Managing Director
Dr. K. Nagarajan	Director
Dr. C. Prakash	Director
Shri B.P. Thyagaraj	G.M. (Finance) & Secretary

BANKERS State Bank of India, A.D.E. Branch, 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 2010-11)

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 Twenty-First 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 Monday, the 26th September 2011 at 10.00 am to transact the following business:

ORIDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 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 Dr.K.Nagarajan 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 2002-03 have been transferred to the Fund.

3. The Register of Members and the Transfer Books of the Company will remain closed from 19th September 2011 to 26th September 2011.

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. The Ministry of Corporate Affairs, Government of India ("MCA") has by its circular dated 21st April 2011 announced a 'Green initiative in the Corporate Governance' by allowing paperless compliances and communications by companies. In terms of the said circular, service of notice/documents by a company to its shareholders, required to be made under the provisions of the Companies Act, 1956 can be made through the electronic mode. In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, audited financial statements, Director's Report, Auditors Report, postal ballots, etc henceforth to all its esteemed shareholders, in electronic form, through e-mail.

   To facilitate the same, those members, who desire to receive notice/documents including Annual Reports through e-mail are requested to communicate their e-mail id and changes thereto from time to time to the Depository Participant/Company's Registrar & Share Transfer Agents, Canbank Computer Services Ltd. In cases where any member has not registered his/her e-mail address with the Company, the service of documents etc will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, Canbank Computer Services Limited.

9. 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
Dr.K.Nagarajan	15.10.1930	01.04.2000	Bsc (Hons)., Ph.D	Nil	9000

Regd. Office :
No. 16/2, OVH Road,
Basavanagudi,
Bangalore - 560 004.

By Order of the Board of Directors
For Wintac Limited

Date :26th August, 2011
Place :Bangalore.

B.P.Thyagaraj
G.M. (Finance) & Secretary

DIRECTORS' REPORT

The Directors have pleasure in presenting the Twenty-first Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

Financial Performance

₹.Lakhs

	For the year ended 31- March, 2010	For the year ended 31- March, 2011
Gross Sales	2167.76	2805.39
Excise Duty	88.57	111.31
Net Sales	2079.19	2694.08
Increase/(Decrease) in stock	12.87	80.83
Other Income	60.68	20.34
Total Revenue	2152.74	2795.25
Total Expenditure	1701.29	2199.69
Operating Profit/(Loss)	451.45	595.56
Interest	174.66	249.94
Profit/(Loss) before Depreciation (PBDT)	276.79	345.62
Depreciation	145.61	171.22
Profit before Provisions/Prior year expenses	131.18	174.40
Prior period expenses/Write off	17.37	98.66
Provision for taxation - Current Tax	-	2.50
- Fringe Benefit Tax	-	(4.89)
Profit/(Loss) after Tax	113.81	78.13
Deferred Tax	-	282.86
Balance brought down from previous year	(488.06)	(374.25)
Balance carried forward	(374.25)	(13.25)

Operations

The operating results of the Company improved during the year as compared to the previous year. The turnover of the Company increased from ₹ 2167 lakhs to ₹ 2805 lakhs registering a growth of 29% over previous year. The operating profit after Interest and Depreciation during the year was up by 32% at ₹ 174 lakhs as compared to ₹ 131 lakhs during the previous year. The net profit during the period was lower by 31.35% at ₹ 78.13 as compared to ₹ 113.81 during the previous year due to provisioning for certain long outstanding debtors and advances. We are hopeful of further improving the performance during the current financial year.

Exports

We are happy to inform you that the Company has commenced the Commercial Supplies to the US Market during March 2011 with the supply of Latanoprost Ophthalmic solution. The approval of

ANDA was received by our Customer (Mylan Pharmaceuticals, USA) during March 2011 and commercial supplies started immediately. We are hopeful of good volume of business from this product in the coming financial year. We are expecting approval of couple of more ANDA's shortly and commercial supplies would commence for these products immediately thereon. The Product development work and the process of filing the ANDA's for other products are progressing as per schedule. The product development work and submission of data for certain Ophthalmic Products under OTC category is also progressing as per schedule and we are confident of commencing commercial supplies in the near future.

Your Company has signed agreement with an existing customer for supply of product to US market under CBE-30 filing category. Under this category, the supply of product for which ANDA has been already approved and manufactured at another site would be transferred to our Manufacturing Plant and the time lag required to commence the commercial supplies would be very short. Your Company has signed a similar agreement with two new customers and the technology transfer is underway. With these arrangements, we are confident of a substantial growth in the coming years.

Directors

During the year Mr.H.R.Kedlaya, Non-executive Director resigned from the services of the Company with effect from 22nd August 2010. The Board wishes to place on record its appreciation for his valuable contribution during his long association with the Company.

Dr.K.Nagarajan, Director retires by rotation and being eligible offers him-self for re-appointment.

Rights Issue

The Company completed the process of Rights Issue of Equity Shares pursuant to the Resolution passed by the Members at the Extraordinary General Meeting held on 22nd April 2010 and in terms of the offer document for issue of 15,12,967 Equity Shares of Rs.10 each at a price of ` 33 per share to the existing shareholders on right issue basis in the ratio of one equity share for every three shares held. Issue was subscribed up to 98.22% and on 6th July 2011, the Board allotted 14,85,342 Equity Shares on firm allotment basis after obtaining necessary approvals from the Stock Exchanges.

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 2010-11, 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.

Personnel

There were no employees drawing remuneration during the year in excess of the limits specified under Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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 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 : August 26, 2011
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, 2011.

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

			2009-10	**2010-11**
1.	Electricity			
	a. Purchased Units	KWH	16,84,759	**17,31,584**
	Total Amount	₹. Lakhs	63.73	**92.86**
	Rate /Unit	₹	3.78	**5.36**
	b. Own Generation Diesel Generators:			
	Units	KWH	4,83,080	**3,46,710**
	Units/per	Litre of Diesel	2.66	**2.60**
	Cost/unit	₹	11.94	**13.96**
2.	Coal	Tonnes	-	-
3.	Furnace Oill			
	Quantity	Quantity Kilolitre	-	-
	Total Amount	₹ Lakhs	-	-
	Average Rate	₹ /KL	-	-
4.	Other/Internal Generator	(Brickets) Kgs	-	**26,99,394**
	Rate/Kg	₹	-	**3.90**
	Total Amount	₹ Lakhs	-	**105.28**

B. Consumption per unit of Production

Total Production :

Capsules (Nos)		Sterile Products (Ltrs)	
2009-10	**2010-11**	2009-10	**2010-11**
71.45 lakhs	**8.43 lakhs**	3.91 lakhs	**4.14 lakhs**

FORM – B

II RESEARCH AND DEVELOPMENT (R&D)

i. Specific Areas in which R&D carried out	:	i. Formulation development activity for the Domestic Market as well as for Export Markets i.e., USA, Canada, Australia, Europe and North American Markets. ii. Process improvement and technology up-gradation to increase the output and to have a competitive edge.
ii. Benefits derived as a result of the above.	:	i. ANDA's filed for four Injectable products and five Ophthalmic Products with USFDA through different customers. ii. ANDA for one Ophthalmic Product developed and manufactured by the Company for one of our Customer has been approved by USFDA. iii. One product developed and technology transferred to a German Company. iv. Two Products transferred from US Manufacturing Plant to Wintac and registration process is underway.
iii. Future Plant of Action	:	i. Two Injectable products and three Ophthalmic Products are being developed for filing ANDA's through Customers. ii. Development of Eight more Nasal Spray products for marketing as OTC Products in US Market. iii. Up-gradation of R&D Facility.

iv. Expenditure on R&D

a. Capital	₹ 109.77 Lakhs
b. Recurring	₹ 127.70 Lakhs
c. Total	₹ 237.47 Lakhs
d. Total R&D expenditure as a percentage of total turnover	8.50%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

i.	Efforts, in brief, made towards technology absorption, adaptation and innovation	:	Technology Transfer from US to Wintac is in progress for Ophthalmic and Injectable products for the manufacture and supply to US Market. Technology transfer also in progress for the products to be marketed in European Market.
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	:	₹1028.90 Lakhs
Foreign Exchange used	:	₹ 209.05 Lakhs

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES, THREATS AND OUTLOOK

The Global economy continued on its path of recovery from the recession of 2008. As reported by the World Bank in the Global Economic Prospects 2011, the real GDP of the global economy is estimated to have grown by 3.9% in 2010, led by a strong domestic demand in the developing countries. During the year, commodity prices have spiraled upwards to pre-crises levels reflecting a combination of strong demand growth and excess liquidity being pumped by developed economies. Oil prices have risen considerably and the Metal and food prices are also following a similar trend. However, concerns remains over the sovereign risk of some EU economies which continue to remain under the pressure of heavy debt.

The Indian economy witnessed a higher growth in GDP of 8.5% for the year 2010-11 over a growth of 8% in 2009-10 which is remarkable considering the muted global growth. A strong rebound in agriculture and continued momentum in some sectors of manufacturing and construction enabled the economy to achieve a higher growth in 2010-11. However, high interest rates and the disconcertingly high levels of inflation at the beginning of 2011 threatened to severely hamper the GDP growth.

The global pharmaceutical industry is estimated to have grown by over 4% in 2010 as compared to over 5.5% in 2009. The highly developed and mature pharmaceutical markets of North America, Europe and Japan grew by less than 3% while the emerging markets of Asia, Africa and Latin America grew by over 13%. This shift can be attributed to the low costs, rising income levels, better standards of living and a favourable regulatory environment in these countries. These markets are expected to play the role of the growth engine of the global pharmaceutical industry in the years to come. India is one of the fastest growing pharmaceutical markets in the world and its market size has nearly doubled since 2005. Indian Pharmaceuticals market grew by 15% in 2010-11 and reached a size of over ₹ 48,000 crores. The exports of pharmaceutical goods from India continued to surge rapidly with a rise in sales of generic products in the developed regulated markets and the emerging markets. The cost competitiveness in product development and manufacturing and a large resource of pool of talent has helped India emerge as a dominant player in the global generics space.

Wintac is also exploring the Global Generic Market and has tied-up with multiple customers for the development and supply of generic products to the regulated markets such as USA, Europe, etc. The Manufacturing facility meets the International standards and has obtained the Regulatory Approvals from prestigious USFDA, AFSSAPS, etc. The Company commenced the commercial operations to US Market during March 2011 with the supply of Latanoprost Ophthalmic solution on approval of ANDA by USFDA