



**ANNUAL
REPORT
2017-2018**



Winning Technologies

BOARD OF DIRECTORS

Shri S.T.R. Mady	Chairman
Shri S. Jayaprakash Mady	Director
Shri B.R. Arun Eashwar	Director (upto 29.05.2018)
Shri R.A. Thirumoorti	Director
Ms. Kavitha Krishnamoorthy	Director (upto 11.08.2017)
Dr. K. Paranjothy	Director (from 27.07.2017)
Ms. K.M. Ganga	Director (from 27.07.2017)
Shri B.P. Thyagaraj	A.V.P. (Finance) & Secretary
Shri Sunil B. Gundewar	Manager (from 01.06.2017)

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 fee paid for the year 2017-18)

**REGISTERED OFFICE &
MANUFACTURING UNIT**

54/1, Boodihal Village, Nelamangala Taluk,
Bangalore District, Karnataka - 562 123

CORPORATE IDENTITY NUMBER (CIN)

L85110KA1990PLC011166

NOTICE

Notice is hereby given that the 28th Annual General Meeting (AGM) of the Members of Wintac Limited will be held at the Registered Office of the Company at No.54/1, Boodihal Village, Nelamangala, Bangalore-562 123 on Saturday, the 27th October 2018 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, 2018 and the Reports of the Directors and Auditors thereon.

2. Appointment of Mr. Mr.S.T.Raghavendra Mady as a Director liable to retire by rotation

To appoint a Director in place of Mr.S.T.Raghavendra Mady (DIN No.00065918) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Ms.K.M.Ganga as an Independent Director

To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms.Ganga Muthukumar Karuppaswamy [DIN 07894677], who was appointed by the Board of Directors of the Company as an Additional Director (Independent) and who holds office as such upto the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office upto the date of AGM to be held during the calendar year 2023, not liable to retire by rotation."

4. Appointment of Dr.K.Paranjothy as an Independent Director

To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr.Kanni Laksmanier Krishnamachary Paranjothy [DIN 02004861], who was appointed by the Board of Directors of the Company as an Additional Director (Independent) and who holds office as such up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the date of AGM to be held during the calendar year 2023, not liable to retire by rotation."

5. Appointment of Mr.R.A.Thirumoorti as an Independent Director

To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr.Ramasamy Anbarasi Thirumoorti [DIN02157286], who was appointed by the Board of Directors of the Company as an Additional Director (Independent) and who holds office as such up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the date of AGM to be held during the calendar year 2023, not liable to retire by rotation."

By Order of the Board of Directors
For Wintac Limited

Date : 26.09.2018

Place: Bangalore

B.P.THYAGARAJ
ASST.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 4 setting out all material facts is annexed hereto.
2. The Company has obtained necessary Extension pursuant to Section 96(1) of the Companies Act, 2013 for holding the AGM upto October 31, 2018 from the Registrar of Karnataka vide his Letter dated 24.08.2018.
3. **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.**
4. 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.
5. 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.
6. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member entity.
7. 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.
8. 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.
9. **The Register of Members and Share Transfer Books of the Company will remain closed from 20-10-2018 to 27-10-2018 (both days inclusive).**
10. 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 23.10.2018 (9:00 a.m. IST) and ends on 26.10.2018 (5:00p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on 20.10.2018, **(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 as under:

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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.
 - b. **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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** mentioning your demat account number/folio number, your PAN, your name and your registered address.
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 **hegdeandhegdecs@gmail.com** with a copy marked to **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 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** or call on toll free no.: 1800-222-990 or send a request at **evoting@nsdl.co.in**
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11. The facility for voting, **either through poll by electronic voting or 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.
 12. The Board of Directors of the Company have appointed Mr.Parameshwar G Hegde, 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.
 13. 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 and shall be placed on the website of the Company **www.wintaclimited.com** and on the website of **www.canbankrta.com**. The results shall simultaneously be communicated to the Stock Exchange
 14. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Meeting i.e. 27.10.2018.
 15. A copy of the Annual Report along with the Notice of the 28th 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.
 16. The Annual Report along with the Notice of the 28th Annual General Meeting and other attachments would also be available on the Company’s website at **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.
 17. 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.
 18. 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** and members holding shares in Demat Mode, with their depository participant along with their folio no. and valid email address for registration respectively.
 19. 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.
 20. 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.
 21. 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.
 22. 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.

23. 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.
24. 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.
25. 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	27.09.2016	B'Pharma	BPRL Pvt.Ltd Shastha Pharma Lab.P.Ltd	7,97,300
Ms.K.M.Ganga	07.09.1996	27.07.2017	B'Com	Nil	Nil
Dr.K.Paranjothy	14.09.1947	27.07.2017	M'Pharm, Phd	Yasaha Lab.(P) Ltd.	Nil
Mr.R.A. Thirumoorti	20.04.1973	23-05-2018	BBM	Nil	Nil

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

By Order of the Board of Directors
For Wintac Limited

Date : 26.09.2018
Place : Bangalore.

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

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

Item No.3

Ms.K.M.Ganga, who was appointed by the Board of Directors of the Company on 27.07.2017 as Additional Director of the Company to hold office up to the date of AGM to be held during the calendar year 2018 pursuant to the provisions of the Companies Act, 2013. The Nomination and Compensation Committee of the Board of Directors, based on evaluation of her performance during the year and considering her skills, knowledge and expertise, has recommended appointment of Ms.K.M.Ganga as an Independent Director of the Company for a term of five years from the conclusion of ensuing AGM upto the conclusion of the 33rd AGM to be held during the calendar year 2023.

The Company has, in terms of Section 160(1) of the Companies Act, 2013, received in writing a notice from a shareholder proposing her candidature for the office of Director.

The resolution seeks the approval of the shareholders for appointment of Ms.K.M.Ganga as an Independent Director of the Company for a term of five years up to the date of AGM to be held during the calendar year 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She shall not be liable to retire by rotation.

The Company has received from Ms.K.M.Ganga (i) consent in writing to act as director in form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification Of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming her eligibility for such appointment, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms.K.M.Ganga fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment of Ms.K.M.Ganga as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day up to the date of Annual General Meeting.

Except Ms.K.M.Ganga who may be regarded as interested or concerned since resolution relates to her own appointment no other director, key managerial personnel or their relative is interested or concerned in the resolution.

Item No.4

Dr.K.Paranjothy who was appointed by the Board of Directors of the Company on 27.07.2017 as Additional Director of the Company to hold office upto the date of AGM to be held during the calendar year 2018 pursuant to the provisions of the Companies Act, 2013. The Nomination and Compensation Committee of the Board of Directors, based on evaluation of his performance during the year and considering his skills, knowledge, experience and expertise, has recommended appointment of Dr.K.Paranjothy as an Independent Director of the Company for a term of five years from the conclusion of ensuing AGM up to the conclusion of the 33rd AGM to be held during the calendar year 2023.

The Company has, in terms of Section 160(1) of the Companies Act, 2013, received in writing a notice from a shareholder proposing his candidature for the office of Director.

The resolution seeks the approval of the shareholders for appointment of Dr.K.Paranjothy as an Independent Director of the Company for a term of five years upto the date of AGM to be held during the calendar year 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He shall not be liable to retire by rotation.

The Company has received from Dr.K.Paranjothy (i) consent in writing to act as director in form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification Of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming his eligibility for such appointment, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Dr.K.Paranjothy fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment of Dr.K.Paranjothy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day up to the date of Annual General Meeting.

Except Dr.K.Paranjothy, who may be regarded as interested or concerned since resolution relates to his own appointment, no other director, key managerial personnel or their relative is interested or concerned in the resolution.

Item No.5

Mr.R.A.Thirumoorti who was appointed by the Board of Directors of the Company on 23.05.2018 as Additional Director of the Company to hold office up to the date of AGM to be held during the calendar year 2018 pursuant to the provisions of the Companies Act, 2013. The Nomination and Compensation Committee of the Board of Directors, based on evaluation of his performance during the year and considering his skills, knowledge, experience and expertise, has recommended appointment of Mr.R.A.Thirumoorti as an Independent Director of the Company for a term of five years from the conclusion of ensuing AGM up to the conclusion of the 33rd AGM to be held during the calendar year 2023.

The Company has, in terms of Section 160(1) of the Companies Act, 2013, received in writing a notice from a shareholder proposing his candidature for the office of Director.

The resolution seeks the approval of the shareholders for appointment of Mr.R.A.Thirumoorti as an Independent Director of the Company for a term of five years upto the date of AGM to be held during the calendar year 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He shall not be liable to retire by rotation.

The Company has received from Mr.R.A.Thirumoorti (i) consent in writing to act as director in form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification Of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming his eligibility for such appointment, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr.R.A.Thirumoorti fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment of Mr.R.A.Thirumoorti as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day up to the date of Annual General Meeting.

Except Mr.R.A.Thirumoorti, who may be regarded as interested or concerned since resolution relates to his own appointment, no other director, key managerial personnel or their relative is interested or concerned in the resolution.

By Order of the Board of Directors
For Wintac Limited

Date : 26.09.2018
Place : Bangalore.

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

Attendance Slip

Folio No./Client Id : _____

No of Shares : _____

Name and address of First/Sole Share holder :

I, hereby record my presence at the 28th Annual General Meeting of the Company to be held on 27th October, 2018 at 10.00 am at 54/1, Boodhihal Village, Nelamangala, Bangalore-562 123.

Name of the Member/Proxy
(Block letters)

Signature of the Member/Proxy

PROXY FORM

Name of the Shareholder(s): _____

Registered Address : _____

Email ID: _____ Folio No./Client ID: _____ DPID: _____

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

A. Name _____ Signature _____
Address _____
E-mail ID _____
Or failing him _____

B. Name _____ Signature _____
Address _____
E-mail ID _____
Or failing him _____

C. Name _____ Signature _____
Address _____
E-mail ID _____

as my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 28th Annual General Meeting of the Company to be held on 27.10.2018 at No.54/1, Boodihhal Village, Nelamangala, Bangalore-562123 and at any adjournment thereof 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			
2	Appointment of Mr.S.T.Raghavendra Mady as a Direcor liable to retire by rotation.			
3	Appointment of Ms.K.M.Ganga as an Independent Direcor.			
4	Appointment of Dr.K.Paranjothy as an Independent Direcor.			
5	Appointment of Mr.R.A.Thirumoorti as Independent Director			

Signed this _____ day of _____ 2018.

Signature of the Shareholder

Signature of the Proxyholder(s)

Affix Rs. 1 Revenue Stamp

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company for the Financial Year ended March 31, 2018.

1. Financial summary and Performance of the Company	₹ Lakhs	
	For the year Ended 31st March 2017	For the year ended 31st March 2018
Gross Sales	3699.41	4524.45
Excise Duty	209.60	44.74
Net Sales	3489.81	4479.71
Other Income	110.50	71.88
Total Revenue	3600.31	4551.59
Total Expenditure	4229.18	5087.33
Operating Profit/(Loss)	(628.87)	(535.74)
Interest	99.65	89.91
Profit/(Loss) before Depreciation (PBDT)	(728.52)	(625.65)
Depreciation	363.18	354.65
Loss before exceptional expenditure	(1091.70)	(980.30)
Exceptional Expenditure	(118.87)	-
Profit/(Loss) before Tax	(972.83)	(980.30)
Deferred tax	(121.03)	9.24
Net Profit/(Loss) after Tax	(851.80)	(989.54)

2. **Dividend & Transfer to Reserves**

In view of the operating 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 ₹ 4479.71 lakhs as compared to ₹ 3489.81 lakhs during the previous year, a growth of 28.36%. The net loss before tax during the current year was ₹ 980.30 lakhs as against the loss of ₹1091.70 lakhs during the previous year, a decrease in loss by 10.20%. The export supplies to US Market was higher during the year for the two products resulting in increase in the sales turnover. However, the Company has not yet achieved the break-even level of sales and still reporting a net loss of ₹ 989.54 lakhs. The Management expects to achieve the break-even sales during the current financial year.

Your Directors are pleased to inform that USFDA Regulatory authorities inspected the Manufacturing Plant during November 2017 and the Inspection was successful. The Company expects the approval of few more products in the near future and expect a reasonable increase in the sales and turnaround in the operations during the current year.

In order to cater to the export US Market on approval of more ANDA's, the Company proposes to set-up additional capacities for injectable and ophthalmic products during the current financial year at a cost of ₹85 crores. The Management expects to fund this capital expenditure through borrowings temporarily.

4. **Material changes and commitments affecting the financial position between the end of the financial year and date of report.**

- i. The Promoters of the Company have made a proposal to delist the equity shares of the Company from the Stock Exchange in compliance with SEBI (Delisting of Equity Shares) Regulations, 2009 and the Board of Directors of the Company at their meeting held on April 26, 2018 appointed Arihant Capital Markets Limited as Merchant bankers for conducting due diligence pursuant to Regulation 8(1A) of the SEBI Delisting Regulations. The proposal of delisting of equity shares of the company is subject to approval of shareholders.

- ii. The Board of Directors have approved the proposal to effect slump sale of the pharmaceutical business undertaking of the Company to Par Formulations Pvt. Ltd., subject to all requisite approvals, specially shareholders' approval and also subject to the successful completion of the delisting of equity shares by the Promoters.
- iii. The Board of Directors have also approved a proposal to increase the borrowing limits of the Company upto ₹130 crores subject to the approval of the shareholders for meeting the Capital Expenditure and working capital requirements of the Company.
4. The Company during the year has not provided any loans, guarantees or investments in terms section 186 of the Companies Act 2013.
5. There are no material orders by any Regulators, or Courts or Tribunals during the year impacting the going concern status and company's operations in future.
6. The Company has no subsidiaries. The company has investments in an Associate Company (Medispec Pharmaceuticals Pvt. Ltd.) whose net worth has completely eroded and the investment in the Associate Company and the amount due from it has been fully provided for in the Books of the Company. The associate company has ceased to carry on any business since last three years and is now defunct and therefore the Company is not expecting any economic benefits from it. As the Company has no other subsidiary or associates, the present standalone financial statement represent the consolidated financial statement required to be prepared as per Schedule III of the Companies Act, 2013.
7. 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.

8. **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. |
| d. at the beginning of the year; | : Nil |
| e. maximum during the year; | : N.A. |
| f. 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.

9. **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.

10. **Directors:**

A. Changes in Directors and Key Managerial Personnel

Sri.S.Jayaprakash Mady, Managing Director resigned as the Managing Director of the Company and was relieved as the Managing Director on 29.05.2017. However Mr.S.Jayaprakash Mady continues to be a non-executive Director on the Board.

Sri.S.T.R.Mady, Chairman and Director retires by rotation and being eligible offers himself for re-appointment.

Mr.R.A.Thirumoorti and Mrs.Kavitha Krishnamoorthy, Independent Directors on the Board resigned on 11.08.2017.

Dr.K.Paranhothy and Ms.K.M.Ganga were appointed as Additional Directors (Independent) on the Board on 27.07.2017.

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 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, 2018, the Board consists of 5 Members and all are non-executive Directors and three are independent directors.

D. Formal Annual Evaluation

The Board evaluates the effectiveness of its functioning and that of the Committees and of individual Directors by seeking their inputs on various aspects of Board proceedings. This would cover the active participation of Directors at the Board and Committee meetings, monitoring of corporate governance practices and participation in the long-term strategic planning of the Company.

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 at their meeting, reviewed the performance of Board, Chairman and Non-Executive Directors.

11. The Board met six 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 by the Companies Act 2013.

12. **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 is as under:

Mr.Arun Eashwar	- Chairman (Independent and non-executive Director)
Dr.K.Paranjothy	- Member (Independent and non-executive Director)
Ms.K.M.Ganga	- Member (Independent and non-executive Director)
Mr.S.T.R.Mady	- Member (Non-executive Chairman)

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.

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

The Board has constituted a Nomination and Remuneration Committee. This Committee consists of four non-executive Directors and three 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. 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 run the operations successfully

and (ii) remuneration is commensurate with the performance and efficiency and meets performance benchmarks. The Committee has been now entrusted with the responsibility of administering the ESOP Scheme which was approved by the shareholders and for which in-principle approval of the Stock Exchange has been received. However, the Committee has not allotted any ESOPs to the employees during the year 2017-18.

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.

14. 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.

15. 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 Manager to the median remuneration of employees of the Company for the financial year	– 01 : 0.045
ii. Percentage of increase in the remuneration of:	
a. Manager/C.O.O	– 23 %
b. Company Secretary	– 10 %
c. Chief Financial Officer	– 15 %
d. Median Employee	– 17 %
e. No. of employees on the rolls	– 334
f. Average increase made in salaries of employees other than KMP	– 16%

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 Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis statement, Corporate Governance Report and Auditors' Certificate on the compliance of conditions of Corporate Governance forms part of the Annual Report.

16. 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.

17. **Statutory Auditors** – M/s.Ramadhyan & 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 previous AGM held on 10.08.2017.

18. **Secretarial Auditor** – Parameshwar G Hegde, Practicing Company Secretary has been appointed to conduct the secretarial audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report for FY 2017-18 is annexed to the Board's Report and forms part of the Annual Report.

19. **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.

20. **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 correction panel.
 - Steam condensate recovery with insulated pipelines.
 - Rain water harvesting.
 - Recycling of purified water from process machineries as infeed water to boiler.
- (ii) The steps taken by the company for utilising alternate sources of energy;
 - Installation of Bricket fired Boilers which is environmental friendly and uses brickets (agricultural by-product) as fuel instead of Diesel or Furnace Oil.
 - Energy efficient motors for Air Handling Units.
- (iii) The capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- (i) the efforts made towards technology absorption;
 - *Formulation development activities for Export market i.e., USA is carried out. ANDA for 9 products developed in house were filed for USA market during last year by our customer.*
 - *ANDA for 4 products developed in house will be filed shortly for USA market.*
 - *4 products developed in house are ready for execution of exhibit batches for USA market.*
 - *7 products got USFDA approval and 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)-
 - the details of technology imported : Nil
 - the year of import : N.A.
 - whether the technology been fully absorbed : N.A.
 - if not fully absorbed, areas where absorption has not : N.A.
taken place, and the reasons thereof; and
- (iv) the expenditure incurred on R & D : ₹ 886.91 lakhs

(C) Foreign exchange earnings and Outgo:

Foreign Exchange Earnings	: ₹ 3889.56 Lakhs
Foreign Exchange Outflows	: ₹ 240.93 Lakhs

21. 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.

22. Acknowledgements

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

For and on behalf of the Board of Directors

Date : 23rd May, 2018
 Place : Bengaluru.

(S.T.R.MADY)
 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)

- Details of contracts or arrangements or transactions not at arm's length basis – NIL
- 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	3729.19 626.15 1960.61
B.P.R.L. Pvt. Ltd. Bangalore	Common Director	10 Year	1. Rental Income	9.00

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

For Wintac Limited

Date : 23rd May, 2018
 Place : Bengaluru.

(S.T.R.MADY)
 Chairman

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2018

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	69.34%
2	Manufacturing Charges	99532693	5.15%
3	Formulation Development	99839390	25.51%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND 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-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.or State Govt.									
c) Bodies Corporates									
d) Bank/Fl									
e) Any other									
SUB TOTAL:(A) (1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Foreign									
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/Fl									
e) Any other									
SUB TOTAL (A) (2)	55,12,098	-	55,12,098	54.99%	55,12,098	-	55,12,098	54.99%	0.00%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	55,12,098	-	55,12,098	54.99%	55,12,098	-	55,12,098	54.99%	0.00%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		1,400	1,400	0.01%		1,400	1,400	0.01%	0.00%
b) Banks/Fl		100	100	0.00%		100	100	0.00%	0.00%
c) Cenntal Govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	-	1,500	1,500	0.01%	-	1,500	1,500	0.01%	0.00%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	13,29,093	8,000	13,37,093	13.34%	13,13,793	8,000	1,321,793	13.19%	-0.15%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	3,55,314	4,85,246	8,40,560	8.39%	3,95,042	4,67,983	8,63,025	8.61%	0.22%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	88,599	-	88,599	0.88%	128,739	-	128,739	1.28%	0.40%
c) Others (specify) -								0.00%	0.00%
i) Director & Relative	22,04,596	701	22,05,297	22.00%	21,51,946	700	21,52,646	21.47%	-0.53%
ii) Non Resident Indians	6,248	8,000	14,248	0.14%	8,226	8,000	16,226	0.16%	0.02%
iii) Clearing Members	766	-	766	0.01%	171	-	171	0.00%	-0.01%
iv) HUF	24,071	10	24,081	0.24%	28,039	5	28,044	0.28%	0.04%
SUB TOTAL (B)(2):	40,08,687	5,01,957	45,10,644	45.00%	40,25,956	4,84,688	45,10,644	45.00%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	40,08,687	5,03,457	45,12,144	45.01%	40,25,956	4,86,188	45,12,144	45.01%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	0.00%	-	-	-	0.00%	
Grand Total (A+B+C)	95,20,785	5,03,457	1,00,24,242	100.00%	95,38,054	4,86,188	1,00,24,242	100.00%	0.00%

(ii) Shareholding of Promoter

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.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Change during the year
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares
1	VEEGO PHARMA LLC	55,12,098	54.99%	55,12,098	54.99%	NIL

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

Sl. No	For Each of the Top 10 Shareholders	Date	Reason	Shareholding at the end of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No of shares	% of total shares
1	B.P.R.L. PVT. LTD.	At the beginning of the year 2017-18	Transfer	12,82,900	12.80%	12,82,900	12.80%
		At the end of the year		(54,000)	-0.25%	12,28,900	12.26%
2	KRIPA MADY	At the beginning of the year 2017-18	Transfer	6,71,061	6.69%	6,71,061	6.69%
		At the end of the year		200	0.00%	6,71,261	6.70%
3	RATNAKALA MADY	At the beginning of the year 2017-18	Transfer	2,36,800	2.36%	2,36,800	2.36%
		At the end of the year		500	0.00%	2,37,300	2.37%
4	NIDAMBUR ROOPA NAGARAJ BALLAL	At the beginning of the year 2017-18	Transfer	2,37,300	2.37%	2,37,300	2.37%
		At the end of the year		88,599	0.88%	88,599	0.88%
5	MUKUL MAHAVIR AGRAWAL	At the beginning of the year 2017-18	Transfer	-	0.00%	-	0.00%
		At the end of the year		40,140	0.40%	40,140	0.40%
6	BATLIVALA & KARANI CAPITAL PVT LTD	At the beginning of the year 2017-18	Transfer	-	0.00%	-	0.00%
		At the end of the year		21,515	0.21%	21,515	0.21%
7	JM FINANCIAL SERVICES LIMITED	At the beginning of the year 2017-18	Transfer	21,515	0.21%	21,515	0.21%
		At the end of the year		3,454	0.03%	3,454	0.03%
8	YOGESH V RUPAREL	At the beginning of the year 2017-18	Transfer	16,665	0.17%	20,119	0.20%
		At the end of the year		20,119	0.20%	20,119	0.20%
9	VARALAKSHMI VELDI	At the beginning of the year 2017-18	Transfer	1,147	0.01%	1,147	0.01%
		At the end of the year		16,367	0.16%	17,514	0.17%
10	TOBBY SIMON	At the beginning of the year 2017-18	Transfer	17,514	0.17%	17,514	0.17%
		At the end of the year		-	0.00%	-	0.00%
		At the beginning of the year 2017-18		16,264	0.16%	16,264	0.16%
		At the end of the year		16,264	0.16%	16,264	0.16%
		At the beginning of the year 2017-18		15,775	0.16%	15,775	0.16%
		At the end of the year		15,775	0.16%	15,775	0.16%

(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	S JAYAPRAKASH MADY - DIRECTOR	At the beginning of the year		4,86,340	4.85%	4,86,340	4.85%
		12/09/2017	Transfer	(28,500)	-0.28%	4,57,840	4.57%
		21/09/2017	Transfer	(11,500)	-0.11%	4,46,340	4.45%
		At the end of the year		4,46,340	4.45%	4,46,340	4.45%
2	S.T.R. MADY - CHAIRMAN	At the beginning of the year		8,09,950	8.08%	8,09,950	8.08%
		20/09/2017	Transfer	(12,650)	-0.13%	7,97,300	7.95%
		At the end of the year		7,97,300	7.95%	7,97,300	7.95%
3	B.R. ARUN EASHWAR - DIRECTOR	At the beginning of the year		445	0.00%	445	0.00%
		At the end of the year		445	0.00%	445	0.00%
4	B.P.THYAGARAJ - K.M.P	At the beginning of the year		50	0.00%	50	0.00%
		At the end of the year		50	0.00%	50	0.00%

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

Particulars	Secured Loans excluding deposits ₹	Unsecured Loans ₹	Deposits	Total Indebtedness ₹
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,06,09,599	25,00,000	-	8,31,09,599
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,06,09,599	25,00,000	-	8,31,09,599
Change in Indebtedness during the financial year				
* Additions		37,24,000	-	37,24,000
* Reduction	(1,37,83,679)	(26,52,764)	-	(1,64,36,443)
Net Change	(1,37,83,679)	10,71,236	-	(1,27,12,443)
Indebtedness at the end of the financial year				
i) Principal Amount	6,68,25,920	35,71,236	-	7,03,97,156
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,68,25,920	35,71,236	-	7,03,97,156

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director : NIL

B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount	
		R.A. TIRUMOORTI	B.R. ARUN EASHWAR	STR. MADY	SJP MADY	KAVITHA K	DR. PARANJYOTHI		GANGA
1	Independent Directors								
	(a) Fee for attending board and committee meetings	2,500	10,000		10,000	5,000	7,500	5,000	40,000
	(b) Commission		-		-	-	-	-	-
	(c) Others, please specify		-		-	-	-	-	-
	Director Remuneration								-
	Total (1)	2,500	10,000	-	-	5,000	7,500	5,000	40,000
2	Other Non Executive Directors								-
	(a) Fee for attending board and committee meetings		-	10,000	10,000	-	-	-	10,000
	(b) Commission		-		-	-	-	-	-
	(c) Others, please specify.		-		-	-	-	-	-
	Total (2)	-	-	10,000	10,000	-	-	-	10,000
	Total (B)=(1+2)	2,500	10,000	10,000	10,000	5,000	7,500	5,000	50,000
	Total Managerial Remuneration (A + B)								50,000
	Overall Ceiling as per the Act.								97,00,000

C. Remuneration To Key Managerial Personnel Other Than MD/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary	Manager	CFO	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	32,14,692	53,33,830	13,65,806	99,14,328
	(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	-	-	-	-
	Total	32,14,692	53,33,830	13,65,806	99,14,328

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

COMPANY	- ₹46,500 Compounding fee paid to R.B.I
DIRECTORS	- Nil
OTHER OFFICERS IN DEFAULT	- Nil

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(Pursuant to section 204 (1) of Companies Act 2013 and rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Wintac Limited,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WINTAC LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2018** and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules (SCRR) made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other laws applicable specifically to the Company namely:
 - a. Drugs and Cosmetics Act 1940 and the rules made thereunder;
 - b. The Patents Act, 1970 (Not applicable to the Company during the audit period) and
 - c. The Trade Marks Act, 1999. (Not applicable to the Company during the audit period) .

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above.

I further report that, there were no events/actions in pursuance of:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations 2009; and
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 requiring compliance thereof by the Company during the Audit period.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, there is no Executive Director on the Board of Directors, there are two Non-Executive Directors and three Independent Directors including a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance except in case of meetings called at shorter notice to transact urgent business, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the review of compliance reports taken on record by the Board of Directors of the Company, in my opinion, there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, the Board of Directors, in their meeting held on April 26, 2018 subject to the approval of the shareholders, have:

- a) approved the proposal from Veego Pharma LLC, USA (formerly known as GAVIS Pharma LLC, USA), the promoter shareholder of the Company, for delisting of equity shares of the Company from all the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Delisting of Equity shares) Regulations 2009;
- b) approved pursuant to the provisions of clause (a) of sub section (1) of Section 180 of the Companies Act 2013, the proposal for sale/disposal of the whole of Pharmaceutical Business Undertaking of the Company on slump sale basis; and
- c) approved pursuant to clause (c) of subsection (1) of Section 180 of the Companies Act 2013, the proposal to increase the borrowing limits and to create charge by way of mortgage/charge to secure the borrowings by the Company;

and there were no other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. during the Audit period.

Date : May 23, 2018
Place: Bengaluru

P.G.HEGDE
Hegde & Hegde
Company Secretaries
FCS:1325 / C.P.No: 640

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW AND OUTLOOK

The global economy continued to grow with estimated output growth of 3.7% during 2017 as against 3.2% in 2016. The Indian economy witnessed implementation of a series of transformational reforms in FY 2018. It is projected to grow at 6.75% in FY 2018 and edge up to 7-7.5% in FY 2019, thereby regaining the world's fastest growing major economy tag.

According to the Quintiles IMS Institute, the pharmaceutical market will reach nearly USD 1,485 billion by 2021, an increase of USD 350-380 billion from the USD 1,105 billion recorded in 2016. This growth is expected to be driven by market expansion in emerging countries and a higher proportion of aged population in developed countries.

The Indian pharmaceutical industry is the 14th largest market in the world by value; in terms of volume it is the 3rd largest. India manufactures 20% of all generics made globally and exports to 200 countries, with USA as the principal market. While during the year under review, domestic growth slowed down in the wake of implementation of Goods and Services Tax (GST), the outlook remains positive. Increase in the size of middle-class households coupled with the improvement in medical infrastructure and jump in the penetration of health insurance in the country are expected to boost domestic demand for pharmaceutical products. By 2020, India is anticipated to become the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. India's focus on providing complex and speciality products, customer centricity, regulatory compliance, quality improvement and operational efficiency are expected to enhance exports. Exports from India stood at USD 16.84 billion in FY 2016-17; it is expected to reach USD 20 billion by 2020.

The Indian pharmaceutical industry is well-positioned to reinforce its position as a global pharmaceutical provider. As per industry estimates, India's pharmaceutical industry is expected to expand at a CAGR of 12.89% over 2015–20 to reach USD 55 billion and by 2025 to grow to USD 100 billion.

OPPORTUNITIES AND THREATS

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

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.

Increasing affordability among the fast growing middle class coupled with improving medical infrastructure and rising insurance penetration will continue to drive the growth of the industry. The hospital segment in particular is expected to grow at a significant rate with continuing expansion of the corporate hospital groups, especially in the metro cities. Regulatory challenges, raising input costs, fading away of block-buster drugs, etc are some of the challenges faced by the Pharma industry.

OPERATIONAL PERFORMANCE & OUTLOOK

The operational performance of the Company during the year under review improved although the cumulative results for the year are still negative. The export sales to US market increased during the year due to couple of new product approvals from USFDA.

The net sales during the year under review was ₹4479.71 lakhs as compared to ₹3489.81 lakhs during the previous year, a growth of 28.36%. The net loss before tax during the current year was ₹980.30 lakhs as against the loss of ₹1091.70 lakhs during the previous year, a decrease in loss

by 10.20%. The export supplies to US Market was higher during the year for the two products resulting in increase in the sales turnover. However, the Company has not yet achieved the break-even level of sales and still reporting a net loss of ₹989.54 lakhs.

Your Directors are pleased to inform that USFDA Regulatory authorities inspected the Manufacturing Plant during November 2017 and the Inspection was successful. The Company expects the approval of few more products in the near future and expect a reasonable increase in the sales and turnaround in the operations during the current year.

OUTLOOK, RISKS AND CONCERNS

The Promoters of the Company have made a proposal to delist the equity shares of the Company from the Stock Exchange in compliance with SEBI (Delisting of Equity Shares) Regulations, 2009 and the Board of Directors of the Company at their meeting held on April 26, 2018 appointed Arihant Capital Markets Limited as Merchant bankers for conducting due diligence pursuant to Regulation 8(1A) of the SEBI Delisting Regulations. The proposal of delisting of equity shares of the company is subject to approval of shareholders.

The Board of Directors have approved the proposal to effect slump sale of the pharmaceutical business undertaking of the Company to Par Formulations Pvt. Ltd., subject to all requisite approvals, specially shareholders' approval and also subject to the successful completion of the delisting of equity shares by the Promoters.

The Board of Directors have also approved a proposal to increase the borrowing limits of the Company upto ₹130 crores subject to the approval of the shareholders for meeting the Capital Expenditure and working capital requirements of the Company.

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 loss of ₹989.54 lakhs during the year. The operating loss before interest and depreciation and exceptional items was ₹525.42 lakhs as compared to ₹623.08 lakhs during the previous year. The total interest cost for the year was at ₹89.91 lakhs as against ₹99.65 lakhs during the previous year. 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 2018, there were 334 employees on the rolls of the Company and the relationship with the employees has been very cordial.

For Wintac Limited

Place: Bangalore
Date : 23.05.2018

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 nonexecutive 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. Further none of the Independent Directors serve as an Independent Director in more than seven listed companies and also serve as a whole time director in any listed company. 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 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 2017-18	Whether Attended AGM held on 10.8.2017	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	6	Yes	-	-	-	-
B.R.Arun Eashwar (upto 29.05.2018)	Independent Non-Executive	6	Yes	-	-	-	-
R.A.Thirumoorti (Resigned w.e.f 11.08.2017 and re-appointed on 23.05.2018)	Independent Non-Executive	2	Yes	-	-	-	-
Kavitha Krishnamoorthy (Upto 11.08.2017)	Independent Non-Executive	3	Yes	-	-	-	-
Dr.K.Paranjothy (from 27.07.2017)	Independent Non-Executive	2	Yes	-	-	-	-
K.M.Ganga (from 27.07.2017)	Independent Non-Executive	2	Yes	-	-	-	-

Six Board meetings were held during the financial year 2017-18 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:

May 29th 2017,
September 11th 2017,

July 27th 2017,
December 06th 2017,

August 10th 2017,
February 02nd 2018.

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 2017-18:

Non-Executive Directors:

<u>Name of the Director</u>	<u>Sitting Fees (₹)</u>
Mr.S.T.R.Mady	10,000
Mr.S.Jayaprakash Mady	10,000
Mr.B.R.Arun Eashwar	10,000
Mr.R.A.Thirumoorthi	2,500
Ms.Kavitha.K	5,000
Dr.K.Paranjothy	7,500
K.M.Ganga	5,000

Managing Director

<u>Name</u>	<u>Salary</u>	<u>Perquisites</u>	<u>Stock Options</u>
Shri.S.Jayaprakash Mady	Nil	Nil	Nil

Period of Contract – 1 year from 11.02.2017 and Mr.S.Jayaprakash Mady has since resigned as Managing Director w.e.f. 29.05.2017.

Details of Equity Shares of the Company held by Non-Executive Directors as on March 31 2018 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	4,46,340

6. Stakeholders Relationship Committee:

The composition of the committee and the details of the meetings attended by the Directors are given below:

<u>Name of Members</u>	<u>Category</u>	<u>No. of Meetings attended during the year 2017-18</u>
Dr.K.Paranjothyi, Chairman	Independent, Non-Executive	3
Mr.S.T.R.Mady	Non-Independent, Non-Executive	3
Mr.Arun Eashwa	Independent, Non-Executive	4
Ms.K.M.Ganga	Independent, Non-Executive	2

Four meetings of the Stakeholders Relationship Committee were held during the year 2017-18 on the following dates:-

May 29th 2017, September 11th 2017, December 06th 2017 & February 10th 2018.

No. of complaints from Shareholders from 01.04.2017 to 31.03.2018	- 2
Complaints not solved to the satisfaction of the shareholders as on 31.03.2018	- Nil
No. of pending share transfers as on 31.03.2018	- Nil

Name, designation and address of Compliance officer: Shri.B.P.Thyagaraj A.V.P.(Finance) & Secretary 54/1, NH4, Boodihal Village, Nelamangala, Bangalore-562123, Phone No. +91 96060 65540, 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 31st March 2018. A declaration duly signed by the Managing Director is annexed hereto.

8. General body meetings:

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

Financial Year ended	Date & Time	Venue
31 st March, 2015	26.09.2015 at 10.30 am	Registered Office of Wintac at #54/1, Boodihal Village, Nelamangala, Bangalore.
31 st March, 2016	27.09.2016 at 10.30 am	- " -
31 st March, 2017	10.08.2017 at 10.30 am	- " -

Whether Special Resolutions:

- Passed in the previous three Annual General Meetings - Yes
- Were put through postal ballot last year:

On August 05, 2017 Members of the Company passed 2 Special Resolutions through Postal ballot for (i) approving External Commercial Borrowings upto ₹40 crores and (ii) increasing the borrowing powers u/s 180(1)(c) of the Companies Act, 2013 upto ₹50 crores.

- Whether any special resolution is proposed to be conducted through postal ballot - Yes

Three Special Resolutions through Postal Ballot are proposed for (i) Voluntary delisting of equity shares of the Company from BSE Limited, (ii) Slump Sale of the Pharmaceutical Business undertaking u/s 180(1)(a) of the Companies Act, 2013 and (iii) increasing the borrowing powers u/s 180(1)(c) of the Companies Act, 2013 upto ₹135 crores

9. Means of Communications:

The quarterly and half years results are published in Financial Express and E-Sanje Newspapers and are also displayed at Company's website. These are not sent individually to the Shareholders. The management discussion and Analysis report forms part of this Annual report.

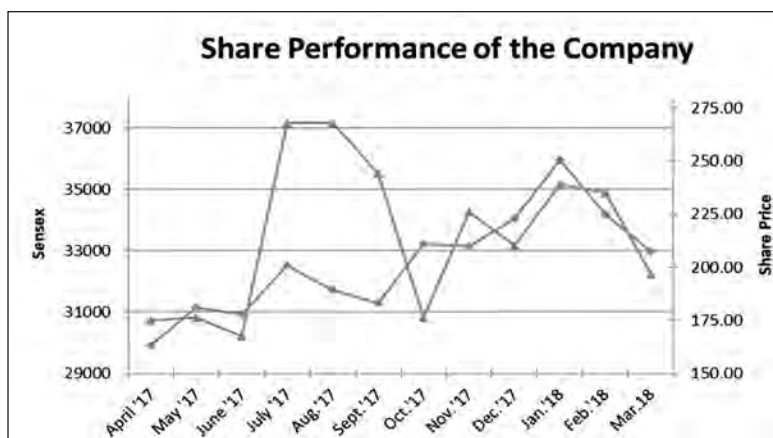
10. General Shareholders Information

- AGM date, time and Venue - 27th October, 2018 at 10.00 am at the Registered Office of the Company at No.54/1, Boodihal Village, Nelamangala, Bangalore-561 123.
- Financial Year - 1st April 2017 to 31st March 2018
- Date of Book Closure - 20th October, 2018 to 27th October, 2018
- Dividend payment date - N.A.
- Listing on stock exchange - The Stock Exchange , Mumbai, Dalal Street, Mumbai-400 001.
Stock Code: 524758
Listing fee for the year 2017-18 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 (2017-18) and performance in comparison to BSE Sensex :-

Period		Company's Share Price ₹	
		High	Low
April	2017	191.95	161.50
May	2017	179.90	149.30
June	2017	184.95	147.50
July	2017	268.00	160.25
August	2017	268.00	268.00
September	2017	268.00	244.10
October	2017	231.90	174.05
November	2017	229.40	172.00
December	2017	238.25	193.10
January	2018	282.00	209.00
February	2018	258.00	209.55
March	2018	244.90	178.20


Registrars and Share Transfer Agents:

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

Share Transfer System:

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

The distribution of Shareholding as on 31.03.2018 is as follows: -

Range of Holdings	No. of Holders	Amount (₹)
Upto 5000	5028	58,96,050
5001 to 10000	99	8,11,050
10001 to 50000	83	18,27,160
50001 to 100000	6	3,56,720
100001 and above	15	9,13,51,440
Total	5231	10,02,42,420

Dematerialization of Shares and liquidity: 95,38,054 Shares (95.15% of paid up capital) has been dematerialized as on 31.03.2018.

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

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

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

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.
- (b) The Company has complied with the statutory requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. SEBI has issued a Notice under Rule 4 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating officer) Rules, 1995 on 10.12.2013 for the delay in filing Disclosures under Regulation 7(3) of the SAST Regulations on 3 occasions during 2003, 2005 & 2011. The Company has filed the necessary reply and is awaiting the outcome of the proceedings. Apart from this no other penalties or strictures imposed on the company by these authorities.
- (c) The Company has formulated and implemented a 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 including requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the said SEBI (LODR) Regulations.
- (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 policy on dealing with related party transactions is posted on the website of the Company www.wintaclimited.com

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, 2018.

For Wintac Limited

Place: Bangalore
Date : 23.05.2018

Sunil Gundewar
Manager & C.O.O.

Auditor's Certificate 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 March, 2018, as stipulated in Regulations 17-27, clauses (be) 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 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 31st March, 2018.

Opinion

5. In our opinion and to 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 periods 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 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 the requirements 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

(CA C R Deepak)
Partner
Membership No. 215398

Place: Bengaluru
Date : 23rd May, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINTAC LIMITED

Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS financial statements of Wintac Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter:

Attention has been invited Note 46 of the financial statements, for the reasons stated in the said note despite the networth of the Company is 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. We have not qualified our opinion on the same.

Other Matters:

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 28, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified on this matter.

Report on Other Legal and Regulatory Requirements:

1. 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 Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by the 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 purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in the Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS 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, 2018 taken on the record by the Board of Directors, none of the directors is disqualified as on that date 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 other matters to be included in the Auditors 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 35 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
Membership No. 215398

Place: Bengaluru
Date : May 23, 2018

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) Based on the information and explanation received from the management, PPE is physically verified once in three years which is considered reasonable. The Company had carried out such physical verification in financial year 2015 – 2016 and no material discrepancies found on such verification.
- c) According to the information and explanation given to us by the Company, title deed of all immovable properties are held in the name of the Company, except for cases reported in additional information to note 3 a. 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. In our opinion and according to information and explanation furnished to us, the Company has not made any investments or given guarantees which require compliance of provisions of Section 185 and 186 of the Act, Accordingly, 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 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 Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Act as the Company is not engaged in any manufacture of the goods. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.
7. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities as at March 31, 2018 concerned for a period of more than six months from the date they became payable excepting certain delays in payment of TDS, GST and other indirect taxes.
- 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 35 a and b of the Ind AS financial statements. The summary is given below:

Name of the statute	Nature of the dues	Amount (₹in Lakhs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Valuation of physician samples.	44.95	2005-2006	CESTAT, Bengaluru
The Central Excise Act, 1944	Penalty demanded under 209A of the central excise rules	2.00		CESTAT, Ahmedabad
The Finance Act, 1994	Tax demanded on export of technical services.	254.87	2013-2016	Commissioner appeals
The Central Sales Tax Act, 1956	Difference in sales tax for non-submission of statutory forms	2.33	2003-04	DCST, Navi Mumbai
The Income Tax Act, 1961	Appeal against order of rectification passed by AO	38.26	AY 2001-02	High court of Karnataka

Name of the statute	Nature of the dues	Amount (₹ in Lakhs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Appeal against order of assessment	7.11	AY 2011-12	ITAT, Bengaluru
The Income Tax Act, 1961	Fringe Benefit tax	5.24	2008-09	ITAT, Bengaluru
The Central Excise Act, 1944	Excise duty on sale of brands to Recon Health care pvt Ltd	400.00	2001-02	Supreme court of India
Karnataka Sales Tax Act, 1957	KVAT input refund withheld by department	29.34	2012-13	ACCT LVO (065)
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Levy of damages for delay in remittance of PF dues	32.37	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, 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 are 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 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
(FRN 002878S/S200021)

(CA C R Deepak)
Partner M.No: 215398

Place: Bengaluru
Date : May 23, 2018

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, 2018 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, 2018, 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
(FRN 002878S/S200021)

Place: Bengaluru
Date : May 23, 2018

(CA C R Deepak)
Partner M.No: 215398

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at	As at	As at
		31.03.2018	31.03.2017	1.04.2016
		₹	₹	₹
1	2	3	4	5
ASSETS				
Non-current assets				
Property, Plant and Equipment	3.1	30,97,40,443	30,98,53,378	30,63,12,578
Capital work-in-progress	3.2	6,12,71,618	5,11,575	2,45,26,697
Other Intangible assets	3.4	68,55,682	68,26,757	88,30,823
Financial Assets				
Investments	4	-	-	-
Loans and Advances	5	6,73,14,990	74,37,575	62,79,524
Deferred tax assets (net)	6	6,43,96,463	6,49,58,187	5,26,54,910
Other non-current assets	7	4,23,18,118	1,55,30,593	2,02,71,184
		55,18,97,314	40,51,18,065	41,88,75,716
Current assets				
Inventories	8	9,04,03,752	7,86,39,904	6,52,49,885
Financial Assets				
Trade receivables	9	79,76,161	3,62,51,052	2,91,87,964
Cash and cash equivalents	10	53,71,045	84,879	29,54,342
Loans and Advances	11	3,54,24,724	32,64,027	22,82,383
Other current assets	12	3,60,33,842	5,74,10,259	1,18,63,797
		17,52,09,524	17,56,50,121	11,15,38,371
Total Assets		72,71,06,838	58,07,68,186	53,04,14,087
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	10,02,42,420	10,02,42,420	10,02,42,420
Other Equity	14	(14,24,58,742)	(4,35,04,767)	4,16,74,995
		(4,22,16,322)	5,67,37,653	14,19,17,415
Non-current liabilities				
Financial Liabilities				
Borrowings	15	5,43,50,816	6,41,24,181	8,23,06,576
Other non-current liabilities	16	12,79,481	2,97,568	2,66,280
		5,56,30,298	6,44,21,749	8,25,72,856
Current liabilities				
Financial Liabilities				
Borrowings	17	-	25,00,000	25,00,000
Trade payables	18	4,74,62,004	6,25,26,679	5,83,47,119
Other current liabilities	19	64,68,65,446	38,18,19,361	23,69,79,886
Provisions	20	1,93,65,412	1,27,62,744	80,96,811
		71,36,92,862	45,96,08,784	30,59,23,816
Total Equity and Liabilities		72,71,06,838	58,07,68,186	53,04,14,087

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

S JAYAPRAKASH MADY
 Director

DR. K PARANJOTHY
 Director

C R DEEPAK

 Partner, M. No. 215398
 Place : Bengaluru
 Date : 23.05.2018

GANGA K M
 Director

B P THYAGARAJ
 A.V.P (Finance) & Secretary

KRUPENDRA V S
 Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Current	Previous
		Year Ending 31.03.2018 ₹	Year Ending 31.03.2017 ₹
I Revenue From Operations	21	44,79,70,156	34,89,81,131
II Other Income	22	71,88,362	1,10,50,260
III Total Income (I+II)		45,51,58,518	36,00,31,391
IV EXPENSES			
Cost of materials consumed	23	18,70,20,704	15,07,66,997
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	(32,27,804)	(1,29,53,950)
Excise Duty Paid		44,74,479	2,09,60,194
Employee benefits expense	25	17,98,71,005	15,02,91,824
Finance costs	26	89,91,405	99,64,599
Depreciation and amortization expense	27	3,54,64,511	3,63,17,781
Other expenses	28	13,95,62,405	11,32,75,020
Total expenses (IV)		55,21,56,705	46,86,22,465
V Profit/(loss) before exceptional items and tax (I- IV)		(9,69,98,187)	(10,85,91,074)
VI Exceptional Items Net Gain / (Loss)	29	-	1,18,87,077
VII Profit/(loss) before tax (V+VI)		(9,69,98,187)	(9,67,03,997)
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		9,24,181	(1,21,02,673)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		(9,79,22,368)	(8,46,01,324)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plans		13,94,067	7,79,043
(ii) Income tax relating to items that will not be reclassified to P&L		(3,62,457)	(2,00,604)
X Other Comprehensive Income for the period		10,31,610	5,78,439
XI Total Comprehensive Income for the period (IX-X)		(9,89,53,978)	(8,51,79,763)
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
XII Earnings per equity share (for continuing operation):			
(1) Basic	30	(9.77)	(8.44)
(2) Diluted		(9.77)	(8.44)

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

S JAYAPRAKASH MADY
 Director

DR. K PARANJOTHY
 Director

C R DEEPAK
 Partner, M. No. 215398
 Place : Bengaluru
 Date : 23.05.2018

GANGA K M
 Director

B P THYAGARAJ
 A.V.P (Finance) & Secretary

KRUPENDRA V S
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Current Year 2017-2018		Previous Year 2016-2017	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before taxation, and extraordinary item		(9,69,98,187)		(9,67,03,996)
Adjustments for:				
Depreciation	3,54,64,511		3,63,17,781	
Other Comprehensive Income	(13,94,067)		(7,79,043)	
Foreign Exchange Loss	(8,01,992)		31,657	
Interest Income	(3,09,183)		(7,80,528)	
Interest Expenses	89,91,405		99,64,599	
Loss / (Profit) on Sale of Fixed Assets	(3,35,997)	4,16,14,676	7,26,559	4,54,81,025
Operating Profit before Working Capital Changes		(5,53,83,510)		(5,12,22,971)
(Increase)/Decrease in Trade Receivables	2,82,74,891		(78,24,429)	
(Increase)/Decrease in Inventory	(1,17,63,848)		(1,33,90,019)	
Increase/(Decrease) in Trade Payables	(1,42,62,683)		49,09,244	
(Increase)/Decrease in Loans & Advances	(2,80,43,692)		17,06,193	
(Increase)/Decrease in Current & Non Current Assets	(54,11,108)		(4,08,05,871)	
(Increase)/Decrease in Current & Non Current Liabilities & Provisions	26,85,87,813	23,73,81,373	14,90,91,025	9,36,86,143
Net Cash from Operating Activites (A)		18,19,97,863		4,24,63,172
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(15,60,92,111)		(1,93,79,249)
Sale of Fixed Assets		3,36,000		14,13,080
Interest Received		3,09,183		7,80,528
Net Cash from Investing Activites (B)		(15,54,46,928)		(1,71,85,641)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Share Capital		-		-
Proceeds from issuance of Borrowings		(1,22,73,364)		(1,81,82,395)
Interest Paid		(89,91,405)		(99,64,599)
Net Cash from Financing Activites (C)		(2,12,64,769)		(2,81,46,994)
Net Increase in cash and Cash Equivalents (A + B + C)		52,86,166		(28,69,463)
Cash and Cash Equipments at beginning of period		84,879		29,54,342
Cash and Cash Equivalents at End of Period		53,71,045		84,879

In Accordance with our Report attached

For B K Ramadhyani & Co. LLP

 Chartered Accountants
 Firm number: 002878S / S200021

S.T.R. MADY
 Chairman

C R DEEPAK
 Partner, M. No. 215398

GANGA K M
 Director

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

S JAYAPRAKASH MADY
 Director

B P THYAGARAJ
 A.V.P (Finance) & Secretary

DR. K PARANJOTHY
 Director

KRUPENDRA V S
 Chief Financial Officer

 Place : Bengaluru
 Date : 23.05.2018

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
Statement of Changes in Equity for the Year Ended March 31, 2018
A. Equity share capital:

Issued, subscribed and fully paid-up share capital	No.	₹
Equity shares of ₹10 each:		
As at April 1, 2016	1,00,24,242	10,02,42,420
Issued during the year	-	-
As at March 31, 2017	1,00,24,242	10,02,42,420
Issued during the year	-	-
As at March 31, 2018	1,00,24,242	10,02,42,420

B. Other equity

	Reserves and surplus				Total
	Capital Reserve on Forfeiture of shares	Securities Premium account	General Reserve	Retained earnings	
	₹	₹	₹	₹	₹
As at March 31, 2016	55,500	50,98,63,366	4,09,83,740	(50,99,85,861)	4,09,16,745
Ind AS adjustments	-	-	-	7,58,250	7,58,250
Other comprehensive income*	-	-	-	-	-
As at April 1, 2016	55,500	50,98,63,366	4,09,83,740	(50,92,27,611)	4,16,74,995
Profit/(Loss) for the year	-	-	-	(8,46,01,324)	(8,46,01,324)
Other comprehensive income*	-	-	-	(5,78,439)	(5,78,439)
As at March 31, 2017	55,500	50,98,63,366	4,09,83,740	(59,44,07,371)	(4,35,04,768)
Profit/(Loss) for the year	-	-	-	(9,79,22,368)	(9,79,22,368)
Other comprehensive income*	-	-	-	(10,31,610)	(10,31,610)
As at March 31, 2018	55,500	50,98,63,366	4,09,83,740	(69,33,61,349)	(14,24,58,746)

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 pharmaceutical 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 May 23, 2018.

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. Refer to note 43 for information on first time adoption of Ind AS from April 1, 2016 by the Company.

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 ₹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.
- (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 performed by an accredited external independent valuer.
- (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:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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:

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.

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 as value added tax, service tax, 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:

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- 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) Rental income receivable under operating leases is recognized in the income statement on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits.

(iv) 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 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.

l) 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 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, 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 ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

3.1 Property, Plant and Equipment

TANGIBLE ASSETS	Own Assets										Total	
	Land	Buildings	Plant and Equipment	Electrical installations	Office equipment	R & D Equipments	Computer Hardwares	Furniture & Fixtures	Vehicles			
Gross Block												
Balance as at 01.04.2016	2,68,75,226	7,64,91,360	13,41,85,076	1,14,99,518	30,42,283	4,19,46,121	20,73,405	85,06,172	16,93,421	30,63,12,578		
Additions	3,33,625	15,34,800	3,30,04,995	11,42,933	14,41,946	-	9,08,158	6,73,376	-	3,90,39,833		
Disposals/ Adjustments	-	-	(8,81,878)	-	-	-	-	-	(4,14,513)	(12,96,391)		
Balance as at 31.03.2017	2,72,08,851	7,80,26,160	16,63,08,193	1,26,42,451	44,84,229	4,19,46,121	29,81,563	91,79,548	12,78,908	34,40,56,023		
Additions	-	8,20,195	64,00,399	4,50,300	10,01,952	1,75,04,267	19,23,477	4,32,949	45,91,564	3,31,25,101		
Disposals/ Adjustments	-	-	-	(22,54,508)	-	-	-	-	(3)	(3)		
Balance as at 31.03.2018	2,72,08,851	7,88,46,355	17,27,08,591	1,08,38,242	77,40,689	5,94,50,388	49,05,039	96,12,497	58,70,469	37,71,81,121		
Accumulated depreciation												
Additions	-	45,99,443	1,49,25,264	20,03,903	12,57,975	84,55,353	12,82,825	11,73,061	6,10,171	3,43,07,995		
Disposals/ Adjustments	-	-	(82,053)	-	-	-	-	-	(23,299)	(1,05,352)		
Balance as at 31.03.2017	-	45,99,443	1,48,43,211	20,03,903	12,57,975	84,55,353	12,82,825	11,73,061	5,86,872	3,42,02,643		
Additions	-	47,60,026	1,45,29,970	17,10,479	19,38,682	73,24,202	10,36,567	12,39,063	6,99,047	3,32,38,036		
Disposals/ Adjustments	-	-	-	(3,30,840)	3,30,840	-	-	-	-	-		
Balance as at 31.03.2018	-	93,59,469	2,93,73,181	33,83,542	35,27,497	1,57,79,555	23,19,392	24,12,124	12,85,919	6,74,40,679		
Net Block												
Balance as at 31.03.2016	2,68,75,226	7,64,91,360	13,41,85,076	1,14,99,518	30,42,283	4,19,46,121	20,73,405	85,06,172	16,93,421	30,63,12,578		
Balance as at 31.03.2017	2,72,08,851	7,34,26,717	15,14,64,982	1,06,38,548	32,26,254	3,34,90,768	16,98,738	80,06,487	6,92,036	30,98,53,378		
Balance as at 31.03.2018	2,72,08,851	6,94,86,886	14,33,35,410	74,54,701	42,13,192	4,36,70,833	25,85,648	72,00,373	45,84,550	30,97,40,443		

(a) Land:

- i) There is a dispute on title of the land at Sarjapur Road, Original Cost ₹6,71,438. There has been a claimant to the said land who was successful in transferring the Khata to this name and the Company has filed a Writ Petition in the Honorable High Court of Karnataka which is pending disposal.
 - ii) The Company has received a Notice from the Office of the Special Land Acquisition Officer, National Highway Authority of India, Bangalore for the acquisition of 455 Sq. Mtrs of Land at Sy.No. 54/1 (Front portion near the entry gate of the Factory Premises) for the purpose of expansion/widening of the National Highway No.48 at a proposed compensation of ₹86.54 lakhs.
 - iii) 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 ₹19,46,174/-, effected in the year 1995-96. The Company does not expect any adverse impact from the above two suits.
 - iv) Portion of vacant factory land at Boodihal Village, Nelamangala Taluk measuring 82,000 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 ₹13,28,372/- standing in the name of the Director.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As At	As At	As At
	01.04.2016	31.03.2017	31.03.2018
3.2 Capital work-in-progress	₹	₹	₹
Plant and Equipment	2,45,26,697	5,11,575	2,76,06,518
Buildings	-	-	3,36,65,100
	2,45,26,697	5,11,575	6,12,71,618

3.3 Other Intangible assets

INTANGIBLE ASSETS	Own Assets		Total
	Computer Software	Accreditation	
Gross Block	₹	₹	₹
Balance as at 01 April 2016	38,53,943	49,76,880	88,30,823
Additions	9,54,320	-	9,54,320
Disposals	(9,48,600)	-	(9,48,600)
Balance as at 31 March 2017	38,59,663	49,76,880	88,36,543
Additions	22,55,400	-	22,55,400
Disposals	-	-	-
Balance as at 31 March 2018	61,15,063	49,76,880	1,10,91,943
Accumulated depreciation			
Additions	6,52,455	13,57,331	20,09,786
Disposals	-	-	-
Balance as at 31 March 2017	6,52,455	13,57,331	20,09,786
Additions	8,70,073	13,56,402	22,26,475
Disposals	-	-	-
Balance as at 31 March 2018	15,22,528	27,13,733	42,36,261
Net Block			
Balance as at 31 March 2016	38,53,943	49,76,880	88,30,823
Balance as at 31 March 2017	32,07,208	36,19,549	68,26,757
Balance as at 31 March 2018	45,92,535	22,63,148	68,55,682

PARTICULARS	As at March 31, 2018		As at March 31, 2017		As At April 1, 2016	
	Number	Value in ₹	Number	Value in ₹	Number	Value in ₹

4 INVESTMENTS
Trade Investments, Unquoted, At Cost

Investment in Equity Shares of Medispec Pharmaceuticals Private Limited (a Joint Venture Company)	9,00,000	90,00,000	9,00,000	90,00,000	9,00,000	90,00,000
Less : Provision for diminution in value		90,00,000		90,00,000		90,00,000
	9,00,000	-	9,00,000	-	9,00,000	-

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	Value in ₹	Value in ₹	Value in ₹
5 INVESTMENTS			
Unsecured			
Considered Good			
Trade Payable Capital Advances	6,39,94,420	38,45,889	28,10,897
Security Deposits	33,20,570	35,91,686	34,68,626
	(a) 6,73,14,990	74,37,575	62,79,524
Considered Doubtful			
Loans and Advances to Related Party -			
Medispec Pharmaceuticals Private Limited	(b) 8,53,25,614	8,53,25,614	8,53,25,614
	(a) + (b) 15,26,40,604	9,27,63,189	9,16,05,138
Less :Provision for doubtful loans and advances	8,53,25,614	8,53,25,614	8,53,25,614
	6,73,14,990	74,37,575	62,79,524
6 INCOME TAX			
(a) Deferred Tax			
A Deferred Tax Asset:			
1. On account of Unabsorbed depreciation under the Income Tax Act, 1961	7,99,41,271	8,33,68,481	7,29,94,065
2. Impact of expenditure charged to the statement of P&L in the current year but allowed for tax purposes in Subsequent years	43,47,739	33,97,502	25,29,233
3. Impact on IND AS adjustment	8,84,070	13,85,994	-
	8,51,73,080	8,81,51,977	7,55,23,298
B Deferred Tax Liability:			
1. Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2,06,68,075	2,30,53,989	2,25,29,315
2. Impact on IND AS adjustment	1,08,542	1,39,801	3,39,073
Net Deferred Tax Asset	6,43,96,463	6,49,58,187	5,26,54,910
(a) The Assessment of deferred tax asset is provisional and is subject to adjustments on Company filig its income tax return, assessment of returned income, outcome of appeals, etc.			
(b) In light of the Company since retaining the regulatory aproval forsales to US markets, regulatory approvals available for export to Europeanmarkets 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) Tax Expenses			
Relating to Origination and Reversal of temporary differences	9,24,181	(1,21,02,673)	
OCI section			
Deferred Tax related to items recognised in OCI during in the year	(3,62,457)	(2,00,604)	

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	Value in ₹	Value in ₹	Value in ₹
7 OTHER NON-CURRENT ASSETS			
Unsecured			
Considered Good			
Taxes Refundable:			
Income Tax	63,98,389	58,50,953	1,11,44,421
Sales Tax / VAT	96,47,140	96,47,140	88,94,263
Goods & Service tax input credit	2,43,28,539	-	-
Appeals Pre-deposit	19,44,050	32,500	32,500
Other Receivables	-	-	2,00,000
	4,23,18,118	1,55,30,593	2,02,71,184
(a) Taxes Refundable includes payments made/refunds adjusted to pending demans and interest thereon which are under appeal as detailed in Note 35.			
8 INVENTORIES			
Raw Materials and Components	1,51,10,488	74,57,829	1,46,69,462
Filters	72,82,505	78,14,585	76,38,822
Tubings	28,70,076	38,29,705	26,07,913
Packing Materials and Components	3,83,58,762	4,23,91,229	3,31,54,394
Work-in-progress	1,20,16,586	1,18,29,816	82,582
Finished goods	44,31,722	13,90,688	1,83,972
Stores and Sapres	52,08,069	39,26,051	19,54,651
Material in Transit	-	-	-
Materialin Bonded Warehouse	51,25,544	-	49,58,089
	9,04,03,752	7,86,39,904	6,52,49,885
9 TRADE RECEIVABLES			
Unsecured			
Considered Good			
Debts outstanding for a period exeeding six months form due date	6,895	56,155	-
Other Dets	79,69,266	3,61,94,897	2,91,87,964
	79,76,161	3,62,51,052	2,91,87,964
10 CASH AND CASH EQUIVALENTS			
i) Balance with Banks:			
- In Deposit Account	-	-	24,74,554
- In Current Account	53,32,611	58,922	4,56,846
ii) Cash on Hand	38,434	25,957	22,942
	53,71,045	84,879	29,54,342

(a) Statement of Account and confirmation of balance have not been received in respect of two accounts with book balance of ₹34,919/- (₹34,381/-) which is non-operative and subject to reconciliation and confirmation.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	Value in ₹	Value in ₹	Value in ₹
11 LOANS AND ADVANCES			
Other Loans and Advances Recoverable in Cash or Kind or for value to be Received *	3,49,24,724	27,64,027	17,82,383
- Unsecured, Considered Good			
Security Deposits	5,00,000	5,00,000	5,00,000
	3,54,24,724	32,64,027	22,82,383
* Includes loans to staff, advances to suppliers, etc.			
12 OTHER CURRENT ASSETS			
Prepaid Insurance	54,02,717	46,62,762	66,14,624
Input Tax Credits	7,884	62,75,633	20,98,219
Taxes Refundable			
Customs Duty	47,388	-	-
Sales Tax / VAT	-	5,00,000	28,50,954
Goods & Servicer Tax (GST)	2,62,88,995	-	-
Compensation Receivable	-	1,18,87,077	-
Amount to be billed to one of the Related Party enterprises	41,73,983	3,37,87,662	-
Due from a private limited company in which directors are interested	1,12,875	2,97,125	3,00,000
	3,60,33,842	5,74,10,259	1,18,63,797

PARTICULARS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number	Value in ₹	Number	Value in ₹	Number	Value in ₹
13 EQUITY SHARE CAPITAL						
A Authorized						
Equity Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000	25,00,00,000	25,00,00,000
B Issued, Subscribed & Fully Paid up						
Equity Shares of ₹ 10/- each	1,00,24,242	10,02,42,420	1,00,24,242	10,02,42,420	10,024,242	10,02,42,420
		10,02,42,420		10,02,42,420		10,02,42,420

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.

ii) Reconciliation of Number of Shares

Equity Share Outstanding at the beginning of the year	1,00,24,242	1,00,24,242	1,00,24,242
Equity Share issued during the year	-	-	-
Equity Share redeemed during the year	-	-	-
Equity Share outstanding at the end of the year	1,00,24,242	1,00,24,242	1,00,24,242

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
<u>Equity Shares</u>						
VEEGO Pharma LLC (formerly known as Gavis Pharma LLC)	55,12,098	54.99	55,12,098	54.99	55,12,098	54.99
B.P.R.L. Pvt. Ltd.	12,28,900	12.26	12,82,900	12.80	12,82,900	12.80
Mr. S.T.Raghavendra Mady	7,97,300	7.95	8,09,950	8.08	8,09,950	8.08
Mrs. Kripa Mady	6,71,261	6.69	6,71,061	6.69	6,71,061	6.69

PARTICULARS	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Value in ₹		Value in ₹		Value in ₹	
14 OTHER EQUITY						
<u>Reserve & Surplus</u>						
A <u>Capital Reserve on forfeiture of equity shares:</u>						
Balance at the beginning of the year	55,500		55,500		55,500	
Balance at the end of the year	55,500		55,500		55,500	
B <u>Securities Premium Account</u>						
Balance at the beginning of the year	50,98,63,366		50,98,63,366		50,98,63,366	
Balance at the end of the year	50,98,63,366		50,98,63,366		50,98,63,366	
C <u>General Reserve</u>						
Balance at the beginning of the year	4,09,83,740		4,09,83,740		4,09,83,740	
Balance at the end of the year	4,09,83,740		4,09,83,740		4,09,83,740	
D <u>Surplus in statement of profit & loss</u>						
Balance at the beginning of the year	(59,44,07,370)		(50,92,27,611)		(50,99,85,861)	
Adjustment for IND AS						
- Fair valuation of interest free security deposit					3,34,250	
- Processing fees on borrowings charged off					4,24,000	
On account of INDAS adjustment	-		-		-	
On account of recognition of DTA	-		-		-	
(+) Net Profit/ (Net Loss) for the current year	(9,89,53,978)		(8,51,79,762)		-	
Closing Balance	(69,33,61,348)		(59,44,07,373)		(50,92,27,611)	
	(14,24,58,742)		(4,35,04,767)		4,16,74,995	

15 BORROWINGS
Secured

i) Dropline overdraft facility from banks	6,34,25,651	7,61,24,181	9,43,06,576
ii) Vehicle loan from a company	35,71,236	-	-
	6,69,96,887	7,61,24,181	9,43,06,576

Less:

Current Maturity			
Bank Loan	1,20,00,000	1,20,00,000	1,20,00,000
Vehicle Loan	6,46,071	-	-
	1,26,46,071	1,20,00,000	1,20,00,000
	5,43,50,816	6,41,24,181	8,23,06,576

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
Additional Information:

- (a) Details of security:
- Loan from a bank is secured against hypothecation of Plant and Machinery of the Company
 - Vehicle loan from a company is secured against vehicles purchased.
- (b) 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.
 - Vehicle Loan is repayable in 59 equated monthly instalments of ₹ 78,158/- per month
- (c) Rate of Interest:
- Loan from bank carries a interest of 11.75% p.a. in the first year, 16.50% p.a. in the second year and 10.20% p.a. from third year onwards.
 - Vehicle loan from a company carries interest rate of 8.90% p.a.
- (d) There are no defaults/continuing defaults in repayment of perincipal amount of the loan or interest as on the balance sheet date.
- (e) Loan from bank is guaranteed by Mr. S Jayaprakash Mady, Director of the Company.

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	Value in ₹	Value in ₹	Value in ₹
16 OTHER NON-CURRENT LIABILITIES			
Security Deposits - from a Related Party	3,32,532	2,97,568	2,66,280
Sap Implementation Cost	9,46,949	-	-
	12,79,481	2,97,568	2,66,280
17 BORROWINGS			
Unsecured			
Loan and Advances from Related Party			
Inter Corporate Deposit	-	25,00,000	25,00,000
	-	25,00,000	25,00,000
18 TRADE PAYABLES			
Trade Payable - Other than to Micro Small & Medium Enterprises	4,74,62,004	6,25,26,679	5,83,47,119
There is no information reportable under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006.			
	4,74,62,004	6,25,26,679	5,83,47,119

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
	Value in ₹	Value in ₹	Value in ₹
19 OTHER CURRENT LIABILITIES			
A Current Maturities of Long-Term Debts (Refer Note 15)	1,26,46,071	1,20,00,000	1,20,00,000
B <u>Other Payables</u>			
- Customer Advances / Credit Balances (Includes ₹25,90,35,287 (₹20,15,66,184) due to one of the related party enterprises)	27,18,40,147	21,08,74,258	13,49,38,538
- Statutory Liabilities	33,71,570	35,68,173	23,07,519
- Security Deposits	50,000	50,000	50,000
- Due to one of the related party enterprises (See Note (b) below)	33,47,46,950	13,86,86,525	7,02,25,716
- Others (See (c) below)	2,42,10,708	1,66,40,406	1,74,58,113
	64,68,65,446	38,18,19,361	23,69,79,886
(a) Amounts due to be credited to the Investor Education and Protection Fund as on 31-03-2018 ₹Nil (Nil)			
(b) Towards reimbursement of cost of materials, equipment and services services procured through these parties against production of bills of original vender/ service provider.			
(c) Others include employee dues and accrued liabilities.			
20 PROVISIONS			
A <u>Provision for Employee Benefits (Refer Note (a) Below)</u>			
-Gratuity	97,25,747	55,59,145	33,42,188
-Earned Leave	93,29,502	68,74,119	31,40,983
B <u>Other Provisions</u>			
Towards future commitments of Joint Venture	3,10,163	3,29,480	4,18,900
For Cenvat credit reversal for inventory proposed to be scrapped	-	-	11,94,740
	1,93,65,412	1,27,62,744	80,96,811

PARTICULARS	Current Year	Previous Year
	Ending 31.03.2018	Ending 31.03.2017
	Value in ₹	Value in ₹
21 REVENUE FROM OPERATIONS		
Sales : Formulations	31,06,56,562	2,70,390,768
Income from Services:		
Manufacturing Charges	2,30,55,011	2,39,81,117
Formulation Development	11,42,58,582	5,46,09,246
	44,79,70,156	34,89,81,131

- (a) Sales includes ₹ 41,73,983/- (Previous Year ₹ 3,37,67,862/-) unbilled revenue from manufacture of goods against an export order from the one of the related party enterprises of holding company awaiting instructions for shipment.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	Current Year Ending 31.03.2018 Value in ₹	Previous Year Ending 31.03.2017 Value in ₹
22 OTHER INCOME		
Interest Received		
From Bank	-	90,647
From Tax Refunds	-	6,83,764
Others	3,09,183	6,117
Other Non Operative Income		
Lease Rent	9,00,000	9,00,000
Custom Duty Draw Back	11,743	78,121
Export Incentive Under MEIS	54,38,990	-
Miscellaneous Income	8,000	29,82,621
Unclaimed credit balances written back (including provision no longer required)	1,84,449	63,08,990
Profit on Sale of Property, plant & equipment (net)	3,35,997	-
	71,88,362	1,10,50,260
23 COST OF MATERIALS CONSUMED		
Raw Materials (Bulk Drugs and other Pharmaceuticals inputs)*	8,85,51,966	1,00,759,281
Packing Materials (Ampoules, vials, bottles, labels, cartons, shippers etc.)	9,84,68,738	50,007,716
	18,70,20,704	15,07,66,997
* includes ₹ Nil (Previous year ₹22,38,031)		
24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN PROGRESS		
<u>Closing Stock</u>		
Finished Goods (including Purchased Goods)	44,31,722	13,90,688
Semi-Finished Goods	1,20,16,586	1,18,29,816
	1,64,48,308	1,32,20,504
<u>Opening Stock</u>		
Finished Goods (Including Purchased Goods)	13,90,688	1,83,972
Semi-Finished Goods	1,18,29,816	82,582
	1,32,20,504	2,66,554
	32,27,804	1,29,53,950
25 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	16,49,13,023	13,81,85,176
Contribution to Provident and Other Funds	97,84,300	77,37,655
Staff Welfare	51,73,681	43,68,993
	17,98,71,005	15,02,91,824
26 FINANCE COSTS		
Interest on borrowings	79,09,841	92,83,497
Interest on financial liability	34,964	31,288
Interest on Statutory Dues	10,46,600	6,49,814
	89,91,405	99,64,599

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	Current Year	Previous Year
	Ending 31.03.2018	Ending 31.03.2017
	Value in ₹	Value in ₹
27 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation - Current Year	3,32,38,036	3,43,07,995
Amortisation - Current Year	22,26,475	20,09,786
	3,54,64,511	3,63,17,781
28 OTHER EXPENSES		
Advertisement & Sales Promotion	79,520	1,00,644
Auditor's Remuneration	8,55,000	7,10,000
Commission Paid	-	-
Communication Expense	13,48,078	13,84,522
Director's Sitting Fees	50,000	32,500
Outward Freight	7,54,084	5,16,954
Insurance	21,25,386	17,44,868
Legal and professional charges	3,02,01,255	1,55,62,907
Loss on Sale / Discarding of property, plant & equipment (net)	-	7,26,559
Right Issue Expenses	35,56,800	-
Manufacturing Charges	-	-
Miscellaneous Expenses	1,11,38,740	97,12,070
Net gain or loss on foreign currency transaction and translation	9,67,584	(33,01,453)
Power	4,38,72,423	4,08,45,587
Trade receivables written off	56,724	-
Advances written off	5,16,835	1,39,547
Rent	9,20,125	14,25,917
Repairs and Maintenance :		
Machinery	1,75,81,048	1,72,01,372
Buildings	41,10,140	57,69,905
Others	72,78,002	49,18,501
Rates and Taxes	34,55,530	35,76,167
Travelling Expense	83,30,836	94,53,241
Vehicle Maintenance	23,64,294	27,55,212
	13,95,62,405	11,32,75,020
a) Details of Remuneration to Auditors		
As Auditor	5,55,000	5,00,000
For taxation matters	1,50,000	1,00,000
For other services	1,50,000	1,10,000
	8,55,000	7,10,000
29 EXCEPTIONAL ITEMS NET GAIN / (LOSS)		
Compensation Received on Termination of Agreement (Net of Legal Fees of \$ 91,667 retained by Counsel)	-	1,18,87,077
	-	1,18,87,077

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
30 EARNINGS PER SHARE

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.

a) The following reflects the income and share data used in the basic and diluted EPS computations:

PARTICULARS	Current Year Ending 31.03.2018	Previous Year Ending 31.03.2017
	Value in ₹	Value in ₹
Basic & Diluted		
Profit/ (Loss) after tax	(9,79,22,368)	(8,46,01,324)
Weighted average number of equity shares for basic EPS (No.)	1,00,24,242	1,00,24,242
Nominal value of equity shares	10	10
Earnings per share	(9.77)	(8.44)

31 VALUE OF IMPORT CALCULATED ON CIF BASIC

Raw Materials & Consumables	1,98,33,864	1,68,66,899
Packing Materials	4,96,47,210	3,77,21,810
Capital Goods	1,73,49,664	32,10,127
	8,68,30,738	5,77,98,836

Percentage		Percentage	
Qty	Value in ₹	Qty	Value in ₹

32 BREAK UP OF CONSUMPTION
Raw Materials & Consumables

Imported	24.34%	2,15,50,417	16.73%	1,68,52,759
Indigenous	75.66%	6,70,01,549	83.27%	8,39,06,522
	100.00%	8,85,51,966	100.00%	10,07,59,281

Packing Materials

Imported	52.19%	5,13,95,235	33.70%	1,68,52,759
Indigenous	47.81%	4,70,73,503	66.30%	3,31,54,957
	100.00%	9,84,68,738	100.00%	5,00,07,716

33 EARNINGS IN FOREIGN CURRENCY

From Export of Goods calculated on FOB Basis	27,59,01,577	14,83,54,797
Formulation Development Fees	11,30,54,382	5,46,09,246
Composition received	-	32,10,127
	38,89,55,959	20,61,74,170

34 EXPENDITURE IN FOREIGN CURRENCY

Traveling Expenses	4,74,480	3,37,600
Retainership Fees	1,28,97,520	-
Professional Fees	1,07,20,687	-
	2,40,92,688	3,37,600

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

35 CONTINGENT LIABILITY AND COMMITMENTS

a) Claims Towards Taxes

Nature of Case	Forum Where Case is being Adjudicated	Demand of Duty/Tax ₹ in Lakhs	Amount Paid ₹ in Lakhs	Remarks
COMPANY IN APPEAL				
Central Excise				
1 Valuation of Physicians Samples for the period Jan2005 to December 2006	CESTAT, Bengaluru	44.95	0.00	(with interest as applicable)
2 Penalty under Rules 209 A of the Central Excise Rules	CESTAT, Ahmedabad	2.00	0.00	
3 Claim of Servic Tax on Export of Technical Services	Commissioner Appeals	254.87	19.12	
Vat / Sales Tax				
5 Difference in Sales Tax for non submission of Statutory Forms 2003-04 at Mumbai	DCST-Navi Mumbai	2.33	1.75	
Income Tax				
6 Appeal against order of rectification passed by AO for Asst Year 2001-02	High Court of Karnataka	38.26	70.00	₹70 Laksh approximately has been recovered out of refunds due to the Company for subsequent assessment years towards tax and interest
7 Appeal against order of assessment for Assessment Year 2011-12	ITAT, Bengaluru	7.11	0.00	Plus interest as applicable
Fringe Benefit Tax				
8 Appeal against order for assessment year 2008-09 passed pursuant to order of revision	ITAT, Bengaluru	5.24	0.00	Appeal against order of revision pending before the High Court
Provident Fund				
9 Appeal against levy of damages for delay in remittance of P.F dues for the period 01.04.1996 to 24.12.2013	Tribunal	32.37	0.00	
DEPARTMENT IN APPEAL				
Central Excise				
10 Central Excise on Sale of brands to Recon Health Care Pvt. Ltd.	Supreme Court of India	400.00	0.00	Liability if any will be on account of the purchaser which is now merged with Cadila Healthcare Limited
11 KVAT Input tax refund originally allowed and now withheld by Department alleging the claim was belated	ACCT LVO (065)	29.34	0.00	

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

b) Others

Nature of Case	Forum Where Case is being Adjudicated	Amount of Claim ₹ in Lakhs Not Quantifiable	Amount Paid ₹ in Lakhs	Remarks
1 Two petition by an ex employees claiming re-instatement in service	Labour Department		0.00	(with interest as applicable)

c) Other Commitments

Estimated amount of contract remianing to be executed on capitl account not provided for (₹ in lakhs)	2643.65 (38.56)
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NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

36 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, 2018.

Gratuity	1-Apr-17	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-18
		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	80,34,924	23,52,819	5,72,350	29,25,169	9,08,267		2,73,573	11,86,239	4,81,401	13,94,067		1,14,45,893
Fair value of plan assets	24,75,779		1,52,634		9,08,267							17,20,146
Net liability/(Asset) - Gratuity	55,59,145	23,52,819	4,19,716	29,25,169	-	-	2,73,573	11,86,239	4,81,401	13,94,067	-	97,25,747

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2017.

Gratuity	1-Apr-16	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-17
		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	68,49,778	12,79,355	4,93,882	17,73,237	-13,52,495				7,64,404	7,64,404		80,34,924
Fair value of plan assets	35,07,590		2,30,693	2,30,693	-13,52,495			-14,640		-14,640	1,04,631	24,75,779
Net liability/(Asset) - Gratuity	33,42,188	12,79,355	2,63,189	15,42,544	-	-	-	14,640	7,64,404	7,79,044	-1,04,631	55,59,145

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

PARTICULARS	31.03.2018	31.03.2017
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:

Discount rate	7.55%	8%
Future salary benefit levels	7%	8%

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Assumptions	31.03.2018				31.03.2017			
	Discount Rate		Further Salary Increase		Discount Rate		Further Salary Increase	
	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%
Sensitivity Level	INR	INR	INR	INR	INR	INR	INR	INR
Impact on defined benefit obligation - Gratuity	9,03,478	-7,92,048	-749,576	8,27,488	8,63,603	-8,08,058	-7,37,459	7,56,383
% change compared to base due to sensitivity	7.89%	-6.92%	-6.55%	7.23%	10.75%	-10.06%	-9.18%	9.41%

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

	31.03.2018	31.03.2017
Within the next 12 months	8,11,364	7,68,259
Between 2 and 5 years	44,58,461	35,23,972
Above 5 years	38,57,008	23,17,804
Total expected payments	91,26,833	66,10,035

37 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, 2018 and accordingly, recognition of expense in this respect and requisite disclosures are not applicable.

38 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 ₹ 44,79,70,156 (Previous year ₹ 34,89,81,131) 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 83.97% (Previous Year 70.66% from two customers) of revenue from operations has been earned from single customer.

39 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

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

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 2018 and 31 March 2017. 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 2018 and 31 March 2017.

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 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).

40 FAIR VALUE MEASUREMENTS

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

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
	Value in ₹	Value in ₹	Value in ₹	Value in ₹	Value in ₹	Value in ₹	Value in ₹	Value in ₹	Value in ₹
Financial assets									
Cash and cash equivalents	-	-	53,71,045	-	-	84,879	-	-	29,54,342
Investments in equity instruments of:									
- Joint Venture	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	79,76,161	-	-	3,62,51,052	-	-	2,91,87,964
Loans & Advances	-	-	10,27,39,713	-	-	1,07,01,602	-	-	85,61,906
Other financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	11,60,86,920	-	-	4,70,37,533	-	-	4,07,04,212
Financial liabilities									
Borrowings	-	-	5,43,50,816	-	-	6,66,24,181	-	-	8,48,06,576
Trade payables	-	-	4,74,62,004	-	-	6,25,26,679	-	-	5,83,47,119
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total	-	-	10,18,12,820	-	-	12,91,50,860	-	-	14,31,53,695

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
41 FAIR VALUE HIERARCHY

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

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Carrying amount	Fair value		Carrying amount	Fair value		Carrying amount	Fair value	
		Level 1 Value in ₹	Level 2 Value in ₹		Level 3 Value in ₹	Level 1 Value in ₹		Level 2 Value in ₹	Level 3 Value in ₹
Financial assets									
Measured at cost/ amortised cost									
Investments in equity instruments									
of:									
- Joint Venture	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	53,71,045	53,71,045	84,879	84,879	84,879	29,54,342	29,54,342	29,54,342	29,54,342
Trade receivables	79,76,161	79,76,161	3,62,51,052	3,62,51,052	3,62,51,052	2,91,87,964	2,91,87,964	2,91,87,964	2,91,87,964
Loans & Advances	10,27,39,713	10,27,39,713	1,07,01,602	1,07,01,602	1,07,01,602	85,61,906	85,61,906	85,61,906	85,61,906
Other financial assets	-	-	-	-	-	-	-	-	-
Total	11,60,86,920	11,60,86,920	4,70,37,533	4,70,37,533	4,70,37,533	4,07,04,212	4,07,04,212	4,07,04,212	4,07,04,212
Financial liabilities									
Measured at amortised cost									
Borrowings	5,43,50,816	5,43,50,816	6,66,24,181	6,66,24,181	6,66,24,181	8,48,06,576	8,48,06,576	8,48,06,576	8,48,06,576
Trade payables	4,74,62,004	4,74,62,004	6,25,26,679	6,25,26,679	6,25,26,679	5,83,47,119	5,83,47,119	5,83,47,119	5,83,47,119
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total	10,18,12,820	10,18,12,820	12,91,50,860	12,91,50,860	12,91,50,860	14,31,53,695	14,31,53,695	14,31,53,695	14,31,53,695

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
42 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	Medispec Pharmaceuticals (P) Limited	Joint Venture
3	Dr. Veerappan Subramanian Mr. S T R Mady Mr. S Jayaprakash Mady Mr. B R Arun Eashwar Dr. K Paranjothy Ms. Ganga K M Mr. B P Thyagaraj Mr. Sunil B Gundewar Mr. Krupendra V S	Key Managerial Persons ("KMP")
4	S Jayaprakash Mady (HUF) Mrs. Govindammal Subramanian Mrs. Anu Balasubramanian Mr. Ilango Subramanian	Relatives of KMP
5	Somerset Therapeutics, LLC 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

Sl. No.	Particular	Relationship	Current Year Ending 31.03.2018	Previous Year Ending 31.03.2017
			Value in ₹	Value in ₹
1	Sales & Formulation development fee	Holding Company	-	53,70,772
2	Sales & Formulation development fee +			
3	-Somerset Therapeutics LLC	Enterprise	37,29,18,648	19,26,36,217
4	Purchase of Goods, Equipments and Services * -Somerset Therapeutics LLC	Holding Company	-	1,47,51,893
5	Advance Received / Amount Payable -Somerset Therapeutics LLC	Enterprise	19,60,60,426	3,54,52,760
6	Balance Receivable -Medispec Pharmaceuticals (P) Limited -Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprise	59,37,82,237	30,72,15,047
7	ICD received and outstanding -Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Joint Venture Enterprises	8,53,25,614 1,12,875	8,53,25,614 2,97,125
8	Interest paid on ICD -Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprise	-	2,85,000
9	Managerial Remuneration -S. Jayaprakash Mady (Managing Director) -B P Thyagaraj (A.V.P (Finance) & Secretary) -Krupendra V S (CFO) -Sunil B Gundewar (Manager)	KMP KMP KMP KMP	- 32,14,692 13,65,806 53,33,830	2,00,000 29,20,692 10,15,606 -
10	Lease Rent Received -Bangalore Pharmaceutical & Research Laboratory Pvt Ltd	Enterprise	9,00,000	9,00,000
11	Lease Rent Paid -S. Jayaprakash Mady (HUF)	Relatives of KMP	-	30,000

+ Sales includes ₹ 44,35,230/- (₹ 3,37,67,862/-) unbilled revenue from manufacture of goods against an export order awaiting instruction for shipment and is reduced from advances received.

* 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.

43 FIRST TIME ADOPTION OF IND AS:

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

i. Exemptions availed:

- (a) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

- (b) Ind AS 27 requires investments in subsidiaries to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. However, Ind AS 101 provides an option to measure that investment at one of the following amounts in case the Company decides to measure such investment at cost:

i. Cost as per Ind AS 27 or

ii. Deemed cost, which is:

- a. fair value at the entity's date of transition to Ind AS
b. previous GAAP carrying amount at that date

The Company has elected to measure its investments in subsidiaries using deemed cost at the previous GAAP carrying amount at the date of transition to Ind AS.

- (c) Ind AS 101 provides an option to not apply Ind AS 102 to liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the ESOP plan, which are not settled as at the date of transition to Ind AS.

ii. Exceptions applied:

- (a) Ind AS 101 requires an entity's estimates in accordance with Ind ASs at the date of transition to Ind AS to be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Company's estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets based on expected credit loss model.

- (b) Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

43. FIRST TIME ADOPTION OF IND AS:

Reconciliation of equity as at April 1, 2016 (date of transition to Ind AS)

Particulars	Indian GAAP as at April 01, 2016	Adjustments	Ind AS as at April 01, 2016
ASSETS			
Non-current assets			
Property, Plant and Equipment	30,63,12,578	-	30,63,12,578
Capital work-in-progress	2,45,26,697	-	2,45,26,697
Other Intangible assets	88,30,823	-	88,30,823
Financial Assets			
Investments	-	-	-
Loans and Advances	67,79,523	(5,00,000)	62,79,524
Deferred tax assets (net)	5,29,93,983	(3,39,073)	5,26,54,910
Other non-current assets	2,02,71,184	-	2,02,71,184
	41,97,14,789	(8,39,073)	41,88,75,716
Current assets			
Inventories	6,52,49,885	-	6,52,49,885
Financial Assets			
Trade receivables	2,91,87,964	-	2,91,87,964
Cash and cash equivalents	29,54,342	-	29,54,342
Loans and Advances	17,82,383	5,00,000	22,82,383
Other current assets	1,18,63,797	-	1,18,63,797
	11,10,38,371	5,00,000	11,15,38,371
Total Assets	53,07,53,160	(3,39,073)	53,04,14,087
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10,02,97,920	(55,500)	10,02,42,420
Other Equity			
Capital Reserve	-	55,000	55,000
Securities Premium Account	50,98,63,366	-	50,98,63,366
General Reserve	4,09,83,740	-	4,09,83,740
Surplus in Statement of Profit & Loss	(50,99,85,862)	7,58,751	(50,92,27,111)
	14,11,59,164	7,58,251	14,19,17,415
Non-current liabilities			
Financial Liabilities			
Borrowings	8,29,20,180	(6,13,604)	8,23,06,576
Other non-current liabilities	7,50,000	(4,83,720)	2,66,280
	8,36,70,180	(10,97,324)	8,25,72,856
Current liabilities			
Financial Liabilities			
Borrowings	25,00,000	-	25,00,000
Trade payables	5,83,47,119	-	5,83,47,119
Other current liabilities	23,69,79,886	-	23,69,79,886
Provisions	80,96,811	-	80,96,811
	30,59,23,816	-	30,59,23,816
Total Equity and Liabilities	53,07,53,160	(3,39,073)	53,04,14,087

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

43. FIRST TIME ADOPTION OF IND AS:

Reconciliation of equity as at April 1, 2017

Particulars	Indian GAAP as at April 01, 2017	Adjustments	Ind AS as at April 01, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	30,98,53,378	-	30,98,53,378
Capital work-in-progress	5,11,575	-	5,11,575
Other Intangible assets	68,26,757	-	68,26,757
Financial Assets			
Investments	-	-	-
Loans and Advances	79,37,575	(5,00,000)	74,37,575
Deferred tax assets (net)	6,37,11,993	12,46,194	6,49,58,187
Other non-current assets	1,55,30,593	-	1,55,30,593
	40,43,71,871	7,46,194	40,51,18,065
Current assets			
Inventories	7,86,39,904	-	7,86,39,904
Financial Assets			
Trade receivables	3,62,51,052	-	3,62,51,052
Cash and cash equivalents	84,879	-	84,879
Loans and Advances	27,64,027	5,00,000	32,64,027
Other current assets	5,74,10,259	-	5,74,10,259
	17,51,50,121	5,00,000	17,56,50,121
Total Assets	57,95,21,992	12,46,194	58,07,68,186
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10,02,97,920	(55,500)	10,02,42,420
Other Equity			
Capital Reserve	-	55,000	55,000
Securities Premium Account	50,98,63,366	-	50,98,63,366
General Reserve	4,09,83,740	-	4,09,83,740
Surplus in Statement of Profit & Loss	(59,68,68,476)	24,61,603	(59,44,06,873)
	5,42,76,550	24,61,103	5,67,37,653
Non-current liabilities			
Financial Liabilities			
Borrowings	6,86,09,599	(44,85,418)	6,41,24,181
Other non-current liabilities	7,50,000	(4,52,432)	2,97,568
	6,93,59,599	(49,37,850)	6,44,21,749
Current liabilities			
Financial Liabilities			
Borrowings	25,00,000	-	25,00,000
Trade payables	6,25,26,679	-	6,25,26,679
Other current liabilities	38,18,19,361	-	38,18,19,361
Provisions	90,39,803	37,22,941	1,27,62,744
	45,58,85,843	37,22,941	45,96,08,784
Total Equity and Liabilities	57,95,21,992	12,46,194	58,07,68,186

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018
43. FIRST TIME ADOPTION OF IND AS:

Reconciliation of profit or loss for the year ended March 31, 2017

Sl. No	Particulars	Indian GAAP	Adjustments	Ind AS for the year ended March 31, 2017
I	Revenue From Operations	32,80,20,937	2,09,60,194	34,89,81,131
II	Other Income	47,41,270	63,08,990	1,10,50,260
III	Total Income (I+II)	33,27,62,207	2,72,69,184	3,60,031,391
IV	EXPENSES			
	Cost of materials consumed	14,85,28,966	22,38,031	15,07,66,997
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(1,29,53,950)	-	(1,29,53,950)
	Excise Duty Paid	-	2,09,60,194	2,09,60,194
	Employee benefits expense	14,67,88,731	35,03,093	15,02,91,824
	Finance costs	1,34,92,296	(35,27,697)	99,64,599
	Depreciation and amortization expense	3,63,17,781	(0)	3,63,17,781
	Other expenses	11,40,07,497	(7,32,477)	11,32,75,020
	Total expenses (IV)	44,61,81,321	2,24,41,144	46,86,22,465
V	Profit/(loss) before exceptional items and tax (I- IV)	(11,34,19,114)	48,28,040	(10,85,91,074)
VI	Exceptional Items Net Gain / (Loss)	1,58,18,489	(39,31,412)	1,18,87,077
VII	Profit/(loss) before tax (V+VI)	(9,76,00,625)	8,96,628	(9,67,03,997)
VIII	Tax expense:			
	(1) Current tax	-	-	-
	(2) Deferred tax	(1,07,18,011)	(13,84,662)	(1,21,02,673)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(8,68,82,614)	22,81,290	(8,46,01,324)
X	Other Comprehensive Income	-	5,78,439	5,78,439
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of Defined Benefit Plans	-	7,79,043	77,90,43
	(ii) Income tax relating to items that will not be reclassified to P&L	-	(2,00,604)	(2,00,604)
	Other Comprehensive Income for the period	-	5,78,439	5,78,439
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(8,68,82,614)	17,02,851	(8,51,79,763)

Notes:

- Excise duty on sales has been shown separately
- In the previous year the Company had reported unclaimed credit balances as Exceptional item which has now regrouped to other Income and trade receivables and advances written off to other expenses
- Processing fees and fair valuation of interest free deposit has been accounted based on effective interest rate method and accordingly adjusted under finance cost and corresponding adjustment of deferred tax.

43 FIRST TIME ADOPTION OF IND AS:**Notes:****1 Security Deposit**

“Interest free lease deposits is measured at amortised costs using Effective Interest method. The difference between actual amount of lease deposit and fair value of lease is adjusted against the surplus i.e. statement of profit & loss and same is taken to revenue/ expenditure over the tenure of the lease. On the date of transition the Company has recognised net interest expense of ₹4,83,720 and deferred tax of ₹1,49,470/-”

2 Processing Fees

“Interest free lease deposits is measured at amortised costs using Effective Interest method. The difference between actual interest expense as per fair valuation is adjusted against the outstanding balance of loan and same is adjusted to interest expenses over the tenure of the loan. On the date of transition the Company has recognised net interest expense of ₹6,13,604 and deferred tax of ₹1,89,604/-”

3 Defined Benefit Obligations

Under Ind AS, actuarial gains or losses, return on plan assets/liabilities (excluding interest on net asset/liability) and any change in effect of asset/liabilities ceiling is to be recognised in other comprehensive income. Thus the employee benefit cost is reduced by ₹ 7,79,044/- for the FY 16-17 and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

4 Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5 Provisions:

The Company was accounting leave encashment on actual basis instead of actuarial basis. The Company has got valued as per Ind AS - 19 and provided an amount of ₹37,22,931 for the financial year 2016 - 17.

6 Cashflow Statements:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

44 Recent Accounting Pronouncements:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

entity's contracts with customers. In addition, limited amendments have been made to some other Ind AS standards (Ind AS's 2, 12, 21, 28 and 40).

The Company is in the process of assessing the impact of the introduction of Ind AS 115- Revenue from Contracts with Customers and the limited amendments to the other Ind AS Standards. The impact, if any, will be disclosed in the financial statements for the quarter ended June 30, 2018.

- 45** 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, 2018, 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.
- 46** 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.
- 47 Events occurring after balance sheet date:**
- i) The Board of Directors of the Company have received a proposal from the Promoters i.e, Veego Pharma LLC, for voluntary delisting of equity shares of the Company from BSE Limited in accordance with the SEBI (Delisting of equity shares) Regulations, 2009. The Board has taken on record of the same at their meeting held on 26.04.2018 and has appointed Arihant Capital Markets Ltd., as merchant bankers for carrying out the due diligence as required in terms of Regulations 8(1)(A)(ii) of SEBI Delisting Regulations.
 - ii) The Board of Directors at their meeting held on 26.04.2018, have approved the proposal to effect slump sale of the pharmaceutical business undertaking of the Company to PAR formulations Pvt. Ltd., Chennai subject to all required approvals, specially shareholders approval and also subject to successful delisting equity shares of the Company from stock exchange and as per terms and conditions of the Business Transfer Agreement.
- 48** Previous year figures have been regrouped wherever necessary to conform with current year presentation.

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

S JAYAPRAKASH MADY
 Director

DR. K PARANJOTHY
 Director

C R DEEPAK
 Partner, M. No. 215398

GANGA K M
 Director

B P THYAGARAJ
 A.V.P (Finance) & Secretary

KRUPENDRA V S
 Chief Financial Officer

Place : Bengaluru
 Date : 23.05.2018

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Bangalore, Karnataka - 562 123