

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

To,
The Board of Directors
Wintac Limited
Bangalore.

1. We have reviewed the accompanied statement of unaudited quarterly financial results of Wintac Limited ("the Company") for the half year ended September 30, 2017, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the unaudited quarterly financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the independent auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Emphasis of Matter:**

Attention has been invited Note 7 of the financial results, 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.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Other matters:

Attention is drawn to note 3 and 4 of the unaudited financial results which states that the Company has adopted Ind AS for the current period and accordingly, the statements has been prepared by the Company's management in compliance with Ind AS. Further, we not reviewed the figures reported for the quarter ended September 30, 2016 and are as furnished by the Company.

A copy of the unaudited quarterly financial results of the Company for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

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

C. R. Deepak

(C R Deepak)
Partner

Membership No. 215398

Place: Bangalore
Date: December 6, 2017

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

PARTICULARS	Quarter Ended			Half Year Ended	
	September 30 2017 (UNAUDITED)	June 30 2017 (UNAUDITED)	September 30 2016 (UNAUDITED)	September 30 2017 (UNAUDITED)	September 30 2016 (UNAUDITED)
I Revenue From Operations	1,202.29	1,169.38	639.16	2,371.67	917.28
II Other Income	3.22	2.46	7.54	5.68	42.04
III Total Income (I+II)	1,205.51	1,171.84	646.70	2,377.35	959.32
IV EXPENSES					
Cost of materials consumed	495.22	425.37	337.86	920.59	503.98
Purchases of Stock-in-Trade	-	-	-	-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(147.13)	66.66	(77.39)	(80.47)	(62.49)
Employee benefits expense	438.90	410.67	400.30	849.57	730.19
Finance costs	22.02	18.43	25.09	40.45	49.52
Depreciation and amortization expense	85.57	86.41	95.16	171.97	185.08
Other expenses	404.84	358.81	267.49	763.64	599.78
Total expenses (IV)	1,299.41	1,366.34	1,048.51	2,665.75	2,006.06
V Profit/(loss) before exceptional items and tax (I- IV)	(93.90)	(194.50)	(401.82)	(288.40)	(1,046.74)
VI Exceptional Items Net Gain / (Loss)	-	-	-	-	-
VII Profit/(loss) before tax (V+VI)	(93.90)	(194.50)	(401.82)	(288.40)	(1,046.74)
VIII Tax expense:					
(1) Deferred tax	68.30	-	-	68.30	-
IX Profit (Loss) for the period from operations (VII-VIII)	(162.20)	(194.50)	(401.82)	(356.70)	(1,046.74)
X Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
Remeasurement of Defined Benefit Plans	6.12	(2.22)	(0.08)	3.90	(0.16)
XI Total Comprehensive Income for the period (IX+X)	(156.08)	(196.72)	(401.90)	(352.80)	(1,046.90)
(Comprising Profit (Loss) and Other Comprehensive Income for the period)					
XII Earnings per equity share:					
(1) Basic	(1.62)	(1.94)	(4.01)	(3.56)	(10.44)
(2) Diluted	(1.62)	(1.94)	(4.01)	(3.56)	(10.44)

Statement of Assets & Liabilities As at September 30, 2017

₹ In Lakhs

Particulars	As at September 30, 2017 (UNAUDITED)
ASSETS	
Non-current assets	
Property, Plant and Equipment	3,063.23
Capital work-in-progress	216.73
Investment Property	-
Other Intangible assets	57.28
Financial Assets	-
Investments	-
Loans and Advances	56.44
Deferred tax assets (net)	568.82
Other non-current assets	419.61
	4,382.12
Current assets	
Inventories	1,117.95
Financial Assets	-
Trade receivables	92.64
Cash and cash equivalents	29.84
Loans and Advances	27.15
Other current assets	195.34
	1,462.91
Total Assets	5,845.02



Statement of Assets & Liabilities As at September 30, 2017

₹ in Lakhs

Particulars	As at September 30, 2017
EQUITY AND LIABILITIES	
Equity	
Equity Share capital	1,002.98
Other Equity	(767.83)
	235.15
Non-current liabilities	
Financial Liabilities	
Borrowings	659.99
Other non-current liabilities	7.09
	667.08
Current liabilities	
Financial Liabilities	
Borrowings	25.00
Trade payables	757.27
Other current liabilities	4,047.11
Provisions	113.42
	4,942.80
Total Equity and Liabilities	5,845.02

NOTES:

- The above financial results have been reviewed by the audit committee and approved by the Board of Directors in its meeting held on 06/12/2017.
- The Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 (transition date being April 1, 2016) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- The Ind AS financial results and financial information for the quarter and six month period ended September 30, 2016 have not been subjected to limited review or audit as per exemption given in SEBI circular no. CIR/CFD/FAC/62/2016 dated 05.07.2016. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the results in accordance with IND AS. Further, pursuant to exemption available in the above said circular, the line item - "Reserves (excluding Revaluation Reserves), as per Balance Sheet of the previous accounting year ended March 31, 2017 has not been disclosed.
- The preparation of these financial results in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, and capital employed. The changes required due to application of Ind AS on retained earnings as well on current year/comparatives' profits/losses have been provisionally assessed and carried out. Accordingly, judgements, estimates and assumptions made in preparing these financial statements and comparatives may require further adjustments that may be necessary due to fresh evidence/facts and interpretations of MCA/ICA that may be observed/received at the time of finalization of annual financial statements for the year ending on March 31, 2018.
- The Company recognises only one reportable business segment, viz. Formulations.
- The adoption of Ind AS have necessitated changes in the accounting, recognition and measurement criteria of various assets, liabilities and items of income and expenditure. The reconciliation of the financial results as reported under previous GAAP with those restated as per IND AS for the quarter and period ended September 30, 2016 is as under:

Particulars	Quarter Ended	Half Year Ended
	September 30 2016	
Net Profit/(Loss) after tax as per Indian GAAP	(411.67)	(1,066.41)
ADD/(LESS):		
Interest free security deposit measured at amortised cost using effective Interest rate	(0.08)	(0.16)
Recognition of Deferred Rental Income	0.13	0.25
Recognition of interest expenditure on borrowings as per effective interest rate	9.72	19.42
Regrouping of actuarial gains/ losses on defined benefit plans to OCI	0.08	0.16
Net Profit/(Loss) after tax as per IND AS	(401.82)	(1,046.74)

- One investor complaints was received during the quarter and was disposed off. No complaints were outstanding at the end of the quarter.
- 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 networth has substantially eroded, the management doesn't find any material uncertainty which may cast significant doubt on the company's ability to continue a going concern.
- The Manufacturing Plant was recently audited by the USFDA for a pre-approval and general GMPs. It received a number of observations from the field investigators. The out come of the investigation will not be known for some time until further communication is received from the Agency.
- Previous period's figures have been re-grouped/rearranged/recasted wherever required in conformity with current period presentation.

For and on behalf of the Board


B.R. Arun Eashwar
Director
Place : Bengaluru
Date : 06/12/2017

In Accordance with our Report attached

For B K Ramadhyani & Co. LLP

Chartered Accountants, FRN No. 1028756/S/200021


C R Deepak
Partner

Membership No. 215398





Dear Shareholders,

December 06, 2017

A brief note about the Company, half yearly financial results and forward looking statement is provided hereunder for the benefit/understanding of the shareholders:

BRIEF ABOUT WINTAC LIMITED

- Wintac Limited is a Contract Development and Manufacturing Organization (CDMO) in the Development and Manufacture of Pharmaceutical Formulations in Sterile Injectable and Ophthalmic Segment. Wintac undertakes Contract Manufacturing work for domestic and export markets.
- In 2006 Wintac decided, as a long long-term strategy, to focus more on Export Market mainly the U.S. Market and started contract development of products for its customers.
- USFDA has so far approved ANDAs for 8 Products and also tentative approval for one product.
- Wintac Contract Manufactures and supplies 7 Products to the US market as of today.

P&L Highlights – Q2 and 1 H of FY 2017-18

Rs.Lakhs				
Particulars	Q2 17-18	Q1 17-18	1HY 2017-18	1HY 2016-17
Net Sales	1202.29	1169.38	2371.67	917.28
EBIDTA	13.69	(89.66)	(75.98)	(812.14)
EBT	(93.90)	(194.50)	(288.40)	(1046.74)
NET PROFIT	(156.80)	(196.72)	(352.80)	(1046.90)

Forward looking Statement

The company plans to modernise its facilities over the next couple of years at a significant expense (upto Rs.70 Crores) in order to keep in good stead with the Compliance requirements mandated by the overseas regulatory authorities. This will help the company to continue to produce for those markets. The Company intends to fund these expenses with a combination of additional borrowing (on top of the current proposed debt of Rs.50 crores) and secondary offering as needed.

The Company sees continued accelerated losses for the foreseeable future (minimum two years). The estimated sales and losses for the next quarter (Q3) is aprox. Rs.740 lakhs and Rs.460 lakhs respectively.

For and on behalf of the Board



B.P.THYAGARAJ

ASST.VICE PRESIDENT (FINANCE) & SECRETARY