

**Independent Auditor's Review Report on Review of Standalone Unaudited Quarterly and Year to date Financial Results of Wintac Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
Wintac Limited,  
Bangalore

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Wintac Limited** ("the Company") for the quarter and half year ended September 30, 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the independent auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Material Uncertainty Related to Going Concern:**  
  
We draw attention to note 4 a) to the unaudited quarterly results, which indicates that the Company's networth is completely eroded as at September 30, 2020. The Company's total liabilities exceed its total assets by Rs.737.21 Lakhs. These events or conditions, along with other matters stated in note 4), 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.
5. **Other Matters:**  
  
Attention of the members is drawn to note 6 of the financial results 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 results. Our report on the standalone financial statements have not modified in respect of this matter.



6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. A copy of the unaudited quarterly financial results of the Company for the period under review, which formed the basis of our limited review, duly initialed by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co. LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021

*C. R. Deepak*

(C R Deepak)  
Partner

Membership No. 215398  
UDIN: 20215398AAAAAGE8878

Place: Bangalore  
Date: November 12, 2020

**B K RAMADHYANI & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
No. 68, # 4-B, Chitrapur Bhavan,  
8th Main, 15th Cross, Malleswaram,  
**BANGALORE - 560 055.**

Statement of Un-Audited financial results for the Quarter ended September 30, 2020

Particulars	₹ in Lakhs					
	Quarter Ended			Half Year Ended		Year ended
	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1. Revenue from operations						
2. Other income	4,492.50	3,004.50	1,756.57	7,497.00	3,538.96	8,511.01
3. Total income (1+2)	4,498.42	3,009.20	1,759.47	7,507.62	3,558.08	8,786.98
4. Expenses						
a) Cost of materials consumed -	1,495.06	1,222.08	892.53	2,717.14	1,618.03	3,666.70
b) Changes in inventories of finished goods and work in progress	(2.26)	(77.77)	(48.21)	(80.03)	(89.62)	(72.48)
c) Employee benefits expenses	728.77	774.94	601.26	1,503.71	1,214.20	2,768.68
d) Finance costs	61.49	62.06	41.56	123.55	51.99	191.27
e) Depreciation and amortisation expense	231.15	225.75	155.90	456.90	291.24	723.76
f) Other expenses	1,809.72	815.43	504.95	2,625.15	907.47	1,871.41
5. Total expenses	4,323.93	3,022.49	2,147.99	7,346.42	3,993.31	9,149.34
6. Profit/(loss) before exceptional item and tax (3-4)	174.49	(13.29)	(388.52)	161.20	(435.23)	(362.36)
7. Exceptional item	-	-	-	-	-	-
8. Profit/(loss) before tax (5-6)	174.49	(13.29)	(388.52)	161.20	(435.23)	(362.36)
9. Tax expenses (net)	-	-	-	-	-	-
a) Current tax	-	-	-	-	-	-
b) Deferred tax	-	-	-	-	-	-
10. Profit/(loss) for the period from continuing operations (7-8)	27.04	18.29	(54.50)	45.33	(68.70)	(56.14)
11. Other comprehensive income/(loss) for the period / year	147.45	(31.58)	(334.02)	115.87	(366.526)	(306.22)
a) items that will not be reclassified to profit or loss	(24.47)	(24.48)	(9.08)	(48.95)	(18.16)	(97.90)
b) Income tax relating to these items	6.37	6.36	2.36	12.73	4.72	25.45
Other comprehensive income/(loss) for the period / year	(18.10)	(18.12)	(6.72)	(36.22)	(13.43)	(72.45)
12. Total comprehensive income/(loss) for the period / year (9+10)	129.35	(49.70)	(340.74)	79.65	(379.96)	(378.67)
13. Paid-up Equity Share Capital (Face Value of Rs.10/- each)	1,002.42	1,002.42	1,002.42	1,002.42	1,002.42	1,002.42
14. Earnings per equity share (for continuing operation)						
a) Basic (₹)	1.47	(0.32)	(3.33)	1.16	(3.66)	(3.05)
b) Diluted (₹)	1.47	(0.32)	(3.33)	1.16	(3.66)	(3.05)

Statement of assets and liabilities as at September 30, 2020

Particulars	₹ in Lakhs	
	As at	
	30.09.2020	31.03.2020
<b>Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	10,482.13	10,563.93
(b) Capital work-in-progress	99.45	140.60
(c) Investment property	43.13	43.13
(d) Intangible assets	50.61	48.30
(e) Financial assets		
(i) Loans and advances	60.32	47.03
(f) Deferred tax assets (net)	692.31	724.91
(g) Other non-current assets	112.54	127.84
<b>(2) Current assets</b>	11,540.49	11,695.74
(a) Inventories		
(b) Financial assets	3,279.60	2,532.42
(i) Trade receivables	277.41	309.71
(ii) Cash and cash equivalents	6.24	1.08
(iii) Bank balances other than(ii) above	21.28	133.85
(iv) Loans and advances	110.67	100.90
(c) Other current assets	1,713.34	1,375.68
<b>Total assets</b>	5,408.54	4,453.64
	16,949.03	16,149.38



Particulars	₹ in Lakhs	
	As at	
	30.09.2020	31.03.2020
<b>Equity and liabilities</b>		
(1) Equity		
(a) Share capital	1,002.42	1,002.42
(b) Other equity	(1,739.63)	(1,819.26)
	(737.21)	(816.84)
(2) Share application money, pending allotment	-	-
(3) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,918.15	2,128.15
(b) Other non-current liabilities	10.46	9.88
(c) Provisions	360.58	345.42
	2,289.19	2,483.45
(4) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	460.22	238.15
(ii) Trade payables	1,684.04	1,319.90
(b) Other current liabilities	13,150.28	12,844.99
(c) Provisions	102.51	79.73
	15,397.05	14,482.77
<b>Total equity and liabilities</b>	<b>16,949.03</b>	<b>16,149.38</b>

Statement of Cash Flows

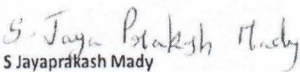
Particulars	₹ in Lakhs	
	As at	
	30.09.2020	30.09.2019
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax and extraordinary item	161.20	(435.23)
<b>Adjustments to reconcile profit / (loss) to net cash flows:</b>		
Depreciation	456.90	291.23
Other comprehensive income	(48.95)	(18.16)
Interest income	(1.94)	-
Interest expenses	123.55	51.99
Loss / (profit) on sale of property, plant & equipment	(0.59)	5.51
<b>Operating profit before working capital changes</b>	<b>690.17</b>	<b>(104.65)</b>
<b>Adjustments for:</b>		
(Increase)/decrease in trade receivables	32.30	42.86
(Increase)/decrease in inventory	(747.18)	(387.90)
Increase/(decrease) in trade payables	364.14	212.83
(Increase)/decrease in loans & advances	(9.77)	(59.81)
(Increase)/decrease in current & non current assets	(337.66)	(112.47)
(Increase)/decrease in provisions	37.94	24.86
(Increase)/decrease in current, non current liabilities	310.05	5,306.32
<b>Working capital adjustments</b>	<b>339.99</b>	<b>4,922.04</b>
<b>Cash generated from operations</b>		
Taxes Paid/(refunds)	15.30	(2.09)
<b>Net cash flow from operating activities</b>	<b>355.29</b>	<b>4,919.95</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(353.47)	(1,570.60)
Sale of fixed assets	4.49	1.05
(Increase)/ decrease in other bank balances	112.57	-
Interest received	1.94	-
<b>Net cash flow used in investing activities</b>	<b>(234.47)</b>	<b>(1,569.55)</b>
<b>Cash flow from financing activities</b>		
Increase/(Decrease) in in short term borrowings	222.07	(4,390.90)
Increase/(Decrease) in in long term borrowings	(214.18)	1,150.09
Interest paid	(123.55)	(83.73)
<b>Net cash flow used in financing activities</b>	<b>(115.66)</b>	<b>(3,324.54)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5.16</b>	<b>25.86</b>
Cash and cash equivalents at the beginning of the period	1.08	6.23
<b>Cash and cash equivalents at the end of the period</b>	<b>6.24</b>	<b>32.09</b>

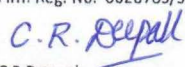


Notes:

1. The above financial results have been reviewed by the audit committee, approved by the Board of Directors in its meeting held on 12.11.2020 and reviewed by the Statutory auditors of the Company.
2. The Company recognises only one reportable business segment, viz. Formulations.
3. No Investor complaints was received during the quarter and no complaints were outstanding at the end of the quarter.
4. a) The Company's networth is completely eroded as at September 30, 2020 although the Company has posted a profit of ₹ 79.65 lakhs. In view of the advances/ support received from the major customers and its holding Company, the management doesn't expect any constraints in cash flow which might affect the Company's ability to meet its liabilities. Despite of the Company's net worth has completely eroded, the management doesn't find any material uncertainty which may cast significant doubt on the Company's ability to continue as going concern.  
  
b) Subsequent to the end of Quarter, the Company has received in principal approval from BSE Limited for voluntary delisting of equity shares of the Company as per SEBI (Delisting of Equity Shares) Regulations, 2009. The promoters have made the public announcement and also sent the offer letters to shareholders of the Company for the proposed acquisition of equity shares held by the public shareholders and currently the delisting process is underway.
5. The Manufacturing facility at Nelamangala was inspected by USFDA Authorities during February 2020 and USFDA has issued a warning letter for inadequate reply in respect of two observations made during their inspection. The Company is taking necessary steps to address the issues covered in the warning letter and is confident of resolving the same. The concerns raised are not related to any specific product, data integrity or product quality, the issues covered are more general in terms of technology/facility. The warning letter indicates that USFDA may withhold approval of any new drug applications but the current commercial supplies would be continued without any disruptions for the already approved products.
- 6 **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 September 30, 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.
- 7 Previous period's figures have been re-grouped/rearranged/recasted wherever required in conformity with current period's presentation.

For and on behalf of the Board  
for Wintac Limited

  
S Jayaprakash Mady  
Director  
Bengaluru  
Date: 12.11.2020

As per our report of even date  
For B K Ramadhyani & Co. LLP  
Chartered Accountants  
Firm Reg. No. 0028785/S200021  
  
C R Deepak  
Partner  
Membership No. 215398

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