



Twilight Litaka Pharma Limited



33rd Annual Report 2006-2007

2006-2007

Litacid Gel

Superior Antacid With Superb Taste!



Temptal

500
650
PD Susp.
Forte Susp
Drops

The High Quality Paracetamol



EPIXYL-LD

Syrup

Clears Congestion, Eases Breathing



Kefox

High Power Antibiotic For High Cure Rates



Cefilite

(Cefixime + Lactobacillus)

DS
50 DT
100 DT
200

New Proten-Z Syrup





BOARD OF DIRECTORS

MR. R. C. BORA, Chairman
MR. GOPAL RAMOURTI, Managing Director
PROF. P. D. GUPTA
MR. V. K. NAIK
MR. A. S. CHANDVANKAR
MR. RAMESH RAMOURTI
MR. M. S. RAGHAVAN AYYANGAR
MR. RAMESH NARAYAN
MR. M.T. MOTWANI (w.e.f.17.05.07)
MR. N. R. BORA, Executive Director
MR. A. R. BORA, Executive Director
MR. S. D. TOLE, Director & Company Secretary

REGISTERED OFFICE

'Himalaya Estate"
16-A Shivajinagar
Pune 411 005

HEAD OFFICE

206 Shivai Industrial Estate
89 Andheri-Kurla Road, Saki Naka
Andheri [E], Mumbai 400 072

AUDITORS

M/S. V. SANKAR AIYAR & CO.
2C COURT CHAMBERS
35 NEW MARINE LINES
MUMBAI 400 020

MANUFACTURING FACILITIES

- 1) B-22 'H' Block, M.I.D.C.,
Pimpri, Pune 411 018
- 2) 116/2 Chakan Phata,
Mumbai Pune Road
Vadgaon Maval, Pune 412 106
- 3) 39/40 Vasai Taluka Industrial Estate
Sector II, Gaurapada, Vasai (E)
Dist: Thane 401 208

BANKERS

CENTRAL BANK OF INDIA, PUNE
ICICI BANK LTD., MUMBAI
HDFC BANK LTD., PUNE

REGISTRAR & TRANSFER AGENTS

Sharepro Services (I) Pvt. Ltd.
Satam Estates, 3rd Floor
Above Bank of Baroda, Cardinal Garcias Rd
Chakala, Andheri (E), Mumbai 400 099

33rd ANNUAL GENERAL MEETING

Date : 28th June, 2007
Day : Thursday
Time : 9.30 a.m.
**Place : B-22, 'H' Block, M.I.D.C.
Pimpri, Pune 411 018**

VISIT US AT:

[http:// www.twilightlitaka.com/](http://www.twilightlitaka.com/)

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NOTICE

NOTICE is hereby given that the THIRTY-THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF TWILIGHT LITAKA PHARMA LTD., will be held on **Thursday, the 28th June, 2007, at 9:30 a.m.** at B-22 'H' Block, MIDC, Pimpri, Pune – 411 018 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the Financial Year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Rajendra Bora who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Prof. P D Gupte who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Nainish Bora who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. Ramesh Ramourti who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. M. T. Motwani, who was appointed as an Additional Director by the Board effective from 17th May, 2007 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to retire by rotation."
9. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII as amended, from time to time and subject to the approval of the Central Government, if applicable, and in modification of the resolution passed by the members at their 31st Annual General Meeting held on 29th September, 2005, consent of the Shareholders be and is hereby accorded for enhancement of

remuneration of Mr. Gopal Ramourti, Managing Director of the Company to Rs.2,00,000/- per month inclusive of all perquisites and allowances, with effect from 1st April, 2007.

FURTHER RESOLVED THAT, the consent of the Shareholders be and is hereby also accorded for payment of commission, subject to the approval of the Board of Directors of the Company, over and above the remuneration and perquisites mentioned in above paragraph, commencing from the Financial Year 2007-08, based on the net profits of the Company in a particular year which put together with salary and perquisites shall be subject to overall ceiling laid down in Section 198 and 309 and Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT, notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Managing Director as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

10. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII as amended, from time to time and subject to approval of the Central Government if applicable, and in modification of the resolution passed by the members at their 31st Annual General Meeting held on 29th September, 2005 consent of the Shareholders be and is hereby accorded for enhancement of remuneration of Mr. Nainish Bora, Executive Director of the Company to Rs.1,00,000/- per month inclusive of all perquisites and allowances, with effect from 1st April, 2007.

FURTHER RESOLVED THAT, the consent of the Shareholders be and is hereby also accorded for payment of commission, subject to the approval of the Board of Directors of the Company, over and above the remuneration and perquisites mentioned in above paragraph, commencing from the Financial Year 2007-08, based on the net profits of the Company in a particular year which put together with salary and perquisites shall be subject to overall ceiling laid down in Section 198 and 309, and Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT, notwithstanding anything contained herein above, where in any financial year, during the currency of his



appointment, the Company has no profits, or its profits are inadequate the remuneration payable to the Executive Director as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

11. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and 310 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII as amended, from time to time and subject to the approval of the Central Government, if applicable, and in modification of the resolution passed by the members at their 31st Annual General Meeting held on 29th September, 2005, consent of the Shareholders be and is hereby accorded for enhancement of remuneration of Mr. Abhijit Bora, Executive Director of the Company to Rs.1,00,000/- per month inclusive of all perquisites and allowances with effect from 1st April, 2007.

FURTHER RESOLVED THAT, the consent of the Shareholders be and is hereby also accorded for payment of commission, subject to the approval of the Board of Directors of the Company, over and above the remuneration and perquisites mentioned in above paragraph, commencing from the Financial Year 2007-08, based on the net profits of the Company in a particular year which put together with salary and perquisites shall be subject to overall ceiling laid down in Section 198 and 309, and Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT, notwithstanding any thing contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits, or its profits are inadequate the remuneration payable to the Executive Director as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under Section II of part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

12. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1) (d) and other applicable provisions if any, of the Companies Act, 1956 and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit for the purpose of the Company's business, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary

loans such as cash credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up Share Capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed or to be borrowed by the Board shall not at any time exceed Rs.200/- Crores (Rupees Two hundred Crores only), over and above the aggregate of the paid up Share Capital of the Company and its free reserves as per the latest audited annual accounts.

13. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging, hypothecating, pledging and/or charging by the Board of Directors of the Company, of all the immovable and movable properties of the Company wheresoever situate, present and future, and/or conferring power, to enter upon and to take possession of the assets of the Company in certain events, to or in favor of Banks and /or Financial Institutions to secure the financial assistance provided/to be provided by them to the Company together with interest thereon at the stipulated rates, compound interest, additional interest, further interest, liquidated damages, upfront fee, premia on prepayment or on redemption, guarantee commission, structuring fee, costs, charges, expenses and other monies payable by the Company to the Lender under the loan agreements / letters of sanction / memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said foreign currency term loans.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to finalize with the Lender the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.

FURTHER RESOLVED THAT the mortgage / charge created / to be created and / or all agreements / documents executed / to be executed and all acts done by and with the authority of the Board of Directors are hereby confirmed and ratified."

By Order of the Board of Directors,
For **Twilight Litaka Pharma Ltd.**

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 17th May, 2007
Place : Mumbai

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR THE ANNUAL GENERAL MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd June, 2007 to Thursday, 28th June, 2007 (both days inclusive).
4. The Dividend on Equity shares as recommended by the Board of Directors, if any, declared at the meeting will be payable to those shareholders whose names appear in the Register of Member as on 28th June, 2007, and in respect of shares held in Electronic form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
5. SEBI has made it mandatory to distribute dividends through Electronic Clearing Services (ECS). Members holding shares in electronic form may kindly note that their Bank account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories. Members are requested to notify any change in their Bank account details to their Depository Participants immediately and not to send the requests for the change in their Bank account details directly to the Company or to its Share Transfer Agent.

Members holding shares in physical form are requested to intimate to the Share Transfer Agent of the Company under the signature of the sole/ first joint holder(s), the following information to be incorporated on dividend warrants.
 - i. Name of the sole/ first joint holder(s) and the folio number.
 - ii. Particulars of Bank account like name of the

bank, name of branch, bank account number allotted by the bank, complete address of the bank with pin code.

6. Members desiring to have any information on the accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members holding shares in dematerialized form and who wish to inform the change in their address **should write to their respective Depository Participants only and not to the Company.**
9. ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to clause 49 IV (G)] of Listing Agreement with Stock Exchange.]

1. **Mr. Rajendra C. Bora**

Mr. Rajendra Bora has been the Chairman of the Company since December, 1997. He is having over 25 years experience in the field of manufacture, marketing and general administration of pharmaceutical industry.

2. **Prof. P. D. Gupte**

Prof. Gupte has been associated with Pharmaceutical Industry and is a veteran and an expert in that field. He has been associated with many Hospitals, Medical Institutions and Health Management Associations. He has enriched and rendered useful services to these Associations.

3. **Mr. Nainish Bora**

Mr. Nainish Bora is a Commerce Graduate and has also obtained MBA degree from Pune University. He has been the Executive Director of the Company since March, 2005 and has contributed immensely to the growth of domestic sales of the Company.

4. **Mr. Ramesh Ramourti**

Mr. Ramourti is a Post Graduate in Business Management. He has vast experience in the field of Corporate Management and Finance.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

The following explanatory statement sets out as required by Section 173 of the Companies Act, 1956 the material facts relating to Special Business mentioned in the accompanying Notice dated 17th May, 2007.

Item No. 8

Mr. M. T. Motwani was appointed as an Additional Director of the Company on 17th May, 2007 pursuant to Section 260 of the Companies Act, 1956 and Articles



of Association of the Company. He holds office as such until the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Motwani, for the office of the Director under the provisions of Section 257 of the Companies Act, 1956 and requisite deposit of money has also been made with the Company.

Mr. Motwani is a Science graduate and has completed number of Management courses from reputed Management Institutions. He started his career in the year 1966 in the marketing field of Pharma Industry and has garnered rich and diverse experience in the Industry.

The Board is of the opinion that the induction of Mr. Motwani on the Board of the Company will bring immense benefits for the future growth and expansion plans.

The Board therefore recommends the resolution for your approval.

Except Mr. Motwani, none of the other Director is directly or indirectly concerned or interested in the resolution.

Item No. 9

Mr. Gopal Ramourti was appointed as Joint Managing Director of the Company from 01.08.2005 for a period of 5 years by the Board of Directors in their meeting held on 30.07.2005. The appointment was subsequently confirmed by the Members in the 31st Annual General Meeting on a remuneration not exceeding Rs.95,000/- per month [Salary Rs. 50,000/- + Perquisites & other allowances Rs. 45,000/- per month]. The said appointment and remuneration payable to Mr. Gopal Ramourti has been approved by the Central Government vide its letter No. 1/385/2005-CL.VII dated 26th March, 2007. The term of appointment of Mr. R. C. Bora as Managing Director expired on 31st August, 2006, and he did not opt for re-appointment. Thereafter the Board of Directors in its meeting held on 12th October, 2006 re-designated Mr. Gopal Ramourti as Managing Director of the Company, on the same terms and conditions.

The dynamism, vision and unparallel zeal of Mr. Gopal Ramourti have not only enabled the Company to wipe out all the accumulated losses, but has driven the Company to new heights of growth. Under his leadership the Company is poised to register record turnover and profits. This has been appreciated by the Board of Directors and the Board in its meeting held on 17th May 07, on recommendation of the Remuneration Committee, approved the payment of enhanced remuneration and also payment of commission, to Mr. Gopal Ramourti, as set out below:-

- A) Salary : 1,00,000/- per month.
- B) Perquisites :
 - a. The Managing Director shall be entitled to perquisites including free furnished accommodation or house rent in lieu thereof, gas, electricity, water, furnishings, medical

reimbursement and leave travel concessions for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance but will be restricted to Rs.1,00,000/- per month. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per Income-tax rules wherever applicable.

- b. The Managing Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund up to the tax exempt limit, benefits of Gratuity and pension Scheme for Senior Management staff, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and these shall not be included in the computation of perquisites.
- c. Car for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites.
- d. Commission : Such percentage of Net Profits as may be determined by the Board of Directors of the Company subject to overall ceiling laid down under the Companies Act, 1956.

The above remuneration is within the limits prescribed by the applicable provisions of the Companies Act, 1956.

The enhancement of remuneration and payment of commission as above require the approval of Shareholders.

This may also be treated as a Memorandum issued pursuant to Section 302 of the Companies Act, 1956.

In the long-term beneficial interest of the Company your Directors recommend the resolution for your approval. Except Mr. Gopal Ramourti and Mr. Ramesh Ramourti being relatives of each other no other director is directly or indirectly concerned or interested in the resolution.

Item No. 10

Mr. Nainish Bora was appointed as Executive Director of the Company from 25th March, 2005 for a period of 5 years by the Board of Directors in their meeting held on that date. The appointment was subsequently confirmed by the Members in the 31st Annual General Meeting on a remuneration not exceeding Rs.50,000/- per month [Salary Rs.25,000/- + Perquisites & other allowances Rs.25,000/- p.m.]. The said appointment and remuneration payable to Mr. Nainish Bora as Executive Director has been approved by the Central Government vide its letter No. 1/262/2005-CL.VII dated 18th May, 2006.

Mr. Nainish Bora, through his hard work, commitment

towards goals and enthusiasm has contributed immensely to Domestic sales of the Company. With a view to appreciate his performance the Board of Directors in its meeting held on 17th May 07, on recommendation of Remuneration Committee had approved the payment of enhanced remuneration and also payment of commission as set out below:

- A) Salary : Rs.50,000/- per month.
- B) Perquisites :
- a. The Executive Director shall be entitled to perquisites including free furnished accommodation or house rent in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concessions for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance but will be restricted to Rs.50,000/- per annum. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per Income-tax rules wherever applicable.
 - b. The Executive Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity fund up to the tax exempt limit, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and these shall not be included in the computation of perquisites.
 - c. Car for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites.
 - d. Commission : Such percentage of Net Profits as may be determined by The Board of Directors of the Company subject to overall ceiling laid down under the Companies Act, 1956.

The above remuneration is within the limits prescribed by the applicable provisions of the Companies Act, 1956.

The enhancement of remuneration and payment of commission as above require the approval of Shareholders.

This may also be treated as a Memorandum issued pursuant to Section 302 of the Companies Act, 1956.

In the long term beneficial interest of the Company your Directors recommend the resolution for your approval. Mr. R. C. Bora and Mr. Abhijit Bora , being father and brother respectively of Mr. Nainish Bora may be regarded as interested in the resolution. Mr. Nainish Bora being the appointee is to be regarded as interested in the resolution. Except above no other director is directly or indirectly concerned or

interested in the resolution.

Item No. 11

Mr. Abhijit Bora was appointed as Executive Director of the Company from 25th March, 2005 for a period of 5 years by the Board of Directors in their meeting held on that date. The appointment was subsequently confirmed by the Members in the 31st Annual General Meeting on a remuneration not exceeding Rs.50,000/- per month [Salary Rs.25,000/- + Perquisites & other allowances Rs.25,000/- p.m.]. The said appointment and remuneration payable to Mr. Abhijit Bora as Executive Director has been approved by the Central Government vide its letter No. 1/261/2005-CL.VII dated 18th May, 2006.

Mr. Abhijit Bora, through his hard work, commitment towards goals and enthusiasm has contributed immensely to Export sales of the Company. With a view to appreciate his performance the Board of Directors in its meeting held on 17th May 07, on recommendation of Remuneration Committee had approved the payment of enhanced remuneration and also payment of commission as set out below:

- A) Salary : Rs.50,000/- per month.
- B) Perquisites :
- a. The Executive Director shall be entitled to perquisites including free furnished accommodation or house rent in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concessions for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowances but will be restricted to Rs.50,000/- per annum. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per Income-tax rules wherever applicable.
 - b. The Executive Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity fund up to the tax exempt limit, benefits of Gratuity and pension Scheme for Senior Management staff, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and these shall not be included in the computation of perquisites.
 - c. Car for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites.
 - d. Commission : Such percentage of Net Profits as may be determined by The Board of Directors of the Company subject to overall ceiling laid down under the Companies Act, 1956.

The above remuneration is within the limits prescribed



by the applicable provisions of the Companies Act, 1956.

The enhancement of remuneration and payment of commission as above require the approval of Shareholders.

This may also be treated as a Memorandum issued pursuant to Section 302 of the Companies Act, 1956.

In the long term beneficial interest of the Company your Directors recommend the resolution for your approval. Mr. R. C. Bora and Mr. Nainish Bora , being father and brother respectively of Mr. Abhijit Bora may be regarded as interested in the resolution. Mr. Abhijit Bora being the appointee is to be regarded as interested in the resolution. Except above no other director is directly or indirectly concerned or interested in the resolution.

Item No. 12

Under Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow monies (apart from temporary loans obtained from the Company's bankers in ordinary course of business), in excess of the aggregate of the paid-up Share Capital and free reserves of the Company. The Members had given their consent in the Annual General Meeting held on 3rd August, 2006, to borrow up to Rs.40/- Crores. With expansion and growth plans in the pipeline, it may be necessary for the Company to borrow further monies to finance the long-term requirements. In the circumstances, an Ordinary Resolution as set out in Item 12 of the accompanying Notice is put up for the Members' consideration for their consent to increase the borrowing limit from Rs.40/- Crores to Rs.200/- Crores.

The Board commends the resolution for your approval. None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 13

The Shareholders had given their consent to the Board of Directors to create mortgage(s)/ charge(s) on any one or more of the undertakings of the Company for the purpose of securing term loans/ financial assistance, which may be raised by the Company during the course of its business for an amount not exceeding Rs. 2.78 Crore. In view of the expanding volume of business, this ceiling is required to be raised and Company may be required to create additional /further charge/ mortgage on the properties/ undertakings of the Company to secure the additional loan/credit facilities.

Since creating mortgage / charge on the immovable and/or movable properties as aforesaid in favour of the financial institutions / banks/ other lenders may, in certain cases, be regarded as disposal of the Company's undertakings, it is necessary to pass a resolution under Section 293(1) (a) of the Companies Act, 1956 before creating the said mortgage(s)/ charge(s).

The Directors recommend this resolution for approval of Shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolution.

By Order of the Board of Directors,
For **Twilight Litaka Pharma Ltd.**

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 17th May, 2007
Place : Mumbai

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present this Thirty-Third Annual Report of your Company for the financial year ended on 31st March 2007.

REVIEW OF PERFORMANCE

The Board is happy to announce record turnover and profit figures which are the highest ever in the history of the Company, Rs.198.63 crores of turnover and a net profit of Rs.14.09 crores. For a Company whose growth got stunted due to perennial shortage of working capital and accumulated losses, this is a major turnaround and a paradigm change. The Company has improved its performance in the Domestic Marketing Segment substantially and has spread its marketing network all over India. The merger with Twilight Group has brought tremendous synergy in the marketing operations and has resulted in phenomenal increase in the turnover of the Company. During the year under review the Company has also successfully negotiated Contract Manufacturing arrangements with two foreign companies, which is expected to give a big boost to the overall turnover of the Company during the current Financial Year. The Company has applied for registrations of its products for exports in several countries and the management is happy to inform you that the gestation period is over and the registrations have now started materializing.

DIVIDEND

Enthused by the performance, the Board is pleased to recommend a maiden dividend of 10% [on the face value of Rs. 5/- each] to the Shareholders. The Board is sure that all the Shareholders who have been loyal to the Company all these years will feel rewarded. The Board wishes to assure you that this is a small beginning and there's a long way to go.

CHANGE OF NAME

In pursuance of the resolution passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 17th June, 2006, the name of the Company has been changed from Li Taka Pharmaceuticals Ltd., to Twilight Litaka Pharma Ltd., with effect from 4th July, 2006.

CAPITAL

In terms of the resolution passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 4th March, 2006, Hon'ble Bombay High Court passed an Order confirming the Reduction of Share Capital of the Company. Accordingly with effect from 28th November, 2006 the Authorized, Issued and Paid-up Share Capital of the company is as under:

Authorized:

Rs.21,50,00,000/- divided into 4,30,00,000 Equity Shares of Rs.5/- each.

Issued, Subscribed and Paid-up:

Rs.10,64,06,425/- divided into 2,12,81,285 Equity Shares of Rs.5/- each fully paid up.

AMALGAMATION

You are aware that in the Extra Ordinary General Meeting held on 4th March, 2006, you had accorded approval to the Scheme of Amalgamation of the Company with Care Unipac Pvt. Ltd. Hon'ble Bombay High Court by its Order dated 28th April, 2006 confirmed the said Scheme. The effect to the Scheme of Amalgamation was given in the books of the Company for the year ended 31st March, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

- a) During the year under review, the sales turnover increased to Rs.198.63 cr. as compared to Rs.157.08 cr. in the previous year recording a net rise of 27%. However the growth in Domestic Marketing Segment was higher at 65%. Similarly, there is a corresponding 47% rise in the net profit for the year under review i.e. Rs.14.09 cr. from Rs.9.56 cr in the previous year. The higher profitability during the year under review was due to the strategy adopted by the Company to focus on own sales by expanding product base as well as marketing base. The increased profitability is also the result of achieving critical mass in turnover of the Company. Joint marketing arrangements and promotion of products with M/s. Twilight Mercantiles Ltd. has also supported the growth of the Company.
- b) The overall economic condition prevailing in the country is very upbeat. For the first time in several years, Industrial growth has been 12%, and it is expected that this buoyancy will continue. Pharma Industry is no exception to this and the Indian Pharma Sector has recorded growth rate of over 14% which is the highest in the last decade. It is in this context that the Company's performance during the current year must be viewed. The remarkable increase in the Domestic Marketing segment of 65% recorded by the Company was due to the synergies derived from the merger of the Company together with an overall improvement in the economic conditions prevailing in the country and the sharp increase witnessed by the Pharma sector in particular. It is rightly reckoned to be one of the flagship sectors of the Indian economy as Indian Pharma Companies continue to move to the centre stage of the global generic market. There is a global structural trend evolving in the pharmaceutical sector and Indian companies play a key role in this framework. India is also fast becoming a global capital for healthcare and related services. This is due to the improved and stringent norms for manufacturing facilities (revised Schedule M), inexpensive inputs of human resource, favourable economic and legal processes and availability of large data base for medicines to conduct clinical trial on human beings. This is witnessed by the upsurge in



Contract Manufacturing opportunities for Indian Companies, Multinationals looking to India for clinical and basic research and the availability of a vast pool of scientists and intelligentsia.

- c) Encouraged by the sharp growth witnessed by the Company, the Company has divisionalized the Field Personnel to focus on specific therapeutic and geographical segments. For the current year, the Company has therefore four divisions called Nucleus I, Nucleus II, Zenith and Nutra. The Company has also in an attempt to improve the territory coverage expanded its field personnel by 300 representatives in the domestic marketing segment. This is, bearing in mind the micro interiors which have in the recent times become a rapidly developing and growing market. However, the Company has been selective in undertaking such expansion to only certain States where coverage is also extensive and the Company's business is strong and growing. The Company has been adopting selective strategies to meet the requirements of a specific State or product.

During the current year Company launched several new products particularly anti-infectives, nutritional range, etc. These include products like Lariclav, Zoxin S, Uneed powder, and Alertin, etc. Additionally, during the current year, the Company proposes to launch line extensions of existing products and new products keeping in mind the needs of medical fraternity that is being serviced by the Company.

Similarly, the export market, several new registrations in new countries were carried out. Several new product registrations have been granted by Uganda, Haiti, Vietnam, CIS countries. These will largely give a fillip to the export endeavours of the Company.

During the year under report, Corporate Quality Assurance [QA] Department has been set up to monitor quality systems and documentation processes. Product Development department has developed several new products. New norms have been introduced for improvement in the productivity. It has started yielding good results.

Recently your Company has tied up with a US based Nutrition Company for manufacturing of its food nutrition products for its business in India. These products will be manufactured at newly commissioned manufacturing facility of Twilight Group at Baddi, Dist. Solan, Himachal Pradesh. Incidentally all their manufacturing in India has been done by your Company since 1999.

Your Company has also signed an Agreement with the Indian arm of a Malaysian Company. This Company is carrying on business in 6 countries besides India and your Company will be manufacturing their products catering to the needs of the Indian market.

These two major Contract Manufacturing arrangements will add substantially to the Company's prospects in the coming years.

Your Company has also signed an Agreement with a Bangalore based Company, engaged in the Nutraceutical field and having proprietary patents rights over certain products, for the purchase of 17 brands (Trade Marks). As per the agreement, your Company acquired ownership of these brands and will have exclusive right to manufacture and market the nutraceutical products under these brands in India. With the addition of these brands, your Company expects to increase its turnover substantially in the current Financial Year.

Considering the huge potential in Nutraceutical business in India in the near future, your Company has set up a Nutraceutical Division under the name "NUTRA", and has already launched a few nutraceutical products in the market over and above the recently acquired brands as mentioned above. All these products will have some unique feature.

- d) Business development continues to be the major growth strategy for your Company since 2005. New products launched since 2005 have contributed around 20% of the Company's incremental sales in the year under review. Plans are in hand to introduce new products in therapeutic areas like Nutraceutical & Dermatological, and newer Antibiotics.
- e) Similarly, the business prospect on the Export front appears to be extremely optimistic. This is because during the current year fresh registrations in existing countries and registrations in newer countries obtained by your Company. This encouraging trend will result in growth in the coming years.
- f) Internal Audit is conducted in almost all departments of the Company and internal audit reports are placed before the Audit Committee which reviews adequacy of internal audit functions, audit procedures and coverage periodically. The minutes of the audit committee meetings are placed at the meetings of the Board of Directors from time to time.
- g) Company aims to recruit and retain quality professionals and provide them with a high performance environment.
- h) Certain statements in the "Management Discussion and Analysis" section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

CORPORATE GOVERNANCE

Your Company has complied with the mandatory provisions of Corporate Governance as prescribed in the revised clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. A separate report on Corporate Governance Compliance along with a certificate of compliance from the Auditors given in this Annual Report forms a part of this Report.

DIRECTORS

Mr. Prasanna Kulkarni resigned as Director due to his other pre-occupations. The Board has placed on record its sincere appreciation of the contributions made by Mr. Kulkarni during his association with the Company.

The Board of Directors in its meeting held on 17th May, 2007 appointed Mr. M. T. Motwani as Additional Director and he holds office as such until the date of ensuing Annual General Meeting. The resolution for his appointment as Director is included in the notice of Annual General Meeting.

Mr. R. C. Bora, Prof. P. D. Gupte, Mr. Nainish Bora, and Mr. Ramesh Ramourti Directors of the Company retire by rotation at the forthcoming Annual General Meeting, and offer themselves for reappointment. The resolutions for their reappointment are included in the notice of the Annual General Meeting.

AUDITORS

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, hold office as Auditors of the Company till the conclusion of the forthcoming Annual General Meeting. Your Company has received a certificate from them, pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956, indicating their eligibility and willingness for reappointment. You are requested to appoint the Auditors and fix their remuneration.

PARTICULARS OF EMPLOYEES

Since none of the employees has crossed the mandatory ceiling limits under Section 217 (2A) of the Companies Act, 1956 for the year under Report, the required information is not annexed to the Directors' Report.

DISCLOSURE OF PARTICULARS

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant information and data are annexed to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of the amended Section 217 of The Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms :-

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (b) that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the Profit & Loss Account of the Company for the year ended on that date.
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- (d) that the annual accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and harmonious at all levels at all the units of your Company.

ACKNOWLEDGEMENTS

Your Board of Directors is grateful to the Company's Bankers, Government Authorities, Customers, Suppliers, Distributors, the Shareholders and Business Associates for their continued and valued support. The Directors also wish to place on record their appreciation to Company's personnel at all levels for the contribution made by them towards the working of your Company.

By Order of the Board of Directors,
For **TWILIGHT LITAKA PHARMA LTD.**

R.C. BORA
CHAIRMAN

Date : 17th May, 2007
Place : Mumbai



**CORPORATE GOVERNANCE REPORT FOR THE
FINANCIAL YEAR 2006-07**

Introduction:

Corporate Governance essentially is a set of standards, which aims to improve the Company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the management, with focus on public interest in general and investor interest in particular. It further inspires and strengthens investors' confidence by ongoing commitment to overall growth of the Company.

1. A brief statement on Company's Philosophy on Code of Governance

The Company has always believed in fair business and corporate practice while dealing with the shareholders, employees, customers, creditors, lenders and others. The Board of Directors ("the Board") has adequate representation of the professional, qualified, non-executive and independent Directors. For the matters requiring special attention and also for proper and effective disposal of such matter, the Board has constituted various Committees of Directors from time to time. The Board and committee meetings have been held as frequently as required. Adequate disclosure and information are provided to the Board as well as Committees. All the Directors attending the Board and Committee Meeting actively participate in their proceedings.

2. Board of Directors

As on 31st March 2007 the Board of Directors of the Company consists of twelve Directors, eight of whom are Non Executive Directors, out of which 6 are Independent Directors.

During the Financial Year under review, 14 Board Meetings were held on the following dates: 24th April 2006, 8th May 2006, 17th June 2006, 23rd June, 2006, 29th July, 2006, 4th September, 2006, 12th October, 2006, 3rd November, 2006, 30th November, 2006, 5th December, 2006, 23rd December, 2006, 30th December, 2006, 24th January, 2007 and 3rd March, 2007.

Apart from the Board Meetings, the Directors also attended various Committee Meetings of which they are members. The details of attendance of Board Meetings, Committee Meetings and Directorship in other Companies are furnished in table below:

Name of the Director	Category of Directorship	Board Meetings attended	Committee Meetings attended			Directorship of other Companies
			Audit Committee	Share Transfer cum Investor Grievance Committee	Remuneration Committee	
Mr. Rajendra Bora*	Chairman	14	NIL	NIL	NIL	2
Mr. Gopal Ramourti*	Managing Director	14	NIL	NIL	NIL	4
Mr. Sanjeev Tole*	D & CS	14	5**	16	NIL	1
Mr. A. S. Chandvankar*	NED (I)	8	5	16	1	NIL
Mr. V. K. Naik *	NED (I)	8	4	16	1	NIL
Prof. P D Gupte *	NED (I)	6	4	NIL	NIL	NIL
Mr. Nainish Bora *	Executive Director	12	NIL	NIL	NIL	2
Mr. Abhijit Bora *	Executive Director	10	NIL	NIL	NIL	2
Mr. Ramesh Ramourti	NED	1	NIL	NIL	NIL	NIL
Mr. M S Raghavan Ayyangar	NED (I)	3	NIL	NIL	NIL	3
Mr. P M Kulkarni	NED (I)	7	NIL	NIL	1	NIL
Mr. Ramesh Narayan	NED (I)	1	NIL	NIL	NIL	3

D & CS – Director & Company Secretary

NED – Non Executive Director, I – Independent

* Directors were present in the last Annual General Meeting held on 3.08.2006

None of the Directors of the Company are members/chairman of any other Committee of other Companies.

** Attended in the capacity as Secretary of the Committee.

3. Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 (1) (D) of the Listing Agreement.

4. Audit Committee

The Company has an Audit Committee since 2001. As at 31st March 2007, the Audit Committee consisted of three members, namely Mr. A. S. Chandvankar, Prof. P. D. Gupte, and Mr. V. K. Naik, all of whom are Non-Executive Independent Directors. Of these Directors, one Director namely Mr. A. S. Chandvankar is a Chartered Accountant by profession and therefore has financial and accounting background.

THIRTY THIRD ANNUAL REPORT

Mr. A. S. Chandvankar is the Chairman of the Committee and Mr. S. D. Tole, Director & Company Secretary of the Company acts as Secretary to the Committee.

During the year under report, five Audit Committee meetings were held on, 24.04.2006; 23.06.2006; 29.07.2006; 30.11.2006 and 24.01.2007, in which quarterly financial results of the Company were considered and then forwarded to the Board of Directors for their approval.

The Audit Committee has adequate powers and their detailed role and terms of reference are as per Clause 49 of the Listing Agreement.

Minutes of the Audit Committee meeting are circulated to the members of the Board, discussed and taken note of.

5. Remuneration Committee

The Company has constituted a Remuneration Committee in its Board Meeting held on 7th February, 2006. The responsibility of the Remuneration Committee is to consider and finalize the proposals in respect of fixation of remuneration to Executive Directors, Managing Director, and other Senior Executives of the Company. The Remuneration Committee consisted of following Directors of the Company: Mr. V K Naik, Mr. A S Chandvankar, and Mr. P M Kulkarni. On resignation of Mr. P. M. Kulkarni Remuneration Committee is reconstituted and Mr. Ramesh Ramourti is Co-opted as the new member. The Committee has the following powers:

- (i) To determine on behalf of the Directors and on behalf of the Shareholders of the Company, policy on remuneration package for Executive Directors, Managing Director, and other paid Directors of the Company who may be appointed from time to time.
- (ii) To fix the remuneration payable to above individuals with the power to grant yearly increment and other allowances.
- (iii) To review the remuneration of the aforesaid individuals fixed periodically.

During the year under report, one meeting of the Remuneration Committee was held.

Remuneration of Directors

The details of remuneration paid / payable to the Directors for the year 2006-07 are given below:

Director	Salary (Rs.)	Perquisites (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Rajendra Bora	250,000	690,231	30,000	970,231
Mr. Gopal Ramourti	600,000	548,320	72,000	1,220,320
Mr. Nainish Bora	300,000	276,000	36,000	612,000
Mr. Abhijit Bora	300,000	276,000	36,000	612,000

Non-Executive Directors are not entitled for any remuneration other than the sitting fees, the details of which are given below:

Sr. No.	Name of the Non-Executive Director	Sitting Fees (Rs.)	Other element of remuneration
1.	Mr. A. S. Chandvankar	16,000	NIL
2.	Mr. V. K. Naik	16,000	NIL
3.	Prof. P. D. Gupte	12,000	NIL
4.	Mr. Ramesh Ramourti	2,000	NIL
5.	Mr. M. S. Raghavan Ayyangar	6,000	NIL
6.	Mr. P. M. Kulkarni	14,000	NIL
7.	Mr. Ramesh Narayan	2,000	NIL

Mr. S. D. Tole receives remuneration in the capacity as Company Secretary only. He neither receives any sitting fees nor any remuneration as Director.

6. Shareholding of Non-Executive / Independent Directors as on 31.03.2007:

Name of Director	No. of Equity Shares of Rs.5/ each
Prof. P. D. Gupte	NIL
Mr. A. S. Chandvankar	40
Mr. V. K. Naik	NIL
Mr. Ramesh Narayan	54,000
Mr. M. S. Raghavan Ayyangar	NIL
Mr. P. M. Kulkarni	NIL
Mr. S. D. Tole	10,600



7. Share Transfer – cum – Investors Grievance Committee

Mr. A. S. Chandvankar, a Non-Executive Independent Director is the Chairman of the Committee. Other Members of the Committee are, Mr. S. D. Tole and Mr. V. K. Naik.

Name and Designation of the Compliance Officer: Mr. S. D. Tole – Director & Company Secretary.

The Share Transfer-cum-Investors Grievance Committee meets every fortnight and accordingly 16 meetings of the Committee were held during the year under report. The details of attendance of the meetings of this Committee by Directors are already given in Table in paragraph 2.

During the year 4 complaints regarding non-receipt of shares sent for transfer and non-receipt of annual report were received from shareholders, all of which have been resolved.

The Company had no transfer pending at the close of the Financial Year.

8. General Body Meetings

The details of the location and time for last three Annual General Meetings [AGM] and four Extra Ordinary General Meetings [EGM] and details of the resolutions passed or to be passed by Postal Ballot:

Date	Year	Type of Meeting	Venue	Time
08.07.2004	2004	Annual General Meeting	B-22 'H' Block, M.I.D.C. Pimpri Pune – 411 018	9:00 a.m.
26.08.2004	2004	Extra Ordinary General Meeting		9:00 a.m.
09.10.2004	2004	Extra Ordinary General Meeting		9:00 a.m.
25.11.2004	2004	Extra Ordinary General Meeting		9:00 a.m.
29.09.2005	2005	Annual General Meeting		9:00 a.m.
04.03.2006	2006	Extra Ordinary General Meeting [Court Convened]		9:00 a.m.
17.06.2006	2006	Extra Ordinary General Meeting		9:00 a.m.
03.08.2006	2006	Annual General Meeting		9:30 a.m.

All the resolutions, including special resolutions as set out in the respective Notices were passed by the Shareholders.

No resolution was put through postal ballot last year.

9. Disclosures:

a) Disclosures regarding materially significant related party transactions:

No transaction has been entered into by its Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company.

Transactions with the related parties are disclosed in the Note No. 15 of the notes to the account in the Annual Report.

b) Disclosure of non-compliance by the Company

There were no instances of penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital market during the last three years.

10. Particulars of Directors eligible for appointment / re-appointment

Mr. Rajendra Bora

Mr. Rajendra Bora has been the Chairman of the Company since December, 1997. He is having over 25 years experience in the field of manufacture, marketing and general administration of pharmaceuticals industry.

Prof. P. D. Gupte

Prof. Gupte has been associated with Pharmaceutical Industry and is a veteran and an expert in that field. He has been associated with many Hospitals, Medical Institutions and Health Management Associations. He has enriched and rendered useful services to these Associations.

Mr. Nainish Bora

Mr. Nainish Bora is a Commerce Graduate and has also obtained MBA degree from Pune University. He has been the Executive Director of the Company since March, 2005 and has contributed immensely to the growth of domestic sales of the Company.

Mr. Ramesh Ramourti

Mr. Ramourti is a Post Graduate in Business Management. He has vast experience in the field of Corporate Management and Finance.

Mr. M. T. Motwani

Mr. Motwani is a Science Graduate and has completed number of Management courses from reputed Management Institutions. He started his career in the year 1966 in the marketing field of Pharma Industry and has garnered rich and diverse experience in the Industry.

11. Means of communication

The quarterly, half-yearly results of the Company were published during the financial year under review in the Newspapers namely, Indian Express (English), Loksatta (Marathi) and Economic Times.

The Company has its own website, namely www.twilightlitaka.com, which displays the general profile and product profile of the Company. The shareholding pattern is also displayed and is updated every quarter.

12. General Shareholder Information

a) Registered and Corporate Office

"Himalaya Estate", 16-A Shivajinagar, Pune – 411 005

Tel Nos: 91-20-30281700/01, Fax:91-20-25533211, Website: www.twilightlitaka.com

- b) Date of Incorporation** : 18th January, 1974
- c) Registration No/CIN No** : L24231MH1974PTC017139
- d) Day, Date, Time & Venue of 33rd AGM** : Thursday, 28th June, 2007 at 9.30 a. m.
at B-22, 'H' Block, M.I.D.C., Pimpri, Pune – 411 018.
The Notice of the Annual General Meeting is being sent to the Members along with this Annual Report.
- e) Dates of Book Closure** : 23rd June, 2007 to 28th June, 2007
(both days inclusive)

f) Dividend Payment

The Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid on or after 29th June, 2007 to those members whose names appear on the Company's Register of Members as holders of Equity Shares in physical form on 28th June, 2007. In respect of Shares held in dematerialized form the Dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Ltd. [CDSL] for this purpose.

- g) Financial Year** : 1st April to 31st March

h) Financial Calendar

- 1st Quarterly results : last week of July
- 2nd Quarterly results : last week of October
- 3rd Quarterly results : last week of January
- 4th Quarterly results : last week of June

The Company's Transfer Book will remain closed from 23rd June, 2007 to 28th June, 2007 (both days inclusive), for the purpose of payment of dividend.

i) The Stock Exchange Listing

The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai – 400 001

BSE Scrip Code: 506985

The Company has paid Annual Listing Fee for the Financial Year 2007-08 to the Stock Exchange on which the Shares of the Company are listed.

- j) Scrip Name : TWILITAKA PH. (BSE INDONEXT) Scrip ID: TWILITAKA**



k) Shareholders are requested to send all share transfers and correspondence relating to shares, dividend, etc. to our Share Transfer Agent at:

Sharepro Services (I) Pvt. Ltd.

Contact person : **Ms. Veena.**

Satam Estates, 3rd Floor,

Above Bank of Baroda, Cardinal Gracious Road,

Chakala, Andheri (E), Mumbai 400 099.

Tel. No. 022-28215168/5163

Fax No. 022-28375646. Email: shareproservices@vsnl.com.

Website: <http://www.shareproservices.com>

l) Share Transfer System

Company has appointed M/s. Sharepro Services (I) Pvt. Ltd., as its Registrars and Share Transfer Agent. The address of : Sharepro Services (I) Pvt. Ltd., Satam Estates, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

Tel. No. 022-28215168/5163

Fax No. 022-28375646. Email: shareproservices@vsnl.com.

The Contact person is: Ms. Veena.

m) Market Price Data

The monthly High and Low quotations and volume of shares traded at Bombay Stock Exchange Ltd., during the Financial Year.

Period	High (Rs.)	Low (Rs.)	Volume of Shares Traded (Nos.)	No of Trades
April 2006	43.75	27.80	1340908	3225
May 2006	48.15	31.55	1400740	4093
June 2006	35.00	22.50	541949	1440
July 2006	35.80	26.20	318252	1062
August 2006	41.80	33.10	531260	2010
September 2006	42.95	36.20	658610	2739
October 2006	46.40	39.00	682571	2649
November 2006	50.00	38.50	757084	3048
December 2006	52.45	38.60	435337	1861
January 2007	68.00	50.00	1831750	10039
February 2007	60.80	43.10	479180	2743
March 2007	48.70	39.25	299790	1349

Company's Share Price performance in comparison to BSE Sensex based on share price on 31.03.2007.

n) Comparison of Litaka Share Prices with BSE Sensex for 2006-07

Period	%Change	
	Company's Share Price	Sensex
Opening Price/Index as on 31.03.2006	26.60	11280
Closing price Index as on 31.03.2007	41.30	13072
% increase	55.26%	15.89%

Distribution of Shareholding and shareholding pattern as on 31st March 2007

o) Distribution Schedule as on 31.03.2007

Description	Holders Folio	%	Holding(s) Shares	% to share capital
Less than 500	12990	90.738	2635247	12.383
501 – 1000	713	4.980	602829	2.833
1001 – 2000	303	2.117	472384	2.220
2001 – 3000	99	0.692	257795	1.211
3001 – 4000	39	0.272	142706	0.671
4001 – 5000	40	0.279	188355	0.885
5001 – 10000	49	0.342	359682	1.690
10001 and above	83	0.580	16622287	78.108
Total	14316	100.00	21281285	100.00

p) Shareholding Pattern as on 31.03.2007

Sr. No	Category Held	No. of Shares	% to shares holding
1.	Promoter, including persons acting in concert, Directors and their relatives	13555249	63.70
2.	Institutional investors (Indian)		
	(a) Mutual Funds and UTI	0	0
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions	3900	0.02
3.	FII / NRIs / OCBs	342691	1.61
4.	Private Bodies Corporates	594770	2.79
5.	Indian Public	6784675	31.88
	TOTAL	21281285	100.00

q) Plant Locations:

- | | |
|---|--|
| <p>1) B-22 'H' Block, M.I.D.C.
Pimpri, Pune 411 018
Tel: (020) 3068 3760 / 61
Fax:(020) 2747 4109
Email: tlplpimpri@tlpl.co.in</p> | <p>2) 116/2 Chakan Phata
Mumbai – Pune Road
Vadgaon Maval, Dist. Pune 412 106
Tel: 952114-325901 / 61
Fax: 952114-222859
Email: tlplvadgaon@tlpl.co.in</p> |
| <p>3) 39/40 Vasai Taluka Industrial Estate
Sector II, Gauraipada, Vasai (E)
Dist: Thane 401 208
Tel: 95250-2455465/2450829
Fax: 95250-2455464
Email: tlplvasai@tlpl.co.in</p> | |

r) Dematerialization of Shares:

The Company has continuous connectivity with NSDL and CDSL for effecting dematerialization of shares and Demat Requests. The Company's ISIN No. is INE783B01029. As on 31.03.2007, 88.09% of Equity Share Capital of the Company has been dematerialized.

s) Investors Correspondence

The Company's Share Department provides assistance to shareholders under the supervision of Mr. S. D. Tole, Director & Company Secretary.

Any query relating to shares and requests for transactions such as transfers, transmissions, and nomination facilities, duplicate share certificates, change of address, non-receipt of shares/dividend, annual report, as also regarding dematerialization of shares may please be taken up with:

Mr. Prashant B. Shimpi, Executive – Legal & Secretarial

Twilight Litaka Pharma Ltd.

"Himalaya Estate", 16-A Shivajinagar, Hotel Pride Executive Lane

Near PMC's Dalvi Hospital, Pune 411 005

Tel No: 020-3028 1700/1/2. Fax: 020-2553 3211.

Email: legal@tlpl.co.in and investors@tlpl.co.in



CHAIRMAN AND MANAGING DIRECTOR CERTIFICATION

We, Rajendra Bora, Chairman and Gopal Ramourti, Managing Director of Twilight Litaka Pharma Limited to the best of our knowledge and belief, certify that:

- 1] We have reviewed the balance sheet and profit and loss accounts [consolidated], and all its schedules and notes on accounts, as well as the cash flow statements and the directors' report;
- 2] Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which the statements were made, not misleading with respect to the statements made;
- 3] Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
- 4] To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
- 5] The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures of the Company, and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company, particularly during the period in which this report is being prepared; and
 - b) evaluated the effectiveness of the Company's disclosure, controls and procedures.
- 6] The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's board of directors (and persons performing equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - c) whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses; and
 - d) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
- 7] We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place : Mumbai
Date : 17.05.2007

Rajendra Bora
Chairman

Gopal Ramourti
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Twilight Litaka Pharma Ltd.

We have examined the compliance of the conditions of Corporate Governance by Twilight Litaka Pharma Ltd., for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, in all material respect.

We state that in respect of investor grievances received during the year ended 31st March, 2007, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS**

Place : Mumbai
Date : 17th May, 2007

**V MOHAN
PARTNER
Membership No. 17748**



AUDITOR'S REPORT TO THE MEMBERS OF TWILIGHT LITAKA PHARMA LTD.

- 1] We have audited the attached Balance Sheet of Twilight Litaka Pharma Ltd. as at 31st March, 2007 and also the Profit & Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2] We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3] As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in the said Order.
- 4] Further to our comments in the Annexure referred to above, we report that:-
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with books of account.
- iv) In our opinion the Balance Sheet and Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2007;
 - b) In case of Profit and Loss Account of the profit for the year ended on that date; and
 - c) In case of the Cash Flow Statement of the cash flows for the year ended on that date.

**For V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS**

**V MOHAN
PARTNER**

Place : Mumbai
Date : 17th May, 2007

Membership No. 17748

**ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 3 of our Report of even date)**

- 1] (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has formulated a regular programme of verification by which all assets of the company shall be verified in phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
 - (c) There was no disposal of a substantial part of fixed assets.
- 2] (a) The stock of finished goods and raw material has been physically verified during the year by the Management. The Company has a perpetual inventory system in respect of stores and spare parts. In our opinion, the frequency of verification is reasonable. In the case of material lying with the third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- 3] (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (b) The Company has taken both interest free and interest bearing unsecured loans from 6 companies and a director covered in the register maintained under Section 301 of the Act, having balance of Rs.13,59,30,788/- as on 31st March, 2007.

- (c) In our opinion and according to information and explanation given to us, rate of interest and other terms and conditions of loans taken by the company from parties listed in register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- (d) The Company has been regular in payment of interest wherever applicable. Principle is repayable only on demand. No demand for repayment of principle was made by lenders during the year.
- 4] In our opinion and according to the information and explanation given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5] (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) Transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6] In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7] In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8] According to the information and explanations given to us, the Central Government has prescribed under Section 209(1)(d) of the Companies Act, 1956, the maintenance of cost records in respect of certain products. We have broadly reviewed the books of account maintained and in our opinion, the prescribed accounts and records have prima facie been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9] (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, TDS, Service Tax, Excise Duty and other material statutory dues. At the end of the Financial Year there are no arrears of outstanding statutory dues for a period of more than 6 months from the date they become payable.
- (b) Based on the information and explanation given to us, the Company has not deposited Rs.17,47,868/- on account of disputes under Bombay Sales Tax Act for the years 1998-99, 1999-00 and 2000-01. The appeals are pending before Maharashtra Sales Tax Tribunal, Mumbai. There are no other dues towards Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which are disputed and not deposited.
- 10] In our opinion, the Company does not have any accumulated losses at the end of the year, and has no cash losses in the current and immediately preceding financial year.
- 11] According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- 12] Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13] In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14] In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities and debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15] In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 16] In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- 17] In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on the short-term basis have been utilized for long-term investment.
- 18] According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19] In our opinion and according to the information and explanation given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 20] As informed to us, during the period covered by our Audit report, the Company has not raised any money by public issue.
- 21] To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our Audit.

For **V. SANKAR AIYAR & CO.**
CHARTERED ACCOUNTANTS

V MOHAN
PARTNER

Place : Mumbai
Date : 17th May, 2007

Membership No. 17748

**TWILIGHT LITAKA PHARMA LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2007**

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2007	31.03.2006
		Rupees	Rupees
SOURCES OF FUNDS			
1) SHAREHOLDER'S FUNDS :			
Share Capital	1	106,406,425	95,487,850
Share Suspense A/c	1A	-	117,325,000
Reserves & Surplus	2	239,971,864	60,017,737
		<u>346,378,289</u>	<u>272,830,587</u>
2) LOAN FUNDS:			
Secured Loans	3	423,954,844	318,912,256
Unsecured Loans	4	244,618,710	257,371,789
		<u>668,573,554</u>	<u>576,284,045</u>
3) DEFERRED TAX LIABILITY (Net)		15,797,000	1,331,350
	TOTAL	<u>1,030,748,844</u>	<u>850,445,982</u>
APPLICATION OF FUNDS			
1) FIXED ASSETS :			
Gross Block		400,438,396	449,222,637
Less : Depreciation & Amortisation		99,011,615	100,344,441
Net Block	5	301,426,781	348,878,196
2) INVESTMENTS	6	1,008,855	1,008,855
3) CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	7	239,264,186	189,970,944
b) Sundry Debtors	8	675,613,247	505,930,217
c) Cash & Bank Balances	9	19,125,483	17,811,675
d) Loans and Advances	10	72,993,749	79,573,243
		<u>1,006,996,665</u>	<u>793,286,079</u>
Less: Current Liabilities & Provisions	11		
a) Current Liabilities		218,771,288	296,658,196
b) Provisions		59,912,169	10,921,229
		<u>278,683,458</u>	<u>307,579,425</u>
Net Current Assets		728,313,208	485,706,654
4) Profit and Loss Account (Balance as per annexed account)		-	14,852,277
	TOTAL	<u>1,030,748,844</u>	<u>850,445,982</u>

Schedule & Notes forming integral part of accounts. 16

As per our Report of even date.

For and on behalf of the Board

**FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS****V. MOHAN
PARTNER
M No. 17748****R C Bora** Chairman
Gopal Ramourti Managing Director
A S Chandvankar Director
S D Tole Director & Company SecretaryPlace : Mumbai
Date : 17th May, 2007Place : Mumbai
Date : 17th May, 2007

THIRTY THIRD ANNUAL REPORT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SCHEDULE	Year Ended 31.03.2007 Rupees	Year Ended 31.03.2006 Rupees
INCOME :			
Sales (Gross)		1,974,153,673	1,564,628,352
Less : Excise Duty		<u>47,467,259</u>	<u>76,912,943</u>
Net Sales		1,926,686,414	1,487,715,409
Processing & Analytical Charges		48,705,318	64,796,321
Other Income	12	<u>10,951,778</u>	<u>18,312,432</u>
	TOTAL	<u>1,986,343,510</u>	<u>1,570,824,162</u>
EXPENDITURE :			
Material Cost	13	1,495,846,075	1,206,201,465
Employee Costs	14	76,114,820	61,516,959
Manufacturing and Other Expenses	15	147,208,648	125,421,592
Interest :			
On fixed loans		17,550,158	35,297,402
On Others		<u>42,900,049</u>	<u>21,488,387</u>
		60,450,207	56,785,789
Less : Depreciation and amortisation	5	15,781,546	16,863,478
Less : Transfer from Revaluation Reserve		<u>154,612</u>	<u>154,612</u>
		15,626,934	16,708,866
PROFIT BEFORE TAX		191,096,826	104,189,491
Provision for taxation :			
Current tax		30,000,000	5,035,975
Deferred tax		14,465,650	1,331,350
Fringe Benefit Tax		1,475,000	1,070,222
Reversal of MAT Credit - 2005-06		<u>4,267,262</u>	<u>-</u>
		50,207,912	7,437,547
PROFIT AFTER TAX		140,888,914	96,751,944
Less : Short Provision for Taxation for earlier year		-	1,133,663
		140,888,914	95,618,281
Less : Balance Profit / (Loss) as per last Balance Sheet		<u>(14,852,277)</u>	<u>(110,470,558)</u>
Profit available for Appropriation		126,036,637	(14,852,277)
Proposed Dividend	10,640,643		
Add : Dividend Distribution Tax	<u>1,808,909</u>	12,449,552	-
Profit /(Loss) carried to the Balance Sheet		<u>113,587,085</u>	<u>(14,852,277)</u>
Basic & Diluted EPS		6.62	4.49
[On Equity share of Rs.5/- each (previous year Rs.10/- each)]			
Schedule & Notes forming integral part of accounts 16			

As per our Report of even date.

For and on behalf of the Board

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

R C Bora Chairman
Gopal Ramourti Managing Director
A S Chandvankar Director
S D Tole Director & Company Secretary

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 17th May, 2007

Place : Mumbai
Date : 17th May, 2007



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	Year Ended 31.03.2007 Rupees	Year Ended 31.03.2006 Rupees
1 Cash Flow from Operating Activity		
Net Profit Before Tax	191,096,826	104,189,491
Adjustment for :		
Depreciation & Amortisation	15,626,934	16,708,866
Loss / (Profit) on Sale of Assets (Net)	-	(13,508)
Interest	60,450,207	56,785,789
Dividend Received	(48,740)	(45,103)
Operating Profit before Working Capital Changes	<u>267,125,227</u>	<u>177,625,535</u>
Adjustment for :		
Trade & Other Receivables	(163,103,536)	(272,285,634)
Inventories	(49,293,242)	(87,287,389)
Trade Payables	(26,879,869)	118,137,346
Margin Money Deposit	(1,027,006)	(98,283)
Cash Generated from operations	<u>26,821,574</u>	<u>(63,908,425)</u>
Direct Taxes (Paid) / Refunds (Net)	(50,207,912)	(8,571,210)
Net Cash flow from Operating activity	<u>(23,386,338)</u>	<u>(72,479,635)</u>
2 Cash Flow from Investing Activity		
Purchases of Fixed Assets (including changes in Capital WIP)	(8,214,903)	(11,163,776)
Sale of Fixed Assets	-	70,001
Purchase of Investments	-	(400,000)
Dividend Received	48,740	45,103
Net Cash Inflow / (Outflow) from Investing Activity	<u>(8,166,163)</u>	<u>(11,448,672)</u>
3 Cash Flow from Financing Activity		
Proceeds from / (Repayment) of Borrowings :		
Term Loans	(33,312,670)	18,533,196
Working Capital Facilities	139,917,671	(12,582,641)
Inter-Corporate Deposits	(11,923,726)	137,288,724
Others	22,784	(4,218,246)
Interest Paid	(60,450,207)	(56,785,789)
Loan from Directors	(2,430,219)	3,715,000
Net Cash from / (utilised) in Financing Activities	<u>31,823,634</u>	<u>85,950,244</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>271,132</u>	<u>2,021,937</u>
4 Cash & Cash Equivalents		
Cash & cash equivalents at start of the year	13,213,914	10,577,320
Add: Adjustment as on 01.01.2005 consequent to amalgamation	<u>-</u>	<u>614,657</u>
	<u>13,213,914</u>	<u>11,191,977</u>
Cash & cash equivalent at the close of year	<u>13,485,046</u>	<u>13,213,914</u>

Note : The breakup of cash & cash equivalent is as per Schedule 9 of the Balance Sheet (excluding Margin Money Deposit)

As per our Report of even date.

For and on behalf of the Board

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

R C Bora Chairman
Gopal Ramourti Managing Director
A S Chandvankar Director
S D Tole Director & Company Secretary

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 17th May, 2007

Place : Mumbai
Date : 17th May, 2007

THIRTY THIRD ANNUAL REPORT

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2007

PARTICULARS	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED CAPITAL:	215,000,000	215,000,000
43,000,000 Equity Shares of Rs.5/- each. (previous year 21,500,000 Equity Shares of Rs.10/- each.)		
ISSUED, SUBSCRIBED & PAID UP	95,487,850	95,487,850
(9,548,785 Equity Shares of Rs.10/- each fully paid up.) [Of the above 2,618,750 Equity Shares of Rs.10/- each fully paid up, have been issued, pursuant to scheme of Amalgamation for consideration other than cash.]		
Add :	117,325,000	-
[11,732,500 Equity Shares of Rs.10/- each fully paid up issued, pursuant to scheme of amalgamation with Care Unipac Pvt. Ltd. on 22.06.2006 for consideration other than cash]		
	212,812,850	95,487,850
Less : Amount reduced pursuant to Scheme of Capital Reduction approved by the Hon'ble Bombay High Court. [21,281,285 Equity Shares of Rs.5/- each (previous year Rs.10/- each)] [refer note no. 2]	106,406,425	-
TOTAL	106,406,425	95,487,850
SCHEDULE 1 A : SHARE CAPITAL SUSPENSE ACCOUNT		
Pending Allotment, Equity Shares to be issued - pursuant to scheme of amalgamation. [since allotted & issued on 22.06.2006]	-	117,325,000
TOTAL	-	117,325,000
SCHEDULE 2: RESERVES AND SURPLUS		
1) CAPITAL RESERVE	87,215	87,215
2) SHARE PREMIUM	1,300,170	1,300,170
3) CAPITAL RESERVE ON AMALGAMATION AND CAPITAL REDUCTION		
Opening balance [on Amalgamation]	1,891,944	
Add : amount available on Reduction of Capital.	106,406,425	
Less : Intangible Asset Written off [Refer note no. 2]	39,884,773	1,891,944
4) PROFIT & LOSS A/C	113,587,085	-
5) REVALUATION RESERVE		
Balance as per Last Balance Sheet	56,738,410	56,893,020
Less : Amortisation on revalued Leasehold Land transferred to Profit & Loss Account	154,612	154,612
	56,583,798	56,738,408
TOTAL	239,971,864	60,017,737

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2007**

PARTICULARS	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 3: SECURED LOANS		
A] FROM BANKS		
1) TERM LOANS: (Including Funded Interest of Rs.5,365,692/-, previous year Rs. 7,511,423/-) [Secured by first equitable mortgage of immovable properties, second charge on all movable assets and personal guarantee of some of the directors of the Company]	45,048,861	78,361,531
2) WORKING CAPITAL FACILITIES : [Secured by first charge on all movable assets, second equitable mortgage of immovable properties and personal guarantee of some of the directors of the Company]	378,865,771	238,948,100
B] FROM OTHERS [Secured by hypothecation of vehicles and personal guarantee of Chairman]	40,212	1,602,625
TOTAL	<u>423,954,844</u>	<u>318,912,256</u>
SCHEDULE 4: UNSECURED LOANS		
A) INTER-CORPORATE DEPOSITS	167,166,717	179,090,443
B) SALES TAX DEFERRALS [Repayable in instalments from 2009-10 to 2019-20]	62,207,041	62,207,041
C) TERM LOAN FROM BANK (Secured by immovable properties belonging to the Chairman & his relatives & personal guarantee of the Chairman as well as Managing Director)	13,960,171	12,359,305
D) FROM DIRECTORS	1,284,781	3,715,000
TOTAL	<u>244,618,710</u>	<u>257,371,789</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007
SCHEDULE 5: FIXED ASSETS

SR. NO	PARTICULARS	GROSS BLOCK		DEPRECIATION / AMORTISATION				NET BLOCK			
		AS AT 01.04.2006	ADDITIONS 01.04.2006	DELETIONS 01.04.2006	AS AT 01.04.2006	FOR THE YEAR	DELETIONS 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006	
1	LAND (FREEHOLD)	55,550,300	-	-	-	-	-	-	55,550,300	55,550,300	
2	LAND (LEASEHOLD)	29,615,000	-	-	1,044,678	388,366	-	1,433,044	28,181,956	28,570,322	
3	FACTORY BUILDING	117,610,977	881,857	-	29,326,987	3,946,187	-	33,273,174	85,219,660	88,283,990	
4	RESIDENTIAL FLATS	2,372,751	-	-	248,920	38,676	-	287,596	2,085,155	2,123,831	
5	PLANT & MACHINERY	92,284,817	99,521	-	14,090,304	4,387,347	-	18,477,651	73,906,687	78,194,513	
6	FACTORY & OTHER EQUIPMENTS INCLUDING COMPUTERS	41,247,718	2,939,209	-	15,294,282	1,959,051	-	17,253,333	26,933,594	25,953,436	
7	MOULD, DIES, JIGS, BLOCK & DESIGNS	13,887,892	999,662	-	8,272,854	1,199,057	-	9,471,911	5,415,643	5,615,038	
8	AIR CONDITIONING SYSTEM	18,215,258	55,069	-	5,483,498	837,974	-	6,321,472	11,948,855	12,731,760	
9	ELECTRICAL INSTALLATION	8,606,370	239,585	-	4,227,061	367,655	-	4,594,716	4,251,239	4,379,309	
10	FURNITURE & FIXTURE	5,167,052	-	-	3,170,601	205,108	-	3,375,709	1,791,343	1,996,451	
11	VEHICLES	5,994,294	-	-	2,308,163	533,919	-	2,842,082	3,152,212	3,686,131	
12	INTANGIBLE ASSETS										
	a) TRADEMARKS #	56,999,144	-	-	15,594,393	1,519,979	17,114,372	-	-	41,404,751	
	b) SOFTWARE	1,671,064	-	-	1,282,700	388,364	-	1,671,064	-	388,364	
	c) TECHNICAL KNOWHOW	-	3,000,000	-	-	9,863	-	9,863	2,990,137	-	
	TOTAL	449,222,637	8,214,903	56,999,144	400,438,396	100,344,441	15,781,546	17,114,372	99,011,615	301,426,781	348,878,196
	PREVIOUS YEAR	327,918,894	121,504,743	201,000	449,222,637	83,625,475	16,863,478	144,512	100,344,441		

Refer note no. 2

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007**

PARTICULARS	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 6: INVESTMENTS		
(Long term, Non Trade, at cost and Unquoted)		
In Fully paid up shares of Co-operative Banks		
a) 6000 shares of Janseva Sahakari Bank Ltd. of Rs.25/- each	150,000	150,000
b) 60 shares of Rupee Co-op Bank Ltd. of Rs.25/- each	1,500	1,500
c) 5000 shares of Janata Sahakari Bank Ltd. of Rs.100/- each	500,005	500,005
d) 10 shares of Shamrao Vithal Co-op Bank Ltd. of Rs.25/- each	250	250
e) 710 shares of Saraswat Co op Bank Ltd.of Rs.10 each	7,100	7,100
f) 7000 shares of Vishweshwar Sahakari Bank Ltd. of Rs. 50/- each	350,000	350,000
TOTAL	<u><u>1,008,855</u></u>	<u><u>1,008,855</u></u>
SCHEDULE 7: INVENTORIES		
(As per inventory taken, valued and certified by the management)		
Stores & Spares	4,988,666	2,007,060
Raw Materials	31,812,915	33,021,873
Packing Materials	22,037,249	11,598,166
Work In Process	35,883,014	52,888,427
Finished Goods	144,542,342	90,455,418
TOTAL	<u><u>239,264,186</u></u>	<u><u>189,970,944</u></u>
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured, Considered Good by Management)		
1) Exceeding Six months Considered Good (please see note no.11)	23,892,675	30,562,023
Considered Doubtful	3,423,240	373,540
	<u>27,315,915</u>	<u>30,935,563</u>
2) Others - Considered Good	651,720,572	475,368,194
	<u>679,036,487</u>	<u>506,303,757</u>
Less : Provision for Doubtful Debts	3,423,240	373,540
TOTAL	<u><u>675,613,247</u></u>	<u><u>505,930,217</u></u>
SCHEDULE 9: CASH AND BANK BALANCES		
CASH ON HAND	2,621,549	1,759,293
BANK BALANCES		
With Scheduled banks		
In Current Accounts	8,863,497	11,438,951
In Time Deposits	2,000,000	-
Margin Money against LCs & OD	5,640,437	4,613,431
TOTAL	<u><u>19,125,483</u></u>	<u><u>17,811,675</u></u>

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2007

PARTICULARS	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured, Considered Good by Management)		
1) Advances Recoverable in Cash or in kind or for Value to be received [including advance on capital account Rs.14,63,986/- (previous year Rs.nil)]	28,878,205	37,730,454
2) Export Benefits Receivables	4,826,187	2,870,757
3) Interest Accrued	788,950	669,954
4) Prepaid expenses	3,451,537	365,965
5) Employee advances for expenses	9,003,563	2,881,203
6) Deposits	4,404,512	4,768,524
7) Income Tax and Tax Deducted at Source	18,158,513	9,762,512
8) Balances in Excise Accounts	3,482,282	15,487,899
9) MAT Credit 05-06	-	5,035,975
TOTAL	<u>72,993,749</u>	<u>79,573,243</u>

SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS

A) CURRENT LIABILITIES		
1) Acceptances	9,995,386	10,848,438
2) Sundry Creditors		
a) Small Scale Industries Undertaking	570,510	617,873
b) Others	119,014,975	136,641,606
c) For Expenses	27,455,984	15,875,984
3) Trade Deposits	11,900,000	10,700,000
4) Other Liabilities	49,834,433	121,974,295
	<u>218,771,288</u>	<u>296,658,196</u>
B) PROVISIONS		
For Tax	42,854,305	10,359,082
For Wealth tax	-	15,000
For Leave Encashment,Gratuity	4,608,312	547,147
For Proposed Dividend	10,640,643	-
For Dividend Distribution Tax	1,808,909	-
	<u>59,912,169</u>	<u>10,921,229</u>
TOTAL	<u>278,683,458</u>	<u>307,579,425</u>



SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007

PARTICULARS	Year Ended 31.03.2007 Rupees	Year Ended 31.03.2006 Rupees
SCHEDULE 12 : OTHER INCOME		
Interest		
a) Bank Deposits (tax deducted at source Rs. 36,781/- (previous year Rs.42,257/-)	194,958	208,164
b) Income tax refund	69,727	-
c) Other Interest (tax deducted at source Rs.14,246/- (previous year Rs.7,032/-)	136,448	245,429
Liabilities and Provisions Written Back	5,523,314	959,916
MAT Credit Entitlement F.Y. 05-06	-	5,035,975
Export Incentives	2,447,898	675,964
Claims, Refunds & Miscellaneous Income	2,530,693	11,128,373
Dividend on long term investments	48,740	45,103
Profit on sale of assets [net]	-	13,508
TOTAL	<u>10,951,778</u>	<u>18,312,432</u>
SCHEDULE 13 : MATERIAL COST		
A) Cost of Material		
Opening Stock	44,620,039	16,694,895
Add : Transferred on Amalgamation	-	19,915,574
Add : Purchases	1,542,157,711	1,293,386,274
	1,586,777,750	1,329,996,743
Less : Closing Stock	53,850,164	44,620,039
	(A) 1,532,927,586	1,285,376,704
B) Increase/Decrease in Stocks		
i) Opening Stock		
- Work in Process	52,888,427	6,512,573
Add : Transferred on Amalgamation	-	4,758,162
- Finished Goods	90,455,418	50,399,346
Add : Transferred on Amalgamation	-	2,498,525
	143,343,845	64,168,606
ii) Closing Stock		
Work in Process	35,883,014	52,888,427
Finished Goods	144,542,342	90,455,418
	180,425,356	143,343,845
Decrease / (Increase) in Stocks	(B) (37,081,511)	(79,175,239)
Material Cost	TOTAL	
	<u>1,495,846,075</u>	<u>1,206,201,465</u>

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SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007

PARTICULARS	Year Ended 31.03.2007 Rupees	Year Ended 31.03.2006 Rupees
SCHEDULE 14 : EMPLOYEE COSTS		
Salaries, Wages, Bonus Gratuity etc..	58,995,831	54,178,357
Contributions to Provident and Other Funds	14,851,963	5,031,238
Staff Welfare Expenses	2,267,026	2,307,364
TOTAL	76,114,820	61,516,959
SCHEDULE 15 : MANUFACTURING AND OTHER EXPENSES		
Power & Fuel	17,501,292	18,230,855
Water Charges	739,136	928,773
Repairs & Maintenance :		
Plant & Machinery	3,428,038	3,408,517
Building	310,794	847,009
Others	1,148,894	875,575
Factory Expenses	7,032,869	9,201,789
Discount	-	365,389
Research & Development Expenses	1,613,828	2,329,462
Labour and Processing Charges	20,104,870	18,031,271
Rent	4,466,200	4,321,470
Rates & Taxes	990,325	958,682
Communication Expenses	4,133,105	3,512,287
Hire Charges	540,000	540,000
Registration & License Fees	747,557	5,286,038
Travelling & Conveyance	15,232,589	13,261,637
Vehicle Expenses	1,390,727	1,870,643
Legal & Professional Fees	6,645,474	4,466,329
Sitting fees to Directors	86,000	56,000
Sales Promotion	10,682,870	10,627,348
Insurance	4,324,866	1,305,966
Breakages and Expiry	3,204,568	1,088,737
Bad Debts and remissions	-	1,653
Provision for Doubtful Debts	3,049,700	-
Commission	7,439,312	3,950,541
Carriage Outward	13,208,468	8,038,601
Sales Tax & Excise Duty (net)	1,195,425	521,969
Miscellaneous Expenses	5,224,965	2,227,148
Exchange rate fluctuation loss (net)	551,273	(12,685)
Bank & Finance Service charges	9,008,815	3,470,038
Security expenses	1,286,686	1,330,286
Expenses on Amalgamation	37,801	2,348,643
Printing & Stationary	1,882,201	2,031,622
TOTAL	147,208,648	125,421,592



SCHEDULE 16: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.3.2007

1. Significant Accounting Policies followed by the Company are as follows :-

1.1 Basis of preparation of financial statements:-

The financial statements are prepared under the historical cost convention and under the going concern concept except for revaluation of certain fixed assets, and are in accordance with the provisions of the Companies Act, 1956 and applicable mandatory Accounting Standards.

1.2 Use of Estimates:-

The preparation of Financial Statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of Assets & Liabilities & the disclosures of Contingent Liabilities on the date of Financial Statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed Assets:-

Fixed Assets are carried at cost of acquisition or construction and revalued cost where applicable and includes interest on borrowing attributable to acquisition of Fixed Assets up to the date of the asset being put to use/ready for use less accumulated depreciation and amortization.

1.4 Depreciation and Amortization:-

- (a) In respect of fixed assets other than Land and Intangible assets, the Company has charged depreciation under Straight Line method as per the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Fixed Assets individually costing upto Rs.5,000/- are fully depreciated in the year of purchase.
- (b) Intangible Assets are amortised over their economic life not exceeding 10 years from the date of acquisition.
- (c) Premium on Leasehold land is amortized over the period of the lease. Revalued amount in respect of leasehold land is amortised over the residual period of lease. Amortisation in respect of revalued portion is adjusted against the amount drawn from Revaluation Reserve.
- (d) Depreciation on Revalued assets are adjusted against the revaluation reserve to the extent of revaluation.

1.5 Impairment of Assets:-

The Company assesses at each Balance Sheet date as to whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount & the amount of such impairment loss is charged to the Profit & Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss, no longer exists, the recoverable amount is reassessed & the asset is reflected at the recoverable amount subject to a maximum of depreciated cost.

1.6 Investments: -

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments.

1.7 Revenue Recognition:-

Sale of goods is recognized when the risk and reward of ownership are passed on the customer, which generally is on delivery of goods to customers. Sales are exclusive of sales tax, excise duty and net of trade discount. Income on account of processing charges is recognised on the completion of job.

1.8 Inventories: -

Raw materials, work in progress & finished goods are valued at lower of cost and net realisable value. In valuing work-in-process and finished goods, cost of materials as well as conversion cost are taken into consideration. Finished goods are valued inclusive of excise duty payable thereon. Cost is determined using FIFO method.

1.9 Retirement Benefits: -

Retirement benefits in the form of Provident Fund which is a defined contribution scheme, is charged to the Profit & Loss Account of the year when the contribution to the fund accrue.

Gratuity liability, which is a defined benefit scheme, and provision for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

Actuarial gains and losses are immediately taken to profit and loss account and are not defined.

1.10 Research and Development Expenditure: -

Research and Development expenses of revenue nature are charged to Profit and Loss Account in the year in which they are incurred. Capital expenditure on Development is included in the respective fixed assets and depreciation is provided thereon in the aforesaid manner.

1.11 Foreign Currency Transaction:-

Foreign currency transactions are converted at exchange rates prevailing on the dates of transactions. Monetary assets in foreign currency at the end of the year are converted at the year-end rate. In case of monetary assets where the closing rate does not reflect with reasonable accuracy, the amount to be realized, they are reported at rates at which transactions were initially recognized. Such differences and the differences on account of foreign currency transactions in respect of revenue accounts are recognized in the profit and loss account.

1.12.Taxes on Income

- (a) Income tax expense for the year comprises of current tax and deferred tax. Current tax provision is determined

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on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred tax is recognised for all timing differences, subject to the consideration of prudence and virtual certainty of its realization supported by convincing evidence, applying the tax rates that have been substantively enacted by the Balance Sheet date. At each Balance Sheet date, the carrying amount of Deferred tax asset is reviewed based on developments to reassess realization.

- (b) MAT Credit is recognized as an asset on the basis of convincing evidence that the company will pay normal tax during the specified period and is subject to review at each balance sheet date.

1.13 Provisions:-

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current best estimates.

1.14 Earnings Per Share:-

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares.

1.15 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the Profit & Loss Accounts on a straight-line basis over the lease term.

Notes forming part of Accounts

2. Capital Reduction:

Shareholders and the creditors in their respective meetings approved a scheme for cancellation of Rs.10,64,06,425 out of the paid up equity capital being 50%, i.e. Rs.5 per share to be utilised for set off of the debit balance in profit and loss account and balance in the intangible asset account. The scheme also stipulated that the balance available after reducing the aforesaid be transferred to capital reserve account. Hon'ble High Court of Bombay approved the scheme during the year. Since on the date of receipt of aforesaid order and its subsequent filing of the same with the Registrar of Companies, Maharashtra, debit balance in Profit and Loss Account was Nil, balance in intangible asset account as on 30th November, 2006 being Rs. 3,98,84,773/- was reduced from the amount available on cancellation of paid up capital and resultant amount of Rs. 6,65,21,652/- is transferred to capital reserve account in accordance with the scheme approved.

3. Contingent Liabilities not provided for:

- Claims against the Company not acknowledged as debts: Rs.58,530/-
- Counter Indemnity given to Bank in respect of Bank Guarantees issued by them: Rs.1,14,218/-.
- Sales Tax Department had served a notice of demand on the company for interest on sales tax amounting to Rs.21,97,868/- for the year 1998-99 to 2000-01. The company has been advised that since the principal amount of sales tax has already been paid in the period for which notice has been issued there can not be any further liability towards interest. The appeal filed by the Company is pending before the Sales Tax Appellate Tribunal and the management does not expect any further liability on this account.

4. Quantitative information as required by paragraph 3 of Part II of Schedule VI to the Companies Act, 1956 (as certified by the management).

(a) LICENSED AND INSTALLED CAPACITIES AND PRODUCTION

CLASS OF GOODS	UNIT OF MEASUREMENT		LICENSED CAPACITY	INSTALLED CAPACITY	
				31.03.2007	31.03.2006
FORMULATIONS					
Liquids	Litres	(000)	N.A.	1930	1930
Tablets	Nos.	(00000)	N.A.	29300	29300
Capsules	Nos.	(00000)	N.A.	7790	7790
Powders, Creams & Ointment	Kg.	(000)	N.A.	3035	3035

CLASS OF GOODS	PRODUCTION		LOAN LICENSE PROCESSING		TOTAL	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Liquids	842.76	628.01	137.42	339.22	980.17	967.23
Tablets	17544.40	13207.30	4084.27	4265.99	21628.67	17473.29
Capsules	2611.04	2111.72	191.89	276.96	2802.93	2388.68
Powders, Creams & Ointment	155.51	21.85	639.28	964.18	794.80	986.02

Note : Installed capacities are as certified by the management and are based on two shift working basis and are not verified by the auditors being a technical matter.



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(b) OPENING STOCK OF FINISHED GOODS

CLASS OF GOODS	UNIT OF MEASUREMENT		2006-07		2005-06	
			QTY.	AMOUNT	QTY.	AMOUNT
FORMULATIONS						
Liquids	Litres	(000)	219.93	23222958	138.55	17689159
Tablets	Nos.	(00000)	748.38	46568372	570.39	28448020
Capsules	Nos.	(00000)	99.74	14730233	26.40	2843086
Powders, Creams & Ointment	Kg	(000)	45.78	5933856	24.09	3917806
				90455418		52898071

(c) SALES/TURNOVER (including free goods, replacements, etc.)

CLASS OF GOODS	UNIT OF MEASUREMENT		2006-07		2005-06	
			QTY.	AMOUNT	QTY.	AMOUNT
(a) Formulations						
Liquids	Litres	(000)	723.00	133830022	626.08	116411706
Tablets	Nos.	(00000)	32209.57	1566660156	29806.96	1106052539
Capsules	Nos.	(00000)	2721.43	250210737	1750.66	179038875
Powders, Creams & Ointment	Kg	(000)	104.11	23452758	35.49	13729244
(b) Intermediaries & others				-		149395988
				1974153673		1564628352
Less: Excise duty				47467259		76912943
Net Sales				1926686414		1487715409

(d) CLOSING STOCK OF FINISHED GOODS

CLASS OF GOODS	UNIT OF MEASUREMENT		2006-07		2005-06	
			QTY.	AMOUNT	QTY.	AMOUNT
FORMULATIONS						
Liquids	Litres	(000)	468.03	52889157	219.93	23222958
Tablets	Nos.	(00000)	1147.05	60999507	748.38	46568372
Capsules	Nos.	(00000)	77.26	7923821	99.74	14730233
Powders, Creams & Ointment	Kg	(000)	154.47	22729859	45.78	5933856
TOTAL				144542345		90455418

(e) COST OF MATERIALS CONSUMED :

CLASS OF GOODS	UNIT OF MEASUREMENT		2006-07		2005-06	
			QTY.	AMOUNT	QTY.	AMOUNT
Purchase of Bulk Drug	Ton	-	13239.33	1279830152	11889.58	1074620534
Capsules	Nos.	(00000)	4998.60	41714918	3092.40	24739260
Packing material			-	74367182	-	60283773
Others			-	137015334	-	125733137
Note: No single raw material or packing material accounts for more than 10% of total consumption.						
TOTAL				1532927586		1285376704

(f) COST OF MATERIALS CONSUMED :

PARTICULARS	2006-07		2005-06	
	%	AMOUNT	%	AMOUNT
Indigenous	99.71	1528460388	98.64	1267937209
Imported	0.29	4467198	1.36	17439495
TOTAL	100.00	1532927586	100.00	1285376704

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(g) C.I.F. VALUE OF IMPORTS

PARTICULARS	2006-07	2005-06
Raw Materials	4443849	13759286
Other Materials	—	87555

(h) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	2006-07	2005-06
Interest	—	14555
Traveling & other expenses	36537	28432

(i) EARNINGS IN FOREIGN CURRENCY

PARTICULARS	2006-07	2005-06
Exports at FOB value	167765905	75705212
Insurance, freight and other recoveries	3992347	2029304

5. Dues to/from various parties are subject to confirmation.
 6. Managerial Remuneration u/s 198 of the Companies Act,1956 :

(a) TO THE CHAIRMAN AND MANAGING DIRECTOR

PARTICULARS	2006-07	2005-06
Basic Salary	850000	1000000
Perquisites	1163551	1066150
Contribution to Provident Fund	102000	120000
Total Rs.	2115551	2186150

(b) TO THE EXECUTIVE DIRECTORS

PARTICULARS	2006-07	2005-06
Basic Salary	600000	600000
Perquisites	514500	547470
Contribution to Provident Fund	72000	72000
Total Rs.	1186500	1219470

7. Divisible Profits computed u/s 205 of the Companies Act, 1956 :

Net Profit as per Profit & Loss Account [PAT]	140,888,914
Less: Opening Balance of P&L Account Dr	14,852,277
Total Divisible Profit Rs.	126,036,637

8. (a) PAYMENT TO AUDITORS

PARTICULARS	2006-07	2005-06
Statutory Audit Fee	350000	350000
VAT Audit Fee	75000	—
Limited Review, Interim Audit & Corporate Governance Report	150000	150000
Tax Audit Fee	90000	90000
Service Tax	81396	60180
Total Rs.	746396	650180

(b) PAYMENT TO COST AUDITOR

PARTICULARS	2006-07	2005-06
Cost Audit Fee	55000	55000
Service Tax	6732	5610
Total Rs.	61732	60610

**TWILIGHT LITAKA PHARMA LIMITED**

9. Research and Development expenses include:

PARTICULARS	2006-07	2005-06
Materials	390139	628405
Salary, contribution to P. F., Bonus, etc.	1202434	1425003
Others	21255	276054
Total Rs.	1613828	2329462

10. Names of Small Scale Industrial Undertakings to whom the Company owes amount which is outstanding for more than 30 days as on 31st March, 2007:

Anchor Mark Pvt. Ltd., Amsal Chem Pvt. Ltd., Alchemy Foils, Bhasin Packwell, Beriwal, Maple Biotech.

No amounts are due to Micro, Small and Medium Enterprises.

11. Sundry Debtors include Rs.1,22,92,137/- (previous year Rs.22,003,951/-) due from a customer in Uganda. In view of the delay in recovery of the amount, the Company had initiated recovery proceedings against the said customer by appointing Official Receiver, after creating charge on the assets of the said customer and one Associate Concern of the customer during the year 2001-02. During the current financial year, settlement has been arrived, following which, recovery by the Official Receiver shall be made in three installments. The first installment of Rs.97,11,815/- has already been received during the current financial year. Second installment of Rs.10,39,751/- has been received in April, 2007 and the third and final installment of Rs.82,02,686/- shall be received in May, 2007. Balance of Rs.32,49,700/- which is not recoverable has been duly provided in books of account.

12. Calculation of Earning Per Share as per Accounting Standard (AS-20) "Earning Per Share":

PARTICULARS	2006-07	2005-06
Net Profit for the year (Rs.) (a)	140888914	95618281
No. of Equity Shares outstanding at the beginning of the year	9548785	9548785
Add: Shares issued during the year on 22.06.2006	11732500	-
No. of Equity Shares outstanding at the end of the year	21281285	9548785
Weighted Average Number of Equity Shares (b)	21281285	9548785
Pending allotment as on 31.03.2007 (c)	-	11732500
Nominal value per share (Rs.)	5	10
Basic and diluted EPS (Rs.) (a)/(b)	6.62	4.49

13. Deferred Tax calculation as per Accounting Standard (AS-22) :

PARTICULARS	2006-07	2005-06
Deferred Tax Liability:		
Depreciation	16997405	14803637
Deferred Tax Asset:		
Gratuity	870175	-
Leave Encashment	348174	-
Expenses allowable under I.T. Act upon payment	-	13472287
Net Deferred Tax Liability Rs.	15779056	1331350

14. Disclosure regarding derivative instruments and un-hedged foreign currency exposure

Sr. No.	Particulars	Amount in Foreign Currency		Amount in Rupee
		Currency	(in thousand)	(in thousand)
1.	Loan availed	USD	1346.80	59137.99
2.	Sundry Debtors	USD	507.02	21786.60
3.	Sundry Creditors	USD	79.47	3489.45
4.	Sundry Creditors	Swiss Franc	5.23	197.03

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15. "Related party disclosures"

(i) Name & relationship of the related parties with whom there are transactions:

- | | |
|---|--|
| (a) Key management personnel | Mr. Rajendra C. Bora – Chairman
Mr. Gopal Ramourti – Managing Director
Mr. Nainish Bora – Executive Director
Mr. Abhijit Bora – Executive Director |
| (b) Relatives of key management personnel | Mrs. Lalita R. Bora – wife of Mr. R C Bora
Mrs. Preeti Bora – wife of Mr. N R Bora
Mrs. Pooja Bora – wife of Mr. A R Bora
Mrs. Sonia Gopal – wife of Mr. Gopal Ramourti |
| (c) Enterprises over which the key management personnel has influence | Litaka Chemicals Limited
Borachem Industries Limited
Twilight Mercantiles Ltd.
Regent Financial Services Pvt. Ltd.
Dubash Investment & Finance Co. Pvt. Ltd.
G. R. Capital & Finance Pvt. Ltd.
Clover Laboratories Pvt. Ltd. |

(ii) Particular of transactions:

Transaction during the year	With parties referred to in (a) above	With parties referred to in (b) above	With parties referred to in (c) above	Total
Remuneration	3302051.00 (3405620.00)	- (-)	- (-)	3302051.00 (3405620.00)
Rent	1055768.00 (875556.00)	1869236.00 (1689024.00)	- (-)	2925004.00 (2564580.00)
Hire Charges	- (-)	- (-)	540000.00 (540000.00)	540000.00 (540000.00)
Interest	- (-)	- (-)	1462500.00 (-)	1462500.00 (-)
Sale of Finished Goods	- (-)	- (-)	- (55198406.00)	- (55198406.00)
Purchase of Finished Goods	- (-)	- (-)	13936954.77 (-)	13936954.77 (-)
Inter Corporate Deposit Received	- (-)	- (-)	24059868.00 (46071530.00)	24059868.00 (46071530.00)
Inter Corporate Deposit Repayment	- (-)	- (-)	24219274.00 (-)	24219274.00 (-)

Note: Previous year figures are in brackets

16. The Company is primarily engaged in Pharmaceuticals business along with trading of formulation activity. The Export sales of the Company are less than 10% of the total sales. In view of this, in context of Accounting Standard (AS-17) "Segment Reporting", the Company has concluded that there are no reportable segments.

17. Figures of the previous year have been regrouped wherever necessary.

As per our Report of even date.

**FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS**

**V. MOHAN
PARTNER
M No. 17748**

Place : Mumbai
Date : 17th May, 2007

For and on behalf of the Board

R C Bora Chairman
Gopal Ramourti Managing Director
A S Chandvankar Director
S D Tole Director & Company Secretary

Place : Mumbai
Date : 17th May, 2007



Balance Sheet Abstract and Company's General Business Profile as required by part IV of Schedule VI to the Companies Act 1956.

I. Registration Details

Registration No. : L 2 4 2 3 1 M H 1 9 7 4 P T C 0 1 7 1 3 9

State Code : 1 1

Balance sheet Date : 3 1 . 0 3 . 2 0 0 7

II. Capital Raised during the year (Amount Rs. in thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Share Suspense A/c

N I L

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in thousands)

Total Liabilities

1 3 0 9 4 3 2

Total Assets

1 3 0 9 4 3 2

Sources of Funds

Paid-up Capital

1 0 6 4 0 6

Reserves & Surplus

2 3 9 9 7 2

Share Suspense A/c

N I L

Deferred Tax liability

1 5 7 9 7

Secured Loans

4 2 3 9 5 5

Unsecured Loans

2 4 4 6 1 9

Application of Funds

Net Fixed Assets

3 0 1 4 2 7

Investments

1 0 0 9

Net Current Assets

7 2 8 3 1 3

Accumulated Losses

N I L

IV. Performance of Company (Amount Rs.in thousand)

Turnover

1 9 8 6 3 4 3

Total Expenditure

1 7 9 5 2 4 6

Profit Before Tax

1 9 1 0 9 7

Profit After Tax

1 4 0 8 8 9

Earning per share (Rs.)

6 . 6 2

Dividend Rate %

1 0

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No.(ITC Code) 3 0 0 3 . 2 0

Product Description S E R R A T I O P E P T I D A S E

Item Code No.(ITC Code) 3 0 0 3 . 2 0

Product Description F L U C O N A Z O L E

Item Code No.(ITC Code) 3 0 0 3 . 2 0

Product Description T E R B U T A L I N E S U L P H A T E



TWILIGHT LITAKA PHARMA LIMITED

Registered Office : 'Himalaya Estates' 16-A Shivajinagar, Pune 411 005

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

(Joint Shareholders may obtain additional Attendance Slips on request)

I hereby record my presence at the **33rd Annual General Meeting** of the Company held on **Thursday**, the **28th June, 2007** at **9.30 a.m.**

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	No. of Shares held
SIGNATURE OF THE SHAREHOLDER/PROXY*	Folio No. / Client ID No.

*Strike out whichever is not applicable

PROXY



TWILIGHT LITAKA PHARMA LIMITED

Registered Office : 'Himalaya Estates' 16-A Shivajinagar, Pune 411 005

Folio No. _____ Client ID No. _____

I/We _____

of _____ being a member/members of Twilight Litaka Pharma Limited

hereby appoint _____

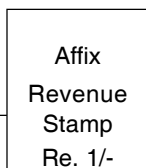
of _____ or failing him _____

of _____ as my/our proxy to attend and vote for me/us and on

my/our behalf at the 33rd Annual General Meeting of the Company to be held on Thursday, the 28th June, 2007 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2007.

Signed by the said _____



NOTE : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

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For Care & Comfort in Pain Management



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SERATID 10/5

(Serratiopeptidase)



Lariclav

375 Tablets
625 Tablets
Dry Syrup

The Safe, Sure & Smart Antibiotic



Zoxin-S

0.375 gm
1.5 gm

(Ceftriaxone + Sulbactam Injection)
The "Microbe" Hunter

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TWILIGHT LITAKA PHARMA LIMITED

Regd. Office : 'Himalaya Estates', 16-A Shivajinagar, Pune – 411 005