

07.12.2020

The Listing Manager  
The Bombay Stock Exchange Ltd.,  
25<sup>TH</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001.

Re: Annual General Meeting, Annual Report 2019-20.

Dear Sir,

The 30<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Wednesday, December 30, 2020 at 10.00 am at the Registered Office of the Company at No. 54/1. Budhihal Village, Nelamangala, Bangalore-562 123

Pursuant to regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is dispatched / sent to the members through permitted mode(s).

Further, the cut-off date to determine the list of shareholders entitled to vote through e-voting and voting at the venue of the AGM is fixed on December 24, 2020.

Please receive the same in order.

Thanking you,

Yours faithfully  
For WINTAC LTD.,



B.P. THYAGARAJ  
VICE PRESIDENT (FINANCE) & SECRETARY

Encl: a/a



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**NOTICE TO THE MEMBERS**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting (AGM) of the Members of Wintac Limited will be held at the Registered Office of the Company at No.54/1, 54/2, Boodihal Village, Nelamangala, Bangalore-562 123, Karnataka, India on Wednesday, the 30<sup>th</sup> December 2020 at 10.00 am to transact the following business:

**ORDINARY BUSINESS****1. Adoption of Financial Statements**

To receive, consider and adopt the audited Financial Statements for the year ended March 31, 2020 and the Reports of the Directors and Auditors thereon.

**2. Appointment of Mr. S. T. Raghavendra Mady (DIN 00065918) as a Director liable to retire by rotation and being eligible offers himself for re-appointment by means of Special Resolution as under:**

**"RESOLVED THAT** subject to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. S. T. Raghavendra Mady (DIN 00065918) who retires by rotation and being eligible offers himself for re-appointment as Non-executive Director of the Company liable to retire by rotation notwithstanding he having attained above the age of seventy five (75) years as on April 01, 2020."

**SPECIAL BUSINESS****3. To consider and, if thought fit, to pass, with or without modification(s) the following as a Special Resolution:**

**"RESOLVED THAT** subject to the provisions of Sections 196, 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Sunil B. Gundewar as the Manager & C.O.O (Key Managerial Personnel) of the Company for a further period of three years with effect from 1<sup>st</sup> June 2020 on the following terms and conditions:

- a. Basic Salary - Rs.31,36,800/- per annum
- b. Flexible benefits - Rs.41,76,084/- per annum

**Others:**

- i. Mr. Sunil B. Gundewar would be entitled to other Company benefits like provident fund, gratuity, leave travel allowance, Mediclaim insurance, Group personnel accident insurance, leave with full pay and encashment thereof as per Company rules/policies.
- ii. Subject to overall ceiling on the remuneration in terms Schedule V of the Companies Act, 2013, Mr. Sunil B. Gundewar may be given annual increments on his last drawn salary, annual bonus and any other allowances, benefits and perquisites as may be recommended by the Nomination and Remuneration Committee of the company and approved by the Board of Directors of the Company.



**FURTHER RESOLVED THAT** in the event of inadequacy or absence of profits in any financial year during his tenure, he shall be paid the above remuneration as a minimum remuneration subject to the limits prescribed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter or vary the terms and conditions of his appointment including the remuneration payable to the appointee and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and any other applicable provisions of the Companies Act, 2013 (the "Act") read with Schedule IV of the Act and Regulations 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the appointment of Ms. S. Nanthitha (DIN: 06634209) who was appointed by the Board of Directors as an Additional Director of the Company on February 04, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and whose appointment has been recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company as Independent Director and to hold office for a period of five years from February 04, 2020 be and is hereby approved."

5. To consider and, if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Arshad Kagalwalla (DIN 08858893) who was appointed by the Board of Directors as an Additional Director of the Company on September 04, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") but who is eligible for appointment and whose appointment has been recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

**6. Approval of material Related Party transactions with Somerset Therapeutics LLC, USA**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in modification of the resolution of the shareholders passed through postal ballot on March 18, 2020, pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 2(1)(zb) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to enter into Contracts/arrangements/transactions with Somerset Therapeutics LLC, USA or any Associate or Group Companies of Somerset Therapeutics LLC and/or its assignees and successors, being a 'related party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), for Development of Pharmaceutical Products, submission of dossiers, Commercial Manufacture and Supply of Pharmaceutical



products and other services in terms of existing contracts, purchase orders, work orders and/or any new contracts, purchase orders, work orders issued / to be issued by Somerset Therapeutics LLC or its affiliates, assignees, nominees, novatees as approved by the Audit Committee and the Board of Directors for an aggregate amount of up to Rupees 750 crores (Rupees Seven Hundred Fifty crores) (equivalent to approx. US\$ 100 million) per financial year excluding the existing borrowing(s) starting from the financial year **April 01, 2021** on such terms and conditions as may be mutually agreed between the Company, as approved by the Board and Somerset Therapeutics LLC or its affiliates, assignees, nominees, novatees for the provisioning of any services.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

## **7. Approval of increase in borrowing limits of the Company**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT**, in supersession of all the earlier resolutions of the shareholders and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) to, borrow from time to time, from one or more persons, banks, financial institutions, firms, bodies-corporate, or other parties, all such sums of moneys as they may deem fit, by way of loans, debentures, deposits, overdraft, cash credit, external commercial borrowings, line of credit against standby letter(s) of credit/guarantee(s), letters of credit or any other line of credit, whether the same be secured or unsecured, notwithstanding the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of Directors shall not exceed the sum of US\$ 100 Million at any one time.

**RESOLVED FURTHER THAT**, approval of the shareholders of the Company be and is hereby accorded to the Board to seek from Veego Pharma LLC (formerly known as GAVIS Pharma LLC), USA, the holding company and the Promoter of the Company to arrange for guarantee(s) and/or standby letter(s) of credit for securing such borrowings of the Company as required.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) to mortgage and/or charge all or any of the movable or immovable properties, both present and future or whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan, deposit, debentures, cash credit, overdraft guarantee, letters of credit or any other line of credit obtained or as may be obtained from one or more persons, firms, bodies corporate, banks, financial institutions, including from a related party or other parties, together with interest, cost, charges, expenses and any other money payable by the Company in respect of such borrowings.



**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

By Order of the Board of Directors  
For Wintac Limited

Date : 03.12.2020  
Place: Bangalore

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

**NOTES:**

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the special business under item no.3 to 7 setting out all material facts is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND, AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
3. The instrument appointing Proxy (in the form attached to the Notice) should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before commencement of the Meeting.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
5. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member entity.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. A member shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 'three days' of notice in writing is given to the Company.
8. In compliance with the provisions of Section 108 of the Companies Act 2013 and the Rule 20 of Companies (Management and Administration) Rules 2013 (Amendment Rules 2015) and Regulation 44 of the SEBI (LODR) Regulations, 2015, Members are provided with the facility to cast their vote electronically, through the remote e-voting facility being provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The remote e-voting period commences on 26.12.2020 (9:00 a.m. IST) and ends on 29.12.2020 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on 24.12.2020, **(Cut-off date)** may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote



on a resolution is cast by a Member, he shall not be allowed to change it subsequently. The process and manner for e-voting is asunder:

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
- i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mvbhatcs@gmail.com](mailto:mvbhatcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  4. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
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9. The facility for voting **by use of ballots** shall also be made available at the meeting and members attending the meeting who have not already cast their votes by remote e-voting shall be entitled to exercise their right at the meeting. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
  10. The Board of Directors of the Company have appointed Mr. M.V. Bhat, Practising Company Secretary, as the Scrutinizer, for conducting both remote e-voting and Poll voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the purpose.
  11. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company **[www.wintaclimited.com](http://www.wintaclimited.com)** and on the website of **[www.canbankrta.com](http://www.canbankrta.com)**. The results shall simultaneously be communicated to the Stock Exchange
  12. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on date of the Meeting i.e. 30.12.2020.
  13. A copy of the Annual Report along with the Notice of the 30<sup>th</sup> Annual General Meeting, stating the process and a manner of e-voting at the AGM, Attendance slip, and Proxy form are sent by electronic mode to all those members whose email address are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. In respect of members who have not registered their email address physical copies of the documents are sent by permitted-mode.
  14. The Annual Report along with the Notice of the 30<sup>th</sup> Annual General Meeting and other attachments would also be available on the Company's website at **[www.wintaclimited.com](http://www.wintaclimited.com)** for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on working days.
  15. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning your correct reference folio number in case of holdings in physical form.
  16. In case any member, holding shares in Physical Form, is desirous to receive communication from the Company in electronic form, they may register their email address on **[canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in)** and members holding shares in Demat Mode, with their depository participant along with their folio no. and valid email address for registration respectively.
  17. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General



Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance of the venue.

18. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Canbank Computer Services Ltd., Bangalore if the shares are held by them in physical form.
19. The Register of directors and key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
20. The Register of contracts or arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
21. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
22. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, for consolidation into a single folio.
23. Pursuant to the provisions of Companies Act 2013, w.e.f. July 1, 2015 the companies are prohibited to distribute any gifts, gift coupons, or cash in lieu of gifts to members at or in connection with any general meeting, and accordingly no gifts shall be distributed to the members at the meeting.

Additional Information on Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of Reg. 36(3) of SEBI (Listing Obligations and Disclosure) Regulations.

Name	Date of Birth	Date of Appointment	Qualifications	Directorships/Committee Memberships	No. of Shares held
Mr. S.T.R.Mady	10.12.1936	27.10.2018	B.Pharm	BPRL Pvt. Ltd. Shastha Pharma Pvt.Ltd.	-
Ms. S.Nanthitha	21-11-1991	04-02-2020	Masters in Design Mgt & IT	Caress Industries Pvt. Ltd.	-
Mr. Arshad Kagalwalla	29-10-1971	04.09.2020	C.A.	-	-

None of the aforesaid Directors are related to other Directors on the Board and Key Managerial Personnel in terms of Section 2(77) of the Companies Act, 2013.

By Order of the Board of Directors  
For Wintac Limited

Date : 03.12.2020  
Place: Bangalore.

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



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No.2

Mr. S. T. Raghavendra Mady was appointed as non-executive Director liable to retire by rotation on 27.10.2018 in the AGM held on 27.10.2018 in accordance with the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and holds office up to the date of this ensuing AGM.

Pursuant to Regulation 17(1A) of the SEBI LODR which is applicable effective from April 01, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since Mr. S. T. Raghavendra Mady has attained the age of seventy five (75) years, and therefore the approval of the shareholders by special resolution is sought for his re-appointment as a director in compliance of the Regulation 17(1A) of SEBI LODR. Your Directors are of the view that the Company would be immensely benefited by the wide experience of Mr.S.T. Raghavendra Mady in the field of Development and Manufacture of Pharmaceutical Products, GMP aspects and Managerial skills.

Except Mr. S. T. Raghavendra Mady, who may be regarded as interested or concerned since resolution relates to his own appointment, no other director, key managerial personnel or their relatives is interested or concerned in the resolution.

Considering his vast experience in the field of manufacturing of Pharmaceutical Products in sterile injections and ophthalmic products, the Board commends the Special Resolution for approval of the members

As stipulated under Secretarial Standard 2 issued by the Institute of Company Secretaries of India, a brief profile of Mr. S. T. Raghavendra Mady is provided in the table below

Age	83 years
Experience	40 years in the pharmaceutical industry
Terms and conditions of appointment	Mr. S. T. Raghavendra Mady has attained the age of seventy five (75) years, and therefore the approval of the shareholders by special resolution is sought for his re-appointment as a director, also being liable to retire by rotation and offers himself for re-appointment.
Remuneration sought to be paid / last drawn	Nil
Date of first appointment	February 04, 1993
Relationship with other director/Manager and other	Uncle of Mr. Jayaprakash Mady
Number of board meetings attended from the date of his previous appointment till the date of Notice of this EGM	10 (Ten)
Membership/Chairmanship of committees of other Board	Nil

### Item No. 3

The Board of Directors at their Meeting held on June 22, 2020, on the recommendation of the Remuneration Committee, re-appointed Mr. Sunil B. Gundewar as the Manager & C.O.O. of the Company for a period of three (3) years with effect from 01.06.2020 on the remuneration and other terms and conditions as provided



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in the resolution.

Mr. Sunil B. Gundewar shall be entitled to the salary and perquisites as provided in the Resolution placed before the members subject to the limits laid down in Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with 198 and Schedule V of the Act.

His appointment is terminable by the Company with six months' notice in writing or salary in lieu of the notice period.

The information as required under Clause B iv, Section II of Schedule-V is as under:

**I General Information**

- i. Nature of Industry – Pharmaceutical Formulations – Contract Manufacturing of Sterile Injectable and Ophthalmic products.
- ii. Expected date of commencement of commercial production – Existing operating company.
- iii. Financial Performance – The company during the financial year 2019-20 has reported a turnover of Rs.8786.98 lakhs and a net loss of Rs.378.67 lakhs.
- iv. Foreign investments or collaborations – VEEGO Pharma LLC, USA holds the controlling Equity Stake in the company.

**II Information about the appointee:**

- i. Background details – Mr. Sunil B. Gundewar is a Post Graduate in Pharmacy and holds a Diploma in Business Management. He has more than 35 years of experience in the Pharma Industry at various capacities.
- ii. Past Remuneration – He has been working with the Company for the last 4.5 years and his remuneration prior to this appointment was same as proposed in the Resolution i.e., ₹ 73.13 lakhs per annum.
- iii. Recognition or awards – None
- iv. Job profile and his suitability - The Manager & COO shall be responsible for the day to day management, subject to the superintendence, direction and control of the Board of Directors of the Company. He shall have the general control of the business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper in the interest of the Company and carry out such duties as may be entrusted and/or delegated to him by the Board from time to time.
- v. Remuneration proposed is Rs.73.13 lakhs per annum as provided in the Resolution proposed in the notice of the meeting. The remuneration proposed is commensurate with the nature of duty, size of the Company and the profile of the Manager and is comparable with the industry standards.
- vi. Pecuniary relationship – Mr.Sunil B. Gundewar has no other pecuniary relationship directly or indirectly with the Company or with any of the managerial personnel.

**III Other Information:**

The agreement entered into between the Company and Mr. Sunil B. Gundewar is open for inspection by the members at the Registered Office of the Company on any working day during the business hours of the Company till 30.12.2020.



In terms of the provisions of Section 196, 197 & 198 read with Schedule V of the Companies Act, 2013, the appointment of Mr. Sunil B. Gundewar as Manager & C.O.O. of the Company and payment of remuneration to him are subject to the approval of the Members in the General Meeting and accordingly the Special Resolution seeks approval of the members of the Company.

None of the director or key managerial personnel or their relative is interested or concerned in the said resolution.

The Board recommends the resolution to the members for their approval.

#### Item No.4

Ms. S. Nanthitha was appointed as an Additional Director, also qualifying to be an Independent Director as provided in Section 149(6) of the Companies Act, 2013 (the "**Act**"), by the Board of Directors of the Company with effect from February 04, 2020. In accordance with the provisions of Section 161 Act, Ms. Nanthitha will hold office as a Director up to the date of ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Act from a member proposing her candidature for the office of Director of the Company. Pursuant to proviso to Section 152 (5) of the Act, Ms. S. Nanthitha fulfills the conditions specified in the Act, for appointment as an independent Director of the Company and is independent of the Management.

Ms. Nanthitha is a Post Graduate in Design Management and Information Technology and has about 6 years of experience in her profession. She is not related to any other Directors on the Board or Key Managerial Personnel of the Company.

Your Directors are of the view that the Company would be benefited by her experience and therefore, recommend for approval of the Resolution contained in Item No.4 of the Notice convening the Annual General Meeting.

Except Ms. Nanthitha, no other Director or KMP is concerned or interested in the Resolution. As stipulated under Secretarial Standard 2 issued by the Institute of Company Secretaries of India, a brief profile of Ms. S. Nanthitha is provided in the table below

Age	29 years
Experience	06 Years
Terms and conditions of appointment	Ms. S. Nanthitha was appointed as Additional Director of the Company at the Board meeting held on 04.02.2020, subject to approval of her appointment as Independent Woman Director at the ensuing Annual General Meeting
Remuneration sought to be paid / last drawn	NIL
Date of first appointment	February 04, 2020
Relationship with other director/Manager and other	NIL
Number of meetings attended from the date of appointment till the date of Notice of this EGM	03 (Three)
Membership/Chairmanship of committees of other Board	Nil

#### Item No.5

Mr. Arshad Kagalwalla was appointed as an Additional Director by the Board of Directors of the Company with effect from September 04, 2020. In accordance with the provisions of Section 161 of the Companies



Act, 2013 (the "Act"), Mr. Arshad will hold office as a Director up to the date of ensuing Annual General Meeting. The Company has received a Notice under Section 160 of the Act from a member proposing his candidature for the office of Director of the Company. He is liable to retire by rotation.

Mr. Arshad is a Chartered Accountant and has about 20 years of experience in his profession. He is not related to any other Directors on the Board or Key Managerial Personnel of the Company.

Your Directors are of the view that the Company would be benefited by his experience and therefore, recommend for approval of the Resolution contained in Item No.4 of the Notice convening the Annual General Meeting.

Except Mr. Arshad Kagalwalla, no other Director or KMP is concerned or interested in the Resolution.

As stipulated under Secretarial Standard 2 issued by the Institute of Company Secretaries of India, a brief profile of Mr. Arshad Kagalwalla is provided in the table below

Age	49 years
Experience	25 Years
Terms and conditions of appointment	Mr. Arshad Kagalwalla was appointed as Additional Director of the Company at the Board meeting held on September 04, 2020, subject to regularization of his appointment as Director at the ensuing Annual General Meeting
Remuneration sought to be paid / last drawn	Nil
Date of first appointment	September 04, 2020
Relationship with other director/Manager and other	NIL
Number of meetings attended from the date of appointment till the date of Notice of this EGM	01 (One)
Membership/Chairmanship of committees of other Board	Nil

### **Item No.6**

The Company has strived to enhance its manufacturing facility over the past few years in order to increase its production capacity and now has adequate business resources and manufacturing facilities to achieve milestones in the business operations. Due to the recent capacity augmentation and expansion which is nearly completed, the Company expects to be able to significantly increase production and development provided there are orders placed by customers. Therefore, your Directors are of the view that, if the Company uses its entire capacity, the volume of business shall be increased extensively in the coming years.

In the ordinary course of its business, the Company enters into transactions for the sale and purchase of goods and raw materials, availing/rendering services for Product Development activities and other commercial transactions with, the Somerset Therapeutics LLC, USA and /or with other Associate/Group Companies of Veego Pharma LLC. Somerset Therapeutics LLC, being an associate Company of VEEGO Pharma LLC, Promoter of the Company, is considered as a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 (the Act) and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. As per provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 23 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the contracts/arrangements/transactions relating to Sale or Purchase of products/goods or services with Somerset Therapeutics LLC (or its affiliates, assignees, nominees, novatees), are material in nature as these transactions would exceed 10% (ten percent) of the



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Turnover of the Company as per the last audited financial statements of the Company and/or may be in excess of Rs.100 crore.

The unrelated shareholders of the Company had approved the aforesaid related party transactions on March 18, 2020 through postal ballot by means of a Special Resolution up to a limit of Rs.140 crores (US\$ 20 million) per financial year upto the financial year 2020-21. Now the volume of business has been increased over the period of last two years and expected to increase more in the coming years, your Directors are of the view that the volume of business may increase beyond Rs.140 crores per annum and hence the yearly maximum limit of business transactions needs to be increased. Accordingly, it is proposed to increase the volume of business upto Rs.750 crores (Rupees Seven Hundred Fifty crores) (equivalent to US\$ 100 million) per financial year for the proposed transactions with Somerset Therapeutics LLC, USA in terms of existing contracts, purchase orders, work orders and/or any new contracts, purchase orders, work orders issued / to be issued by Somerset Therapeutics LLC or its affiliates, assignees, nominees, novatees which requires the approval of unrelated shareholders of the Company by way of an Ordinary Resolution.

The particulars of the contracts/arrangements/transactions as required under Rule 15(3) of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of related party: **Somerset Therapeutics LLC, USA or any Associate or Group Company of Somerset Therapeutics LLC, USA and its assignees and successors.**
2. Name of director or key managerial personnel who is related: Except Mr. Arshad Kagalwalla, Additional Director who by virtue of his employment with a Group/Associate Company of Veego Pharma can be regarded as interested, no other Director or Key Managerial Personnel is interested in the Resolution.
3. Nature of relationship: **Somerset Therapeutics LLC, USA is an Associate/Group Company of VEEGO Pharma LLC which is a holding Company (with 92% shareholding on the date of this notice) of Wintac Limited and is the Promoter of Wintac Limited.**
4. Material terms of the contracts/arrangements/transactions:  
Development of Pharmaceutical Products (Formulations) and providing Dossiers in Injectables and Ophthalmic segment for overseas Regulated Market. The consideration for the Development of Product is US\$ 100,000 per product payable at five instalments depending on the progress of the work plus US\$ 20,000 per product if the Development of product and ANDA filing is completed within 10 months period from the date of receipt of API.
5. Monetary value: Estimated maximum amount of transactions upto Rs. 750 crores (Rupees Seven Hundred Fifty crores) (equivalent to US\$ 100 million) per financial year starting from April 01, 2021 for Development of Products and Commercial Manufacturing and Supply of Products. The agreements / contracts to be entered between the related parties shall be commenced from for the financial year April 01, 2021 unless and until terminated with a notice of 12 months period by the customer entity. The pricing of products, services and development under the arrangements with Somerset Therapeutics LLC or its affiliates, assignees, nominees, novatees will be higher than the present or will be at arm's length basis and likely to be determined on cost plus method making the Company operationally profitable and capable of servicing its loans.
6. Any other information relevant or important for the members to make a decision on the proposed transaction:

The proposal for increasing volume of business limits up to Rs. 750 crores (Rupees Seven Hundred Fifty crores) (equivalent to US\$ 100 million) was reviewed by Audit Committee and recommended to the Board for approval. The said proposal has been approved by the Board of Directors of the Company at its meeting held on 03.12.2020.



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Considering the historical level of such transactions and anticipated growth, and current volatility in the business environment, where neither demand nor foreign exchange rates can be predicted in advance, the Company expects the level of transactions to be above the materiality threshold as prescribed under the Listing Regulations for the period for which the approval of Members is sought as stated above.

The proposed RPTs are in the ordinary and normal course of business and on arm's length basis and play a significant role in the Company's business operations and accordingly, the Board of Directors recommend the ordinary resolution at Sl.No.6 of the Notice for approval of the unrelated shareholders of the Company.

Except Mr. Arshad Kagalwalla, Additional Director who by virtue of his employment with a Group/Associate Company of Veego Pharma who can be regarded as interested, no other Director or Key Managerial Personnel is interested in the Resolution.

### **Item No.7**

In terms of Section 180(1)(C) of the Companies Act, 2013, Members' approval by way of Special Resolution is required for borrowings funds in excess of the aggregate of the paid-up share capital and free reserves of the Company. The proposed borrowings for meeting the Capital Expenditure, repayment of existing loans/debts and working capital requirements of the Company or any other future borrowings from any Bank, Institution or other entities along with the existing borrowings may exceed the aggregate of the paid-up share capital and free reserves of the company. Further, mortgage of the movable and immovable properties of the Company in favour of the lender to secure the loans made by them may be regarded as disposal of the company's properties/undertakings and therefore requires consent of the shareholders pursuant to Section 180(1)(a) of the Companies Act 2013.

Therefore, the resolution seeks consent of the shareholders to exercise borrowing powers by the Board of Directors in excess of the aggregate paid up capital of the Company and its free reserves and also to secure such borrowings by creation of mortgages in favour of the lenders in terms of Section 180(1)(c) and 180(1)(a) of the Companies Act 2013 respectively.

None of the Directors/Key Managerial Personnel or their relative is concerned or interested in the resolution.

By Order of the Board of Directors  
For Wintac Limited

Date : 03.12.2020  
Place: Bangalore.

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



**Attendance Slip**

Folio No./Client Id :

No of Shares :

Name and address of First/Sole Shareholder : \_\_\_\_\_

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company to be held on 30.12.2020 at 10.00 am at 54/1, 54/2, Boodhihal Village, Nelamangala, Bangalore-562 123.

Name of the Member/Proxy

Signature of the Member/Proxy (Block letters)

**PROXY FORM**

Name of the Shareholder(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Folio No./ClientID: \_\_\_\_\_ DPID: \_\_\_\_\_

I/We, being member(s) of Wintac Limited, holding \_\_\_\_\_ shares of the Company, hereby appoint:

A. Name

Address E-mail ID

Signature

Or failing him

B. Name

Address E-mail ID

Signature

Or failing him

C. Name

Address E-mail ID

Signature

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on 30.12.2020 at 54/1, Boodhihal Village, Nelamangala, at Bangalore-562123 and at any adjournment thereof hereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Vote (Please mention No. of shares)		
		For	Against	Abstain
1	Adoption of Financial Statements for the year ended March 31, 2020 and the Reports of the Directors and Auditors thereon			
2	Appointment of Mr. S. T. Raghavendra Mady as a Director liable to retire by rotation			
3	Appointment of Mr. Sunil Gundewar as Manager & C.O.O. of the Company.			
4	Appointment of Ms. S. Nanthitha as a Director of the Company.			
5	Appointment of Mr. Arshad Kagalwalla as a Director of the Company.			
6	Approval of Related material Related Party transactions with Somerset Therapeutics LLC, USA			
7	Approval of increase in borrowing limits of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Signature of the Shareholder

Signature of the Proxyholder(s)

**Affix Rs. 1  
Revenue  
Stamp**









**ANNUAL  
REPORT  
2019-2020**



***Winning Technologies***







**BOARD OF DIRECTORS**

Shri S.T.R. Mady  
Shri S. Jayaprakash Mady  
Shri R.A. Thirumoorti  
Dr. K. Paranjothy  
Ms. K.M. Ganga  
Ms. S. Nanthitha  
Mr. Arshad Kagalwalla  
Shri Sunil B. Gundewar  
Shri B.P. Thyagaraj

Chairman  
Director  
Director  
Director  
Director - upto 25.01.2020  
Additional Director - from 04.02.2020  
Additional Director - from 04.09.2020  
Manager & C.O.O  
V.P. (Finance) & Secretary

**BANKERS**

Axis Bank Ltd.  
Corporate Banking Branch, Bangalore

**AUDITORS**

M/s. B.K. Ramadhyani & CO LLP,  
4B, Chitrapure Bhavan  
No 68, 8th Main, 15th Cross  
Malleshwaram, Bangalore – 560 055.

**SHARE TRANSFER AGENT**

Canbank Computer Services Ltd.,  
No. 218, J.P. Royale, I Floor, II Main,  
Sampige Road, (Near 14th Cross),  
Malleshwaram, Bangalore – 560003.  
Phone No. : 080-23469661 / 9662

**SHARES LISTED AT**

Bombay Stock Exchange Limited  
(Listing fees paid for the year 2019-20)

**REGISTERED OFFICE &  
MANUFACTURING UNIT**

54/1, Boodihal Village, Nelamangala Taluk,  
Bangalore District, Karnataka - 562 123  
Phone No. : 080-67086500

**CORPORATE IDENTITY NUMBER (CIN)**

L85110KA1990PLC011166



## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report on the business and operations of the Company for the Financial Year ended March 31, 2020.

1. **Financial summary and Performance of the Company** ₹ Lakhs

	For the year ended 31 <sup>st</sup> March 2019	For the year Ended 31 <sup>st</sup> March 2020
Revenue from Operations	7192.01	8511.01
Other Income	194.95	275.97
Total Revenue	7386.96	8786.98
Total Expenditure	6854.46	8234.31
Operating Profit/(Loss)	532.50	552.67
Interest	93.38	191.27
Profit/(Loss) before Depreciation	439.12	361.40
Depreciation	418.13	723.76
Profit/(Loss) before exceptional expenditure	20.99	(362.36)
Exceptional Expenditure	-	-
Profit/(Loss) before Tax	20.99	(362.36)
Deferred tax	10.08	(56.14)
Net Profit/(Loss) after Tax	10.91	(306.22)
Other comprehensive Income	(26.87)	(72.45)
Total comprehensive income for the period	(15.96)	(378.67)
2. **Dividend & Transfer to Reserves**

In view of the inadequate profits and carry forward losses, no dividend is considered during the year under review and no amount is transferred to reserves..
3. **Brief description of the Company's working during the year**

The net sales during the year under review was ₹ 8511.01 lakhs as compared to ₹7192.01 lakhs during the previous year, a growth of 18.34%. The loss after tax during the year under review was ₹ 306.22 lakhs as compared to a net profit after tax was ₹ 10.91 lakhs during the previous year. The increase in losses was due to increased depreciation expense of ₹ 723.76 (previous year ₹ 418.13 lakhs) and interest expense of ₹191.27 lakhs (Previous year ₹93.38 lakhs). The increased depreciation expense was due to commissioning of a new manufacturing line during previous year at a total cost of aprox. ₹ 90 crores. The total comprehensive income for the year was a loss of ₹378.67 lakhs as compared to Total comprehensive loss of ₹ 15.96 lakhs during the previous year.
4. **Material changes and commitments affecting the financial position between the end of the financial year and date of report.**
  - a. The Delisting proposal from Promoters - The Department of Pharmaceuticals (DOP) has accorded approval during March 2019 to the promoters' proposal for increasing their shareholding in Wintac Limited to 100% which is a pre-requisite for carrying out the delisting proposal. The promoters have once again reaffirmed that they would pursue the delisting proposal in compliance with the SEBI (Delisting of Equity Shares) Regulations, 2019. However, in view of the National Lock down imposed by the Central and State Governments prohibiting/closure of all commercial and social activities from March 23, 2020 to May 17, 2020 due to COVID 19 pandemic, the delisting process could not be commenced immediately.



b. Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable as on reporting date. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial results.

c. The Manufacturing facility at Nelamangala was inspected by USFDA Authorities during February 2020 and now USFDA has classified the facility as 'Official Action Indicate' (OAI). OAI indicates that this facility may be subject to a CGMP regulatory or enforcement action and FDA may withhold approval of any pending applications. Company's Technical team is working with USFDA to address the concerns of USFDA in order to clear the CGMP issues.

5. The Company during the year has not provided any loans, guarantees or investments in terms section 186 of the Companies Act 2013.
6. There are no other material orders by any Regulators or Courts or Tribunals during the year impacting the going concern status and company's operations in future.
7. The Company has no subsidiaries or associate companies..
8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

9. **Fixed Deposits**

The details relating to deposits, covered under Chapter V of the Companies Act, 2013:

- |  |        |
|--|--------|
| a. accepted during the year;   | : Nil  |
| b. remained unpaid or unclaimed as at the end of the year;   | : N.A. |
| c. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- | : N.A. |
| i. at the beginning of the year;   | : Nil  |
| ii. maximum during the year;   | : N.A. |
| iii. at the end of the year;   | : Nil  |

The Company has not accepted or renewed any deposits during the year which are not in compliance with the requirements of Chapter V of the Act.

10. The Company maintains the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.
11. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
12. **Share Capital:** During the year the Company has not issued any (i) equity shares with differential rights, (ii) Sweat Equity Shares (iii) Employee Stock Options and (iv) the company has not provided money for purchase of its own shares by employees or by trustees for the benefit of employees.



### 13. Directors:

#### A. Changes in Directors and Key Managerial Personnel

Mr.S.T.Raghavendra Mady, Director (DIN 00065918) retires by rotation and offers himself for re-appointment. Mr.S.T.Raghavendra Mady is the Non-Executive Director and Chairman of the Company and as he has crossed the age of 75 years of age a Special Resolution is required in the ensuing AGM for his re-appointment in compliance with the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr.Sunil B Gundewar, Manager & C.O.O, whose term as Manager ends on 31.05.2020 is re-appointed as the Manager & C.O.O. for another term of three years from 01.06.2020.

Ms.Ganga KM (DIN 07894677) resigned as a Director with effective from 25.01.2020 due to personal reason and Ms.Nanthitha S (DIN 06634209) is appointed as Additional Director from 04.02.2020.

#### B. Declaration by Independent Director (s):

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

#### C. Policy on Directors' appointment and remuneration:

The Company's policy is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2020, the Board consists of 5 Members and all of them are non-executive Directors and three are independent directors. The Company has formulated a Remuneration Policy of Directors, Key Managerial Personnel and others pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Part-D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### D. Formal Annual Evaluation

The Nomination and Remuneration Committee has formulated the criteria for Performance Evaluation of Independent Directors and Non-Independent Directors on the Board. Board evaluates the performance of the Directors based on the criteria recommended by the Nomination and Remuneration Committee. The Board also evaluates effectiveness of its functioning and that of the Committees seeking their inputs on various aspects of Board proceedings from the Directors.

The Chairman of the board interacted with all the Independent Directors to obtain Directors' inputs on effectiveness of Board/Committee processes and the Board considered and discussed the inputs received from the Directors. Further Independent Directors have also reviewed the performance of Board, Chairman and Non-Executive Directors based on the criteria recommended by the Nomination and Remuneration Committee.

14. The Board met seven times during the financial year, the details of which are provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

15. **Audit Committee** - The Board has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Audit Committee as on 31.03.2020 is as under:

- |                         |   |
|-------------------------|---|
| i. Dr.K.Paranjothy      | - Chairman (Independent and non-executive Director) |
| ii. Mr. S. T. R. Mady   | - Member (Independent and non-executive Director)   |
| iii. Mr.R.A.Thirumoorti | - Member (Independent and non-executive Director)   |
| iv. Ms.S.Nanthitha      | - Member (Independent and non-executive Director)   |

The Company has established a vigil mechanism (Whistle Blower policy & Vigil Mechanism) for Directors and employees to report concerns of unethical behaviour, actual or suspected,



fraud or violation of the Company's code of conduct. The Whistle Blower Policy & Vigil Mechanism is disclosed on the Company's website.

**16. Nomination and Remuneration Committee and Stakeholders Relationship Committee**

The Board has constituted a Nomination and Remuneration Committee. This Committee consists of three non-executive Directors and two of them are Independent Directors. The Chairman of the Committee is an Independent Director. The role of the Committee is to identify persons who are qualified to become Directors, recommend to the Board their appointment.

The Committee also recommends to the Board a policy relating to the remuneration for the Directors and Key Managerial personnel, criteria for performance evaluation of Directors. As part of the policy Company strives to ensure that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate senior management personnel required to execute the operations successfully and (ii) remuneration is commensurate with the performance and efficiency and meets performance benchmarks. The remuneration policy of the Company is placed on the website of the Company [www.wintaclimited.com](http://www.wintaclimited.com).

The Stakeholders Relationship Committee constituted by the Board reviews and ensures redressal of investor grievances. The Committee consists of four non-executive directors and the Chairman of the Committee is an Independent Director.

**17. During the year the Company has not given any loans (other than loans to employees as per the policy of the Company), Guarantee, Security, Investments under section 186 of the Companies Act 2013.**

**18. Managerial Remuneration:**

A. Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Ratio of the remuneration of Director to the median remuneration of employees of the Company for the financial year	–	N.A
ii. Percentage of increase in the remuneration of:		
a. Manager/C.O.O.	–	47.86 %
b. Company Secretary	–	21.54 %
c. Chief Financial Officer	–	12.35 %
d. Median Employee	–	13.98 %
e. No. of employees on the rolls	–	367
f. Average increase made in salaries of employees other than KMP	–	16.78%

The remuneration is as per the remuneration policy of the Company.

B. There was no employee employed during the year or part of the year drawing remuneration in excess of the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C. Corporate Governance – Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Management Discussion and Analysis statement, Corporate Governance Report and Auditors' Certificate on the compliance of conditions of Corporate Governance forms part of the Annual Report.

**19. Particulars of contracts or arrangements with related parties**

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto in the prescribed form AOC-2 is appended to the Board's report.

**20. Statutory Auditors – M/s. B K Ramadhyani & Co LLP, Chartered Accountants (Firm Registration No.002878S/S200021) were appointed as the Statutory Auditors of the Company for a term of 5 years from the conclusion of 27th Annual General Meeting by the shareholders of the Company during the AGM held on 10.08.2017.**



21. **Secretarial Auditor** – Parameshwar G Hegde, Practicing Company Secretary has been appointed to conduct the secretarial audit of the Company for the financial year 2019-20 as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report for FY 2019-20 is annexed to the Board's Report and forms part of the Annual Report.
22. **Extract of the annual return** – In accordance with the provisions of Section 134(3) (a) of the Companies Act, 2013, extract of the annual return in the prescribed format is enclosed to the Board's Report.
23. **Conservation of energy, technology absorption and foreign exchange earnings and outgo.**  
 The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:
- (A) Conservation of energy:
- (i) The steps taken and its impact on conservation of energy;
    - Installation of Automatic power factor panel.
    - Steam condensate recovery with insulated pipelines are in place
    - Rain water harvesting is being implemented
    - Express feeder project completed and put into operation
    - Energy efficient motor for VAM and Cooling tower
    - Energy efficient motors for Air Handling Units.
    - All production area Florescent light fixture replaced with LED fixture
    - Electrical DX units replaced with Chilled water coil system
  - (ii) The steps taken by the company for utilising alternate sources of energy;
    - Installation of Briquette fired Boilers which is environmentally friendly and uses briquette (agricultural by-product) as fuel instead of Diesel or Furnace Oil.
  - (iii) The capital investment on energy conservation equipment: ₹284.89 lakhs.
- (B) Technology absorption:
- (i) Efforts made towards technology absorption;
    - *Formulation development activities for Export market i.e., USA is carried out. ANDA for 4 products developed in house were filed for USA market during last year by our customers.*
    - *ANDA for 9 products developed in house will be filed shortly for USA market.*
    - *10 products developed in house are ready for execution of exhibit batches for USA market.*
    - *9 products got USFDA approval and have been commercialised.*
  - (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
    - More Foreign Exchange revenue since the products are developed for export market.
    - After approval of dossiers from respective Regulatory Agencies, regular commercial supplies is expected and ensure good growth in export business.
    - Technical capability of the personnel strengthened to handle additional products.
  - (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 

(a) the details of technology imported	: Nil
(b) the year of import	: N.A.
(c) whether the technology been fully absorbed	: N.A.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	: N.A.
  - (iv) the expenditure incurred on R & D : ₹ 1116.43 Lakhs
- (C) Foreign exchange earnings and Outgo::
- |                           |                   |
|---------------------------|-------------------|
| Foreign Exchange Earnings | : ₹ 8425.06 Lakhs |
| Foreign Exchange Outflows | : ₹ 1706.73 Lakhs |



## 24. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, state that—

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year, of the profit and loss and cash-flow of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 25. Acknowledgements

The Board places on record its appreciation of the continued cooperation and support received from the various government authorities, shareholders, business associates, employees and bankers.

For and on behalf of the Board of Directors

Date : 22.06.2020

(S.T.R.MADY)

Place : Bengaluru.

Chairman

### Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### 1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

#### 2. Details of material contract or arrangement or transactions at arm's length basis

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount ₹Lakhs
Somerset Therapeutics, USA	Enterprise over which KMP have significant influence ("Enterprise")	On going	1. Sales & Formulation Development fees 2. Reimbursement of Expenses 3. Purchase of Materials & Capital Goods	7251.49 1945.28 47.28
Odin Pharmaceuticals			Purchase of Materials	27.46
VEEGO Pharma LLC	Holding Company	1 Year	Guarantee by Letter of Credit for the Bank Borrowings of the Company.	4400.00
B.P.R.L. Pvt. Ltd. Bangalore	Common Director	10 Year	Rental Income	9.90

Appropriate approvals have been obtained for the related party transaction. Advances paid will be adjusted against Bills/Invoices.

For Wintac Limited

Date : 22<sup>nd</sup> June, 2020

Place : Bengaluru.

(S.T.R.MADY)

Chairman



**Form No. MGT 9**
**Extract of Annual Return as on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

- i. CIN : L85110KA1990PLC011166
- ii. Registration Date : 23/08/1990
- iii. Name of the Company : WINTAC LIMITED
- iv. Category/Sub-category of the Company : PUBLIC LIMITED
- v. Address of the Registered office & contact details : 54/1, BOODHIHAL, NELAMANGALA, BENGALURU - 562123. PH:- 080-67086500
- vi. Whether listed company : COMPANY LIMITED BY SHARES
- vii. Name, Address & contact details of the Registrar & Transfer Agent, if any. : CANBANK COMPUTER SERVICES LTD., NO.218, J.P.ROYALE, II MAIN, SAMPIGE ROAD, MALLESWARAM, BANGALORE - 560003. PH: 080-23469661/9662

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Formulation Sales	99532693	80.65%
2	Manufacturing Charges	99532693	0.21%
3	Formulation Development	99839390	19.14%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	VEEGO PHARMA LLC	----	HOLDING COMPANY	54.99	2(46)



#### IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2019)				No. of Shares held at the end of the year (As on 31-March-2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF									
b) Central Govt. or State Govt.									
c) Bodies Corporates									
d) Bank/ FI									
e) Any other									
<b>SUB TOTAL: (A) (1)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>(2) Foreign</b>									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.	55,12,098		55,12,098	54.99%	55,12,098		55,12,098	54.99%	0.00%
d) Banks/ FI									
e) Any other									
<b>SUB TOTAL (A) (2)</b>	55,12,098	-	55,12,098	54.99%	55,12,098	-	55,12,098	54.99%	0.00%
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	55,12,098	-	55,12,098	54.99%	55,12,098	-	55,12,098	54.99%	0.00%
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds		1,400	1,400	0.01%		1,400	1,400	0.01%	0.00%
b) Banks/ FI		100	100	0.00%	310	100	410	0.00%	0.00%
c) Central Govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	-	1,500	1,500	0.01%	310	1,500	1,810	0.02%	0.00%
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	13,16,962	8,000	13,24,962	13.22%	13,37,490	8,201	13,45,691	13.42%	0.21%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	3,78,841	4,44,883	8,23,724	8.22%	4,39,213	4,37,800	8,77,013	8.75%	0.53%
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	1,12,713	-	1,12,713	1.12%	88,599	-	88,599	0.88%	-0.24%
c) Others (specify) -								0.00%	0.00%
i) Director & Relative	21,44,946	700	21,45,646	21.40%	21,37,746	700	21,38,446	21.33%	-0.07%
ii) Non Resident Indians	3,873	8,000	11,873	0.12%	4,436	8,000	12,436	0.12%	0.01%
iii) Clearing Members	751	-	751	0.01%	8,184	-	8,184	0.08%	0.07%
iv) HUF	37,431	5	37,436	0.37%	39,960	5	39,965	0.40%	0.03%
v) Foreign Corporate Bodies	53,539	-	53,539	0.53%	-	-	-	0.00%	-0.53%
<b>SUB TOTAL (B)(2):</b>	40,49,056	4,61,588	45,10,644	45.00%	40,55,628	4,54,706	45,10,334	44.99%	0.00%
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	40,49,056	4,63,088	45,12,144	45.01%	40,55,938	4,56,206	45,12,144	45.01%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	
<b>Grand Total (A+B+C)</b>	95,61,154	4,63,088	1,00,24,242	100.00%	95,68,036	4,56,206	1,00,24,242	100.00%	0.00%



**(ii) Share Holding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VEEGO PHARMA LLC	55,12,098	54.99%	-	55,12,098	54.99%	-	NIL

**(iii) Change in Promoters' Shareholding ( Specify If There Is No Change)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	55,12,098	54.99%	55,12,098	54.99%
	At the end of the year	55,12,098	54.99%	55,12,098	54.99%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the 10 Shareholders	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	B.P.R.L. PVT. LTD.	At the beginning of the year At the end of the year		12,28,900 12,28,900	12.26% 12.26%	12,28,900 12,28,900	12.26% 12.26%
2	KRIPA MADY	At the beginning of the year At the end of the year		6,71,061 6,71,061	6.69% 6.69%	6,71,061 6,71,061	6.69% 6.69%
3	RATNAKALA MADY	At the beginning of the year At the end of the year		2,36,800 2,36,800	2.36% 2.36%	2,36,800 2,36,800	2.36% 2.36%
4	NIDAMBUR ROOPA NAGARAJ BALLAL	At the beginning of the year At the end of the year		88,599 88,599	0.88% 0.88%	88,599 88,599	0.88% 0.88%
5	RAJASTHAN GLOBAL SECURITIES	At the beginning of the year 2019-20 At the end of the year	Transfer	44,368 1,148 45,516	0.44% 0.01% 0.45%	44,368 45,516 45,516	0.44% 0.45% 0.45%
6	JAI MAA VINIMAY PRIVATE LIMITED	At the beginning of the year 2019-20 At the end of the year	Transfer	- 19,805 19,805	0.00% 0.20% 0.20%	- 19,805 19,805	0.00% 0.20% 0.20%
7	TOBBY SIMON	At the beginning of the year At the end of the year		15,775 15,775	0.16% 0.16%	15,775 15,775	0.16% 0.16%
8	KUPPUSAMY SATHISH KUMAR	At the beginning of the year 2019-20 At the end of the year	Transfer	- 12,150 12,150	0.00% 0.12% 0.12%	- 12,150 12,150	0.00% 0.20% 0.12%
9	VARALAKSHMI VELDI .	At the beginning of the year At the end of the year		11,504 11,504	0.11% 0.11%	11,504 11,504	0.11% 0.11%
10	PANTHER RUBBER PRIVATE LIMITED	At the beginning of the year 2019-20 At the end of the year	Transfer	- 9,500 9,500	0.00% 0.09% 0.09%	- 9,500 9,500	0.00% 0.09% 0.09%



**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>S JAYAPRAKASH MADY - DIRECTOR</b>	At the beginning of the year 2019-20	Sale	4,39,340	4.38%	4,46,340	4.83%
		At the end of the year		(7,200)	-0.07%	4,32,140	4.31%
2	<b>S.T.R. MADY - CHAIRMAN</b>	At the beginning of the year		4,32,140	4.31%	4,32,140	4.31%
		At the end of the year		7,97,300	7.95%	7,97,300	7.95%
3	<b>B.P.THYAGARAJ</b>	At the beginning of the year 2019-20	Purchase	7,97,300	7.95%	7,97,300	7.95%
		At the end of the year		50	0.00%	50	0.00%
4	<b>KRUPENDRA V.S</b>	At the beginning of the year 2019-20	Purchase	15,290	0.15%	15,340	0.15%
		At the end of the year		15,340	0.15%	15,340	0.15%
		At the beginning of the year 2019-20		0	0.00%	0	0.00%
		At the end of the year		2	0.00%	2	0.00%
				2	0.00%	2	0.00%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

₹ in Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,645.28	-	-	6,645.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32.77	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,678.05</b>	-	-	<b>6,645.28</b>
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	(3,798.98)	-	-	(3,798.98)
<b>Net Change</b>	<b>(3,798.98)</b>	-	-	<b>(3,798.98)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2,846.30	-	-	2,846.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.80	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,867.10</b>	-	-	<b>2,846.30</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole time director and/or Manager: ₹94.57 Lakhs.



**B. Remuneration to other directors:**

₹ in Lakhs

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount
		STR. MARY	SJP MARY	DR. PARANJYOTHI	R.A. TIRUMOORTI	GANGA	NANTHITHA	
1	Independent Directors							
	(a) Fee for attending board and committee meetings	-	-	0.15	0.10	0.08	0.03	0.35
	(b) Commission		-		-	-	-	-
	(c ) Others, please specify		-		-	-	-	-
	Director Remuneration							-
	<b>Total (1)</b>	-	-	<b>0.15</b>	<b>0.10</b>	<b>0.08</b>	<b>0.03</b>	<b>0.35</b>
2	Other Non Executive Directors							-
	(a) Fee for attending board and committee meetings	0.13	0.15	-	-	-	-	0.28
	(b) Commission		-		-	-	-	-
	(c ) Others, please specify.		-		-	-	-	-
	<b>Total (2)</b>	<b>0.13</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.28</b>
	<b>Total (B)=(1+2)</b>	<b>0.13</b>	<b>0.15</b>	<b>0.15</b>	<b>0.10</b>	<b>0.08</b>	<b>0.03</b>	<b>0.63</b>
	<b>Total Managerial Remuneration (A + B)</b>							0.63
	<b>Overall Ceiling as per the Act.</b>							88.00

**C. Remuneration to Key Managerial Personnel other than MD/WTD**

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	Manager	CFO	
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	37.14	94.57	15.67	147.39
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify					
5	Others, please specify			-		
	<b>Total</b>	<b>-</b>	<b>37.14</b>	<b>94.57</b>	<b>15.67</b>	<b>147.39</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

₹ 2.00 Lakhs penalty vide SEBI Adjudication Order No. Order/GR/KG/2019-20/5993-6002 dated December 10, 2019.



**Secretarial compliance report of Wintac Limited**  
(CIN: L85110KA1990PLC011166)  
**for the year ended March 31, 2020**

I have examined:

- (a) All the documents and records made available to me and explanation provided by **Wintac Limited** ("the listed entity"),
- (b) The filings/submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/filing, as may be relevant, which has been relied upon to make this certification,

For the year ended **March 31, 2020** ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, Circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The Specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (there were no events requiring compliance during the review period)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; (there were no events requiring compliance during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (there were no events requiring compliance during the review period)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (there were no events requiring compliance during the review period)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (there were no events requiring compliance during the review period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. and circulars/guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provision of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my examination of those records.
- (c) There were no actions taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (Including under the Standard operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the review period, in so far as it appears from my examination of those records. However, an Adjudication order No. order/GR/KG/2019-



20/5993-6002 dated December 10, 2019 was passed u/s. 15-I of SEBI Act by the Adjudicating officer appointed by the SEBI for non-compliance of certain provision of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Take overs) Regulations, 1997 and 2011 (SAST) by the promoters during the period 2002 to 2012 and a consolidated penalty of Rs. 2,00,000/- (Rupees Two lakh only) was levied u/s. 15 A(b) of the Act and the same has been paid by the promoters.

- (d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period.
- (e) Since the auditor has already been appointed, the terms of appointment of the auditor have been suitably modified to give effect to 6(A) and 6(B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18,2019.

Date : May 27, 2020  
Place: Bengaluru

P.G.HEGDE  
Hegde & Hegde  
Company Secretaries  
C.P.No: 640  
UDIN:F001325B000285334



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the largest provider of generic drugs globally. Indian pharmaceutical industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 15.52 billion in FY19 (up to January 2019). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals. The country accounts for around 30 per cent by volume and about 10 per cent by value in the US\$ 70-80 billion US generics market.

### OPPORTUNITIES AND THREATS

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable as on reporting date. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial results.

### OPERATIONAL PERFORMANCE & OUTLOOK

The net sales during the year under review was ₹ 8511.01 lakhs as compared to ₹ 7192.01 lakhs during the previous year, registering a growth of 18.34%. The net loss after tax during the current year was ₹306.22 lakhs as against the profit of ₹10.91 lakhs during the previous year. The total comprehensive income for the year was a loss of ₹378.67 lakhs as compared to a loss of ₹ 15.96 lakhs during the previous year.

### RISKS AND CONCERNS

The operational costs of the Manufacturing plant are considerably higher to meet the international quality standards. The additional capacities built during the year would further increase the cost of operations. The approval and commercialization of more products and optimum utilization of capacities would be very crucial for the Company to turn around the operations. The delay in approval of more products by the regulatory authorities increases the risk of losses.

The Delisting proposal from Promoters - The Department of Pharmaceuticals (DOP) has accorded approval during March 2019 to the promoters' proposal for increasing their shareholding in Wintac Limited to 100% which is a pre-requisite for carrying out the delisting proposal. The promoters have once again reaffirmed that they would pursue the delisting proposal in compliance with the SEBI (Delisting of Equity Shares) Regulations, 2019. However, in view of the National Lock down imposed by the Central and State



Governments prohibiting/closure of all commercial and social activities from March 23, 2020 to May 17, 2020 in view of COVID 19 pandemic, the delisting process could not be commenced immediately.

The Manufacturing facility at Nelamangala was inspected by USFDA Authorities during February 2020 and now USFDA has classified the facility as 'Official Action Indicate' (OAI). OAI indicates that this facility may be subject to a CGMP regulatory or enforcement action and FDA may withhold approval of any pending applications. Company's Technical team is working with USFDA to address the concerns of USFDA in order to clear the CGMP issues

#### **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 program 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, compliance with the Companies policies and procedures 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 Company reported a net operating loss of ₹ 306.22 lakhs during the year as compared to operating profit of ₹ 10.91 lakhs during the previous year. The operating profit before interest, depreciation and exceptional items was ₹ 552.67 lakhs as compared to a profit of ₹ 532.50 lakhs during the previous year. The total interest cost for the year was at ₹ 191.27 lakhs as against ₹ 93.38 lakhs during the previous year. The increase in interest cost is due to higher borrowings for Capex purposes.

The servicing of interest and repayment instalments of the bank borrowings was regular and on time during the year.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

As on 31st March 2020, there were 367 employees on the rolls of the Company and the relationship with the employees has been very cordial.

#### **KEY FINANCIAL RATIOS:**

Sl.No	Particulars	2019-20	2018-19
i.	Debtors Turnover	<b>33.94</b>	52.96
ii	Inventory Turnover	<b>1.61</b>	1.98
iii	Interest Coverage Ratio	<b>(0.89)</b>	0.84
iv	Current Ratio	<b>0.31</b>	0.25
v	Debt Equity Ratio	<b>(3.48)</b>	(11.00)
vi	Operating Profit Margin (%)	<b>0.02%</b>	0.01%

For Wintac Limited

Date : 22.06.2020  
 Place: Bengaluru

Sunil Gundewar  
 Manager & C.O.O.



## CORPORATE GOVERNANCE

The Report on Corporate Governance is pursuant to Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the report of the Board of Directors.

### 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 consists of Five Directors and all the five Directors are non-executive directors. There are three Independent Directors, including a Women Director, on the Board. The Chairman of the Board is a non-executive and non-independent Director.

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. None of the Directors serve as a Director or as a whole-time Director in any listed companies.

The Directors have made necessary disclosures regarding committee positions and other Directorships. The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review. None of the Directors are related to any other Director on the Board in terms of the provisions of the Companies Act, 2013.

The Board of Directors is of the opinion that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management. The details of familiarization programs imparted to Independent directors is posted on the website of the Company @ [www.wintaclimited.com](http://www.wintaclimited.com).

The Board identifies the following skills/expertise which the Directors are expected to have in the context of the business of the Company to function effectively and the Board is of the opinion the current Board Members have such adequate skills/expertise:

- i. Knowledge of Pharmaceutical Formulations Industry.
- ii. Knowledge of Manufacturing of Pharmaceutical products and specialized in Injectable and Ophthalmic Products and relevant Statutory Regulations in domestic and overseas market.
- iii. Knowledge of general Administrations, legal compliances and corporate governance practices of a public listed Company.
- iv. Knowledge and understanding of Financial Statements, Internal Control Processes.
- v. Knowledge of Human Resource Management and Remuneration aspects of the Pharma Industry.

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. of Board Meetings attended during 2019-20	Whether Attended AGM held on 25.09.2019	No. of Directorship in other Public Limited Cos..		No. of Committee positions held in other Public Limited Cos.	
				Chairman	Member	Chairman	Member
S.T.R.Mady	Non-Independent Non-Executive	5	Yes	-	-	-	-
S.Jayaprakash Mady	Non-Independent Non-Executive	7	Yes	-	-	-	-
Dr.K.Paranjothy	Independent Non-Executive	6	Yes				
R.A.Thirumoorti	Independent Non-Executive	5	No	-	-	-	-
K.M.Ganga (upto 25.01.2020)	Independent Non-Executive	2	Yes	-	-	-	-
S.Nanthitha (from 04.02.2020)	Independent Non-Executive	1	NA	-	-	-	-



During the year K.M. Ganga, Independent Director resigned before the expiry of her tenure due to her personal reasons and that there are no other material reasons other than those provided.

Seven Board meetings were held during the financial year 2019-20 and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:

April 11<sup>th</sup> 2019,  
August 12<sup>th</sup> 2019,

May 22<sup>nd</sup> 2019,  
November 13<sup>th</sup> 2019,

June 18<sup>th</sup> 2019,  
February 04<sup>th</sup> 2020.

June 29<sup>th</sup> 2019

### 3. **Audit Committee**

The scope and the terms of reference of the Audit Committee are as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations which, inter alia, includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Reviewing with Management of quarterly and annual financial statements and auditors report thereon before submission to the Board
- Reviewing with the management the adequacy of internal control systems, adequacy of internal audit function, etc.
- Review and approval of transactions of the company with related parties.
- Recommendation for appointment of Auditors and their remuneration and other terms.
- Approval of appointment of Chief Financial Officer and Key Managerial Personnel.
- Valuation of undertakings or assets of the Company wherever it is necessary.

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

Name of Members	Category	No. of Meetings attended during the year 2019-20
Dr.K.Paranjothy (Chairman)	Independent, Non-Executive	5
Mr.S.T.R.Mady	Non-Independent, Non-Executive	4
Mr.R.A.Thirumoorti	Independent, Non-Executive	3
Ms.S.Nanthitha	Independent, Non-Executive	1

Audit committee meetings are attended by the Manager & C.O.O and Head of Finance. Statutory Auditors attended the meeting held on May 22, 2019. The Company Secretary acts as the Secretary of the Audit Committee.

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

April 14<sup>th</sup> 2019,  
November 13<sup>th</sup> 2019,

May 22<sup>nd</sup> 2019,  
February 04<sup>th</sup> 2020.

August 12<sup>th</sup> 2019,

The necessary quorum was present at the meetings.

### 4. **Nomination & Remuneration Committee:**

The company has constituted a Nomination and Remuneration committee. The broad terms of reference of the remuneration committee are to recommend to the Board the remuneration of the Directors, KMP and other senior employees and formulation of policy for evaluation of Independent Directors and the Board.

R.A.Thirumoorti, Independent and Non-Executive Director is the Chairman of the Nomination and Remuneration Committee. Sri.S.Jayaprakash Mady (Non-Executive and Non-Independent Director) and Ms.S.Nanthitha, Independent and Non-Executive Director are the other Members of the Committee. The details of performance evaluation criteria for Directors are as provided in the Directors Report.

Committee held three meetings during the year on 22.05.2019, 13.11.2019 & 04.02.2020 and necessary quorum was present at the meetings.



## 5. 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 ₹2500 per Board Meeting to Non-Executive Directors.

### Remuneration paid during 2019-20:

#### Non-Executive Directors:

<u>Name of the Director</u>	<u>Sitting Fees (₹)</u>
Mr.S.T.R.Mady	12,500
Mr.S.Jayaprakash Mady	17,500
Mr.R.A.Thirumoorthi	12,500
Dr.K.Paranjothy	15,000
Ms. K.M.Ganga	5,000
Ms. S. Nathitha	2,500

Apart from Sitting Fee, the Company has not paid any remuneration to any of the Directors during the year. None of the Directors had any other pecuniary relationship or transactions with the company during the current financial year.

Details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2020 are as under:

<u>Name of the Director</u>	<u>No. of Shares</u>
Mr.S.T.R.Mady	7,97,300
Mr.S.Jayaprakash Mady	4,32,140

## 6. Stakeholders Relationship Committee:

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 Meetings attended During the year 2019-20</u>
Dr.K.Paranjothy, Chairman	Independent, Non-Executive	4
Mr.S.T.R.Mady	Non-Independent, Non-Executive	4
Mr.R.A.Thirumoorthi	Independent, Non-Executive	3
Ms. S. Nanithitha	Independent, Non-Executive	1

Four meetings of the Stakeholders Relationship Committee were held during the year 2019-20 on the following dates: -

May 22<sup>nd</sup> 2019, August 12<sup>th</sup> 2019, November 13<sup>th</sup> 2019 & February 02<sup>th</sup> 2020.

No. of complaints from Shareholders from 01.04.2019 to 31.03.2020	- 1
Complaints not solved to the satisfaction of the shareholders as on 31.03.2020	- Nil
No. of pending share transfers as on 31.03.2020	- Nil

Name, designation and address of Compliance officer: Shri.B.P.Thyagaraj, V.P.(Finance) and Secretary, 54/1, NH4, Budihal Village, Nelamangala, Bangalore-562123 Phone No.080-67086500 Email - thyagaraj@wintaclimited.com

## 7. 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 31<sup>st</sup> March 2020. A declaration duly signed by the Manager & C.O.O is annexed hereto.



## 8. General body meetings:

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

Financial Year ended	Date & Time	Venue
31 <sup>st</sup> March, 2017	10.08.2017 at 10.30 am	Registered Office of Wintac at #54/1, Boodihal Village, Nelamangala, Bangalore.
31 <sup>st</sup> March, 2018	27.10.2018 at 10.30 am	- “ -
31 <sup>st</sup> March, 2019	25.09.2019 at 10.00 am	- “ -

## Whether Special Resolutions:

b. Passed in the previous three Annual General Meetings - Yes

c. Passed through postal ballot during last year:

- (i) On August 10, 2019 Public Shareholders of the Company passed one (1) Special Resolution through Postal ballot for approving promoters proposal for Voluntary delisting of equity shares of the Company from BSE Limited,
- (ii) On March 18, 2020 Members of the Company passed two Special Resolutions for approving (i) Material Related Party transactions with Somerset Therapeutics LLC, USA and (ii) Payment of additional remuneration to Mr.Sunil B Gundewar, Manager and Chief Operating Officer of the Company

All the resolutions were passed with the requisite majority.

d. Mr.Parameshwar G Hegde, the Practicing Company Secretary (FCS 1325) was the Scrutinizer and conducted both of the aforesaid the postal ballots.

e. Whether any special resolution is proposed to be conducted through postal ballot – NO

f. Procedure for postal ballot – N.A.

## 9. Means of Communications:

The quarterly and half yearly results are published in Financial Express and E-Sanje Newspapers and are also displayed at Company's website [www.wintaclimited.com](http://www.wintaclimited.com). No presentations are made to institutional investors or to the analysts.

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

## 10. GENERAL SHAREHOLDERS INFORMATION

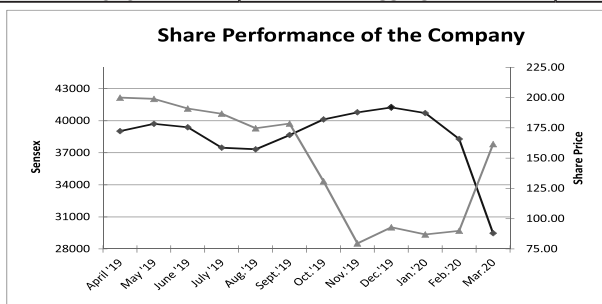
- AGM date, time and Venue - 30<sup>th</sup> December, 2020 at 10.00 am at the Registered Office of the Company at No.54/1, Budihal Village, Nelamangala, Bangalore-562 123.
- Financial Year - 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020
- Dividend payment date - N.A.
- Listing on stock exchange - BSE Limited, Mumbai, Dalal Street, Mumbai-400 001.  
Stock Code: 524758  
Listing fee for the year 2019-20 has been paid.



### 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 (2019-20) and performance in comparison to BSE Sensex :-

Period		Company's Share Price ₹	
		High	Low
April	2019	220.95	200.00
May	2019	222.00	180.10
June	2019	219.90	170.20
July	2019	209.45	177.25
August	2019	193.30	161.10
September	2019	209.60	141.10
October	2019	179.00	106.20
November	2019	139.90	64.30
December	2019	92.95	75.55
January	2020	97.00	84.00
February	2020	94.90	75.00
March	2020	185.25	82.05



### Registrars and Share Transfer Agents:

Canbank Computer Services Ltd., No.218, J.P. Royale, 1<sup>st</sup> Floor, 2<sup>nd</sup> Main, Sampige Road (Near 14<sup>th</sup> 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's 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 31.03.2020 is as follows: -

Range of Holdings	No. of Holders	Amount (₹)
Upto 5000	4787	55,75,720
5001 to 10000	104	8,44,510
10001 to 50000	87	19,88,090
50001 to 100000	15	9,64,160
100001 and above	13	9,08,69,940
<b>Total</b>	<b>5006</b>	<b>10,02,42,420</b>

Dematerialization of Shares and liquidity: 95,68,036 Shares (95.45% of paid up capital) has been dematerialized as on 31.03.2020.

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

Commodity price risk or forex risk and hedging activities – The Company has no significant commodity price risk. In view of more than 90% of the export sales, there is a natural hedging for the forex risk and hence company does not hedge forex risks for payables which are also not significant considering the volume of business.

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



Address for 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, V.P.(Finance) & Secretary at the Registered office of the Company for any assistance.

The Company has not availed any credit ratings for any debt instruments or for any scheme or proposal for mobilization of funds either in India or abroad.

#### **11. DISCLOSURES:**

- (a) 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 policy on related party transactions is posted on the Company's website [www.wintaclimited.com](http://www.wintaclimited.com).
- (b) During the year Securities and Exchange Board of India (SEBI) has passed an Adjudication Order under Section 15-I of SEBI (Procedure for holding inquiry and imposing penalties) Rules, 1995 in respect of violations of certain provisions of SEBI (SAST) Regulations, 1997 during 2002, 2003, 2005 & 2012 by the Company and its erstwhile promoters and imposed a consolidated penalty of Rs.2.00 lakhs under Section 15A(b) of the SEBI Act and the penalty has since been paid. Apart from this there is no other non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange(s) or the Board or any statutory authority on any matter related to capital markets during the last three years;
- (c) The Company has formulated and implemented a vigil mechanism and Whistle Blower policy and that it is hereby affirmed that no personnel has been denied access to the audit committee.
- (d) The Company has complied with all the mandatory requirements relating to Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- (e) 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.
- (f) The Company has obtained a certificate from a company secretary in practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- (g) There was no recommendation of any committee of the Board where the Board had not accepted in the relevant financial year.
- (h) Total fee paid by the Company for all the services to the statutory auditor during the year is ₹11.00 Lakhs
- (i) Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - a. Number of complaints filed during the financial year - 1 (One)
  - b. Number of complaints disposed of during the financial year - Nil
  - c. Number of complaints pending as on end of the financial year - 1 (One)
- (j) There is no non-compliance of any requirement of Corporate governance report as required under the SEBI (LODR) Regulations.
- (k) The company has not adopted the discretionary requirements as specified in Part E of Schedule II to the SEBI (LODR) Regulations.
- (l) The Company has complied with the provisions of the Corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulation.
- (m) There are no shares of the Company in the demat suspense account or unclaimed suspense account.

#### **DECLARATION**

I, Sunil Gundewar, Manager & Chief Operating Officer 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, 2020.

Place: Bangalore  
 Date : 22.06.2020

For Wintac Limited  
 Sunil Gundewar  
 Manager & C.O.O.



**AUDITOR'S REPORT ON CORPORATE GOVERNANCE****To:****The Members of Wintac Limited**

1. This report contains details of compliance of conditions of Corporate Governance by Wintac Limited ("the Company") for the year ended 31<sup>st</sup> March, 2020 as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

**Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.**

2. The Compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31<sup>st</sup> March 2020.

**Opinion**

5. In our opinion and the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and the Listing Regulations applicable for the respective period as mentioned above.
6. 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.

**Restriction on use**

7. The certificate is addressed and provided to the members of the company solely for the purpose to enable the company to comply with requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR B.K. RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

(C R Deepak)  
Partner

Place: Bengaluru  
Date : 22<sup>nd</sup> June, 2020

Membership No. 215398  
UDIN: 20215398AAAACP4061



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINTAC LIMITED

### Report on Audit of the Standalone Financial Statements

#### Opinion:

We have audited the standalone Ind AS financial statements of Wintac Limited ("the Company") which comprise of balance sheet as at March 31, 2020, the statement of profit & loss, statement of changes in equity and the cashflow statement for the year then ended, and notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and Loss, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Adoption of Ind AS 115- Revenue from Contract with customers as described in note 21. and note 26 note of financial statements :	
The Company has adopted Ind AS 115- Revenue from Contracts with Customers, Application of Ind AS 115, including selection of transition method involves significant judgement in determining when "control" of the goods or services underlying the performance obligation.	As part of our audit procedures our procedures included the following :  - We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under AS 115.



<p>As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matters.</p>	<ul style="list-style-type: none"> <li>- We obtained and understood the revenue recognition process including determination of point of transfer of control and completion of performance obligation.</li> <li>- We performed test of details, on a sample basis, and examined the underlying customer contracts.</li> <li>- We examined the disclosures made by management in compliance with the requirements of Ind AS 115.</li> </ul> <p><b>Conclusions :</b> Our procedures did not identify and material exceptions.</p>
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#### **Material Uncertainty Related to Going Concern:**

Attention of the members is invited to Note 51 to the Ind AS financial statements which indicate that the Company has incurred a loss of ₹ 378.67 lakhs for the year ended March 31, 2020 and as on that date, the Company's total liabilities exceed its total assets by ₹816.84 Lakhs. These events or conditions, along with other matters stated in note 51, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not modified in this matter.

#### **Other Matters:**

Attention of the members is drawn to note 49 of the financial statements regarding the impact of COVID-19 on Business, where the management has estimated the future cash flows for the Company with the possible effects that may result from the COVID- 19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the covid-19 pandemic may be different from that estimated as at the date of the approval of these financial statements. We have not modified our opinion in this regard.

#### **Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Management's Responsibility for Standalone Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified



under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements:**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 those books
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:  
In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director/manager by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed its pending litigations which would impact its financial position in note 40 of the Ind AS financial statements.
  - ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR B.K. RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

(CA C R Deepak)  
Partner

Place: Bengaluru  
Date : 22<sup>nd</sup> June, 2020

Membership No. 215398  
UDIN : 20215398AAAAC02367



**ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF WINTAC LIMITED.**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment (“PPE”).
- b) Management during the year has physically verified PPE as per a phased program of physical verification. The discrepancies noticed on such verification were not material and the same has been properly dealt with in the books of account.
- c) According to the information and explanation given to us by the Company, title deed of all immovable properties IS held in the name of the Company, except for cases reported in additional information to note 4.a.ii) and 6C. of the financial statements.
2. The management during the year has physically verified the inventory at reasonable intervals. The discrepancies that were noticed during the physical verification of Inventory were not material and the same has been properly adjusted in the books of account.
3. The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable.
4. Based on the information and explanations given to us, the Company has not granted any loans, made any investments, given guarantees and securities as referred in the provisions of section 185 and 186 of the Act. Hence, clause 3(iv) of the Order is not applicable.
5. The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed their under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
6. To the best of our knowledge and explanations given to us, the Company has maintained cost records as prescribed under clause (d) of sub-section (1) of section 148 of the Act.
7. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Income Tax, service tax, goods & service tax, customs duty, excise duty, value added tax, cess and any other statutory dues to the appropriate authorities. There are no undisputed statutory dues exceeding six months from the date they are payable as at March 31, 2020.
- b) According to the records of the Company and according to the information and explanation given to us, there are certain dues outstanding on account of any disputes in respect of income tax, service tax, customs duty or excise duty or value added tax refer note 40 of the Ind AS financial statements. The summary is given below:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs.)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act ,1944	Valuation of Physician samples	44.95	NIL	2005.-06	CESTAT , Bengaluru
The Central Excise Act , 1944	Penalty demanded under 209A of the Central Excise Rules	2.00	NIL		CESTAT, Ahmedabad
The Finance Act , 1994	Tax demanded on export of technical services	254.87	25.49	2013-16	Tribunal
The Finance Act, 1994	Tax demanded under RCM on fees paid to USFDA	75.46	7.55		CCT (appeals)
The Central Sales Tax , 1956	Difference in sales tax for non- submission of statutory forms	2.33	1.75	2003-04	DCST-Navi Mumbai



Name of the statute	Nature of the dues	Amount (₹ in Lakhs.)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Appeal against order of rectification passed by AO	38.26	70.00	AY 2001-02	High Court of Karnataka
The Income Tax Act, 1961	Fringe Benefit Tax	5.24	NIL	2008-09	ITAT, Bengaluru
The Central Excise Act, 1944	Excise duty on sale of brands to Recon Healthcare Pvt Ltd	400.00	NIL	2001-02	Supreme Court
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Levy of damages for delay in remittance of PF Dues	32.37	NIL	1996-2013	Tribunal

8. The Company has not defaulted in repayment of loans taken from banks. The Company has not borrowed from financial institutions or government or has issued debentures.
9. In our opinion based on the information and explanation given to us by the Company, it has not raised any moneys by way of initial public offer or further public offer (including debt instruments and term loans). Accordingly, the provisions of clause 3(ix) of the said Order is not applicable.
10. According to the information and explanation given to us, there are no frauds reported by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the said Order are not applicable.
11. According to the information and explanation given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. The Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable.
13. In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Note 48 of the Ind AS financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the said Order are not applicable.
15. As represented to us by the management and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable.
16. According to the information and explanation given, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

FOR B.K. RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

(CA C R Deepak)  
Partner

Place: Bengaluru  
Date : 22<sup>nd</sup> June, 2020

Membership No. 215398  
UDIN : 20215398AAAAC02367



## **ANNEXURE – B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF WINTAC LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):**

We have audited the internal financial controls over financial reporting of Wintac Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **Auditors’ Responsibility:**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting:**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, the Company, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

FOR B.K. RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

(CA C R Deepak)  
Partner

Place: Bengaluru  
Date : 22<sup>nd</sup> June, 2020

Membership No. 215398  
UDIN : 20215398AAAAC02367



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	10,563.93	5,111.18
Capital work-in-progress	5	140.60	3,930.78
Investment Property	6	43.13	43.13
Other Intangible assets	7	48.30	49.30
Financial Assets			
Loans and Advances	8	47.03	441.87
Deferred tax assets (net)	9	724.91	643.33
Other non-current assets	10	127.84	195.62
		<b>11,695.74</b>	<b>10,415.21</b>
<b>Current assets</b>			
Inventories	11	2,532.42	1,944.62
Financial Assets			
Trade receivables	12	309.71	191.82
Cash and cash equivalents	13	1.08	6.23
Bank balances other than (ii) above	14	133.85	-
Loans and advances	15	100.90	192.53
Other current assets	16	1,375.68	860.62
		<b>4,453.64</b>	<b>3,195.82</b>
<b>Total Assets</b>		<b>16,149.38</b>	<b>13,611.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	1,002.42	1,002.42
Other equity	18	(1,819.26)	(1,440.59)
		<b>(816.84)</b>	<b>(438.17)</b>
<b>Share application money, pending allotment</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	19	2,128.15	1,378.31
Other non-current liabilities	20	9.88	13.19
Provisions	21	345.42	111.83
		<b>2,483.45</b>	<b>1,503.33</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	22	238.15	5,016.97
Trade payables	23	1,319.90	1,264.74
Other current liabilities	24	12,844.99	6,148.65
Provisions	25	79.73	115.51
		<b>14,482.77</b>	<b>12,545.82</b>
<b>Total Equity and Liabilities</b>		<b>16,149.38</b>	<b>13,611.03</b>
<b>Background and Significant accounting policies</b>	1-3		

In Accordance with our Report attached

For and on behalf of the Board of directors of Wintac Limited

**For B K Ramadhyani & Co. LLP**

Chartered Accountants  
Firm number: 0028785 / S200021

**S.T.R. MADY**  
Chairman  
DIN: 00065918

**S JAYAPRAKASH MADY**  
Director  
DIN: 00240744

**DR. K PARANJOTHY**  
Director  
DIN: 02004861

**C R DEEPAK**

Partner, M. No. 215398  
Place : Bengaluru  
Date : 22.06.2020

**SUNIL B GUNDEWAR** **B P THYAGARAJ**  
Manager & C.O.O V.P (Finance) & Secretary

**KRUPENDRA V S**  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	Note No.	Current Year	Previous Year
<b>Income</b>			
Revenue from sales	26	8,511.01	7,192.01
Other Income	27	275.97	194.95
		<b>8,786.98</b>	<b>7,386.96</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	3,666.70	2,820.48
Changes in inventories of finished goods, Stock-in-Trade and WIP	29	(72.48)	(87.62)
Employee benefits expense	30	2,768.68	2,324.57
Finance costs	31	191.27	93.38
Depreciation and amortization expense	32	723.76	418.13
Other expenses	33	1,871.41	1,797.03
		<b>9,149.34</b>	<b>7,365.97</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(362.36)</b>	20.99
Exceptional Items Net Gain / (Loss)		-	-
<b>Profit/(loss) before tax</b>		<b>(362.36)</b>	20.99
Tax expense:	9		
Current tax		-	-
Deferred tax		(56.14)	10.08
		<b>(306.22)</b>	10.91
<b>Profit /(Loss) for the year</b>		<b>(306.22)</b>	10.91
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of Defined Benefit Plans		(97.90)	(36.31)
(ii) Income tax relating to items that will not be reclassified to P&L		25.45	9.44
		<b>(72.45)</b>	<b>(26.87)</b>
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(72.45)</b>	<b>(26.87)</b>
Total Comprehensive Income for year		<b>(378.67)</b>	<b>(15.96)</b>
<b>Earnings per equity share of face value of ₹10 each</b>			
Basic (in ₹)	34	(3.05)	0.11
Diluted (in ₹)		(3.05)	0.11

In Accordance with our Report attached

**For B K Ramadhyani & Co. LLP**

Chartered Accountants

Firm number: 0028785 / S200021

**C R DEEPAK**

Partner, M. No. 215398

Place : Bengaluru

Date : 22.06.2020

**S.T.R. MADY**

Chairman

DIN: 00065918

**SUNIL B GUNDEWAR**

Manager &amp; C.O.O

**S JAYAPRAKASH MADY**

Director

DIN: 00240744

**B P THYAGARAJ**

V.P (Finance) &amp; Secretary

**DR. K PARANJOTHY**

Director

DIN: 02004861

**KRUPENDRA V S**

Chief Financial Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxation and extraordinary item	(362.36)	20.99
Adjustments for:		
Depreciation	723.76	418.13
Other Comprehensive Income	(97.90)	(36.31)
Interest Income	(10.46)	(2.49)
Interest Expenses	191.27	93.38
Loss / (Profit) on Sale of Fixed Assets	(64.96)	19.55
Operating Profit before Working Capital Changes	379.35	513.25
(Increase)/Decrease in trade receivables	(117.89)	(112.06)
(Increase)/Decrease in Inventory	(587.80)	(1,040.57)
Increase/(Decrease) in trade payables	55.16	790.13
(Increase)/Decrease in loans & advances	90.03	155.77
(Increase)/Decrease in current & non current assets	(435.74)	(269.05)
(Increase)/Decrease in provisions	197.81	33.68
(Increase)/Decrease in Current, non current liabilities	6,475.00	(457.91)
<b>Net Cash from operating activities ( A )</b>	6,055.92	(404.76)
Taxes refunds/(Paid)	(11.52)	(3.71)
	6,044.40	(408.47)
<b>B. Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(2,005.04)	(5,557.56)
Sale of fixed assets	81.10	1.37
(Increase) / decrease in other bank balances	(133.85)	-
Interest Received	10.46	2.49
<b>Net Cash from Investing Activities ( B )</b>	(2,047.33)	(5,553.70)
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in short term Borrowings	(4,778.82)	5,016.97
Increase/(Decrease) in long term Borrowings	967.87	958.34
Interest Paid	(191.27)	(60.61)
Net Cash from financing Activities (c)	(4,002.22)	5,914.70
Net Increase in cash and Cash Equivalents (A + B + C)	(5.15)	(47.47)
Cash and Cash Equipments at beginning of period	6.23	53.70
<b>Cash and Cash Equivalents at End of Period</b>	1.08	6.23

In Accordance with our Report attached

For and on behalf of the Board of directors of Wintac Limited

**For B K Ramadhyani & Co. LLP**

Chartered Accountants

Firm number: 0028785 / S200021

**S.T.R. MADY**

Chairman

DIN: 00065918

**S JAYAPRAKASH MADY**

Director

DIN: 00240744

**DR. K PARANJOTHY**

Director

DIN: 02004861

**C R DEEPAK**

Partner, M. No. 215398

Place : Bengaluru

Date : 22.06.2020

**SUNIL B GUNDEWAR B P THYAGARAJ**

Manager & C.O.O

V.P (Finance) & Secretary

**KRUPENDRA V S**

Chief Financial Officer



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**Statement of changes in equity for the year ended March 31, 2020**
**A. Equity share capital:**

Issued, subscribed and fully paid-up share capital	No.	₹ in Lakhs
<b>Equity shares of ₹10 each:</b>		
As at April 01, 2018	1,00,24,242	1,002.42
Issued during the year	-	-
<b>As at March 31, 2019</b>	<b>1,00,24,242</b>	<b>1,002.42</b>
Issued during the year	-	-
<b>As at March 31, 2020</b>	<b>1,00,24,242</b>	<b>1,002.42</b>

**B. Other equity**

₹ in Lakhs

	Reserves and surplus				Total
	Capital Reserve on Forfeiture of shares	Securities Premium account	General Reserve	Retained earnings	
<b>As at April 01, 2018</b>	<b>0.56</b>	<b>5,098.63</b>	<b>409.84</b>	<b>(6,933.62)</b>	<b>(1,424.59)</b>
Profit/(Loss) for the year	-	-		10.91	10.91
Other comprehensive income	-	-		(26.87)	(26.87)
<b>As at March 31, 2019</b>	<b>0.56</b>	<b>5,098.63</b>	<b>409.84</b>	<b>(6,949.62)</b>	<b>(1,440.59)</b>
Profit/(Loss) for the year	-	-		(306.22)	(306.22)
Other comprehensive income	-	-		(72.45)	(72.45)
<b>As at March 31, 2020</b>	<b>0.56</b>	<b>5,098.63</b>	<b>409.84</b>	<b>(7,328.29)</b>	<b>(1,819.26)</b>

**Notes:**

Nature and purpose of reserves:

**(a) Capital Reserve:**

the Company recognises profit and loss on forfeiture of the Company's own equity instruments to capital reserve.

**(b) Securities Premium:**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 57 of the Act.

**(c) General Reserve:**

General Reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As general reserve is created by a transfer from one component of equity to another and is not a item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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**1 BACKGROUND:**

Wintac Limited ("the Company") was incorporated on the August 23, 1990. The Company carries on the business of development and manufacturing of sterile pharmaceuticals formulations. The Company's shares are listed at Bombay Stock Exchange. The financial statements of the Company is approved by the Board of Directors on June 22, 2020.

**2 SIGNIFICANT ACCOUNTING POLICIES:**
**2.1 Basis of Preparation:**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The standalone financial statements of the Company are prepared and presented in accordance with Ind AS.

For all periods up to and including the year ended March 31, 2017, the Company had prepared and presented its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). The standalone financial statements for the year ended March 31, 2018 are the first, the Company has prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**2.2 Summary of significant accounting policies:**
**a) Use of estimates:**

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

**b) Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.



**c) Property, Plant and Equipment:**

- (i) Property, Plant and Equipment ("PPE") are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (ii) Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as and when incurred.
- (iii) Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the income statement for the period during which such expenses are incurred.
- (iv) An item of PPE and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.
- (v) Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the income statement.
- (vi) Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress
- (vii) Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

**d) Depreciation:**

"Depreciation on tangible assets is provided on straight line method by amortizing the depreciable amount of an asset over its residual useful life. The residual useful life is determined as per Part 'C' of Schedule II of the Act.

Intangible assets are amortised over their useful life as estimated by the management in accordance with Ind AS - 38. Assets costing less than Rs.5,000 are fully depreciated in the year of addition."

**e) Investment Property:**

- (i) Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- (ii) The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in income statement as and when incurred.



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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- (iii) Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation based on guidance value.
- (iv) Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in income statement in the period of de-recognition.

**f) Impairment:**

1) Financial Asset:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2) Non-financial asset:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**g) Leases:**

Where the Company is Lessee:

- (a) "The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
  - (i) the contract involves the use of an identified asset
  - (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease
  - (iii) the Company has the right to direct the use of the asset. "
- (b) At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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- (c) Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
- (d) Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
- (e) The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Where the Company is Lessor:

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**h) Inventories:**

- (i) Inventories are valued at lower of cost and net realizable value. Stock of stores are valued at cost. Cost is determined on First In First Out basis ("FIFO").
- (ii) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.
- (iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**i) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company collects taxes such goods and service tax etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

- (i) Sale of Goods:
  - The Company has transferred to the buyer the significant risks and rewards of ownership of goods;
  - The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to the Company;
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Income from services is recognised on rendering of services.
- (iii) Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.



**j) Employee Benefits:****(i) Short term employee benefits:**

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

**(ii) Long term employee benefits:****(a) Defined Contribution Plans:**

The Company has contributed to state governed provident fund scheme, employee's state insurance scheme and employee pension scheme which are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which employee renders the related service.

**(b) Defined Benefit Plans:**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/ losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**k) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**i) Current Income Tax:**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**ii) Deferred Income Tax:**

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

*iii) Minimum Alternate Tax (MAT):*

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward in the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under Deferred Tax Asset. Under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under non current assets. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**i) Earnings per share:**

"Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) Provisions and Contingent liabilities:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**n) Financial Instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

*i) Cash & Cash equivalents:*

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

*ii) Financial assets at amortized cost:*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*iii) Financial assets at fair value through other comprehensive income:*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*iv) Financial assets at fair value through profit or loss:*

"Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

*v) Financial liabilities:*

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

*vi) De-recognition of financial instruments:*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

*vii) Fair value of financial instruments:*

"In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy: All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows,



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

*viii) Investments in subsidiary:*

Investments in subsidiary is carried at cost.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

*a) Judgements:*

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

*b) Estimates and assumptions:*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans - Gratuity**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹ in Lakhs

**4 Property, Plant and Equipment**

Particulars	Land	Buildings	Plant and Equipment	Electrical installations	Office equipment	R & D Equipments	Computer Hardwares	Furniture & Fixtures	Vehicles	Total
<b>Gross Block</b>										
Balance as at April 1, 2018	228.95	788.45	1,727.07	108.38	77.41	594.51	49.05	96.12	58.71	3,728.65
Additions for the year	10.40	924.57	1,210.70	52.84	61.47	-	82.90	118.14	8.80	2,469.82
Disposals/ Adjustments	-	-	(29.86)	-	(0.52)	-	(0.26)	(1.78)	-	(32.42)
Balance as at April 1, 2019	<b>239.35</b>	<b>1,713.02</b>	<b>2,907.91</b>	<b>161.22</b>	<b>138.36</b>	<b>594.51</b>	<b>131.69</b>	<b>212.48</b>	<b>67.51</b>	<b>6,166.05</b>
Additions for the year	-	567.31	5,011.25	-	85.24	225.75	59.52	194.63	22.78	6,166.48
Disposals/ Adjustments	(0.29)	(12.91)	(16.73)	-	-	-	-	-	(1.90)	(31.83)
<b>Balance as at 31.03.2020</b>	<b>239.06</b>	<b>2,267.42</b>	<b>7,902.43</b>	<b>161.22</b>	<b>223.60</b>	<b>820.26</b>	<b>191.21</b>	<b>407.11</b>	<b>88.39</b>	<b>12,300.70</b>
<b>Accumulated depreciation</b>										
Balance as at April 1, 2018	-	93.59	293.73	33.84	35.27	157.80	23.19	24.12	12.86	674.40
Additions for the year	-	58.23	177.73	26.47	13.55	71.90	19.22	17.61	7.26	391.97
Disposals/ Adjustments	-	-	(10.47)	-	(0.27)	-	(0.26)	(0.50)	-	(11.50)
Balance as at April 1, 2019	-	151.82	460.99	60.31	48.55	229.70	42.15	41.23	20.12	1,054.87
Additions for the year	-	83.11	385.38	24.84	36.43	84.49	32.11	41.71	9.52	697.59
Disposals/ Adjustments	-	(3.63)	(11.12)	-	-	-	-	-	(0.94)	(15.69)
<b>Balance as at 31.03.2020</b>	-	<b>231.30</b>	<b>835.25</b>	<b>85.15</b>	<b>84.98</b>	<b>314.19</b>	<b>74.26</b>	<b>82.94</b>	<b>28.70</b>	<b>1,736.77</b>
<b>Net Block</b>										
Balance as at 31.03.2019	239.35	1,561.20	2,446.92	100.91	89.81	364.81	89.54	171.25	47.39	5,111.18
<b>Balance as at 31.03.2020</b>	<b>239.06</b>	<b>2,036.12</b>	<b>7,067.18</b>	<b>76.07</b>	<b>138.62</b>	<b>506.07</b>	<b>116.95</b>	<b>324.17</b>	<b>59.69</b>	<b>10,563.93</b>

(a) Land:

- A portion of the land measuring 455 Sq.Mtrs. at Sy.no.54/1 (Front portion facing National Highway near the entry gate of the factory premises) has been acquired by National Highway Authority of India, Bangalore for the purpose of expansion/widening of the National Highway No.48 and the Company has received a Compensation of ₹80.05 Lakhs along with interest of ₹6.49 Lakhs during the year.
  - In respect of factory land at Boodihal Village, two suits have been filed disputing the sale to the Company of 6.5 Acres of land original cost ₹19.46 lakhs, effected in the year 1995-96. The Company does not expect any adverse impact from the above two suits.
  - Portion of vacant factory land at Boodihal Village, Nelamangala Taluk measuring 76,000 Sqft has been given on lease to Bangalore Pharmaceuticals & Research Laboratories Pvt. Ltd., a related party as per Section 2(76) of the Companies Act, 2013.
- (b) Vehicle gross block includes motor car original cost of ₹13.28 lakhs standing in the name of the Director.



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹in Lakhs

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>5 Capital work in progress</b>		
Opening balance	<b>3,930.78</b>	<b>612.72</b>
Addition during the year		
Amount capitalised during the year		
	<b>140.60</b>	<b>3,930.78</b>

**6 Investment property**

<b>PARTICULARS</b>	<b>LAND</b>
Balance as at April 1, 2018	43.13
Additions for the year	-
Disposal/Adjustments	-
Balance as at March 31, 2019	43.13
Additions for the year	-
Disposals/Adjustments	-
<b>Balance as at 31 March 2020</b>	<b>43.13</b>

Additional Information:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(a) Profit/(Loss)		
i. Rental Income derived from Investment Property	9.90	9.60
ii. Direct Operating expenses including repairs and maintenance	-	-
iii. Profit/(Loss) arising from Investment Property before depreciation	9.90	9.60
(b) Fair value of investment property based on guidance value	503.11	503.11

- (c) There is a dispute on title of the land at Sarjapur Road, Original Cost ₹6.71 lakhs. There has been a claimant to the said land who was successful in transferring the Khata to his name and the Company has filed a Writ Petition in the Honourable High Court of Karnataka which is pending disposal.

**7 Intangible assets**

₹in Lakhs

<b>Particulars</b>	<b>Software</b>	<b>Accreditation</b>	<b>Total</b>
<b>Gross Block</b>			
Balance as at April 1, 2018	61.15	49.77	<b>110.92</b>
Additions for the year	6.91	-	<b>6.91</b>
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	68.06	49.77	117.83
Additions for the year	25.18	-	<b>25.18</b>
Disposals/ Adjustments	-	-	-
<b>Balance as at March 31, 2020</b>	<b>93.24</b>	<b>49.77</b>	<b>143.01</b>
<b>Accumulated depreciation</b>			
Balance as at April 1, 2018	15.23	27.14	<b>42.37</b>
Additions for the year	12.60	13.56	26.16
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	27.83	40.70	<b>68.53</b>
Additions for the year	17.11	9.07	<b>26.18</b>
Disposals/ Adjustments	-	-	-
<b>Balance as at March 31, 2020</b>	<b>44.94</b>	<b>49.77</b>	<b>94.71</b>
<b>Net block</b>			
Balance as at March 31, 2019	40.23	9.07	49.30
<b>Balance as at March 31, 2020</b>	<b>48.30</b>	-	<b>48.30</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹in Lakhs

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>8 LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Trade payable capital advances	6.28	402.72
Security deposits	40.75	39.15
	<b>47.03</b>	<b>441.87</b>
<b>9 TAX EXPENSES</b>		
<b>(a) Deferred Tax</b>		
<b>i. Deferred Tax Asset:</b>		
1. On account of unabsorbed depreciation under the Income Tax Act, 1961	998.06	816.33
2. Impact of expenditure charged to the statement of P&L in the current year but allowed for tax purposes in Subsequent years	120.03	59.11
	<b>1,118.09</b>	<b>875.44</b>
<b>ii. Deferred Tax Liability:</b>		
1. Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	393.18	228.67
2. Impact on IND AS adjustment	-	3.44
	<b>724.91</b>	<b>643.33</b>
(a) The Assessment of deferred tax asset is provisional and is subject to adjustments on Company filing its income tax return, assessment of returned income, outcome of appeals, etc.		
(b) In light of the Company since retaining the regulatory approval for sales to US markets, regulatory approvals available for export to European markets and the current valuation of the Company, the Management is virtually certain that the Company will be able to earn taxable income in subsequent years to absorb deferred tax asset comprising carry forward depreciation.		
<b>(b) Tax Expenses</b>		
Relating to Origination and Reversal of temporary differences	(56.14)	10.08
<b>OCI Section</b>		
Deferred tax related to items recognised in OCI during the year	25.45	9.44
<b>10 OTHER NON-CURRENT ASSETS</b>		
<b>Taxes Refundable:</b>		
Income Tax	79.22	67.68
Sales Tax / VAT	15.26	96.47
Appeals Pre-deposit	33.36	31.47
	<b>127.84</b>	<b>195.62</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

PARTICULARS	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>11 INVENTORIES</b>		
Raw materials and components	281.06	137.63
Filters	138.36	117.86
Tubings	126.23	108.91
Packing materials and components	1,569.58	1,258.95
Work-in-progress	221.88	88.49
Finished goods	105.36	163.62
Stores and spares	89.95	69.16
	<b>2,532.42</b>	<b>1,944.62</b>
<b>12 TRADE RECEIVABLES</b>		
<b>Unsecured Considered Good</b>		
Debts outstanding for a period exceeding six months from due date	-	0.24
Other debts	309.71	191.58
	<b>309.71</b>	<b>191.82</b>
<b>13 CASH AND CASH EQUIVALENTS</b>		
i) Balance with Banks:		
- In Deposit Account	-	-
- In Current Account	0.96	6.16
ii) Cash on Hand	0.12	0.07
	<b>1.08</b>	<b>6.23</b>
<b>14 BANK BALANCES</b>		
i) Balance with Banks:		
In Deposit Account - BG Deposits	133.85	-
	<b>133.85</b>	<b>-</b>
<b>15 LOANS AND ADVANCES</b>		
i. Other Loans and Advances Recoverable in Cash or Kind or for value to be Received *		
- Unsecured, Considered Good	89.10	187.53
ii. Security Deposits	11.80	5.00
	<b>100.90</b>	<b>192.53</b>
<b>16 OTHER CURRENT ASSETS</b>		
Prepaid Insurance	80.60	76.23
Input Tax Credits	960.19	520.01
Taxes Refundable		
Goods & Service Tax (GST)	184.07	180.05
Due from a private limited company in which directors are interested	0.97	1.59
Others	149.85	82.74
	<b>1,375.68</b>	<b>860.62</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>17 SHARE CAPITAL</b>				
<b>Equity Share capital</b>				
<b>A Authorized</b>				
Equity Shares of ₹10/- each	<b>25,000,000</b>	<b>2,500.00</b>	25,000,000	2,500.00
<b>B Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of ₹10/- each	<b>10,024,242</b>	<b>1,002.42</b>	10,024,242	1,002.42
		<b>1,002.42</b>		<b>1,002.42</b>

**Terms/ rights attached to equity shares**

- i) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- b) Reconciliation of Number of Shares

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Equity shares	
<b>Equity Share Outstanding at the beginning of the year</b>	<b>10,024,242</b>	10,024,242
Equity Share issued during the year	-	-
Equity Share redeemed during the year	-	-
<b>Equity Share outstanding at the end of the year</b>	<b>10,024,242</b>	<b>10,024,242</b>

- c) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2020		As at 31.03.2018	
	No of Shares	% of Holding	No of Shares	% of Holding
<u>Equity Shars</u>				
VEEGO Pharma LLC (formerly known as Gavis Pharma LLC)	<b>55,12,098</b>	<b>54.99</b>	55,12,098	54.99
Bangalore Pharmaceutical & Research Laboratory Pvt. Ltd.	<b>12,28,900</b>	<b>12.26</b>	12,28,900	12.26
Mr. S.T.Raghavendra Mady	<b>7,97,300</b>	<b>7.95</b>	7,97,300	7.95
Mrs. Kripa Mady	<b>6,71,061</b>	<b>6.69</b>	6,71,061	6.69



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹in Lakhs

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>18 OTHER EQUITY</b>		
<b><u>Reserve &amp; Surplus</u></b>		
<b>A Capital Reserve on forfeiture of equity shares:</b>		
Balance at the beginning of the year	0.56	0.56
Balance at the end of the year	0.56	0.56
<b>B Securities Premium Account</b>		
Balance at the beginning of the year	5,098.63	5,098.63
Balance at the end of the year	5,098.63	5,098.63
<b>C General Reserve</b>		
Balance at the beginning of the year	409.84	409.84
Balance at the end of the year	409.84	409.84
<b>D Surplus in statement of profit &amp; loss</b>		
Balance at the beginning of the year	(6,949.62)	(6,933.66)
Net profit / (net loss) for the current year	(378.67)	(15.96)
Closing Balance	(7,328.29)	(6,949.62)
	(1,819.26)	(1,440.59)

**19 LONG TERM BORROWINGS**
**Unsecured**

Project term loan from bank	2,608.15	1,628.31
Less: (Current maturities)	(480.00)	(250.00)
	2,128.15	1,378.31

**Additional Information:**
**(a) Term of Repayment:**

- Loan from a bank is repaid over a period of 92 months after 4 months moratorium - ₹10 Lakhs per month for 72 months and ₹14 Lakhs for 20 months.
- Unsecured loan from bank is repayable in 58 monthly instalments from June 2019 which is as under.

Period	No of Instalments	Amount of Instalment
June 2019 to March 2020	10	₹ 25 Lakhs each
April 2020 to March 2021	12	₹ 40 Lakhs each
April 2021 to March 2022	12	₹ 50 Lakhs each
April 2022 to March 2023	12	₹ 65 Lakhs each
April 2023 to February 2024	11	₹ 70 Lakhs each
March 2024	1	₹ 120 Lakhs each

**(c) Rate of Interest:**

Unsecured loan from bank carries an interest of 1 year MCLR plus 0.75% currently 9.35% p.a.

- There are no defaults/continuing defaults in repayment of principal amount of the loan or interest as on the balance sheet date.
- Unsecured loan from bank is guaranteed by standby letter of credit from a foreign bank on behalf of parent Company M/s Veego Pharma LLC, USA aggregating to 110% of the exposure.



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹ in Lakhs

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>20 OTHER NON-CURRENT LIABILITIES</b>		
Security Deposits - from a Related Party	<b>4.15</b>	3.72
Sap Implementation Cost	<b>5.73</b>	9.47
	<b>9.88</b>	<b>13.19</b>
<b>21 LONG TERM PROVISIONS</b>		
Gratuity	<b>253.53</b>	111.83
Earned leave	<b>91.89</b>	-
	<b>345.42</b>	<b>111.83</b>
<b>22 SHORT TERM BORROWINGS</b>		
<b>Unsecured, considered good</b>		
Cash credit from Bank	<b>238.15</b>	1,446.30
Short term bridge loan	-	3,570.67
	<b>238.15</b>	<b>5,016.97</b>

Additional Information:

- (a) Unsecured loan from bank is guaranteed by standby letter of credit from a foreign bank on behalf of parent Company M/s Veego Pharma LLC, USA aggregating to 110% of the exposure.
- (b) Rate of Interest:
- i) Cash credit from bank carries an interest of 3M MCLR plus 0.65% i.e. 9% p.a.
- ii) Short term bridge loan carries an interest of 1 year MCLR plus 0.65% i.e. 9.25% p.a.
- (c) Short term bridge loan is repayable at the end of 11 months from the date of disbursement

**23 TRADE PAYABLES**

Micro Small & Medium Enterprises Development (MSMED) Act, 2006	<b>40.35</b>	<b>11.56</b>
Other than to Micro Small & Medium Enterprise	<b>1,279.55</b>	<b>1,253.18</b>
	<b>1,319.90</b>	<b>1,264.74</b>

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises ("MSMED") based on information available with the Company is as under:

Principal amount due and remaining unpaid	<b>39.87</b>	11.52
Interest due on above and the unpaid interest	<b>0.48</b>	0.04
Interest remaining due and payable in the succeeding year until the dues are actually paid	-	-
Interest paid	-	-
Interest accrued and remaining unpaid at the end of the accounting year	<b>0.48</b>	0.04

Above data has been furnished to an extent available with the Company.



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

PARTICULARS	₹ in Lakhs	
	As at 31.03.2020	As at 31.03.2019
<b>24 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debts (Refer Note 18)	480.00	250.00
Interest accrued and not due	20.80	32.77
Other Payables		
- Advance from customers (Includes ₹9,585.14 Lakhs (₹2,798.03 Lakhs) due to related party enterprises)	9,604.27	2,817.16
- Statutory liabilities	68.96	52.24
- Security deposits	-	0.50
- Due to one of the related party enterprises (see note (b) below)	2,305.77	2,524.34
- Others (see (c) below)	365.19	471.64
	<b>12,844.99</b>	<b>6,148.65</b>
(a) Amounts due to be credited to the Investor Education and Protection Fund as on 31-03-2020	₹ Nil (Nil)	
(b) Towards reimbursement of cost of materials, equipment and services procured through these parties against production of bills of original vendor/ service provider		
(c) Others include employee dues and accrued liabilities.		
<b>25 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits		
- Gratuity	59.54	49.39
- Earned Leave	20.19	66.12
	<b>79.73</b>	<b>115.51</b>
PARTICULARS	₹ in Lakhs	
	Current Year	Previous Year
<b>26 REVENUE FROM SALE</b>		
Sale of products		
Formulations	6,864.19	6,053.57
Sale of services		
Manufacturing vcharges	17.81	397.27
Formulation development	1,629.01	741.17
	<b>8,511.01</b>	<b>7,192.01</b>
<b>27 OTHER INCOME</b>		
<b>Interest Received</b>		
From Tax refunds	-	0.46
From Desposits	1.05	-
From Others	9.41	2.03
<b>Others Non Operative Income</b>		
Lease Rent	9.90	9.60
Custom Duty Draw Back	0.43	-
Export Incentive Under MEIS	173.51	139.74
Miscellaneous Income	-	2.11
Unclaimed credit balances written back (including provision no longer required)	16.71	41.01
Net gain or loss on foreing currency transaction and translation	-	-
Profit on Sale of Property, plant & equipment (net)	64.96	-
	<b>275.97</b>	<b>194.95</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹ in Lakhs

<b>PARTICULARS</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>28 COST OF MATERIALS CONSUMED</b>		
Raw Materials (Bulk Drugs and other Pharmaceuticals inputs)	<b>1,383.27</b>	<b>897.43</b>
Packing Materials (Ampoules, vials, bottles, labels, cartons, shippers etc.)	<b>2,283.43</b>	<b>1,923.05</b>
	<b>3,666.70</b>	<b>2,820.48</b>
<b>29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS</b>		
Closing balance		
Finished Goods ( including Purchased Goods)	<b>105.36</b>	163.62
Semi-Finished Goods	<b>219.23</b>	88.49
	<b>324.59</b>	<b>252.11</b>
Opening Stock		
Finished Goods ( Including Purchased Goods)	<b>163.62</b>	44.32
Semi-Finished Goods	<b>88.49</b>	120.17
	<b>252.11</b>	164.49
	<b>(72.48)</b>	<b>(87.62)</b>
<b>30 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	<b>2,463.39</b>	2,058.18
Contribution to Provident and Other Funds	<b>192.81</b>	157.54
Staff Welfare	<b>112.48</b>	108.85
	<b>2,768.68</b>	<b>2,324.57</b>
<b>31 FINANCE COST</b>		
Interest on borrowings	<b>184.93</b>	89.80
Interest on financial liability	<b>0.44</b>	0.39
Interest on Statutory Dues	<b>5.90</b>	3.19
	<b>191.27</b>	<b>93.38</b>
<b>32 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation	<b>697.58</b>	391.97
Amortisation	<b>26.18</b>	26.16
	<b>723.76</b>	<b>418.13</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

PARTICULARS	₹ in Lakhs	
	Current Year	Previous Year
<b>33 OTHER EXPENSES</b>		
Advertisement & Sales Promotion	1.75	0.41
Auditor's Remuneration	11.00	7.95
Commission paid	1.41	-
Communication expenses	23.68	24.79
Director's sitting fees	0.63	0.60
Outward freight	11.86	11.92
Insurance	34.46	27.27
Legal and professional charges	134.37	116.93
Loss on Sale / discarding of property, plant & equipment (net)	-	19.55
Impairment of Assets	45.15	-
Miscellaneous Expenses	111.26	113.81
Net gain or loss on foreign currency transaction and translation	203.85	526.03
Power	835.59	569.65
Trade receivables written off	-	1.63
Rent	13.40	7.81
Repairs and Maintenance:		
Machinery	168.62	158.67
Buildings	55.65	28.13
Others	79.81	60.80
Rates and Taxes	36.09	27.13
Travelling Expense	74.15	65.90
Vehicle Maintenance	28.68	28.05
	<b>1,871.41</b>	<b>1,797.03</b>
<b>Details of Remuneration to Auditors</b>		
As Auditor	5.55	5.55
For taxation matters	1.50	1.50
For other services	3.95	0.90
	<b>11.00</b>	<b>7.95</b>

**34 EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**Basic & Diluted**

Profit/ (Loss) after tax	(306.22)	10.91
Weighted average number of equity shares for basic EPS (No.)	1,00,24,242	1,00,24,242
Nominal value of equity shares	10.00	10.00
Earnings per share	(3.05)	0.11



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

		₹ in Lakhs	
PARTICULARS		Current Year	Previous Year
<b>35 VALUE OF IMPORT CALCULATED ON CIF BASIC</b>			
Raw Materials & Consumables		195.69	84.05
Packing Materials		1,152.06	1,586.77
Capital Goods		358.25	2,308.84
		<b>1,706.00</b>	<b>3,979.66</b>
<b>36 BREAK UP OF CONSUMPTION</b>			
<b>Raw Materials &amp; Consumables</b>			
Imported	8.67%	119.98	5.20% 46.70
Indigenous	91.33%	1,263.29	94.80% 850.73
	<b>100.00%</b>	<b>1,383.27</b>	<b>100.00% 897.43</b>
<b>Packing Materials</b>			
Imported	47.49%	1,084.40	56.32% 1,083.01
Indigenous	52.51%	1,199.03	43.68% 840.04
	<b>100.00%</b>	<b>2,283.43</b>	<b>100.00% 1,923.05</b>
		<b>3,666.70</b>	<b>2,820.48</b>
<b>37 EARNINGS IN FOREIGN CURRENCY</b>			
From Export of Goods calculated on FOB Basis		6,796.05	5,930.93
Formulation Development Fees		1,629.01	731.67
		<b>8,425.06</b>	<b>6,662.60</b>
<b>38 EXPENDITURE IN FOREIGN CURRENCY</b>			
Traveling expenses		0.64	1.53
Printing and stationery		0.09	-
		<b>0.73</b>	<b>1.53</b>
<b>39 Details of non-resident Shareholdings:</b>			
Number of non -resident share holder		20.00	13.00
Number of Shares held by non- resident shareholders		55,24,534.00	55,15,971.00

**40 CONTINGENT LIABILITY AND COMMITMENTS**
**a) Claims Towards Taxes**

₹ in Lakhs

Nature of Case	Forum Where Case is being Adjudicated	Amount	Amount Paid against dispute	Remarks
<b><u>COMPANY IN APPEAL</u></b>				
<b>Central Excise</b>				
1 Valuation of Physicians Samples for the period Jan2005 to December 2006	CESTAT, Bengaluru	44.95 (44.95)	--	(with interest as applicable)
2 Penalty under Rules 209 A of the Central Excise Rules	CESTAT, Ahmedabad	2.00 (2.00)	-	
3 Claim of Service Tax on Export of Technical Services	Tribunals	254.87 (254.87)	25.49 (25.49)	
4 Claim of service tax on USFDA fees under Reverse Charge Mechanism	Tribunals	75.46 (75.46)	7.55 (5.66)	
<b>Vat / Sales Tax</b>				
5 Difference in Sales Tax for non submission of Statutory Forms 2003-04 at Mumbai	DCST-Navi Mumbai	2.33 (2.33)	1.75 (1.75)	



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

<b>Income Tax</b>				
6	Appeal against order of rectification passed by AO for Asst Year 2001-02	High Court of Karnataka	<b>38.26</b> (38.26)	<b>70.00</b> (70.00)
7	Appeal against order of assessment for Assessment Year 2011-12	ITAT, Bengaluru	- (7.11)	-
<b>Fringe Benefit Tax</b>				
8	Appeal against order for assessment year 2008-09 passed pursuant to order of revision	High Court of Karnataka	<b>5.24</b> (5.24)	-
<b>Provident Fund</b>				
9	Appeal against levy of damages for delay in remittance of P.F dues for the period 04.04.1996 to 24.12.2013	Tribunal	<b>(32.37)</b> (32.37)	-
<b>DEPARTMENT IN APPEAL</b>				
<b>Central Excise</b>				
10	Central Excise on sale of brands to Recon Health Care Pvt. Ltd.	Supreme Court of India	<b>400.00</b> (400.00)	-
11	KVAT Input tax refund originally allowed and now withheld by Department alleging the claim was belated	ACCT LVO (065)	- (29.34)	-

**b) Others**

1	A petition by an ex employee claiming re-instatement in service	High Court	Not Assertained	--	(with interest as applicable)
2	GST Intelligence wing has issued a Summons to the Company seeking information on the GST Refunds received by the Company and Import of Materials at concessional rates. The Company has filed a writ petition before the Hon'ble Karnataka High Court to avert any actions by the GST Authorities and the matter is pending before the High Court.				
3	Bank Guarantee Issued by the company		<b>128.90</b>		

Note: Figures in brackets indicates the amount relating to the year 2018-19

Note: in some of the cases an unfavourable order may lead to further costs by way of interest and penalty.

**c) Other Commitments**

₹ in Lakhs

	<b>Current Year</b>	<b>Previous Year</b>
Estimated amount of contract remaining to be executed on capital account not provided for (₹ in Lakhs)	<b>389.49</b>	1,158.74



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**41 DEFINED BENEFIT PLAN - GRATUITY**

The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amount recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2020

₹ in Lakhs

Gratuity	1-Apr-19	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-20
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	170.90	46.31	11.52	57.83	(6.44)	-	(2.53)	80.23	20.46	98.16	-	320.45
Fair value of plan assets	9.68	-	(1.12)	(1.12)	(6.44)	0.26	-	-	-	0.26	5.00	7.38
<b>Net liability/(Asset) - Gratuity</b>	<b>161.22</b>	<b>46.31</b>	<b>12.64</b>	<b>58.95</b>	<b>-</b>	<b>(0.26)</b>	<b>(2.53)</b>	<b>80.23</b>	<b>20.46</b>	<b>97.90</b>	<b>(5.00)</b>	<b>313.07</b>

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2019

Gratuity	1-Apr-18	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-19
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	114.46	30.49	8.32	38.81	(14.56)	-	6.82	(3.69)	29.06	32.19	-	170.90
Fair value of plan assets	17.20	-	1.16	1.16	(14.56)	(4.12)	-	-	-	(4.12)	10.00	9.68
<b>Net liability - Gratuity</b>	<b>97.26</b>	<b>30.49</b>	<b>7.16</b>	<b>37.65</b>	<b>-</b>	<b>4.12</b>	<b>6.82</b>	<b>(3.69)</b>	<b>29.06</b>	<b>36.31</b>	<b>(10.00)</b>	<b>161.22</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

PARTICULARS	31.03.2020	31.03.2019
Fund Managed by Insurer	100%	100%

The principal assumptions used in determining pension and post-employment benefit obligations for the company's plans are shown below:

PARTICULARS	31.03.2020	31.03.2019
Discount rate	6.87%	7.76%
Future salary benefit levels	8%	8%

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

Assumptions	31.03.2020				31.03.2019			
	Discount Rate		Further Salary Increase		Discount Rate		Further Salary Increase	
Sensitivity Level	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%
	INR	INR	INR	INR	INR	INR	INR	INR
Impact on defined benefit obligation - Gratuity	359.20	288.02	290.15	355.45	188.72	155.74	156.30	187.58
% change compared to base due to sensitivity	12.08%	-10.13%	-9.46%	10.92%	10.24%	-8.87%	-8.54%	9.76%



## NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contribution to the defined benefit plan - gratuity in future years :

PARTICULARS	₹ in Lakhs	
	31.03.2020	31.03.2019
Within the next 12 months	16.85	7.47
Between 2 and 5 years	68.95	50.36
Above 5 years	234.65	113.07
<b>Total expected payments</b>	<b>320.45</b>	<b>170.90</b>

### 42 SHARE BASED PAYMENT:

During the year, the shareholders of the Company at the Annual General Meeting held on August 10, 2017 have approved an Employee Stock Option Scheme. However, the Company has not issued any options as at March 31, 2020 and accordingly, recognition of expense in this respect and requisite disclosures are not applicable.

### 43 SEGMENT REPORTING:

- Managing Director of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined in Ind AS 108, Operating Segments. The Company is engaged in the business of manufacturing of goods and all its other activities revolve around this business. The CODM reviews the performance of the Company as one entity. Accordingly, the Company has not identified any different segments. The Company has earned ₹ 7192.01 lakhs (Previous year ₹ 4479.70 lakhs) from the business of development and manufacturing of pharmaceuticals formulations.
- The Company operates only in India, hence no geographical segments has been disclosed.
- The Company earns its 85.31% (Previous Year 83.97% from two customers) of revenue from operations has been earned from single customer.

### 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

"The entity's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The entity is exposed to market risk and credit risk. The entity's senior management oversees the management of these risks. The entity's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the entity. The financial risk committee provides assurance to the entity's senior management that the entity's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the entity's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below."

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The assumption made in calculating the sensitivity analyses relate to the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019."

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables)

**45 BORROWING COST DISCLOSURE:**

- The amount of borrowing cost capitalised during the year ₹ 128.24 lakhs (Previous Year ₹ 149.70 lakhs)
- The Capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation 9.65% p.a.

**46 FAIR VALUE MEASUREMENTS**

The carrying value of financial instruments by categories is as follows:

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1.08	-	-	6.23
Bank balances other than cash & cash equivalents			133.85			
Investment in equity instrument of:						
- Joint Venture	-	-	-	-	-	-
Trade receivables	-	-	309.71	-	-	191.82
Loans & Advances	-	-	147.93	-	-	634.40
Other financial assets	-	-	-	-	-	-
<b>Total</b>	-	-	<b>592.57</b>	-	-	<b>832.45</b>
<b>Financial liabilities</b>						
Borrowings	-	-	2,366.30	-	-	6,395.28
Trade payables	-	-	1,319.90	-	-	1,264.74
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	-	-	<b>3,686.20</b>	-	-	<b>7,660.02</b>

**47 FAIR VALUE HIERARCHY**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2020				As at March 31, 2019			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Measured at cost/ amortised cost								
Investments in equity instruments of:								
- Joint Venture	-	-	-	-	-	-	-	-
Cash and cash equivalents	1.08			1.08	6.23	-	-	6.23
Bank balances other than cash & cash equivalents	133.85			133.85	-	-	-	-
Trade receivables	309.71			309.71	191.82	-	-	191.82
Loans & Advances	147.93			147.93	634.40	-	-	634.40
Other financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>592.57</b>			<b>147.93</b>	<b>832.45</b>			<b>832.25</b>
<b>Financial liabilities</b>								
Measured at amortised cost								
Borrowings	2,366.30			2,366.30	6,395.28	-	-	6,395.28
Trade payables	1,319.90			1,319.90	1,264.74	-	-	1,264.74
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,686.20</b>			<b>3,686.20</b>	<b>7,660.20</b>			<b>7,660.20</b>



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**48 RELATED PARTY TRANSACTIONS:**
**a) List of Related Parties**

Sl. No.	Name of the Related Parties	Nature of Relation Ship
1	VEEGO Pharma LLC (Gavis Pharma LLC - USA)	Holding Company
2	Dr. Veerappan Subramanian Mr. S T R Mady Mr. S Jayaprakash Mady Mr. R A Thirumoorti Dr. K Paranjothy Ms. Nanthitha Mr. B P Thyagaraj Mr. Sunil B Gundewar Mr. Krupendra V S	Key Managerial Persons ("KMP")
3	S Jayaprakash Mady (HUF) Mrs. Govindammal Subramanian Mrs. Anu Balasubramanian Mr. Ilango Subramanian	Relatives of KMP
4	Somerset Therapeutics, LLC Odin Pharmaceuticals Kali Capital LP Kali Management, LLC VGS Foundation, Inc Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprise over which KMP have significant influence ("Enterprise")

**b) Transaction with Related Party**

₹in Lakhs

Sl. No.	Particular	Relationship	Current Year	Previous Year
1	Sales & Formulation development fee - Somerset Therapeutics LLC	Enterprise	7,251.49	6,183.04
2	Purchase of Goods, Equipments and Services * - Somerset Therapeutics LLC	Enterprise	47.28	1,041.90
	- Odin Pharmaceuticals	Enterprise	27.46	2.99
3	Advance Received / Amount Payable - Somerset Therapeutics LLC	Enterprise	11,885.68	5,322.37
	- Odin Pharmaceuticals	Enterprise	1.90	3.22
4	Balance Receivable - Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprises	0.97	1.59
	- Odin Pharmaceuticals	Enterprises	0.24	-
5	Guarantee by Letter of Credit against Term loan & Cash Credit Facility taken by the Company - VEEGO Pharma LLC (Gavis Pharma LLC - USA)	Holding Company	4,400.00	6,645.28
6	Managerial Remuneration - Sunil B Gundewar (Manager)	KMP	94.57	63.96
	- B P Thyagaraj (V.P (Finance) & Secretary)	KMP	37.14	30.56
	- Krupendra V S (CFO)	KMP	15.67	13.95
6	Lease Rent Received - Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprise	9.90	9.60

\* Purchase of goods/equipments and services is by way of reimbursement of cost of goods and services procured on behalf of the Company against production of bill of the original vendor/ service providers.



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**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**


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**49 IMPACT OF COVID - 19:**

The Company' management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, intangible assets, inventories, loans and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

50 The Income Tax Act, 1961 contains provisions for determination of arm's length price for international transactions between the Company and its associated enterprises. The regulations envisage taxation of transactions which are not in consonance with the arms length price so determined, maintenance of prescribed documents and information including furnishing of a report from an accountant before the due date for filing the return of income. For the year ended March 31, 2020, the Company is in the process of complying with the said regulations. Management believes that such transactions have been concluded on an arm's length basis and there would be no additional tax liability for the financial year under consideration as a result of such transactions.

51 In view of the advances/ support received from the major customers, the management doesn't expect any constraints in cash flow which might affect companies ability to meet its liabilities. Accordingly, despite of the Company's net worth has substantially eroded, the management doesn't find any material uncertainty which may cast significant doubt on the Company's ability to continue as going concern.

52 During the previous year share holders of the Company had approved Promoters' Proposal for voluntary delisting of the Company's equity shares from Bombay Stock Exchange ("BSE") through postal ballot. During the year Department of Pharmaceuticals has accorded its approval for delisting of its shares and increase the promoters shareholding to 100% in terms of SEBI Delisting Regulations.

**53 Capital Management:**

The Company's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

"The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.

- Equity includes equity share capital and all other equity components attributable to the equity holders
- Net Debt includes trade payables and other financial liabilities, less cash and cash equivalents "



**NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

	₹in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Other financial liabilities (non current & current)	<b>2,376.18</b>	6,408.47
Trade payables	<b>1,319.90</b>	1,264.74
Less: Cash and bank balances	<b>(134.93)</b>	(6.23)
Net debt (A)	<b>3,561.15</b>	7,666.98
Equity Share capital	<b>1,002.42</b>	1,002.42
Other Equity	<b>(1,819.26)</b>	(1,440.59)
Equity (B)	<b>(816.84)</b>	(438.17)
Equity plus net debt ( C = A + B )	<b>2,744.31</b>	7,228.81
Gearing ratio ( D = A / C )	<b>129.76%</b>	106.06%

The Company's capital management, amongst other things, aims to achieve the objective of maximising shareholders value.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

In Accordance with our Report attached

For and on behalf of the Board of directors of Wintac Limited

**For B K Ramadhyani & Co. LLP**

Chartered Accountants

Firm number: 002878S / S200021

**S.T.R. MADY**

Chairman

DIN: 00065918

**S JAYAPRAKASH MADY**

Director

DIN: 00240744

**DR. K PARANJOTHY**

Director

DIN: 02004861

**C R DEEPAK**

Partner, M. No. 215398

Place : Bengaluru

Date : 22.06.2020

**SUNIL B GUNDEWAR B P THYAGARAJ**

Manager & C.O.O

V.P (Finance) & Secretary

**KRUPENDRA V S**

Chief Financial Officer



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