

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.

The operations of your Company during the year turned around due to increased turnover and high technical know how fee. The turnover during the year was Rs.2079 lakhs as compared to Rs.1509 lakhs during the previous year registering a growth of 38%. The Net Profit after tax during the year was Rs.113.81 lakhs as compared to a loss of Rs.204.43 lakhs during the previous year. We are confident that the turnover and profitability would further improve after the commencement of commercial supplies to regulated markets.

RISKS AND CONCERNS

The major activity of the Company is contract manufacturing of the pharmaceutical formulations for the domestic market. Margins would be under pressure due to ever increasing input costs and it would be difficult to obtain increase in conversion charges due to market conditions. For attaining substantial growth the Company is entering the Regulated Export market and has tied-up with US based marketing companies and upgraded the manufacturing facility to meet USFDA requirements. Generally it takes about 36 months for the development of the products and obtaining Regulatory Approvals after which the commercial supplies can begin. Therefore, there could be a possibility of price reduction in the generic market by the time our commercial supplies begin and may affect our future profitability.

INTERNAL CONTROL SYSTEMS

The Company has adequate Internal Control System commensurate with its size and nature of business. The Internal controls are regularly audited by an external firm of Chartered Accountants. The internal audit programme aims at reasonable reassurance of operating controls and continuously upgrading controls to meet requirements of the changing environment. The Audit Committee oversees the internal audit function and facilitates the management to take pre-emptive steps to minimize exceptions based on the materiality of transactions.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operations during the year reported a net profit after tax of Rs.113.81 lakhs. The Company has obtained a sanction for fresh term loan of Rs.150 lakhs during the year for capital expenditure purposes from the company bankers which was not fully utilized during the year. Servicing of all the existing debt obligation were done on time. The interest rates were steady during the current financial year. The total interest cost for the year was Rs.174.66 lakhs as against Rs.127.78 lakhs during the previous year. The increase in interest cost during the year was due to higher amount of borrowings for capital expenditure purposes.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

As on 31st March 2010, there were 155 employees on the rolls of the Company and the relationship with the employees has been very cordial.

CORPORATE GOVERNANCE

The Report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. The Company has complied with the applicable requirements of Clause 49 of the Listing Agreement.

1. Corporate Governance Philosophy

Wintac Limited is committed to high standards of Corporate Governance in all its activities and processes. The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders.

2. Board of directors

The Board comprises of Five Directors and the Chairman is a non-executive Director. Fifty percent of the total strength of the Board of Directors were independent. The number of Non-executive Directors is more than 50% of the total number of Directors. None of the Directors on the Board is a member in more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors. The Directors have made the necessary disclosures regarding committee positions. The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the Last Annual General Meeting as also the number of Directorships and committee Memberships held by them in other companies are given below: -

Names	Category	No. Board Meetings attended during 2009-10	Whether Attended AGM held on 29-09-2009	No. of Directorship in other Public Limited Companies		No. of Committee Positions held in other Public Limited Companies	
				Chairman	Member	Chairman	Member
S.T.R. Mady	Promoter Non-Executive	7	Yes	-	-	-	-
S.Jayaprakash Mady	Promoter Executive	7	Yes	-	-	-	-
K.R. Kedlaya	Independent Non-Executive	-	No	-	-	-	-
K.Nagarajan	Independent Non-Executive	7	Yes	-	-	-	-
C.Prakash	Independent Non-Executive	7	Yes	-	-	-	-

Seven Board meetings were held during the year 2009-10 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

27th April 2009, 30th July 2009, 31st August 2009, 29th September 2009, 31st October 2009, 30th January 2010 and 18th March 2010.

3. Code of Conduct

The Company has adopted the code of conduct for all the Board Members and senior management of the Company and is posted on the Company's website. All the Board members and senior management of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2010. A declaration duly signed by the Managing Director is annexed hereto.

4. Audit Committee

The Company has constituted an Audit Committee and the scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges. The terms of reference of the Audit Committee is as per the listing agreement, which, inter alia, includes the following:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information.
- ii. Reviewing with the management the quarterly and annual financial statements before submission to the Board
- iii. Reviewing with the management, external and internal auditors the adequacy of internal control systems, adequacy of internal audit function, etc.
- iv. Discussion with the external auditors on the nature and scope of audit, review the comments in their management letter, etc.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below :-

Names of Members	Category	No. of Meetings attended during the year 2009-10
Dr.C.Prakash	Independent	6
Chairman	Non-Executive	
Mr.S.T.R.Mady	Promoter	6
	Non-Executive	
Mr.H.R.Kedlaya	Independent	-
	Non-Executive	
Dr.K.Nagarajan	Independent	6
	Non-Executive	

Audit committee meetings are attended by the Head of Finance Department. Representatives of the Statutory Auditors and Internal Auditors attended the meeting held on 31st August 2009. The Company Secretary acts as the Secretary of the Audit Committee.

Six Audit Committee meetings were held during the year on the following dates:

27th April 2009, 30th July 2009, 31st August 2009, 29th September 2009, 31st October 2009 and 30th January 2010.

The necessary quorum was present at the meetings.

5. Remuneration Committee:

The company has constituted a Remuneration committee. The broad terms of reference of the remuneration committee are to recommend to the Board the salary, perquisites and commission paid to the Company's Managing/Whole time Directors.

The following Directors are the members of the Remuneration Committee

Names of Members	Category	No. of Meetings attended during the year 2009-10
Mr. H.R.Kedlaya Chairman	Independent Non-Executive	-
Mr.S.T.R.Mady	Promoter Non-Executive	1
Dr.K.Nagarajan	Independent Non-Executive	1
Dr.C.Prakash	Independent Non-Executive	1

One remuneration committee meeting was held during the year on 31-08-2009.

Remuneration Policy:

The company while deciding the remuneration package of the Senior Management members takes into consideration (a) Employment Scenario (b) Remuneration package of the industry. The Company pays sitting fees of Rs. 1500 per Board Meeting to Non-Executive Directors.

The Company pays remuneration to the Managing Director by way of Salary and Perquisites within the limits recommended by the remuneration Committee and approved by the Board of Directors and Shareholders.

Remuneration paid during 2009-10:

Non-Executive Directors:

<u>Name of the Director</u>	<u>Sitting Fees (Rs)</u>
Shri.S.T.R.Mady	10500.00
Dr.K.Nagarajan	10500.00
Dr.C.Prakash	10500.00

Managing Director

<u>Name</u>	<u>Salary</u>	<u>Perquisites</u>	<u>Stock options</u>
Shri.S.Jayaprakash Mady	Rs.10,00,000	Rs.3,60,000	Nil

Perquisites include House rent allowance and Company's contribution to Provident Fund.

Period of Contract – 5 years from 01.02.2008. The contract may be terminated by either party giving the other party six months notice. Severance fee - Nil

Details of shares of the Company held by Non-Executive Directors as on March 31, 2010 are as under:

<u>Name of the Director</u>	<u>No. of Shares</u>
Mr.S.T.R.Mady	4,07,750
Mr.H.R.Kedlaya	-
Dr.K.Nagarajan	9,000
Dr.C.Prakash	4,352

6. Shareholders committee:

An Investors Grievance redressal committee has been constituted to look into the redressal of investors complaints. Six meetings of the Investors Grievance redressal committee were held during the year 2009-10 on the following dates :-

27th April 2009, 30th July 2009, 31st August 2009, 29th September 2009, 31st October 2009 and 30th January 2010. The composition of the committee and the details of the meetings attended by the Directors are given below:

<u>Names of Members</u>	<u>Category</u>	<u>No. of Meetings attended during the year 2009-10</u>
Dr.K.Nagarajan Chairman	Independent Non-Executive	6
Mr.S.T.R.Mady	Non-Independent Non-Executive	6
Mr.H.R.Kedlaya	Independent Non-Executive	-
Dr.C.Prakash	Independent Non-Executive	6

No. of complaints from Shareholders from 01.04.2009 to 31.03.2010	-	04
Complaints not solved to the satisfaction of the shareholders as on 31.03.2010	-	Nil
No. of pending share transfers as on 31.03.2010	-	Nil

Name, designation and address of Compliance officer: Shri.B.P.Thyagaraj, GM(Finance) & Secretary 163, Reservoir Street, Basavanagudi, Bangalore-560004 Phone No.080-26677027 Fax No.080-26622566 Email - thyagaraj@wintaclimited.com

7. General body meetings:

Location and time where last three Annual General Meetings were held :-

Financial Year ended	Date & Time	Venue
31 st March, 2007	27.09.2007 at 10 am	Pai Vijay Hall, 530/58, 33 rd Cross, 11 th Main, Jayanagar, Bangalore-560 011.
31 st March, 2008	29.09.2008 at 10 am	
31 st March, 2009	29.09.2009 at 10 am	

Whether Special Resolutions:

- | | | | |
|----|--|---|----|
| a. | Passed in the previous three Annual General Meetings | - | No |
| b. | Were put through postal ballot last year | - | No |
| c. | Are proposed to be conducted through postal ballot | - | No |

8. DISCLOSURES:

- Related Party Transactions: During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other material related party transactions of the Company with its promoters, Directors or the management or their subsidiaries or relatives that may have potential conflict with the interest of company at large. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any accounting standard.
- The Company has complied with the requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. No penalties or strictures imposed on the company by these authorities.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance.

9. MEANS OF COMMUNICATIONS:

The quarterly and half years results are published in Financial Express and Sanjevani Newspapers and are also displayed at Company's website. These are not sent individually to the Shareholders.

The management discussion and Analysis report forms part of this Annual report.

10. GENERAL SHAREHOLDERS INFORMATION

- AGM date, time and Venue - 9th September, 2010 at 10.00 am at Pai Vijay Hall, 530/58, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore-560 011.
- Financial Year - April '09 to March '10
- Date of Book Closure - 1st September 2010 to 9th September 2010

- Dividend payment date - N.A.
- Listing on stock exchange - Bangalore Stock Exchange Ltd. JC Road, Bangalore-560 027.
The Stock Exchange, Mumbai Dalal Street, Mumbai-400 001 Stock Code: 524758

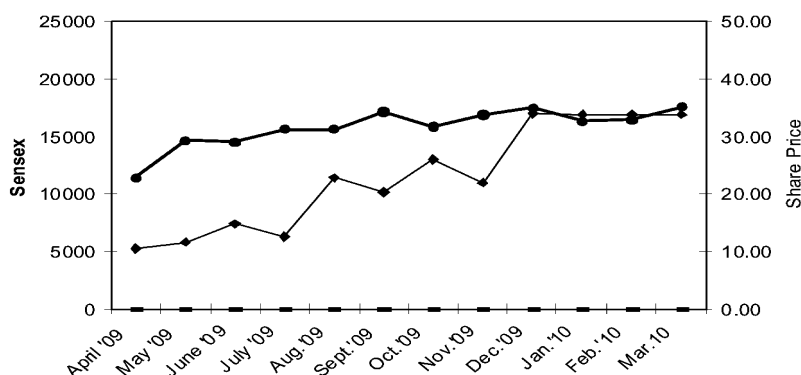
The Company has paid the listing fee to stock exchanges

Market price data:

High, Low of market price of the company's shares traded on the Stock Exchange, Mumbai during each month in last financial year and performance in comparison to BSE Sensex :-

Period		Company's Share Price	
		High	Low
April	2009	11.00	06.66
May'	2009	11.57	09.49
June	2009	16.48	11.00
July	2009	15.12	12.00
August	2009	23.10	12.57
September	2009	24.00	19.85
October	2009	30.50	18.15
November	2009	26.00	21.15
December	2009	36.90	22.00
January	2010	36.50	29.80
February	2010	36.00	30.25
March	2010	42.25	31.85

Share Performance of the Company



Registrars and Share Transfer Agents:

Canbank Computer Services Ltd., No.218, J.P.Royale, 1st Floor, 2nd Main, Sampige Road (Near 14th Cross), Malleswaram, Bangalore-560 003. Email: canbankrta@ccsi.co.in

Share Transfer System:

Share Transfers in physical form can be lodged either with the Company at the Registered office or with the Registrar and Share Transfer Agents of the Company. The transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects.

The distribution of Shareholding as on 31.03.2010 is as follows: -

No. of Equity Shares held		No. of Share Holders	No. of Shares
Upto	5000	6133	7,80,981
5001	10000	131	1,13,088
10001	50000	94	2,07,364
50001	100000	21	1,49,803
100001	and above	25	32,98,764
Total		6404	45,50,000

Dematerialisation of Shares and liquidity: 28,54,670 Shares (62.74% of paid up capital) has been dematerialisation as on 31.03.2010

Outstanding GDR's/ADR's/Warrants or any convertible instruments – Nil

Plant location : The Company's plant is located at 54/1, NH4 Near 39th Mile, Boodhial Village, Nelamangala Taluk, Bangalore Dist.Karnataka

Address of correspondence:

Shareholders can correspond with the Registrar and Share Transfer Agents at the addressed mentioned above. The Shareholders may also contact Mr.B.P.Thyagaraj, G.M. (Finance) & Secretary at the Registered office of the Company for any assistance.

DECLARATION

I, S.Jayaprakash Mady, Managing Director of Wintac Limited hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2010.

For Wintac Limited

S.Jayaprakash Mady
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Wintac Limited

We have examined the compliance of conditions of Corporate Governance by Wintac Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bangalore and Bombay Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and the representations made by the Directors and the Management. It is neither an audit nor an expression of the 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, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the ICAI, we have to state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the Company as on 31st March, 2010, as per the records maintained by the Investors Grievance Redressal Committee and certificate of the Registrars.

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.

Place : BANGALORE

Date : 04-08-2010

FOR RAO & SWAMI
CHARTERED ACCOUNTANTS
(N. Ramesh)
Mno : 16153
Partner

AUDITORS' REPORT TO THE MEMBERS OF WINTAC LIMITED

We have audited the attached Balance Sheet of **WINTAC LIMITED** as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of Wintac Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a 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.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act 1956, we enclose in Annexure-I a statement on the matters specified in paragraphs 4 read with paragraph 5 of the said Order in so far as applicable to the company.
2. Further to our comments in Annexure-I referred to in paragraph 1 above we state that:
 - a. 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.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of these books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report substantially comply with the Accounting Standards referred to in Subsection (3C) of Section 211.
 - e. **Attention is invited to the following Notes forming part of the Accounts for the year ended 31st March, 2010 (Schedule-R).**
 - i **Note 6 regarding non provision for diminution in value of investment of Rs.90,00,000 in the Joint Venture Company Medispec Pharmaceutical (P) Ltd. for the reasons stated therein, Note 7(a) regarding balance of Rs.8,06,32,059 due from the aforesaid company, stated to be advance given for developing and marketing specialty injectibles and share of co-marketing expenses considered good for recovery and Note 9(a) regarding corporate guarantee of Rs.30 lakhs issued in favour of the joint venture company's bankers in respect of which no exposure is anticipated. We are unable to express our opinion on the same. Further, the present arrangement with the other company, which has resulted in the balance of Rs. 8,06,32,059 may require proper ratification**

from the joint venture partner, in view of the expiry of original joint venture agreements and the subsidiary agreements there under.

- ii **Note 10 (a) that balances of major Debtors, Creditors and Advances are subject to confirmation /reconciliation. In respect of long outstanding balances aggregating to Rs 91.99 lakh under Sundry Debtors and Rs.417.67 lakh under advances (including the advance referred to in Note 7(b)), we are unable to determine whether the same are recoverable and the adequacy of provision of Rs. 319 lakh now held for outstandings under advances, pending outcome of the steps taken/proposed to be taken by the company to realise the dues.**

The consequential effect of the above on the accounts could not be ascertained.

- f. In our opinion and to the best of our information and according to the explanations given to us, **subject to our reservations stated in para 2 (e) above and our observations in paragraphs 1(b) and 2(c) of the annexure to this report**, the accounts, read together with accounting policies and notes forming part thereof, in particular Note 5 regarding Fixed assets (including Capital work in Progress) **Note 9(b) detailing the reasons for non provision for sales tax pending the outcome of assessments and appeals** and Note 12 regarding method followed for recognition of revenue from Formulation Development Fee, 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 so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
- ii In so far as it relates to the Profit and Loss Account, of the Profit for the year ended on that date;
- iii In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

3. We report that no director of the company is disqualified from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956 by virtue of the directorship in this company. In respect of directorships in other companies representations have been received from the Directors and taken on record by the Board, that they are not subject to disqualification u/s. 274(1)(g) of the Companies Act, 1956 as on March 31st, 2010.

For RAO & SWAMI
Chartered Accountants
(FRN003105S)

Palace : BANGALORE
Date : 04-08-2010

(N.Ramesh)
Mno: 16153
PARTNER

**ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE
RE: WINTAC LIMITED**

- 1) Fixed Assets:
 - a) The company is maintaining a Fixed Asset Register which shows full particulars including quantitative details and location of the fixed assets recorded therein. *However the same requires to be brought up to date.*
 - b) *The physical verification of fixed assets and comparison with book records has not been carried out during the year. In our opinion all assets must be verified at least once in every three years and physical verification should be properly documented. Attention is drawn to Note 5(e) forming part of Accounts (Schedule-R) In the absence of updated records and physical verification, we have relied upon the representation of the management that the discrepancy in the fixed assets requiring adjustment in the financial books will not be material.*
- 2) Inventory
 - a) According to the information and explanations furnished to us, physical verification has been conducted by the management during the year/as at the year end of inventory in its possession. The stock in the possession of third parties has been verified by the management with reference to certificates furnished by them and/or other relevant documents. Materials in transit have been taken as per records. In our opinion the frequency of verification is reasonable considering the size of the company and nature of its business.
 - b) In our opinion, the procedures of physical verification of stock are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company is maintaining proper records for inventory except for stores to the extent of Rs. 37.05 lakh and goods lying with third parties. The discrepancies noticed on such verification as compared to book records are not material and have been properly dealt with in the books of account. In respect of stores, the balance is as per inventory taken and valued by the management. In respect of goods lying with third parties the balances are taken as per declarations received. *We are of the opinion that system of maintaining records in respect of goods lying with third parties and for stores require to be strengthened.*
- 3) Loans from/to parties listed in the Register maintained under Section 301 of the Companies Act, 1956:

According to the information and explanations furnished to us, no loans secured or unsecured, have been granted or obtained from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 except for an inter corporate deposit of Rs. 400 lakh from a company in which a director of the company is a director. The balance in the said account as on 31-03-2010 is Rs.3,90,84,035. The interest paid on the deposit is found to be reasonable and in terms of the information furnished to us the other terms and conditions are not prejudicial to the interests of the company. The interest has been paid upto date. The principal has not fallen due for repayment.
- 4) Internal Control for the purchase of inventory and fixed assets and for the sale of goods

According to the information and explanations furnished to us, taking into consideration that

some items are of special nature for which comparative alternative quotations cannot be obtained there are prima facie adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. *While no major failure to correct weaknesses in internal control in the above areas have been identified, the procedures and controls have not been documented and the accounting processes still require to be streamlined.*

5) Transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956:

- a) Our audit has not disclosed any transactions exceeding the value of five lakh rupees during the financial year in respect of any party that need to be entered in the register maintained under Section 301 and not having been so entered.
- b) According to the information and explanations given to us, taking into consideration that some items are of special nature for which comparative alternative quotations cannot be obtained, each of these transactions have been made at prices which are reasonable having regard to the prevailing market price for such goods, materials or services.

6) Fixed Deposits:

The company has generally complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to deposits accepted from the public. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7) Internal Audit:

An external firm of Chartered Accountants has done the internal audit for the year under review. The internal audit system needs to be strengthened through proper follow up so as to be commensurate with the size of the company and nature of its business.

8) Cost Records:

We have broadly reviewed the system for maintenance by the company of books of account pursuant to the order made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the system provides for generation/maintenance of prescribed accounts and records. However we have not made a detailed examination to determine whether these records are accurate and complete.

9) Statutory Dues:

- a) The company is generally found to be depositing the undisputed statutory dues (as ascertained and provided in its books) in respect of Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Excise Duty, Customs Duty, Service Tax, etc. though there may be some delay. As per the books, arrears outstanding for period of more than six months from the date they became payable are Rs 7.43 lakh in respect of Excise Duty and Rs 11.46 lakh in respect of Income Tax Deducted at Source.
- b) Regarding disputed statutory dues, we are informed that Note 9 gives full particulars of dues not deposited on account of dispute/ settlement proceedings.

- 10) Whether accumulated loss exceeds fifty percent of the Net Worth:
As per the financial statements under report before making adjustments for our observations referred to in para 2(e) of our audit report:
- a) The accumulated loss as at the end of the financial year does not exceed fifty percent of the Net Worth.
 - b) The company has not incurred cash loss during the financial year covered by our audit though it has incurred cash loss in the previous financial year.
- 11) Loan Defaults
The company has not defaulted in repayment of dues to its bankers. The company has not borrowed from any financial institution nor issued debentures.
- 12) Corporate Guarantees:
In our opinion, the terms and conditions on which the company had given guarantee in earlier year, in the usual course of business, for working capital finance taken by its associate from a bank are not prejudicial to the interest of the company.
- 13) Application of Term Loans:
As per our information the term loans availed during the year have been applied/are in the process of being applied for the purposes for which they have been obtained.
- 14) Funding of Investments:
The long term investments held by the company are backed by long term funds. The company is not holding any short term investments.
- 15) Preferential Allotment of Shares:
The company has not made any preferential allotment of shares during the year.
- 16) Frauds:
According to the information and explanations furnished to us no fraud on or by the company has been noticed or reported during the year.
- 17) Considering the nature of the company's business and the transactions during the year, the provisions of clauses (i)(c), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order are not found applicable to the company for the year under review.

FOR RAO & SWAMI
CHARTERED ACCOUNTANTS

Place : BANGALORE
Date : 04-08-2010

(N.RAMESH)
Mno:16153
PARTNER

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
A. SOURCES OF FUNDS :			
1 Shareholders' Funds :			
Share Capital	A	7,54,44,500	7,54,44,500
Reserves & Surplus	B	11,92,59,346	10,78,78,568
		19,47,03,846	18,33,23,068
2 Loan Funds :			
Secured Loans	C	6,67,25,183	6,34,13,044
Unsecured Loans	D	7,56,19,850	6,48,39,217
		14,23,45,033	12,82,52,261
TOTAL		33,70,48,879	31,15,75,329
B. APPLICATION OF FUNDS			
1 Fixed Assets	E		
a. Gross Block		33,41,09,829	30,04,93,019
b. Less: Depreciation		12,63,92,557	11,30,66,469
c. Net Block		20,77,17,272	18,74,26,550
d. Capital work in progress		7,93,426	2,13,67,287
		20,85,10,698	20,87,93,837
2 Investments	F	90,00,000	90,00,000
3 Current Assets, Loans & Advances			
Current Assets :	G		
Inventories		2,69,79,117	2,84,44,145
Sundry Debtors		5,74,86,512	4,40,36,247
Cash & Bank balances		74,54,678	64,48,149
Loans & Advances	H	10,59,05,977	10,01,13,290
		19,78,26,284	17,90,41,831
Less: Current Liabilities & Provisions	I		
Current Liabilities		7,76,24,333	8,45,84,234
Provisions		6,63,770	6,76,105
		7,82,88,103	8,52,60,339
Net Current Assets		11,95,38,181	9,37,81,492
TOTAL		33,70,48,879	31,15,75,329
Notes forming part of accounts	R		

"For and on behalf of the Board"

Refer our report of Even Date
for RAO & SWAMI
Chartered Accountants

S.T.R.MADY
Chairman
Place : BANGALORE
Date : 04.08.2010

S.JAYAPRAKASH MADY
Managing Director
DR.C.PRAKASH
Director

B.P. THYAGARAJ
GM (Finance) & Secretary

(N.RAMESH)
Partner

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

Particulars	Schedules	CURRENT YEAR 2009-10 (Rs.)	PREVIOUS YEAR 2008-2009 (Rs.)
INCOME			
Income from Operations	J	20,79,19,018	15,09,00,970
Other Income	K	60,68,369	36,98,940
Increase/(Decrease) in Inventory	L	12,86,566	(43,96,863)
		21,52,73,953	15,02,03,047
EXPENDITURE			
Material Cost	M	6,10,43,666	5,40,70,556
Employee Cost	N	5,26,77,834	4,25,23,452
Operating & Other Expenses	O	5,64,07,994	4,77,90,549
Depreciation	P	1,45,61,403	1,27,29,476
Finance Charges	Q	1,74,65,557	1,27,77,786
		20,21,56,454	16,98,91,819
Net Operating Profit/(Loss) before taxation & Provision/Prior year Item		1,31,17,499	(1,96,88,772)
Less : Prior year Items (Refer note-12 Schedule R)		17,36,721	6,04,026
Provision for taxation - Fringe Benefit Tax		-	1,50,000
Profit/(Loss) after taxation		1,13,80,778	(2,04,42,798)
Add : Surplus/(Deficit) Brought Forward		(4,88,05,672)	(2,83,62,874)
Balance Carried to Balance Sheet		(3,74,24,894)	(4,88,05,672)
 Earnings Per Share (EPS) par value Rs. 10 each (Refer Note 19 - Schedule R)			
Basic		1.35	(5.65)
Diluted		1.35	(5.65)
Notes forming part of accounts	R		

"For and on behalf of the Board"

 Refer our report of Even Date
 for RAO & SWAMI
 Chartered Accountants

S.T.R.MADY
 Chairman
 Place : BANGALORE
 Date : 04.08.2010

S.JAYAPRAKASH MADY
 Managing Director
DR.C.PRAKASH
 Director

B.P. THYAGARAJ
 GM (Finance) & Secretary

(N.RAMESH)
 Partner

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	CURRENT YEAR 2009-2010 (Rs.)	PREVIOUS YEAR 2008-2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax and extraordinary items	1,13,80,778	(2,02,92,798)
Adjustments for		
- Depreciation (Current Year)	1,45,61,403	1,27,29,476
- Profit on sale of Fixed Assets	-	(6,45,024)
- Loss on sale of Fixed Assets	6,25,620	
- Interest/dividend received	(4,85,561)	(4,65,993)
- Interest paid (Current Year)	1,74,65,557	12,591,326
- Deferred Revenue Expenditure	-	11,25,000
Operating profit before working capital changes	4,35,47,797	50,41,987
Adjustment for :		
- Trade and Other Receivables	(10,225,205)	31,61,184
- Inventories	14,65,028	8,79,773
- Deferred Sales Tax	(47,85,945)	(28,72,360)
- Trade & Other Payables	(69,61,314)	1,61,58,153
- Fringe Benefit Tax Paid	(12,335)	-
NET CASH FROM OPERATING ACTIVITIES (A)	<u>2,30,28,026</u>	<u>2,23,68,737</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed assets	(1,51,91,882)	(1,90,35,291)
Sale of Fixed assets	2,88,000	11,47,625
Advance to Mdeipecc Pharmaceutical Private Limited	(70,17,747)	(5,27,201)
Other Loans	(20,00,000)	-
Interest/Dividend Received	4,85,561	4,65,993
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	<u>(2,34,36,068)</u>	<u>(1,79,48,874)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,88,78,717	1,01,23,429
Interest Paid	(1,74,64,146)	(1,50,98,192)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	<u>14,14,571</u>	<u>(49,74,763)</u>
Net Increase in cash and cash equivalents (A)+(B)+(C)	<u>10,06,529</u>	<u>(5,54,900)</u>
D. OPENING CASH AND CASH EQUIVALENTS (D)	64,48,149	70,03,049
E. CLOSING BALANCE OF CASH AND CASH EQUIVALENT (E)	74,54,678	64,48,149
NET INCREASE IN CASH AND CASH EQUIVALENTS (E-D)	<u>10,06,529</u>	<u>(5,54,900)</u>

"For and on behalf of the Board"

Refer our report of Even Date
for RAO & SWAMI
Chartered Accountants

S.T.R.MADY
Chairman
Place : BANGALORE
Date : 04.08.2010

S.JAYAPRAKASH MADY
Managing Director
DR.C.PRAKASH
Director

B.P. THYAGARAJ
GM (Finance) & Secretary

(N.RAMESH)
Partner

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SHARE CAPITAL	A		
Authorised			
50,00,000 Equity Shares of Rs.10 each		5,00,00,000	5,00,00,000
(P.Y. 50,00,000 Equity Shares of Rs. 10 each)			
3,00,000 15% Redeemable Cumulative		3,00,00,000	3,00,00,000
Preference Shares of Rs.100 each			
ISSUED, SUBSCRIBED & PAID UP CAPITAL			
45,50,000 Equity Shares of Rs.10 each		4,55,00,000	4,55,00,000
(P.Y. 45,50,000 Equity Shares of Rs. 10 each)			
Less: Allotment money due (From Directors: Nil)		55,500	55,500
(Of the above shares 2,97,000 shares are allotted			
as fully paid-up by way of bonus shares out		4,54,44,500	4,54,44,500
of capitalisation of Reserves)			
PREFERENCE SHARE CAPITAL			
3,00,000 15% Redeemable Cumulative		3,00,00,000	3,00,00,000
Preference Shares of Rs. 100 each			
TOTAL		7,54,44,500	7,54,44,500
RESERVES & SURPLUS	B		
1 General Reserve as per last balance sheet		4,09,83,740	4,09,83,740
2 Surplus/(Deficit) Profit & Loss account		(3,74,24,894)	(4,88,05,672)
3 Share Premium		11,57,00,500	11,57,00,500
TOTAL		11,92,59,346	10,78,78,568
SECURED LOANS	C		
From Banks			
<u>UCO Bank Ltd :</u>			
Working Capital Facility		3,16,74,830	3,13,29,332
Term Loan		2,77,79,208	3,06,85,022
<u>ICICI Bank Ltd.</u>			
ICICI Car Loans :		2,97,329	4,72,760
Bank of Baroda - ODAD		49,28,102	3,58,199
Other than from Banks: Reliance Capital Vehicle Loan		20,45,714	5,67,731
TOTAL		6,67,25,183	6,34,13,044
UNSECURED LOANS	D		
<u>Fixed Deposits</u>			
a) From Directors		-	12,00,000
b) Others		3,38,92,000	2,18,23,000
Short Term Loan :			
Inter Corporate Deposit		3,90,84,835	3,56,40,646
Loan from Managing Director		15,28,324	2,14,932
Loan from Director		1,58,300	2,18,303
Other Loans - Deferred Sales Tax		9,56,391	57,42,336
TOTAL		7,56,19,850	6,48,39,217

FIXED ASSETS - SCHEDULE "E"

PARTICULAR	GROSS BLOCK				DEPRICIATION BLOCK				GROSS BLOCK	
	AS ON	FOR THE YEAR	AS ON	AS ON	AS ON	FOR THE YEAR	AS ON	AS ON	AS ON	AS ON
	01-04-2009	ADDITIONS	DELECTIONS		01-04-2009	ADDITIONS	DELECTIONS		31-03-2010	
A. TANGIBLE ASSETS										
LAND (FREE HOLD)	44,14,081	-	-	44,14,081	-	-	-	-	44,14,081	44,14,081
GARDEN	20,73,091	-	-	20,73,091	-	-	-	-	20,73,091	20,73,091
BUILDINGS	9,21,93,500	4,94,387	-	9,26,87,887	2,81,32,528	30,55,010	-	3,11,87,538	6,15,00,349	6,40,60,973
PLANT & MACHINERY	18,14,91,058	1,60,59,577	21,48,934	19,54,01,701	7,47,90,109	91,62,726	12,35,314	8,27,17,521	11,26,84,180	10,67,00,946
R & D EQUIPMENTS	39,69,592	-	-	39,69,592	10,60,160	1,88,556	-	12,48,716	27,20,876	29,09,433
OFFICE EQUIPMENTS	8,50,366	59,400	-	9,09,766	3,54,905	42,126	-	3,97,031	5,12,735	4,95,461
FURNITURE & FIXTURES	15,32,883	84,688	-	16,17,571	10,19,551	99,305	-	11,18,856	4,98,715	5,13,332
LIBRARY	2,20,309	-	-	2,20,309	87,897	10,465	-	98,362	1,21,947	1,32,411
VEHICLE	49,71,239	20,48,905	-	70,20,144	20,95,138	5,37,799	-	26,32,937	43,87,207	28,76,100
TOTAL (A)	29,17,16,119	1,87,46,957	21,48,934	30,83,14,142	10,75,40,288	1,30,95,987	12,35,314	11,94,00,961	18,89,13,181	18,41,75,828
B. INTAGIBLE ASSETS										
TRADE MARK	28,76,751	-	-	28,76,751	17,12,905	2,87,675	-	20,00,580	8,76,171	11,63,847
TECHNICAL KNOWHOW	59,00,150	-	-	59,00,150	38,13,275	5,90,015	-	44,03,290	14,96,860	20,86,875
APPLICATION SOFTWARE	-	34,52,190	-	34,52,190	-	1,37,984	-	1,37,984	33,14,206	-
ACCREDITATION	-	1,35,66,596	-	1,35,66,596	-	4,49,742	-	4,49,742	1,31,16,854	-
TOTAL (B)	87,76,901	1,70,18,786	-	2,57,95,687	55,26,180	14,65,416	-	69,91,596	1,88,04,091	32,50,722
GRAND TOTAL (A+B)	30,04,93,020	3,57,65,743	21,48,934	33,41,09,829	11,30,66,468	1,45,61,403	12,35,314	12,63,92,557	20,77,17,272	18,74,26,550
PREVIOUS YEAR	29,41,40,080	82,78,958	19,26,019	30,04,93,019	10,11,10,526	1,33,79,361	14,23,418	11,30,66,469	18,74,26,550	

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULES		AS AT 31.03.2010		AS AT 31.03.2009	
				Rs.		Rs.
INVESTMENTS						
	F					
	NO. OF UNITS OPENING	ACQUISITION	DISPOSALS	CLOSING		
LONG TERM, TRADE, UNQUOTED						
In Medispec Pharmaceuticals Pvt. Ltd., (Fully paid up equity shares of Rs. 10/- each)	9,00,000	-	-	9,00,000	90,00,000	90,00,000
Aggregate value of Unquoted Investmest					<u>90,00,000</u>	<u>90,00,000</u>
CURRENT ASSETS						
	G					
1. INVENTORY						
(As taken, valued and certified by the management)						
Raw Materials & Packing Materials					1,25,54,304	1,49,94,635
Semi Finished Goods					48,56,567	33,81,988
Finished Goods					54,63,997	56,52,010
Stores					41,04,249	44,15,512
TOTAL					<u>2,69,79,117</u>	<u>2,84,44,145</u>
2. SUNDRY DEBTORS						
(Unsecured, Considered Good)						
Debts outstanding for a period exceeding 6 months					1,34,97,994	1,01,68,989
Other Debts					4,39,88,518	3,38,67,258
TOTAL					<u>5,74,86,512</u>	<u>4,40,36,247</u>
3. CASH & BANK BALANCES						
Cash on hand					2,34,306	59,709
Balances with Scheduled Banks						
In Current Accounts					9,89,300	7,24,171
In Deposit Account - Fixed Deposits					60,75,522	56,64,269
As Margin for Letter of Credit/Bank Guarantee					1,55,550	-
TOTAL					<u>74,54,678</u>	<u>64,48,149</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULES	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
LOANS AND ADVANCES	H		
(Unsecured)			
1 Income Tax / TDS		41,76,942	54,60,332
2 Advances recoverable in cash or in kind or for value to be received			
Considered good		10,17,29,035	9,46,52,958
Considered doubtful		3,19,00,000	3,19,00,000
		<u>13,36,29,035</u>	<u>12,65,52,958</u>
Less: provisions made for doubtful advances		3,19,00,000	3,19,00,000
TOTAL		<u>10,59,05,977</u>	<u>10,01,13,290</u>

CURRENT LIABILITIES AND PROVISIONS
1. Current Liabilities

Creditors for purchases			
- Due to Micro, small & Medium Enterprises		-	-
- Others		2,64,24,227	2,53,38,924
Unclaimed Dividend		-	1,85,134
Other liabilities		5,11,91,503	5,90,52,984
Interest accrued but not due on Loans		8,603	7,192
TOTAL		<u>7,76,24,333</u>	<u>8,45,84,234</u>

2. Provisions			
For Fringe Benefit Tax		6,63,770	6,76,105
TOTAL		<u>7,82,88,103</u>	<u>8,52,60,339</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	SCHEDULES	CURRENT YEAR 2009-2010 (Rs.)	PREVIOUS YEAR 2008-2009 (Rs.)
INCOME FROM OPERATIONS	J		
Gross Sales		8,49,72,642	8,38,99,940
Less : Excise Duty		<u>88,56,764</u>	<u>1,36,26,510</u>
Net Sales		7,61,15,878	7,02,73,430
Manufacturing Charges		8,22,71,512	7,03,31,485
Formulation Development Fee		4,95,31,628	1,02,96,055
TOTAL		<u>20,79,19,018</u>	<u>15,09,00,970</u>
OTHER INCOME	K		
Interest from Bank - Gross		4,85,561	4,65,993
Interest Received - Income Tax		7,47,370	1,44,068
Lease Rent Income		4,80,000	4,80,000
Others miscellaneous Income		43,55,438	12,72,551
Scrap Sales		-	58,121
Exchange Fluctuation (Net)		-	6,33,183
Profit on Sale of Assets		-	6,45,024
TOTAL		<u>60,68,369</u>	<u>36,98,940</u>
INCREASE/(DECREASE) IN INVENTORY	L		
(a) CLOSING STOCK			
Finished Goods		54,63,997	56,52,010
Semi Finished Goods		48,56,567	33,81,988
		<u>1,03,20,564</u>	<u>90,33,998</u>
(b) LESS: OPENING STOCK			
Finished Goods		56,52,010	64,87,264
Semi Finished Goods		33,81,988	69,43,597
		<u>90,33,998</u>	<u>1,34,30,861</u>
Increase/(Decrease) in Inventory (a-b)		<u>12,86,566</u>	<u>(43,96,863)</u>
MATERIAL COST	M		
Raw Material consumed		2,86,67,900	2,77,44,455
Packing Material consumed		2,51,01,943	2,12,64,366
Finished Goods purchased		72,73,823	50,61,735
TOTAL		<u>6,10,43,666</u>	<u>5,40,70,556</u>
EMPLOYEE COST	N		
Salary, Wages & Bonus		4,79,22,259	3,79,50,632
Contribution to Provident and other funds		22,35,420	20,96,644
Contribution to ESI		7,77,518	6,35,133
Gratuity		1,29,207	7,69,448
Training & Conference		12,915	-
Staff Amenities		16,00,515	10,71,595
TOTAL		<u>5,26,77,834</u>	<u>4,25,23,452</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	SCHEDULES	CURRENT YEAR 2009-2010 (Rs.)	PREVIOUS YEAR 2008-2009 (Rs.)
OPERATING AND OTHER EXPENSES	O		
Power		2,17,19,841	2,12,53,012
Manufacturing charges		7,40,051	5,91,013
Commission		56,09,634	12,00,960
Water Charges		6,76,160	5,69,478
Rent		16,91,971	13,48,739
Rates & Taxes		15,63,361	21,65,984
Insurance		4,78,135	5,04,070
Directors' Sitting fees		31,500	31,500
Freight & Discount		9,34,829	11,11,298
Repairs & Maintenance:			
Building		8,19,565	3,97,982
Machinery		55,82,705	34,66,377
Others		23,36,136	29,54,666
Communication		11,16,188	8,32,414
Printing & Stationery		7,64,502	8,08,491
Travelling & Conveyance		24,70,684	19,50,677
Pooja Expenses		1,88,391	1,26,690
Auditors Remuneration:			
For Audit and Other Related Services		3,00,000	3,00,000
For Certification		60,000	30,000
For Income Tax Representation		1,20,000	-
Advertisement & Sales Promotion		9,27,618	6,10,340
Vehicle Maintenance		28,92,876	27,70,968
Legal and Professional Charges		23,87,312	13,74,003
Watch & Ward		9,59,094	8,50,659
Miscellaneous Expenses		11,94,712	10,24,039
Loss on sale of Fixed Assets		6,25,620	
Exchange Fluctuation		2,17,109	-
Stocks written off		-	2,74,635
Amortisation of Miscellaneous Expenditure		-	11,25,000
Doubtful Advances Written off		-	1,17,554
TOTAL		5,64,07,994	4,77,90,549
DEPRECIATION	P		
As per Schedule "E"		1,45,61,403	1,33,79,361
Less : Capitalised		-	6,49,885
		1,45,61,403	1,27,29,476
FINANCE CHARGES	Q		
Interest on Deposits		37,61,892	35,32,339
Interest on Term Loan		36,38,450	54,38,466
Others		1,00,65,215	56,66,196
TOTAL		1,74,65,557	1,46,37,001
Less : Capitalised		-	18,59,215
		1,74,65,557	1,27,77,786

SCHEDULE “R”

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

1. Significant accounting and disclosure policies :

- a) Fixed assets are stated at acquisition cost which comprises of purchase price, import duties, levies and any directly attributable cost of bringing the asset to its working condition for its intended use and also include an appropriate share of expenditure (including cost of trial runs and finance charges) during construction/installation. Income (if any) from trial runs are reduced from the Project Cost. Fixed Assets required for Research & Development are capitalized and depreciated in the like manner as other fixed assets of the company. Intangibles assets are likewise stated at acquisition cost. Machinery Spares of the nature of capital spares/insurance spares are capitalized separately at the time of their purchase whether procured at the time of purchase of fixed asset concerned or subsequently, and are allocated on a systematic basis over a period not exceeding the useful life of the principal item i.e. the fixed asset to which they relate. When the related fixed asset is either discarded or sold, the written down value less disposal value, if any of the capital spares/insurance spares is written off.
- b) Depreciation on tangible assets is provided on straight-line method at the rates as prescribed in Schedule XIV to the Companies Act, 1956. Intangible assets are amortized over their useful life as estimated by the management in accordance with AS-26. Depreciation on assets whose actual cost do not exceed Rs.5000 is depreciated at the rate of 100%.
- c) Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost (except where in the opinion of the Directors, there is a decline in value, other than temporary, in which case appropriate provision is made for such reduction in value).
- d) Inventories are valued at the lower cost and net realisable value. Stock of samples, stores, sales promotional materials and stationery are valued at cost. Cost is determined on FIFO basis.
- e) Expenses incurred at premises taken on lease by the company on modification / partitions etc to meet the company's requirements are expensed under repairs. Extensions / Additions are capitalised.
- f) Prepaid expenses, which in the opinion of the management are not material in nature, are not carried forward and are generally absorbed in the year in which they are incurred.

- g) Transactions during the year in foreign currencies are recorded at the rate prevailing on the transaction date. Net exchange difference arising on settlement of monetary items or on reporting the monetary items at the closing rate are recognized as income or expense for the year.
- h) All revenues, cost, assets and liabilities are recognised on accrual basis. Income from manufacturing charges is recognized based on stage of completion of manufacture. Excise duty payable on uncleared finished goods is accounted when they fall due by clearance from the factory.
- l) Sales include excise duty and are net of discount and value added tax/sales tax.
- j) Employee Benefits
 - a) Employee Benefits are recognised, measured and disclosed as per Accounting Standard -15 (Revised 2005) – “Employee Benefits”.
 - b) The company relies on the actuarial valuation made by LIC using Projected Unit Credit Method for measurement of obligation towards Post Employment Benefits under Defined Benefit Plans such as Gratuity. Actuarial gains or losses are recognised in the Profit & Loss Account.
 - c) Long term benefits such as earned leave are determined based on the actual leave accumulated at the end of the year.
 - d) Termination Benefits are expensed in the year of termination of employment.
 - e) The benefits are after taking into consideration actuarial gains or losses.
- k) Dividend on chits is being accounted on the basis of auction. Amount foregone for prized chits is amortized over the period of the chit. Unamortized balance is included under loans and advances.
- l) Borrowing costs directly attributable to the acquisition of construction of a qualifying asset are capitalised as a part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account of the year in which they are incurred.
- m) Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income tax law and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period). The deferred tax charge or credit and corresponding deferred tax liability or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets.
- n) Provision is recognized for losses arising from claims, litigations, assessments, fines,

penalties, etc., when it is probable that a liability has been incurred and the amount can be reasonably ascertained / estimated.

- o) The basic earnings (loss) per share is computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. This is further adjusted for the effect of all dilutive potential equity shares for calculating diluted earnings per share.
- p) Disclosure of related party relationships are made when control exists or where there have been related party transactions. For this purpose, transactions which are carried out on the same terms and conditions as applicable to the general public, such as acceptance of Fixed Deposits and payment of interest thereon, are not considered as related party transactions.
- q) Leases:
Assets acquired under finance leases are capitalized at the fair value of the leased asset at the inception of the lease and included within fixed assets. Such assets are depreciated as per the depreciation policy for such assets stated in Note 1(b) above.
- r) Impairment of Assets
As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - a. the provision for impairment loss, if any, required; or
 - b. the reversal, if any, required of impairment loss recognized in previous periods.

2. Preference Shares:

15% Redeemable Cumulative Preference Shares were redeemable at the expiry of 36 months from the date of allotment i.e. 17.02.2007. The tenure of the above 15% Redeemable Cumulative Preference Shares has been extended by another 24 months, i.e 60 months from the date of allotment by Special Resolution passed at the Extra Ordinary General Meeting of the members held on 22.04.2010. The company may redeem the same at an earlier date after giving a month's notice.

3. Secured Loans:

- a) Working capital loans and Term Loans from UCO Bank Ltd., are secured by the first charge by way of hypothecation of stock in trade both present and future (stock of raw materials, stock in process, cash and other current assets including money receivable, claims and bills receivable) and all other movable plant and machinery, furniture and fixtures, etc. of the company both present and future and first charge by way of equitable mortgage on the fixed assets of the company situated at 54/1, Boodihal Village, Nelamangala Bangalore District and further secured by way of personal guarantee of Sri S.T.R. Mady, Chairman and Shri S. Jayaprakash Mady, Managing Director and pledge of certain shares owned by the Promoters.

- b) Car Loans from ICICI Bank and Vehicle Loans from Reliance Capital Ltd are secured by way of hypothecation of the respective vehicles.
- c) Overdraft from Bank of Baroda is secured by pledge of fixed deposits.

4. Unsecured loans:

- a) Fixed Deposits repayable within one year:

Deposits from Directors –	Rs. NIL	(P.Y. Rs. 12,00,000)
Other Deposits:	Rs. 3,38,92,000	(P.Y. Rs. 2,18,23,000)

- b) Deferred Sales Tax:
Deferred Sales Tax represents 100% deferral of sales tax claimed by the company on sale of finished goods from the Nelamangala Unit , as per the notification No.FD/1/CSL/95(II) dated 06.07.1995 of the Finance Department, Government of Karnataka. Assessment is completed up to financial year 1999-2000. Repayment of Deferred Sales Tax has commenced from the year 2005-06. Amount payable within one year Rs. 9,56,391 (P.Y. – Rs. 38,28,755)

5. Fixed Assets (Including Capital Work in Progress)

- a) Land
Land at Sarjarpur Road, Rs. 6,71,438 has been notified for acquisition by the Bangalore Development Authority. Pending fixation of compensation and final notification, no adjustment has been made in the accounts.
- b) Trademarks
Trademarks are under transfer to the company for which necessary application is being made.
- c) Vehicle:
Gross Block includes:
 - (i) Minibus valued at Rs.8, 90,000 acquired in earlier year, which is to be transferred to the Company's name.
 - (ii) Motor Car Rs.13,29,372 standing in the name of the Managing Director.
- d) Accreditation:
Represents Rs.1,35,66,596 (P.Y. Rs.1,35,23,171) expenditure related to the project for obtaining approval of the parental manufacturing facilities by USFDA capitalised as an Intangible Asset on obtaining approval. The management has estimated the useful life as ten years.
- e) Application Software is amortised over a period of six years.
- f) Management is undertaking exercise of bringing the fixed asset register upto date. In respect of old assets sold during the year, the withdrawal of the original cost and depreciation to date has been made to the extent of information available with the management. Entry for the difference (which in the opinion of the Management will not be material) will be passed on completion of exercise of updating the Fixed Asset Register.

6. Investments Rs.90,00,000 (Rs.90,00,000)
This represents equity shares of face value aggregating to Rs.90, 00,000 (Rs.90, 00,000) in Medispec Pharmaceuticals Private Limited, a joint venture company specialising in oncological and anti fungal products. Though the net worth of the company is negative as per the latest audited balance sheet available (at Rs.826.17 lakhs, as on 30th June 2008) considering the intrinsic value and the long term strategic interest, the Directors are of the opinion that there is no permanent decline in value, requiring provision in the accounts.
7. Loans and Advance (considered good) include:
 - a) Rs.8,06,32,059 (Rs.7,36,14,312) due from Medispec Pharmaceuticals Pvt Ltd, the joint venture company (including Rs.106,46,752 towards interest) being advance for developing and marketing speciality injectables and share of co-marketing expenses recoverable. The same is expected to be recovered in due course from the future operations of the said joint venture company.
 - b) Rs.3,00,78,845 (Rs.3,00,78,845) due from the erstwhile subsidiary Recon Agrotech Limited representing payments made against assurances given on its behalf prior to the divestment. Necessary action is being taken to recover the balance. As a matter of prudence, a provision of Rs.283 lakh (Rs.283 lakh) is held in the accounts for the year under review, considering the value of the assets available for recovery.
8. Current Liabilities:
 - a) There is no information reportable under the Micro, Small, & Medium Enterprises Development (MSMED) Act, 2006.
 - b) Amounts due to be credited to the Investor Education and Protection Fund as on 31.03.2010 - Rs.Nil (Nil).
 - c) Provision for Gratuity to the Managing Director has not been done as the Board is yet to formulate the rules in this regard.
9. Contingent Liability:
 - a)
 - i) On account of Unexpired Guarantees: Rs.30,00,000 (Rs.45,00,000). These include corporate guarantee of Rs.30 lakhs (Previous Year Rs.45 Lakhs) in favour of the bankers of the joint venture company Medispec Pharmaceuticals Pvt Ltd.
 - ii) On account of Unexpired Letter of Credit: Rs. Nil (P.Y.NIL)
 - b) Sales Tax & Entry Tax:
 - i) The management is of the opinion that the provision for Sales Tax and Entry Tax now held in respect of pending assessments of current and earlier years at erstwhile depots and at Bangalore, including tax payable on the products of Medispec Pharma (P) Ltd sold under co-marketing arrangements, is adequate and no further provision is required.

- ii) In the opinion of the management, provision is not required for :
- demand of Rs.66,83,048 towards KST and Rs.34,91,716 towards CST pursuant to order dated 09.03.2009 for the year 2001-02 in view of rectification petition pending before the Authorities.
 - CST : The Assessment for the years 2005-06 and 2006-07 have been completed and the Sales Tax Authorities have raised a demand for Rs.4,60,108 and Rs. 5,79,856 respectively for non-submission of 'F' Forms. The Company has gone on appeal seeking time for submission of 'F' Forms and is confident of submitting the forms and vacating the demand.

c) Customs Duty:

On account of import of material under Advance License Scheme Rs. Nil (Previous year: Nil)

d) Service Tax:

The Management does not anticipate any liability from appeal of Revenue Authorities to the Central Excise and Service Tax Appellate Tribunal against the order of the Commissioner (Appeals) setting aside the order for the levy of Service Tax on transfer of Technical know how, C.F. charges, etc., effected in the year 2000. In terms of the sale agreement, the liability for transfer of Technical know how will be borne by the purchaser.

e) Income Tax:

(i) The Department is in appeal before the High court of Karnataka against the order of ITAT in favour of the Company relating to the Assessment Year 2001-02.

(ii) The company is in appeal before the High Court of Karnataka against the order of the ITAT restoring the rectification order passed by the Assessing Officer relating to the A.Y. 2001-02. The Company anticipates a favourable order and hence the amount estimated at Rs.70 Lakhs (inclusive of interest) is not provided in the Accounts.

f) Estimated amount of contracts remaining to be executed on capital account not provided for : Rs. 6,04,586/- (P.Y. Rs. NIL)

g) Arrears of Cumulative Preference Dividend - Rs.1,40,30,137 (P.Y. 95,30,137)

10 a) Confirmation of balances in respect of major Sundry Debtors, Creditors and Advances have been called for and received in a few cases.

11. Income Tax / Fringe Benefit Tax

a) The net deferred tax asset as on 31.03.2010 is not recognized as there is no virtual certainty of realization of those assets.

- b) Fringe Benefit Tax is not applicable from the A.Y.2010-2011- NIL(P.Y.Rs1,50,000). However, necessary entries will be passed after completion of the assessment for provision made in respect of Fringe Benefit Tax in respect of earlier years.

12. Formulation Development Fee Rs.4,95,31,628 (P.Y.95,99,337) represents Technology transfer Fee for development of dosage forms. Revenue is recognized in accordance with the payment falling due as per the payment milestones under the agreement, which method, in the opinion of the management approximates to the proportionate completion method specified in the Accounting Standard - 9 'Revenue Recognition'.

13. Employee Benefits

a) Overview of Employees Benefits

The compensation to employees for services rendered are as follows:

- i. Salaries and Wages including compensated absences. Compensated absences such as eligibility towards earned leave are allowed to be accumulated as per company's rules. Such earned leave can be encashed.
- ii. Bonus as per the Bonus Act, 1965 and ex-gratia in lieu of bonus to those employees who are not covered under the Bonus Act.
- iii. Contributions under defined contribution plans such as Provident Fund as per Employees Provident and Miscellaneous Provisions Act, Employees Insurance Scheme, etc.
- iv. Defined Benefit Plans such as Gratuity on cessation of employment. The Company has taken a Master Policy from LIC to fund this defined benefit obligation.
- v. Other employee benefits such as leave travel allowance.

The above benefits are subject to eligibility and other criteria as per company's rules. The Company has discontinued the Superannuation Scheme at the close of 31.03.2009.

b) Recognition and Measurement

- i. Employee benefits are recognised on accrual basis. Liability to compensated absence such as leave encashment are determined by multiplying the actual leave accumulated at the end of the year by the applicable component of salary.
- ii. Liability to defined benefit plan viz. Gratuity are valued on actuarial basis under Projected Unit Credit Method by LIC.
- iii. Liability under defined contribution schemes such as contribution to Provident Fund, ESI, etc are measured based on the contribution due for the year.
- iv. Leave Travel Allowance is recognized based on claim. The unavailed allowance is not recognized as in the opinion of the management, the same will not be material.

c) Disclosures pursuant to AS-15 (Revised 2005)

i. Defined Benefit Schemes

1 Principal Actuarial Assumptions at the Balance Sheet Date in respect of gratuity as per statement from LIC

Particulars	<u>As at 31.03.10</u>	<u>As at 31.03.09</u>
Discount rate at March 31, 2010	8%	8%
Salary Escalation	7%	7%
Withdrawal Rate	1% to 3%	1% to 3%
	depending on age	depending on age
Mortality Rate	LIC (1994 -96)	LIC (1994 -96)
	ultimate	ultimate

2. Table Showing changes in present value of Obligation as on 31/03/2010

Present value of obligations as at beginning of year	21,07,806
Interest cost	1,68,624
Current Service Cost	3,69,920
Benefits Paid	
Actuarial (gain)/ loss on obligations	25,429
Present value of obligations as at end of year	26,71,779

3. Table showing changes in the fair value of plan assets as on 31/03/2010

Fair value of plan assets at beginning of year	1,82,634
Expected return on plan assets	15,524
Contributions	NIL
Benefits Paid	NIL
Actuarial gain/(loss) on Plan assets	NIL
Fair value of plan assets at the end of year	1,98,158

4. Table showing fair value of plan assets

Fair value of plan assets at beginning of year	1,82,634
Actual return on plan assets	15,524
Contributions	NIL
Benefits Paid	NIL
Fair value of plan assets at the end of year	1,98,158
Funded status	(24,73,621)
Excess of Actual over estimated return on plan assets	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	

5. Actuarial Gain/Loss recognized as on 31/03/2010

Actuarial (gain)/ loss on obligations	(25,429)
Actuarial (gain)/ loss for the year - plan assets	NIL
Actuarial (gain)/ loss on obligations	25,429
Actuarial (gain)/ loss recognized in the year	25,429

6. The amounts to be recognized in the balance sheet and statements of profit and loss

Present value of obligations as at the end of year	26,71,779
Fair value of plan assets as at the end of the year	1,98,158
Funded status	(24,73,621)
Net asset/ (liability) recognized in balance sheet	24,73,621

7. Expenses Recognised in statement of Profit and loss

Current Service cost	3,69,920
Interest Cost	1,68,624
Expected return on plan assets	(15,524)
Net Actuarial (gain)/ loss recognized in the year	25,429
Expenses recognised in statement of Profit and loss	5,48,449

The above figures are as furnished by LIC for purpose of disclosure under AS- 15.

In respect of corresponding figures for the previous year , the Company is following up with LIC to obtain other information required to be disclosed as per AS – 15

The estimates of salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors.

ii. In respect of long term benefit – Leave Encashment.

The company is not separately measuring / disclosing the cost of compensated absence and only actual leave encashed during the year is recognized in the financial statements.

Particulars of leave encashment :-

	Current Year Rs.	Previous Year Rs.
Opening liability	11,05,678	9,38,347
Leave encashed during the year	46,763	3,43,514
Closing liability as on 31 st March 2009	11,34,029	11,05,678
Charge to the Profit and Loss A/c	75,114	5,10,845

14.	Details of remuneration paid to Director	2009-2010 Rs.	2008-2009 Rs.
	Sri S Jayaprakash Mady- Managing Director		
	Salary	10,00,000	8,40,000
	Rent Free Accommodation	2,40,000	2,40,000
	Other Allowances	-	4,537
	Contribution to Provident Funds	1,20,000	1,00,800
	TOTAL	13,60,000	11,85,337
15.	Provisions / Prior year expenses:	Current Year Rs.	Previous Year Rs.
a)	Breakup is as under:		
	i) Provisions for doubtful advances	(1,717)	NIL
	ii) Prior year items (Net)	17,38,438	6,04,026
	TOTAL	17,36,721	6,04,026
b)	Details for prior period items :		
	Material Cost (Including duties and taxes paid)	(1,61,596)	(3,49,562)
	Subscription	-	7,584
	Consumables	30,366	1,68,860
	Leave Salary Payable	-	(1,78,570)
	Salaries & Wages	-	(4,825)
	Finance Charges	-	1,36,288
	Esi payable	17,615	-
	Staff Welfare	-	20,000
	Maintenance machinery	71,541	21,000
	Finanace Charges	2,088	-
	conversion Cost	26,013	-
	Excise RG 23A	6,86,100	7,46,727
	Clearing & Forwarding Charges	(1,06,122)	-
	Debtor's old balance written back	75,327	-
	Licence & Renewals	(14,304)	-
	Interest Deposits	68,694	-
	Literatures & Visual Aids	-	1,686
	Printing & Stationery (Prodn)	24,014	15,436
	Income Tax (Tds)	1,486	4,500
	Vehicle Maintenance	-	14,662
	Sales Tax	-	240
	Excise Duty	(1,60,097)	-
	Telephone Expenses	6,684	-
	Miscellaneous Income	6,58,697	-
	Super Annuation	99,999	-
	Purchase Imports	(23,207)	-
	Entry Tax	2,125	-
	Local Conveyance	16,892	-
	Service Tax (Input Credit) Reversals	57,372	-

	Current Year Rs.	Previous Year Rs.
Travelling Expenses	(10,520)	-
Maintenance Factory	1,575	-
Sales Return –Mkt –B'lore	97,040	-
Interest Demand Loan	(5,708)	-
Service Tax Reversals	2,76,364	-
TOTAL	17,38,438	6,04,026

16. Related Party Disclosures:

In terms of Accounting Standard 18 “Related Party Disclosures ” the following relationships and related parties have been identified :

Relationship	Related Party
1. Subsidiary/Holding Companies	None
2. Associates/Joint Ventures	Medispec Pharmaceuticals (P) Ltd
3. Co investors/ venturers	None
4. Individuals holding 20% or more of the voting power in the company directly or indirectly	None +
5. Key Management Personnel	Sri. S. Jayaprakash Mady, Managing Director
6. Relatives of 4 or 5	Sri. S. S. Mady
7. Enterprises in which any person described in 4 or 5 has 20% or more interest in the voting power directly or indirectly.	Mady Constructions Ltd.

+ The voting rights available to the Preference shareholders pursuant to the provisions of Section 87(2) of the Companies Act, 1956 have not been considered as the investment made by them in the Company is considered as a financing activity.

Transactions with Related Parties

Nature of Transactions	Associates/ Joint Venture	Key Management Personnel	Relatives	Enterprises
1. Managerial Remuneration (As per Note 8 (c) & 11)		13,60,000 (11,85,337)		
2. Fixed Deposits/ Loans received		2,14,932 (14,14,932)		
3. Outstanding Balances under Loans & Advances	8,06,32,059 (7,36,14,312)			
4. Investment in Equity:				
(a) Of Company in Associate				
No. of Shares	9,00,000 (9,00,000)			
Face Value	90,00,000 (90,00,000)			
(b) Of Associate in Company				
No. of Shares	2,100 (2,100)			
Face Value	21,000 (21,000)			
5. Guarantee & Collaterals*	30,00,000 (45,00,000)			
6. Lease of Premises			2,40,000 (2,40,000)	
7. Sale of Raw Material				
8. Interest Paid		85,816 (1,28,908)		
9. Purchases of Finished Goods	NIL (2,90,000)			

*Refer Note 3 regarding personal guarantee obtained from the Managing Director for securing the facilities obtained from the bank.

17. **Segment Reporting:** The Company recognizes only one business segment, viz formulations. All the operations are in India. Hence separate segment information in terms of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, is not given.
18. The company has no significant operating leasing arrangements requiring additional disclosure as per AS – 19: Leases. The company has not entered into any financial leasing arrangement.

19. Earnings Per Share has been computed as under:

	2009-10 Rs.	2008-09 Rs.
a) Profit after tax	1,13,80,778	(2,04,42,798)
b) Less: Preference Dividend and Tax thereon	52,64,775	52,64,775
c) Profit after tax attributable to equity shares	61,16,003	(2,57,07,573)
d) Total weighted average number of shares of Rs.10 each	45,44,450	45,44,450
e) Earnings per Share (Basic)	1.35	(5.66)
f) Total weighted average number of equity shares for Diluted EPS	45,44,450	45,44,450
g) Earnings per Share (Diluted)	1.35	(5.66)

20. a) Previous year figures have been regrouped wherever necessary to be in conformity with current year's figures.
 b) Figures in brackets pertain to the previous year.

20. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part of part of Schedule VI to the Companies Act, 1956 (As certified by the management)

	UOM	QTY	2008 - 2009 VALUE (Rs. Lakhs)	QTY	2008 - 2009 VALUE (Rs. Lakhs)
A. TURNOVER					
1. FORMULATIONS					
Capsules	NOS (in Lacs)	75.66	101.64	129.73	95.9
Liquids	LTRS	49600.90	666.42	48052.68	691.49
Powder	KGS	16.44	34.61	17.90	49.89
TOTAL		-	802.67	-	837.28
2. Others		-	47.06	-	1.72
TOTAL		-	849.73	-	839.00
B. RAW MATERIALS CONSUMED					
Major Bulk Drugs	KGS	10040.59	136.25	35073.26	195.24
Others		-	150.43	-	73.27
TOTAL		-	286.68	-	268.51
C. OPENING STOCK					
1. FINISHED GOODS					
Formulations					
Capsules	Nos (in Lacs)	1.4	0.84	13.31	5.21
Powder	Nos in MIU	0	0	7008	11.84
Powder	KGS	14.00	3.01	69.20	3.87
Liquids	LTS	3636.69	52.67	1513.76	43.95
TOTAL		-	56.52	-	64.87
2. WORK IN PROGRESS		-	33.82	-	69.43
TOTAL		-	90.34	-	134.30
D. PURCHASES					
FORMULATIONS					
Liquids	LTS	310.97	47.42	248.95	50.62
Powder	KGS	1.60	25.32	-	-
TOTAL		-	72.74	-	50.62
E. CLOSING STOCK					
1. FINISHED GOODS					
FORMULATIONS					
Capsules	NOS (in Lacs)	5.40	4.95	1.40	0.84
Powder	KGS	2.89	11.89	14.00	3.01
Liquids	LTS	1323.09	37.80	3636.69	52.67
TOTAL	-	-	54.64	-	56.52
2. WORK IN PROGRESS	-	-	48.57	-	33.82
TOTAL	-	-	103.21	-	90.34

	UOM	QTY	2008 - 2009 VALUE (Rs. Lakhs)	QTY	2008 - 2009 VALUE (Rs. Lakhs)
F. CAPACITY & PRODUCTION					
FORMULATIONS					
Licensed Capacity -			Not Applicable	Not Applicable	
Installed Capacity -			Varies with the dosage forms and hence is not standardised.		
Actual Production (including manufactured for/by third parties under loan licence)					
Capsules	NOS (in Lacs)	91.05	-	-	114.39
Liquids	LTS	391142.26	-	-	350750.91
Tablets	Nos (in Lacs)	-	-	-	-
G. VALUE OF IMPORT CALCULATED ON CIF BASIS					
Raw Materials		-	16.23	-	12.51
Packing Materials		-	6.62	-	5.23
Capital Goods		-	4.76	-	0.00
TOTAL		-	27.61	-	17.74
H. BREAK UP OF CONSUMPTION					
			Percentage		Percentage
Raw Materials					
Imported		5.66%	16.23	4.51%	12.51
Indigenous		94.34%	270.45	95.49%	264.93
Total		100.00%	286.68	100.00%	277.44
Packing Materials & Consumables					
Imported		2.46%	6.62	2.46%	5.23
Indigenous		97.54%	244.40	97.54%	207.41
Total		100.00%	241.02	100.00%	212.64
I. EARNINGS IN FOREIGN CURRENCY					
From Export of Goods calculated on FOB Basis	-		84.43	-	54.93
Formulation Development Fee	-		495.32	-	102.96
Conversion Cost	-		75.67	-	69.44
Others	-		35.37	-	23.59
TOTAL	-		690.79	-	250.92
J. EXPENDITURE IN FOREIGN EXCHANGE					
Commision paid in respect of formulation development Contracts			54.93	-	9.91
Reimbursement of Capital Expenditure			0	-	2.43
Travelling Expenses			0	-	1.34

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILES PART IV

I REGISTRATION DETAILS

Registration No.

State Code

Balance Sheet

Date

Month

Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

Rights Issue

Bonus Issue

Private Issue

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

Total Asset

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover

Total Expenditure

+ - Profit/Loss Before Tax

+ - Profit/Loss After Tax

Earning Per Share

Rs. (5.66)

Dividend Rate %

Nil

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY ITEMS)

Item Code (ITC Code)

Product Description

"For and on behalf of the Board"

S.T.R.MADY

Chairman

Place : BANGALORE

Date : 04.08.2010

S.JAYAPRAKASH MADY

Managing Director

DR.C.PRAKASH

Director

B.P. THYAGARAJ

GM (Finance) & Secretary

Wintac Limited

Regd. Office
16/2, OVH Road,
Basavangudi,
Bangalore-560 004.

PLEASE COMPLETE THIS ATTENDANCE AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL, Joint shareholders may obtain additional Attendance Slips on request (Regd. Folio No. & Name of the shareholders & address as given on the Envelope in Block letters to be furnished below).

I hereby record my presence at the Twentieth Annual General Meeting of the company on Thursday, the 9th day of September 2010 at Pai Vijay Hall, 530/58, 33rd Cross 11th Main, 4th Block, Jayanagar, Bangalore-560 011

SIGNATURE OF THE SHAREHOLDERS OR PROXY-----

Notes

- 1) Shareholders/proxyholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the entrance of the hall after affixing their signature on it.
- 2) Shareholders/Proxyholders who comes to attend the meeting are requested to bring their copies of the Annual Report for references at the meeting.

Wintac Limited PROXY FORM

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

I/We.....
.....
of.....in the district of.....
being a member/members of the above company hereby appoint.....
of.....in the district of.....
or failing him.....
of.....in the district of.....
as my/our proxy to vote for me/us on my / our behalf at the Eighteenth Annual General Meeting of the Company, to be held on Thursday, the 9th day of September, 2010.

Signed this.....day of.....2010

Affix
Re. 1
Revenue Stamp

Signature

Note : The Proxy form should be deposited at the Registered Office of the Company, not less than Forty eight hours before the meeting.