

BOARD OF DIRECTORS

Shri S.T.R. Mady
Shri S. Jayaprakash Mady
Dr. K. Nagarajan
Dr. C. Prakash
Shri B.P. Thyagaraj

Chairman
Managing Director
Director
Director
A.V.P. (Finance) & Secretary

BANKERS

State Bank of India,
Dollars Colony 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.
Phone No. : 080-23469661 / 9662

SHARES LISTED AT

Bangalore Stock Exchange Limited
Bombay Stock Exchange Limited
(Listing fee paid for the year 2011-12)

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-Second 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 27th September 2012 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 2012, 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.C.Prakash 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.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s) the following as a Special Resolution:

“RESOLVED THAT, subject to the provisions of Section 80, 106 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of Memorandum and Articles of Association of the Company and pursuant to the Special Resolution by the Members of the Company at the extra ordinary general meeting held on 22nd April 2010 for the extension of tenure of the 3,00,000 preference shares of ₹ 100 each, consent of the Company be and is hereby accorded for the further extension of tenure of the 2,00,000 preference shares of ₹ 100 each from 60 months from the date of allotment by another 24 months i.e., to 84 months from the date of allotment and that if the Company desires to redeem earlier, it shall give one month notice to the holders of such preference shares prior to the date of redemption and that all the other terms and conditions of the preference shares stands un-altered.”

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 upto 2003-2004 have been transferred to the Fund.

3. The Register of Members and the Transfer Books of the Company will remain closed from 22nd September 2012 to 27th September 2012.
4. 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.
5. 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.
6. The Ministry of Corporate Affairs, Government of India ("MCA") (vide circular nos.17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively) has undertaken a 'Green initiative in the Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green initiative by registering/updating their e-mail address for receiving electronic communications.
7. The explanatory statement pursuant to Section 173 of Companies Act, 1956 in respect of item No. 4 of the Notice is annexed.
8. 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.C.Prakash	22.08.1955	28.12.2000	MBBS, MD	Nil	6,352

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

By Order of the Board of Directors
 For Wintac Limited

Date : 11th August, 2012
 Place : Bangalore.

B.P. THYAGARAJ
 A.V.P.(FINANCE) & SECRETARY

**EXPLANATORY STATEMENT IN RESPECT OF ITEM NO.4 OF THE NOTICE
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The Company has, pursuant to the shareholders approval at the extra ordinary general meeting held on 22.04.2010 extended the tenure of the 3,00,000 15% Redeemable Cumulative Preference of ₹100 each amounting to ₹ 300 lakhs to 60 months from the date of allotment and accordingly the preference shares were due for redemption in February 2012. The company has redeemed 1,00,000 preference shares during the current financial year out of the proceeds of the rights issue. In view of the losses incurred by the Company during the year, the balance 2,00,000 preference shares could not be redeemed and the preference shareholder has agreed to extend the tenure by another 24 months. Accordingly, it is proposed to extend the tenure of the preference shares by another 24 months with an option to the Company to redeem earlier with one month prior notice to the preference shareholder. Alteration of the terms of preference shares requires the approval of the shareholders in terms of Section 80 of the Companies Act, 1956. The Board of Directors, therefore, recommend passing of the Special Resolution at Sl.No.4 set out in the Notice. The Board recommends the resolution to the members for their approval. The consent of the preference shareholders for the extension of tenure is available for inspection of Members on any working day during the office hours at the Registered Office of the Company from the date of this notice up to the date of Annual General Meeting.

None of the Directors of the Company is concerned or interested in the resolution.

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

By Order of the Board of Directors
For Wintac Limited

Date : 11th August, 2012
Place : Bangalore.

B.P. THYAGARAJ
A.V.P.(FINANCE) & SECRETARY

DIRECTORS' REPORT

To the Shareholders

The Directors have pleasure in presenting the Twenty-second Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

Financial Performance

		₹ Lakhs
	For the year ended 31-March, 2011	For the year ended 31-March, 2012
Gross Sales	2777.86	2593.41
Excise Duty	111.31	166.53
Net Sales	2666.55	2426.88
Other Income	9.94	16.34
Total Revenue	2676.49	2443.22
Total Expenditure	2177.20	2485.53
Operating Profit/(Loss)	499.29	(42.31)
Interest	249.94	299.91
Profit/(Loss) before Depreciation (PBDT)	249.35	(342.22)
Depreciation	171.22	196.12
Net Profit	78.13	(538.34)

Operations

The operating results of the Company during the year as compared to the previous year are not satisfactory. This is mainly due to (i) Shut down of the Manufacturing Plant for two months for up-gradation of the Plant resulting in loss of revenue of nearly ₹ 300 lakhs and the one time up-gradation cost of approx. ₹ 75 lakhs and (ii) stoppage of commercial supplies to US Market. The turnover of the Company during the year under review was ₹ 2426.88 lakhs as compared to ₹ 2666.55 lakhs during the previous year, a decline of 8.99% over previous year. The net loss during the year was ₹ 538.34 lakhs as compared to a net profit of ₹ 78.13 lakhs during the previous year.

The Manufacturing Plant at Nelamangala was re-inspected by USFDA during September 2011. There were eight observations from the USFDA and consequently we had to suspend the export supplies to US. The Company sent in the compliance report/response to all eight observations during November and December 2011. However, USFDA was not satisfied with our compliance report in respect of three observations and issued a Warning Letter in February 2012. However, USFDA accepted our compliance report in respect of five observations. The Company has appointed a leading US based consultant Lachman Consultants to address the issues raised by USFDA. Until we resolve the issues with USFDA, the commercial supplies to US market cannot be resumed and this will affect our operating results during the current year also. A detailed response to the Warning Letter has been sent to USFDA and we are hopeful of resolving the issues and commence the commercial supplies towards end of the current financial year.

Directors

Dr.C.Prakash, 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.

Rights Issue

The Company, during the year on 6th July 2011, issued 14,85,342 Equity shares of ₹ 10 each at a price of ₹ 33 per share on Rights issue basis and the total amount raised was ₹ 490.16 Lakhs. The issue proceeds were utilised for the intended use i.e. (I) Repayment of Loans ₹ 375.00 Lakhs, (II) Redemption of preference shares ₹ 100 Lakhs and (III) Meeting the issue expenses of ₹ 15.16 Lakhs.

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 2011-12, 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 judgments 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 : 11.08.2012
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, 2012.

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>2010-11</u>	<u>2011-12</u>
1. Electricity			
a. Purchased units	KWH	17,31,584	20,10,950
Total Amount	₹ Lakhs	92.86	114.22
Rate/Unit	₹	5.36	5.68
b. Own Generation			
Diesel Generators:			
Units	KWH	3,46,710	3,15,752
Units/per	Litre of Diesel	2.60	2.42
Cost/unit	₹	13.96	17.89
2. Coal	Tonnes	-	-
3. Furnace Oil	Quantity Kilolitre	-	-
4. Other/Internal Generator	(Brickets)Kgs	26,99,394	28,84,385
Rate/Kg	₹	3.90	3.90
Total Amount	₹ Lakhs	105.28	112.49

B. Consumption per unit of Production

Total Production :		Capsules (Nos)		Sterile Products (Ltrs)	
		2010-11	2011-12 (Outsourced)	2010-11	2011-12
		8.43 lakhs	71.99lakhs	4.14 Lakhs	3.51 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. | Development and transfer of the manufacturing technology. |
| | | iii. | Process Improvement and technology up-gradation to improve production efficiency. |
| ii. | Benefits derived as a result of the above : | i. | ANDA filed for Six Injectables and Seven Ophthalmic Products with USFDA for different customers. |
| | | ii. | Four ophthalmic preparation are registered in North America. |
| | | iii. | Two injectable formulation and one ophthalmic product approved by USFDA. |
| iii. | Future Plant of Action : | i. | Eight Nasal spray formulation proposed to be launched in US Market as OTC Products. |
| | | ii. | Up-gradation of R&D Facility. |
| iv. | Expenditure on R&D : | | |
| | a. Capital | ₹ | 128.33 lakhs |
| | b. Recurring | ₹ | 185.18 lakhs |
| | c. Total | ₹ | 313.51 lakhs |
| | d. Total R&D expenditure as a percentage of total turnover | | 12.92% |

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 project and also to facilitate registration of the product in Highly regulated market.

- 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 ₹ 740.22 Lakhs

Foreign Exchange used ₹ 247.10 Lakhs