



Twilight Litaka Pharma Limited

35th Annual Report 2008 - 2009



**New
Launch**

**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
MR. N. R. BORA, Executive Director &
Chief Financial Officer [CFO]
MR. A. R. BORA, Executive Director
MR. S. D. TOLE, Director & Company Secretary

AUDITORS

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

BANKERS

CENTRAL BANK OF INDIA
ICICI BANK LTD.
HDFC BANK LTD.
STANDARD CHARTERED BANK
BARCLAYS BANK PLC
AXIS BANK LTD.

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

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, Gaurai pada, Vasai (E)
Dist : Thane 401 208
- 4) Village Dhana, BaghBania,
Baddi Nalagarh Road, Nalagarh,
Dist. - Solan, Himachal Pradesh - 174701

REGISTRAR & TRANSFER AGENTS

Sharepro Services (I) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone
Exchange, Andheri – Kurla Rd., Saki Naka,
Andheri (E), Mumbai 400072

35th ANNUAL GENERAL MEETING

Date : 13th August, 2009
Day : Thursday
Time : 10.00 a.m.
Place : Sumant Moolgaokar
Auditorium Hall, Ground
Floor, MCCIA Trade Tower,
“A” Wing, ICC Centre,
Senapati Bapat Road,
Pune – 411 016

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VISIT US AT:

<http://www.twilightlitaka.com/>



Managing Director's Communiqué



Dear Stakeholders,

Warm Greetings to you !

It gives me pleasure to share with you the performance of your Company for the Financial Year 2008-2009.

At the outset I am happy that in spite of the sluggish economy, we delivered well in 2008-2009. We have reported encouraging performance in revenue, net income, EPS and other key parameters such as volumes sold. What excites all of us at TLPL is the platform that we have created for launch into the future.

You will be glad to know that the Board of Directors of your Company has recommended 20% Dividend for the Financial Year 2008 - 2009 i.e. Re.1/- per share.

Completion of the Financial Year is an opportunity to take a clear view of where we are and where we are heading. In the past few years we were getting our plans ready, decided where we wanted to go, worked out our strategies and estimated the resources required for transformation, to be one of the fastest growing pharmaceutical companies.

The Pharmaceutical formulation industry is witnessing a huge increase in demand since the advent of globalization in India which has resulted in certain demographic changes. The population of the middle class in the country has reached beyond 35 crores. This middle class now has comparatively more disposable income and has started spending money on healthcare matters. This has percolated from urban centers to the rural population as well. The Centre and State Governments have also increased their allocation for healthcare segments especially in rural and mofussil parts of the country. The budgetary outlays have resulted in spurt in demand for formulations.

The Pharmaceutical Industry is reported to have over 20,000 companies marketing various formulations all over India. Your Company has been consistently improving its ranking in terms of its sales performance and it is currently ranked amongst the top 100 pharmaceutical companies. As per the Asia Pacific Life Science Industrial Survey conducted by Bio Spectrum your Company is ranked at 91 in the Asia Pacific region. With a view to meet the growing competition, your Company is attempting to broad base its product range by launching new products in anti-infectives, analgesics, anti-inflammatory, antipyretics, nutritionals, dermatologicals, anticold, cough expectorants and suppressants with focus on paediatrics, geriatrics, and women healthcare.

Speed in decision making, flexibility in operations, aggressive marketing strategies, effective product launches and dedicated and committed field force are the major tools with which the Company is meeting the competition. The Company is reasonably confident of growing at about 25% every year and plans to increase the field force to over 1000 gradually. Acquisition of small level companies with or without their brands is also envisaged to achieve quick growth in the future to meet over all goals of the company. Competition in Domestic Marketing is very severe. However, due to consistent quality, aggressive marketing strategy and efficient man management in the marketing sphere, the company has carved a niche for itself. Outsourcing of manufacturing activities is mutually beneficial to large as well as small companies by economizing on material as well as manufacturing costs and capitalizing on core strength areas of respective companies.



The demand for effective and affordable drugs is increasing in all markets. While healthcare costs are increasing, customers have been seeking more effective drugs at affordable prices. These challenges need to be met for in the long run there is no getting round the fact that healthcare needs to be inexpensive and within the reach of the common man. The Company is far better placed to provide quality products with raw materials under its control within the shortest time to the market and at prices that are competitive.

We know our destination. We have clarity in what we want to do and have a clear road map to achieve it. We know our strengths and are consolidating them. We are also aware of the areas that we need to improve to fast track our progress and are addressing them.

We want to grow but not at any price. We are not interested in entering every therapeutic segment merely to achieve top line growth. We are seeking long term sustainable growth that will add value to the Company and all its stakeholders. We are on track.

Our volumes are surging, top line is on a climb, profits are rising and the product pipeline gives many more entry points. We are becoming the fastest growing pharmaceutical company primarily by the passion of our dedicated team and momentum of growth. In a sense I want TLPL to have long term sustainable growth and to create wealth for all those associated with the company. We are striving to execute this plan from several directions. We will do what is good for TLPL.

The initiatives now being taken will add to the momentum of growth and value to TLPL. These are exciting times and I look forward to the future with confidence.

Our stakeholders' trust and confidence will be reciprocated. They have been our inspiration and we understand their perspective. Our suppliers are valuable and they help us to perform better. We shall strive to become the preferred employer and for our investors the preferred investment decision.

The details of your Company's performance are given in the Directors' Report. Here it suffices for me to say that these are creditable results.

The focus of your Company is to make continued efforts to enhance our margins and increase our profitability in order to maximize shareholder value. This, however, cannot be possible without the continuing support of our employees and other stakeholders of your Company. It has been the consistent co-operation of all these stakeholders that has enabled your Company to reach such levels of success. I thank you all for this support and look forward to continuing this close co-operation into the future.

With warm regards,

Gopal Ramourti
Managing Director

NOTICE

NOTICE is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TWILIGHT LITAKA PHARMA LTD., will be held on **Thursday, 13th August, 2009, at 10.00 a.m. at Sumant Moolgaokar Auditorium Hall, Ground Floor, MCCIA Trade Tower, "A" Wing, ICC Centre, Senapati Bapat Road, Pune – 411 016** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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. Ramesh Narayan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M. S. Raghavan Ayyangar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Rajendra C. Bora, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. Nainish R. Bora, 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 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 situated, present and future, and/or conferring power, to enter upon and to give possession of assets of the Company in certain events, to or in favour of Banks and / or Financial Institutions (“Lender”) and / or Trustee Companies working on behalf of the Lender to secure the

financial assistance provided/to be provided by the Lender 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 financial assistance provided / to be provided to the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the Lender and / or with the Trustee Companies, 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.

RESOLVED FURTHER 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.”

9. 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.400/- crores (Rupees Four 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.



RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, instruments and writings as may be required and to do all such necessary acts, deeds and things to give effect to this resolution.”

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

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 27th June, 2009

Place : Pune

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 INSTEAD OF HIMSELF AND THE 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 COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business contained in item no. 8 and 9 of the Notice set out above is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 8th August, 2009 to Thursday, 13th August, 2009 (both days inclusive).
4. The Dividend on Equity shares as recommended by the Board of Directors, upon declaration by the shareholders at the forthcoming annual general meeting, will be payable to those shareholders whose names appear in the Register of Member as on 7th August, 2009, 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 directly to their Depository participants immediately and not to

send the requests for the change in their Bank account details 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. The members are hereby informed that the Company would transfer the dividends which remain unclaimed over a period of 7 years to the Investor Education and Protection Fund constituted by the Central Government under section 205C of the Companies Act, 1956.
 10. **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. Ramesh Narayan

Mr. Ramesh Narayan, S/o. Late Shri. C. A. Narayan, age 53 years, is an expert in the field of advertising. He has been the Chairman of the prestigious ABBY awards committee and was the Editor of the Award winning SOLUS magazine for five years. He founded Canco Advertising Pvt. Ltd., a full time advertising agency. He was on the Council of the Audit Bureau of Circulations and also on the Board of National Readership Survey Council.

2. Mr. M. S. Raghavan Ayyangar

Mr. M. S. Raghavan Ayyangar, S/o. Late Shri. P. M. Ayyangar, age 60 years, is a Graduate in Engineering and a Post Graduate in Management. He has vast experience in Biotechnology and Nutrition.

3. Mr. Rajendra C. Bora

Mr. Rajendra Bora, S/o. Late Shri Chandmal T. Bora, age 59 years, has done Diploma in Mechanical Engineering. He has more than 35 years experience in Chemicals & Pharmaceuticals Industry involving fields of Manufacturing,

Distribution, Marketing and Administration. He is associated with the Company since 1997 in the capacity as the Chairman of the Company.

4. Mr. Nainish R. Bora

Mr. Nainish Bora, S/o. Mr. Rajendra Bora, age 35 years, is a Commerce Graduate and has also obtained his MBA degree. He has been associated with the Company for the last 12 years, earlier in the capacity as Director – Commercial and Vice President and currently as Executive Director and Chief Financial Officer of the Company. He looks after the funds management and other commercial activities of the Company.

EXPLANATORY STATEMENT

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

The following Explanatory statement sets out as required by Section 173 (2) of the Companies Act, 1956, the material facts relating to Special Business mentioned in the accompanying Notice dated 27th June, 2009

Item no. 8

In the 33rd Annual General Meeting held on 28th June, 2007, the members had given their consent to the Board of Directors for mortgaging, hypothecating, pledging and/or charging or to give possession of immovable and movable properties of the Company in favour of Banks and/or Financial Institutions to secure financial assistance provided/to be provided by them to the Company.

Now a days, many times Banks / Financial Institutions appoint Trustee Companies for the preparation and execution of documents and also to keep the custody of title deeds on behalf of the said Banks / Financial Institutions. This practice is convenient since it saves both, time and money of the company in availing financial facilities from the Banks / Financial Institutions from time to time.

Vide resolution passed under section 293(1) (a) of the Companies Act, 1956, in the 33rd Annual General Meeting, members had authorized the Board for mortgaging etc. of immovable and movable properties of the Company in favour of Banks and/or Financial Institutions only. For dealing with the Trustee Companies for the aforesaid purpose, it is necessary to take authorization from the members in favour of the Board of Directors under section 293(1) (a) of the Companies Act, 1956.

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. 9

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 the 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 28th June, 2007 to borrow funds up to Rs.200/- Crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital and free reserves of the Company. After considering the future expansion and growth plans of the Company, it seems necessary for the Company to borrow further monies to finance long term requirements. On this line, Ordinary Resolution set out in Item no. 9 of the accompanying Notice is placed for the consideration of members for their consent to increase the borrowing limit from Rs.200/- Crores to Rs. 400/- 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.

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

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 27th June, 2009
Place : Pune



DIRECTORS' REPORT

Dear Shareowners,

Your directors are pleased to present this Thirty - Fifth Annual report of your Company for the financial year ended on 31st March 2009.

REVIEW OF PERFORMANCE

	Year ended 31st March, 2009 [Rs. In crs.]	Year ended 31st March, 2008 [Rs. In crs.]
TOTAL INCOME	373.18	296.81
NET PROFIT AFTER TAX	22.12	18.03
Add: Surplus brought forward from the Balance Sheet	25.09	11.36
Less: Short provision for tax for earlier year	0.18	-
Amount available for disposal	47.03	29.39
APPROPRIATIONS :		
General Reserve	2.19	1.81
Equity Dividend	2.13	2.13
Distribution Tax on Dividend	0.36	0.36
Surplus carried to Balance Sheet	42.35	25.09

DIVIDEND

The Board is pleased to recommend a dividend at the rate of 20% [i.e. Re. 1/- per share] of the face value of Rs. 5/- each. If approved by the Shareholders at the Annual General Meeting, the dividend will absorb Rs. 2.13 crs. The Dividend Distribution Tax borne by the Company will amount to Rs. 0.36 crs.

CHANGES IN CAPITAL STRUCTURE

During the year under review, there has been no change in the Capital Structure of the Company.

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

Your Company reached the Total Income of Rs. 373.18 crs during the year under review which represents increase of Rs. 76.37 crs. over the previous year which increase is equivalent to 26%. The post tax profits at Rs. 22.12 crs. were also higher by Rs. 4.09 crs. marking an increase of 23% over the previous year. Even on the background of sluggish economy your Company performed well.

During the year 2008 - 2009, the Company introduced seven new products namely Cefilite CV 200, Cefilite CV 50 DT, Tufpod 200, Tufpod CV 200 Tufpod Dry Syrup, PMS Care and Uneed.

All the products of the Company including new introductions have been well accepted by the medical

fraternity in India. The main therapeutic areas of interest to the Company continue to be anti-infectives, analgesics, anti-inflammatory, antipyretics, nutritionals, dermatologicals, anticold, cough expectorants and suppressants with focus on paediatrics, geriatrics, and women healthcare.

SCHEME OF ARRANGEMENT

The Scheme of Arrangement between Twilight Mercantiles Ltd. [TML], and your Company for acquiring the manufacturing unit and marketing division of TML was approved by the Shareholders at the meeting held on 7th March, 2009 convened as per the directives of the Hon'ble Bombay High Court.

The Hon'ble Bombay High Court vide its Order dated 2nd May, 2009 in the Company Petition No. 224 of 2009 has sanctioned the Scheme of Arrangement as proposed which was effective from 1st April, 2008 i.e. the Appointed Date. Accordingly the effect to the Scheme of Arrangement was given in the books of the Company for the year ended 31.03.2009. With this arrangement, your Company has acquired modern manufacturing facilities at Himachal Pradesh, a notified backward area and as such will enjoy number of incentives offered to the said unit by the Government/s. Your Company, pursuant to the Scheme, also acquired a marketing set up of TML which consists of a team of well trained and experienced marketing personnel. As such due to this acquisition, your Company will exploit various commercial and business opportunities and would also be entitled for various tax benefits. This would sizably change the financials of the Company resulting in improved performance and net worth of the Company which would directly benefit the shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) The pharmaceutical industry is expanding world-wide. Because of low costs, qualified staff and extensive production and research units, India is becoming more and more of a major pharmaceutical location. Between 1996 and 2006 the pharmaceutical sales were up to 9% p.a. which was much faster than the global pharmaceutical market as a whole which was 7% p.a. and since 2007, it is at 13%.

India's pharmaceutical industry currently comprises of about 20,000 licensed companies employing approximately 5 lacs people. The Indian pharma industry produces a total of about 70,000 different drugs which is higher than in many other developed nations in the world.

Demand in India is growing markedly due to rising population figures, the increasing number of old people, the awareness and access to healthcare, and the development of incomes. As a production location the country is benefiting from its wage cost advantages over western competitors also in

terms of production and medicines. Going by the current scenario India is expected to see drug sales rise by an annual 9% to nearly 20 billion Euros between 2006 and 2015. This growth rate is higher than the entire world (+6%).

- (b) Your Company has always been India-centric. Most of the business turnover has been from the Indian market. With strong growth expected to continue in the Indian economy, we continue to see healthy growth. Regular launch of new products has continuously aided your Company in widening its therapeutic range which is our key focus area. The Year under review witnessed introduction of new products and new combination and line extensions of existing products. As a result of our strong brand building efforts, and innovative marketing strategies, sales from new products have contributed considerably to the turnover of the Company.
- (c) Your Company has been engaged in Manufacturing and Marketing of Pharmaceutical Formulations and has also undertaken Contract Manufacturing for leading Pharmaceutical Companies both National and International. It is important to understand that with respect to own manufacturing and marketing, the working capital cycles are enormously long for the following reasons:
1. Retail Sales across length and breadth of India and limited locations for manufacturing [distance between manufacturing locations to point of sale].
 2. Extremely competitive market with many players offering similar products.
 3. Introduction of newer products in existing as well as new territories requires compliance of Chemists and Druggists Association Rules for extended credit.

Your Company is highly working capital intensive and hence in order to convert the elaborate marketing efforts of the Company into Sales, there is a need to maintain higher levels of inventories and book debts. Additionally, higher levels of growths in these heterogeneous markets are only possible through increased working capital investment. Your Company has in the past several years grown @ 34% [CAGR] and this has been possible due to the consistent higher levels of Net Working Capital which is also commensurate with the other pharmaceutical companies in this regard

- (d) Your Company expects to leverage its existing relationships for outsourcing assignments. It further plans to supplement its domestic formulations and revenues with earnings from contract manufacturing. Your Company is not merely looking at contract manufacturing in the traditional sense, but it is expected to add value and innovate along the way. This has provided your

Company with the opportunity to gain access to new technology breakthroughs and novel expertise. Contract manufacturing demands mix of infrastructure and expertise. Your Company offers both. Your Company's efforts in the field of contract manufacturing continue and the developments are expected to add to the revenues and profitability.

In its efforts to remain competitive and profitable in the challenging industry environment of today, your Company has developed a strong and elaborate network of relationships with consumers, suppliers and external partners.

- (e) Your Company plans to introduce few new products in the domestic market in the current financial year. Besides this your Company also has plans to ramp up the marketing operations. Your Company's vision is to consolidate its position in India.
- Your Company's initiative would aid in emerging as one of the fastest growing Companies in the India's mid-cap pharmaceutical sector.
- (f) The Company's Internal Control systems complement the nature and size of the business. Internal Controls have been designed to prevent fraud and misuse of Company's resources protecting in turn shareholder interest. The internal audit team constantly monitors the controls and any feedback, whether positive or negative is communicated directly to the management.
- (g) 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.

EXPORT

Your Company continues to achieve encouraging performance from the Exports segment also. As informed to you in the past, several products for which applications for registrations were made by the Company in various countries are receiving approvals from the respective FDA authorities. The Company is, however, monitoring rupee valuation vis-à-vis dollar, continuously and is therefore rather cautious in accepting export commitments due to frequent fluctuations.

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.



INSURANCE OF ASSETS

All the fixed assets, finished goods, semi-finished goods, raw materials, packing materials and other goods and assets of the Company lying at different locations and in-transit have been insured against fire, burglary, transit and allied risks.

AUDITORS' REPORT

Note(s) on accounts as referred to in the Auditors' Report is/are self-explanatory and therefore do not call for further comments or explanation.

DIRECTORS

Mr. Ramesh Narayan, Mr. M. S. Raghavan Ayyangar, Mr. R. C. Bora and Mr. Nainish R. Bora, Directors of the Company retire by rotation at the forthcoming Annual General Meeting, and being eligible, 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.

COST AUDIT

The reports of Mr. S. G. Jog, Cost Accountant in respect of audit of the cost accounts relating to formulations for the year ended 2007 - 08 has been submitted to the Central Government.

FIXED DEPOSITS

The Company has not invited / received any fixed deposits during the year.

PARTICULARS OF EMPLOYEES

Since none of the employee has crossed the mandatory ceiling limit prescribed 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 given by way of separate insertion to the Directors' 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of the Profit 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.

HUMAN RESOURCES

The relationship with the workers at the manufacturing unit and other staff continues to be cordial. New settlement was reached with the workers of the Vadgaon Plant of the Company effective 1st May, 2008 is operative for a period of 3 years. The Directors wish to place on record their sincere appreciation and gratitude for the services rendered by workers and staff at all levels. Your Company is aware that its own people are the key to future realization of its goals. To this end the Company is initiating steps towards a better work environment.

ACKNOWLEDGMENTS

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.**

RAJENDRA C. BORA
CHAIRMAN

Date : 27th June, 2009
Place : Pune

**CORPORATE GOVERNANCE REPORT FOR THE
FINANCIAL YEAR 2008 - 09**

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 2009 the Board of Directors of the Company consists of twelve Directors, Nine of whom are Non Executive Directors, out of which 6 are Independent Directors.

During the Financial Year under review, Twelve (12) Board Meetings were held on the following dates: 19th April, 2008, 23rd June, 2008, 25th July, 2008, 31st July, 2008, 5th August, 2008, 30th September, 2008, 25th October, 2008, 15th November, 2008, 2nd January, 2009, 29th January, 2009, 13th March, 2009 and 21st March, 2009.

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 Director	Board Meetings attended	Committee Meetings attended			Directorship of other Companies
			Audit Committee	Share Transfer cum Investor Grievance Committee	Remuneration Committee	
Mr. Rajendra Bora*	Chairman (Promoter)	12	-	-	-	-
Mr. Gopal Ramourti*	Managing Director (Promoter)	12	-	-	-	5
Mr. Sanjeev Tole*	NED & CS	12	4	21	-	1
Mr. A. S. Chandvankar*	NED (I)	12	4	21	-	1
Mr. V. K. Naik *	NED (I)	03	3	17	-	-
Prof. P. D. Gupte *	NED (I)	03	3	-	-	-
Mr. Nainish Bora *	Executive Director (Promoter)	12	-	04	-	-
Mr. Abhijit Bora	Executive Director (Promoter)	11	-	-	-	-
Mr. Ramesh Ramourti	NED	06	-	-	-	-
Mr. M. S. Raghavan Ayyangar *	NED (I)	02	-	-	-	2
Mr. Ramesh Narayan	NED (I)	01	-	-	-	2
Mr. Mohan Motwani *	NED (I)	03	-	-	-	1

NED & CS – Non Executive Director & Company Secretary

NED – Non Executive Director, I – Independent

* Directors were present in the last Annual General Meeting held on 31.07.2008

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

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 (I) (D) of the Listing Agreement.

4. MD/CFO Certification

The Managing Director and Chief Financial Officer of the Company have certified positively to the Board on the matters specified in Clause 49 (V) of the Listing Agreement.



5. Audit Committee

The Company has an Audit Committee since 2001. As on 31st March 2009, the Audit Committee consisted of three members, namely Mr. A. S. Chandvankar, Prof. P. D. Gupte and Mr. Ramesh Ramourti. Mr. A. S. Chandvankar and Prof. P. D. Gupte 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.

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

During the year under report, four Audit Committee meetings were held on, 23.06.2008; 31.07.2008; 25.10.2008 and 29.01.2009, 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 meetings are circulated to the members of the Board, discussed and taken note of.

6. 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 consists of two Directors of the Company, viz. Mr. A. S. Chandvankar, and Mr. Ramesh Ramourti. 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, no meeting of the Remuneration Committee was held.

7. Remuneration of Directors

The details of remuneration paid/payable to the Directors for the year 2008-09 are given below:

Director	Salary (Rs.)	Perquisites (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Gopal Ramourti	12,00,000	10,35,670	1,44,000	23,79,670
Mr. Nainish Bora	6,00,000	5,60,020	72,000	12,32,020
Mr. Abhijit Bora	6,00,000	5,60,020	72,000	12,32,020

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. R. C. Bora	24,000	NIL
2.	Mr. A. S. Chandvankar	24000	NIL
3.	Mr. Ramesh Ramourti	12000	NIL
4.	Prof. P. D. Gupte	6,000	NIL
5.	Mr. V. K. Naik	6000	NIL
6.	Mr. Mohan Motwani	6000	NIL
7.	Mr. M. S. Raghavan Ayyangar	4000	NIL
8.	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 a Director.

8. Shareholding of Non-Executive /Independent Directors as on 31.03.2009 :

Name of Director	No. of Equity Shares of Rs. 5/- each
Prof. P. D. Gupte	NIL
Mr. A. S. Chandvankar	NIL
Mr. V. K. Naik	NIL
Mr. Ramesh Narayan	55,500
Mr. M. S. Raghavan Ayyangar	NIL
Mr. M. T. Motwani	25,000
Mr. S. D. Tole	10,000

9. 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 & Mr. Nainish R. Bora. In the Board Meeting held on 29.01.2009 the Committee has reconstituted. Mr. Naik due to his busy schedule has resigned as member of the committee. Therefore Mr. N. R. Bora has been appointed as member of the committee.

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 21 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 Ten (10) 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.

Nature of Complaints	Received	Resolved	Pending
Share Certificates	Nil	Nil	Nil
Dividend	02	02	Nil
Non-Receipt of Annual Report	08	08	Nil

Complaints of Shareholders forwarded by :

Stock Exchange	01	01	Nil
SEBI	Nil	Nil	Nil

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

10. General Body Meetings

The details of the location and time for last three Annual General Meetings [AGM] and three 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
04.03.2006	2006	Extra Ordinary General Meeting [Court Convened]	B-22 'H' Block,	10:00 a.m.
17.06.2006	2006	Extra Ordinary General Meeting		M.I.D.C. Pimpri
03.08.2006	2006	Annual General Meeting	Pune – 411 018	9:30 a.m.
28.06.2007	2007	Annual General Meeting		9:30 a.m.
31.07.2008	2008	Annual General Meeting		11.00 a.m.
07.03.2009	2009	Extra Ordinary General Meeting [Court Convened]		11.30 a.m.

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

No resolution was put through postal ballot in the last year.

11. 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. 2.14 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.

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

1. Mr. Nainish R. Bora

Mr. Nainish Bora, S/o. Mr. Rajendra Bora, age 35 years, is a Commerce Graduate and has also obtained his MBA degree. He has been associated with the Company for the last 12 years, earlier in the capacity as Director – Commercial and Vice President and currently as Executive Director and Chief Financial Officer of the Company. He looks after the funds management and other commercial activities of the Company. Mr. Nainsish Bora is holding 1,69,870 Equity Shares in the Company i.e. 0.80 % of the Share Capital of the Company.



2. Mr. M. S. Raghavan Ayyangar

Mr. M. S. Raghavan Ayyangar, S/o. Late Shri. P. M. Ayyangar, age 60 years, is a Graduate in Engineering and a Post Graduate in Management. He has vast experience in Biotechnology and Nutrition. He does not hold any shares in the Company.

3. Mr. R. C. Bora

Mr. Rajendra Bora, S/o. Late Shri. Chandmal T. Bora, age 59 years, has done Diploma in Mechanical Engineering. He has more than 35 years experience in Chemicals & Pharmaceuticals Industry involving fields of Manufacturing, Distribution, Marketing and Administration. He is associated with the Company since 1997 in the capacity as the Chairman of the Company. He holds 7,81,588 Equity Shares of the Company i.e. 3.67% of the Share capital of the Company.

4. Mr. Ramesh Narayan

Mr. Ramesh Narayan, S/o. Late Shri. C. A. Narayan, age 53 years, is an expert in the field of advertising. He has been the Chairman of the prestigious ABBY awards committee and was the Editor of the Award winning SOLUS magazine for five years. He founded Canco Advertising Pvt. Ltd., a full time advertising agency. He was on the Council of the Audit Bureau of Circulations and also on the Board of National Readership Survey Council. He holds 55,500 Equity Shares of the Company i.e. 0.26% of the Share capital of the Company.

13. Means of communication

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

The Company has its own website, namely www.twilightlitaka.com, which displays the general profile and product profile of the Company.

14. 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 35th AGM** : Thursday, 13th August, 2009 at 10.00 a. m.
at Sumant Moolgaokar Auditorium Hall, Ground Floor,
M.C.C.I.A. Trade Tower, "A" Wing, I.C.C. Centre Senapati
Bapat Road, Pune 411016.
The Notice of the Annual General Meeting is being sent to
the Members along with this Annual Report.
- e) **Dates of Book Closure** : Saturday, 8th August, 2009 to Thursday, 13th August, 2009
(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 17th August, 2009 to those members whose names appear on the Company's Register of Members as holders of Equity Shares in physical form on 7th August, 2009. 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) Electronic Clearance System (ECS) for Dividend

Securities and Exchange Board of India (SEBI) has made it mandatory for all the Companies to use bank account details furnished by the investors for distributing dividends payable to them by using ELECTRONIC CLEARANCE SYSTEM (ECS) wherever ECS Facility is available. Those investors who are not registered with the Company for ECS payment of Dividend may register themselves now. Necessary form for registering the details is enclosed with this annual report. The registration details should reach the Registrars & Transfer Agent of the Company i.e. M/s. Sharepro Services (I) Pvt. Ltd., on or before 07.08.2009 to enable them to accept the request.

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

i) 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 Saturday 8th August, 2009 to Thursday, 13th August, 2009 (both days inclusive), for the purpose of Annual General Meeting.

j) The Stock Exchange Listing

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai – 400 001

BSE Scrip Code: 506985

The Company has paid Annual Listing Fee for the Financial Year 2009-10 to the Stock Exchange on which the Shares of the Company are listed.

k) Scrip Name : TWILITAKA PH. (BSE INDONEXT) Scrip ID: TWILITAKA

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

SHAREPRO SERVICES (I) PVT. LTD.

13 AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri - Kurla Road Sakinaka,
Andheri (E), Mumbai – 400 072.

Phone : 022 - 67720300, 022 - 67720400

Fax : 022 - 28591568, 022 - 28508927

E-mail : sharepro@shareproservices.com

<http://www.shareproservices.com>

Name of contact Person :- Ms. Indira Karkera

m) Share Transfer System

Company has appointed M/s. Sharepro Services (I). Ltd., as its Registrars and Share Transfer Agent.

The address of Sharepro Services (I). Pvt. Ltd. :

SHAREPRO SERVICES (I) PVT. LIMITED

13 AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri - Kurla Road Sakinaka,
Andheri (E), Mumbai – 400 072,

Phone : 022 - 67720300, 022 - 67720400,

Fax : 022 - 28591568, 022 - 28508927

E-mail: sharepro@shareproservices.com

<http://www.shareproservices.com>

Name of contact Person:- Ms. Indira Karkera.

E-mail ID: indira@shareproservices.com

n) 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.)	Total Turnover (Rs.)	No of Trades
April 2008	64.00	46.50	26,766,420.00	3131
May 2008	69.00	55.00	30,143,115.00	3583
June 2008	57.95	42.00	15,708,426.00	2544
July 2008	54.90	35.10	20,216,300.00	2878
August 2008	57.00	42.10	8,044,615.00	1740
September 2008	67.50	41.60	50,953,726.00	6552
October 2008	55.45	28.10	15,465,774.00	2297
November 2008	37.00	26.00	6,031,658.00	1134
December 2008	37.00	25.10	5,782,183.00	1479
January 2009	37.50	28.10	3,778,361.00	1020
February 2009	31.40	24.40	3,177,480.00	1148
March 2009	27.40	22.00	2,324,552.00	854

**TWILIGHT LITAKA PHARMA LIMITED****o) Comparison of the Company's Share Prices with BSE Sensex for 2008 - 09**

Company 's Share Price performance in comparison to BSE Sensex based on share price on 31.03.2009.

Period	% Change	
	Company's Share Price	Sensex
Opening Price / Index as on 31.03.2008	Rs. 49.20	15645
Closing price Index as on 31.03.2009	Rs. 26.85	9024.12
% increase / decrease	(-) 45.43 %	(-) 42.32 %

P) Distribution Schedule as on 31.03.2009

Distribution of Shareholding and shareholding pattern as on 31st March 2009

Description	Holder's Folio	% to Total Shareholders	Holding(s) Shares	% to Share Capital
Up to 500	13772	91.061	2661578	12.507
501 – 1000	718	4.747	604677	2.841
1001 – 2000	327	2.162	497120	2.336
2001 – 3000	100	0.661	260463	1.224
3001 – 4000	42	0.278	150726	0.708
4001 – 5000	43	0.284	208290	0.979
5001 – 10000	52	0.344	392070	1.842
10001 and above	70	0.463	16506361	77.563
Total	15124	100.00	21281285	100.00

q) Shareholding Pattern as on 31.03.2009

Sr. No.	Category	No. of Shares	% to Share Capital
1.	Promoter, including persons acting in concert, Directors and their relatives	13565249	63.74
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	331100	1.56
4.	Private Bodies Corporates	469954	2.21
5.	Indian Public	6911082	32.47
	TOTAL	21281285	100.00

r) List of Top Ten Shareholders of the Company as on 31.03.2009.

Sr. No.	Name of Shareholder	Category	No. of shares held	% to the Share Capital
1.	GR Capital And Finance Pvt. Ltd.	Promoter	92,30,000	43.37
2.	Gopal Ramourti	Promoter	23,00,000	10.81
3.	Rajendra C. Bora	Promoter	7,81,588	3.67
4.	Borachem Industries Ltd.	Promoter	4,32,000	2.03
5.	Sharon Gupta	Public	6,83,074	3.21
6.	Hemant Kumar Gupta	Public	6,02,987	2.83
7.	Abhijit R. Bora	Promoter	2,63,980	1.24
8.	Anusha S. Ramani	Public	2,19,843	1.03
9.	Lalita Rajendra Bora	Promoter	1,98,811	0.93
10.	Nainish Rajendra Bora	Promoter	1,69,870	0.80

s) Plant Locations:

- | | |
|--|---|
| 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 | 2) 116/2 Chakan Phata
Mumbai – Pune Road
Vadgaon Maval, Dist. Pune 412 106
Tel : 02114 - 325901 / 61
Fax : 02114 - 222859
Email : tlplvadgaon@tlpl.co.in |
| 3) 39/40 Vasai Taluka Industrial Estate
Sector II, Gauraipada, Vasai (E)
Dist: Thane 401 208
Tel : 0250 - 2455465 / 2450829
Fax : 0250 - 2455464
Email : tlplvasai@tlpl.co.in | 4) Village Dhana, BaghBania,
Baddi Nalagarh Road, Nalagarh, Dist. Solan
Himachal Pradesh - 174 701
Tele Fax No. 01795267090
Email : baddi@tlpl.co.in |

t) 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 31.03.2009, 91.78% of Equity Share Capital of the Company has been dematerialized.

u) 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, Manager – 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



MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We, Gopal Ramourti, Managing Director and Nainish R. Bora, Executive Director and Chief Financial Officer (C.F.O.) 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 for the Financial Year ended on 31.03.2009;
- 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 insure 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 : Pune
Date : 27th June, 2009

Gopal Ramourti
Managing Director

Nainish R. Bora
Executive Director & C.F.O.

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 31st March, 2009 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 Corporate Governance. It is neither an audit nor an expression of and 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, 2009, 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 compliances 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 : 27th June, 2009

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, 2009 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, 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 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, 2009;
 - 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 : 27th June, 2009

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) During the year 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 Companies Act, 1956.
- (b) The Company has taken interest free unsecured loans from 2 companies and interest bearing loan from 1 company covered in the register maintained under Section 301 of the Companies Act, 1956, having maximum balance of Rs. 723,943/- during the year and closing balance of Rs. 703,943/- as on 31st March, 2009.
- (c) In our opinion and according to information and explanations given to us, terms and conditions of the loans taken by the company from parties listed in

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register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the company.

- (d) Principle is repayable only on demand. No demand for repayment of principle was made by lenders during the year. The company has been regular in paying interest wherever applicable.
- 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) There have been delays in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, TDS, Service Tax, Excise Duty and other statutory dues during the year. At the end of the Financial Year arrears of outstanding statutory dues for a period of more than 6 months from the date they become payable is as under:

Name of The Statute	Nature of the Dues	Amount Rs.	Period to Which the amt. relate	Due Date	Date of Payment
Income Tax Act , 1961	Advance Tax	1,175,460/-	Jun 08	15.06.08	26.06.09
Income Tax Act , 1961	Advance Tax	9,830,940/-	Sept. 08	15.09.08	26.06.09

- (b) Based on the information and explanation given to us, there are no dues towards Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which are disputed and not deposited.
Disputed dues on account of sales tax not deposited with appropriate authorities are given below.

Name of the Statute	Nature of the Dues	Amount. Rs.	Period to which the amt. relates	Forum where dispute pending
Sales Tax	Interest	1,047,297	2003-2004	Sales Tax Tribunal Mumbai

- 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**

Place : Mumbai
Date : 27th June, 2009

**V MOHAN
PARTNER
Membership No. 17748**



BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2009	31.03.2008
		Rupees	Rupees
SOURCES OF FUNDS			
1) SHAREHOLDER'S FUNDS :			
Share Capital	1	106,406,425	106,406,425
Reserves & Surplus	2	589,559,833	395,248,471
		<u>695,966,258</u>	<u>501,654,896</u>
2) LOAN FUNDS:			
Secured Loans	3	1,333,110,092	888,993,378
Unsecured Loans	4	271,200,147	311,381,771
		<u>1,604,310,239</u>	<u>1,200,375,149</u>
3) DEFERRED TAX LIABILITY (Net)		<u>40,661,048</u>	<u>17,064,000</u>
	TOTAL	<u><u>2,340,937,545</u></u>	<u><u>1,719,094,045</u></u>
APPLICATION OF FUNDS			
1) FIXED ASSETS :			
A) Gross Block		722,392,758	452,535,967
Less : Depreciation & Amortisation		<u>140,490,033</u>	<u>114,613,318</u>
Net Block	5	581,902,725	337,922,649
B) Capital Work in Progress		<u>52,537,856</u>	<u>72,114,122</u>
		<u>634,440,581</u>	<u>410,036,771</u>
2) INVESTMENTS	6	376,929	358,850
3) CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	7	518,772,753	361,329,311
b) Sundry Debtors	8	1,428,747,899	1,128,790,451
c) Cash & Bank Balances	9	42,992,513	22,460,207
d) Loans and Advances	10	224,204,084	262,347,266
		<u>2,214,717,249</u>	<u>1,774,927,235</u>
Less : Current Liabilities & Provisions	11		
a) Current Liabilities		297,561,396	284,515,585
b) Provisions		<u>211,035,818</u>	<u>181,713,226</u>
		<u>508,597,214</u>	<u>466,228,812</u>
Net Current Assets		1,706,120,035	1,308,698,424
	TOTAL	<u><u>2,340,937,545</u></u>	<u><u>1,719,094,045</u></u>

Schedule & Notes forming integral part of accounts. 16

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

V. MOHAN
PARTNER
M No. 17748

Place : Pune
Date : 27th June, 2009

For and on behalf of the Board

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

Place : Pune
Date : 27th June, 2009

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
INCOME :			
Sales (Gross)		3,636,681,124	2,948,342,711
Less : Excise Duty		<u>15,562,998</u>	<u>31,841,402</u>
Net Sales		3,621,118,126	2,916,501,309
Processing & Service Charges		83,307,433	31,902,720
Other Income	12	<u>27,369,378</u>	<u>19,680,258</u>
	TOTAL	<u>3,731,794,937</u>	<u>2,968,084,287</u>
EXPENDITURE :			
Material Cost	13	2,783,873,583	2,221,655,501
Employee Costs	14	155,866,944	112,088,968
Manufacturing and Other Expenses	15	319,231,063	260,198,376
Interest :			
On fixed loans		60,082,373	27,635,075
On Others		<u>104,874,567</u>	<u>63,850,269</u>
		164,956,940	91,485,344
Depreciation and amortisation	5	25,876,715	16,471,387
Less : Transfer to Revaluation Reserve		<u>154,612</u>	<u>154,612</u>
		25,722,103	16,316,775
PROFIT BEFORE TAX		282,144,304	266,339,323
Provision for tax :			
Current tax		34,021,000	82,000,000
Deferred tax		23,597,048	1,267,000
Fringe Benefit Tax		<u>3,308,110</u>	<u>2,742,000</u>
		60,926,158	86,009,000
PROFIT AFTER TAX		221,218,146	180,330,323
Less : Short Provision for Tax for earlier year		1,853,069	-
Add : Surplus brought forward from Balance Sheet		<u>250,918,304</u>	<u>113,587,085</u>
Profit available for Appropriation		<u>470,283,381</u>	<u>293,917,408</u>
APPROPRIATIONS :			
Proposed Dividend		21,281,285	21,281,285
Add : Dividend Distribution Tax		3,617,818	3,617,819
Transfer to General Reserve		<u>21,936,508</u>	<u>18,100,000</u>
Surplus carried forward		<u>423,447,770</u>	<u>250,918,304</u>
Basic & Diluted EPS		10.39	8.47
[On Equity share of Rs. 5/- each (previous year Rs. 5/- each)]			
Schedule & Notes forming integral part of accounts 16			

As per our Report of even date.

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

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

Place : Pune
Date : 27th June, 2009

For and on behalf of the Board

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

Place : Pune
Date : 27th June, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
1 Cash Flow from Operating Activity		
Net Profit Before Tax	282,144,304	266,339,323
Adjustment for :		
Depreciation & Amortisation	25,722,103	16,316,775
Loss / (Profit) on Sale of Assets (Net)	-	100,465
Interest	164,956,940	91,485,344
Interest Received	(5,113,956)	(11,811,767)
Dividend Received	(52,103)	(58,800)
Operating Profit before Working Capital Changes	<u>467,657,288</u>	<u>362,371,340</u>
Adjustment for :		
Trade & Other Receivables	(261,814,266)	(505,230,906)
Inventories	(157,443,442)	(122,065,125)
Trade Payables	65,965,450	188,812,351
Cash Generated from operations	<u>114,365,030</u>	<u>(76,112,340)</u>
Direct Taxes (Paid) / Refunds (Net)	(62,779,227)	(86,009,000)
Net Cash flow from Operating activity (A)	<u>51,585,803</u>	<u>(162,121,340)</u>
2 Cash Flow from Investing Activity		
Purchases of Fixed Assets (including changes in Capital WIP)	(250,280,525)	(127,340,734)
Sale of Fixed Assets	-	2,158,894
Sale/(Purchase) of Investments	(18,079)	650,005
Dividend Received	52,103	58,800
Interest Received	5,113,956	11,811,767
ICD	-	(137,299,815)
Net Cash Inflow / (Outflow) from Investing Activity (B)	<u>(245,132,544)</u>	<u>(249,961,083)</u>
3 Cash Flow from Financing Activity		
Proceeds from / (Repayment) of Borrowings :		
Term Loans	16,009,730	342,175,735
Working Capital Facilities	428,106,985	122,903,009
Other Loans	(40,181,624)	66,722,850
Dividend Paid	(24,899,103)	(24,899,103)
Interest Paid	(164,956,940)	(91,485,344)
Net Cash from / (utilised) in Financing Activities (C)	<u>214,079,047</u>	<u>415,417,147</u>
Net Increase / (Decrease)	<u>20,532,306</u>	<u>3,334,724</u>
4 Cash & Cash Equivalents		
Cash & cash equivalents at start of the year	22,460,207	19,125,483
Cash & cash equivalent at the close of year	<u>42,992,513</u>	<u>22,460,207</u>

Note : The breakup of cash & cash equivalent is as per Schedule 9 of the Balance Sheet.

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

V. MOHAN
PARTNER
M No. 17748

Place : Pune
Date : 27th June, 2009

For and on behalf of the Board

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

Place : Pune
Date : 27th June, 2009

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED CAPITAL:	215,000,000	215,000,000
43,000,000 Equity Shares of Rs.5/- each.		
ISSUED, SUBSCRIBED & PAID UP	106,406,425	106,406,425
[21,281,285 Equity Shares of Rs. 5/- each (Previous year refer note given below)]		
TOTAL	106,406,425	106,406,425
Note :		
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	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	212,812,850
Less : Amount reduced pursuant to Scheme of Capital Reduction approved by the Hon'ble Bombay High Court. [Equity Shares of Rs. 10/- to Rs. 5/- each as on 31.03.2007]	106,406,425	106,406,425
	106,406,425	106,406,425
SCHEDULE 2 : RESERVES AND SURPLUS		
1) CAPITAL RESERVE	87,215	87,215
2) SECURITIES PREMIUM ACCOUNT	1,300,170	1,300,170
3) CAPITAL RESERVE ON AMALGAMATION AND CAPITAL REDUCTION	68,413,596	68,413,596
4) GENERAL RESERVE		
As per last Balance Sheet	18,100,000	18,100,000
Add : Transfer from Profit & Loss A/C	21,936,508	18,100,000
	40,036,508	18,100,000
5) SURPLUS IN PROFIT & LOSS A/C	423,447,770	250,918,304
6) REVALUATION RESERVE		
Balance as per Last Balance Sheet	56,429,186	56,583,798
Less : Amortisation on revalued Leasehold Land transferred from Profit & Loss Account	154,612	154,612
	56,274,574	56,429,186
TOTAL	589,559,833	395,248,471

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2009**

PARTICULARS	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 3 : SECURED LOANS		
FROM BANKS		
1) TERM LOANS: [Secured by first equitable mortgage of some of the immovable properties including Rs. 1,388,373/- being secured against hypothecation of vehicle]	403,234,327	387,224,597
2) WORKING CAPITAL FACILITIES : [Secured by first charge on all movable assets of the company, first and second equitable mortgage of immovable property of the company and further secured by mortgage of immovable property belonging to another company and one of the directors as a collateral security and personal guarantee of some of the directors of the company]	929,875,765	501,768,781
TOTAL	<u>1,333,110,092</u>	<u>888,993,378</u>
SCHEDULE 4 : UNSECURED LOANS		
(A) Short Term Loans & Advances		
From Bank : (Against personal guarantee of Chairman & Managing Director)]	30,080,548	90,000,000
(B) Other Loans & Advances :		
(1) From Bank : (Against personal guarantees of Chairman & his relatives and their immovable properties.)	11,746,155	12,869,803
(2) From Others : (including Rs. 62,207,041/- being sales tax deferrals repayable in instalments from 2009-10 to 2019-20)	229,373,444	208,511,968
TOTAL	<u>271,200,147</u>	<u>311,381,771</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009
SCHEDULE 5 : FIXED ASSETS

SR. NO	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
		AS AT 01.04.2008	ADDITIONS #	DELETIONS	AS AT 31.03.2009	AS AT 01.04.2008	FOR THE YEAR	DELETIONS	AS AT 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
1	LAND (FREEHOLD)	55,550,300	13,892,827	-	69,443,127	-	-	-	-	69,443,127	55,550,300
2	LAND (LEASEHOLD)	29,615,000	-	-	29,615,000	1,821,411	388,367	-	2,209,778	27,405,222	27,793,589
3	FACTORY BUILDING	149,103,430	64,549,773	-	213,653,203	37,510,824	7,031,297	-	44,542,121	169,111,082	111,592,606
4	RESIDENTIAL FLATS	958,040	-	-	958,040	131,573	15,616	-	147,189	810,851	826,467
5	PLANT & MACHINERY	93,518,125	100,905,370	-	194,423,495	22,904,025	7,952,600	-	30,856,625	163,566,870	70,614,104
6	FACTORY & OTHER EQUIPMENTS INCLUDING COMPUTERS	51,796,077	40,785,452	-	92,581,529	19,741,593	3,578,365	-	23,319,958	69,261,571	32,054,484
7	MOULD, DIES, JIGS, BLOCK & DESIGNS	16,011,197	660,814	-	16,672,011	10,688,790	1,477,592	-	12,166,382	4,505,629	5,322,407
8	AIR CONDITIONING SYSTEM	20,414,126	25,624,381	-	46,038,507	7,188,761	1,181,040	-	8,369,801	37,668,706	13,225,365
9	ELECTRICAL INSTALLATION	9,695,687	9,940,402	-	19,636,089	4,992,496	819,090	-	5,811,586	13,824,503	4,703,191
10	FURNITURE & FIXTURE	8,086,698	12,978,297	-	21,064,995	3,725,239	1,101,844	-	4,827,083	16,237,912	4,361,459
11	VEHICLES	7,442,783	519,475	-	7,962,258	2,776,202	596,216	-	3,372,418	4,589,840	4,666,581
12	INTANGIBLE ASSETS										
	a) TRADEMARKS	5,000,000	-	-	5,000,000	750,000	1,000,000	-	1,750,000	3,250,000	4,250,000
	b) SOFTWARE	2,344,504	-	-	2,344,504	1,772,541	134,688	-	1,907,229	437,275	571,963
	c) TECHNICAL KNOWHOW	3,000,000	-	-	3,000,000	609,863	600,000	-	1,209,863	1,790,137	2,390,137
	TOTAL	452,535,967	269,856,791	-	722,392,758	114,613,318	25,876,715	-	140,490,033	581,902,725	337,922,649
	PREVIOUS YEAR	400,438,396	55,226,612	3,129,041	452,535,967	99,011,615	16,471,387	869,688	114,613,318	337,922,649	

Include assets acquired from TML (See Note no. 2.2)



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 6 : INVESTMENTS		
(Long term, Non Trade, at cost and Unquoted)		
In Fully paid up shares of Co-operative Banks		
a) 60 shares of Rupee Co-op Bank Ltd. of Rs. 25/- each	1,500	1,500
b) 10 shares of Shamrao Vithal Co-op Bank Ltd. of Rs. 25/- each	-	250
c) 710 shares of Saraswat Co-op Bank Ltd. of Rs.10 each	-	7,100
d) 7000 shares of Vishweshwar Sahakari Bank Ltd. of Rs. 50/- each	350,000	350,000
e) National Saving Certificate (Pledged with sales tax authorities)	25,429	-
TOTAL	376,929	358,850
SCHEDULE 7 : INVENTORIES		
(As taken, valued and certified by the management)		
Stores & Spares	4,458,253	5,140,333
Raw Materials*	95,520,147	45,790,914
Packing Materials	32,649,285	28,188,785
Work In Process	88,216,225	55,887,708
Finished Goods	297,928,843	226,321,571
* Includes goods in transit		
TOTAL	518,772,753	361,329,311
SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
1) Exceeding Six months Considered Good	32,750,498	30,976,992
Considered Doubtful	900,828	3,869,639
	33,651,326	34,846,631
2) Others - Consider Good	1,395,997,401	1,097,813,459
	1,429,648,727	1,132,660,090
Less : Provision for Doubtful Debts	900,828	3,869,639
TOTAL	1,428,747,899	1,128,790,451
SCHEDULE 9 : CASH AND BANK BALANCES		
CASH ON HAND	1,879,911	329,191
BANK BALANCES		
a) With Scheduled banks		
In Current Accounts	32,169,135	14,658,864
In Time Deposits (Rs. 400,000 pledged with Sales Tax authorities)	2,443,000	2,000,000
Margin Money against LCs	6,500,467	5,472,152
TOTAL	42,992,513	22,460,207

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2009

PARTICULARS	ASAT 31.03.2009 Rupees	ASAT 31.03.2008 Rupees
SCHEDULE 10 : LOANS AND ADVANCES		
(Unsecured, Considered Good)		
1) Advances Recoverable in Cash or in kind or for Value to be received [including advance on capital account Rs. 8,14,904/- (previous year Rs. 7,78,819/-)]	66,884,448	26,406,048
2) Interest Accrued but not due	1,696,275	232,070
3) Prepaid expenses	3,324,390	3,317,252
4) Staff Loans & Advances	7,768,748	12,803,460
5) Deposits	9,732,723	5,345,791
6) Income Tax and Tax Deducted at Source	109,114,703	60,332,468
7) Balances with revenue authorities	25,682,797	16,610,362
8) ICD Placed	-	137,299,815
TOTAL	224,204,084	262,347,266
SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS		
A) CURRENT LIABILITIES		
1) Acceptances	74,640,901	82,162,194
2) Sundry Creditors		
a) Micro, Medium, Small Enterprises	7,519,712	5,341,685
b) Others	152,772,284	130,808,805
c) For Expenses	33,171,682	28,709,551
3) Unclaimed Dividend*	1,499,898	454,325
4) Trade Deposits	16,300,000	11,600,000
5) Other Liabilities	11,656,919	25,439,025
	297,561,396	284,515,585
B) PROVISIONS		
For Current Tax	153,546,110	124,818,971
For Defined benefit obligation	6,053,149	5,457,695
For Proposed Dividend	21,281,285	21,281,285
For Dividend Distribution Tax	3,617,818	3,617,819
For Other Provisions	26,537,456	26,537,456
	211,035,818	181,713,226
TOTAL	508,597,214	466,228,811

* There are no amount due & outstanding to be credited to Investor Education & Protection Fund.

**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

PARTICULARS	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
SCHEDULE 12 : OTHER INCOME		
Interest		
a) Bank Deposits (tax deducted at source Rs. 65,076/- (previous year Rs. 79,349/-)	501,897	523,836
b) Other Interest (tax deducted at source Rs. 6,02,365/- (previous year Rs. 13,73,611/-)	4,612,060	11,811,767
Export Incentives (net)	3,993,950	3,331,462
Exchange Gain	7,729,495	–
Claims, Refunds & Miscellaneous Income	9,832,773	2,504,360
Dividend on long term investments	52,103	58,800
Liabilities and Provisions Written Back	647,100	1,450,033
	TOTAL	
	<u>27,369,378</u>	<u>19,680,258</u>
SCHEDULE 13 : MATERIAL COST		
A) Cost of Material		
Opening Stock	73,979,699	53,850,164
Add : Purchases	2,700,327,478	2,306,861,413
	<u>2,774,307,177</u>	<u>2,360,711,577</u>
Less : Closing Stock	128,169,432	73,979,699
	(A) 2,646,137,745	2,286,731,878
B) Purchase of Finished Goods	(B) 224,572,763	36,707,546
C) Increase / Decrease in Stocks		
i) Opening Stock		
Work in Process	55,887,708	35,883,014
Finished Goods	243,420,435	144,542,342
	<u>299,308,143</u>	<u>180,425,356</u>
ii) Closing Stock		
Work in Process	88,216,225	55,887,708
Finished Goods	297,928,843	226,321,571
	<u>386,145,068</u>	<u>282,209,279</u>
Decrease / (Increase) in Stocks	(C) (86,836,925)	(101,783,923)
Cost of Material	TOTAL	
	<u>2,783,873,583</u>	<u>2,221,655,501</u>

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SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

PARTICULARS	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
SCHEDULE 14 : EMPLOYEE COSTS		
Salaries, Wages, Bonus Gratuity etc..	141,998,430	100,066,820
Contributions to Provident and Other Funds	11,083,995	10,072,945
Staff Welfare Expenses	2,784,519	1,949,203
TOTAL	155,866,944	112,088,968
SCHEDULE 15 : MANUFACTURING AND OTHER EXPENSES		
Power & Fuel	20,469,205	14,749,642
Water Charges	938,187	1,052,696
Repairs & Maintenance :		
Building	1,391,091	707,979
Plant & Machinery	4,761,381	4,968,148
Others	1,695,943	960,174
Labour and Processing Charges	26,787,829	27,965,252
Factory Expenses	10,128,846	6,281,771
Research & Development Expenses	3,699,977	1,571,891
Security expenses	2,342,520	1,745,536
Rent	7,415,673	5,154,543
Rates & Taxes	1,502,125	1,130,958
Communication Expenses	7,540,868	6,007,728
Hire Charges	639,176	540,000
Registration & License Fees	982,625	546,744
Travelling & Conveyance	60,647,771	43,431,981
Vehicle Expenses	2,793,544	1,591,014
Printing & Stationary	6,182,998	4,320,869
Legal & Professional Fees	13,004,981	8,966,404
Sitting fees to Directors	82,000	54,000
Sales Promotion	29,280,316	18,743,474
Insurance	4,519,912	5,832,396
Breakages and Expiry	19,027,761	11,557,429
Commission on sales	11,327,780	9,354,216
Carriage Outward	25,724,371	18,609,318
Sales Tax paid	591,522	2,123,251
Exchange rate fluctuation loss (net)	-	3,685,896
Bank & Finance Service charges	44,005,817	24,424,151
Loss on sale of Asset	-	100,465
Provision for Doubtful Debts	-	819,939
Miscellaneous Expenses	11,746,844	33,200,511
TOTAL	319,231,063	260,198,376



SCHEDULE 16: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.3.2009

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 in accordance with the provisions of the Companies Act, 1956 and applicable Accounting Standards as notified under The Companies Accounting Standards Rules, 2006.

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.
- (b) Fixed Assets individually costing upto Rs.5,000/- are fully depreciated in the year of purchase.
- (c) Intangible Assets are amortised over their economic life not exceeding 5 years from the date of acquisition.
- (d) Premium on Leasehold land is amortized over the primary 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.
- (e) 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: -

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. Net Sales are exclusive of sales tax, excise duty and 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 of inventories is determined using FIFO method.

1.9 Retirement Benefits: -

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Retirement benefits in the form of Provident Fund, Family Pension Fund, Gratuity Scheme, Leave Encashment Scheme and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss Account of the year when the contributions to the respective funds accrue.

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 and liabilities in foreign currency at the end of the year are converted at the year-end rate. In case of monetary assets and liabilities 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

Income tax expense for the year comprises of current tax and deferred tax. Current tax provision is determined 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/liability is reviewed based on developments to reassess realization.

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.

1.16 Financial Derivatives

Changes in the fair value of derivative financial instruments as at the Balance Sheet date are recognized in the profit and loss account by marking them to market.

2. Notes forming part of Accounts:

2.1 Contingent Liabilities not provided for:

- a) Claims against the Company not acknowledged as debts : Rs.58,530/-
- b) Sales Tax case filed before Sales Tax Tribunal, Mumbai challenging the Order of Dy. Commissioner against levy of interest on Assessment dues for the period 2003-2004 : Rs. 10,47,297/-.

2.2 Scheme of Arrangement

- a) Pursuant to a Scheme of Arrangement u/s 391/394 of the Companies Act, 1956 and as approved by the High Court of Bombay, the company acquired the "Manufacturing and Marketing Division" of Twilight Mercantile Limited on "Slump Sale" for net consideration of Rs.1,10,00,000/- as on 1st April, 2008 (appointed date). Land & Building comprised of in the slump sale are accounted at values as certified by the approved valuer. Other assets and liabilities are accounted at actual. Details are given below :

PARTICULARS	(in Rs.)	(in Rs.)
1. FIXED ASSETS :		
Land (freehold)	13,892,827.00	
Factory Building	62,293,436.00	
Plant & Machinery	56,142,127.00	
Factory Equipments	4,809,802.00	
Air Conditions	305,853.00	
Electrical Installation	9,748,335.00	
Furniture & fixture	10,015,870.00	
Vehicles	519,475.00	157,727,725.00
2. Net Current Assets		99,471,919.00
TOTAL VALUE OF ASSET (A)		257,199,644.00
3 LIABILITIES :		
Loans (B)		246,199,644.00
4 Consideration for Slump Sale (A-B)		11,000,000.00

- b) Assets belonging to Twilight Mercantile Limited (TML) are in the process of being transferred in the name of the company and with the appropriate authorities. Further since the appointed date in the petition under Section 391/394 was 01.04.2008 and the effective date was 3rd June 2009, during this period the business of the undertaking transferred shall be deemed to have been carried on by TML to the benefit of and for and on behalf of the company, supporting documents for the transactions that have taken place during this period are in the name of TML.
- c) Previous figures are not comparable since current year figures include figures pertaining to manufacturing and marketing undertaking of Twilight Mercantile Limited acquired on slump sale as on 01.04.2008.



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2.3 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	
				31.03.2009	31.03.2008
Formulations					
Liquids	Litres	(000)	N.A.	3430	1930
Tablets	Nos.	(00000)	N.A.	59300	29300
Capsules	Nos.	(00000)	N.A.	12790	7790
Powders, Creams & Ointment	Kg.	(000)	N.A.	3735	3035

CLASS OF GOODS	PRODUCTION (#)		LOAN LICENSE PROCESSING		TOTAL	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Liquids	1282.89	810.23	126.31	39.75	1409.20	849.98
Tablets	41407.17	17773.20	3067.67	2500.18	44474.84	20273.38
Capsules	5753.94	2205.56	64.10	119.97	5818.04	2325.53
Powders, Creams & Ointment	488.69	40.96	409.48	493.41	898.17	534.37

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.

: Excluding products manufactured at various loan licensing locations.

(b) OPENING STOCK OF FINISHED GOODS

CLASS OF GOODS	UNIT OF MEASUREMENT		2008-09		2007-08	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	596.68	72663114	468.03	52889157
Tablets	Nos.	(00000)	1582.70	107357510	1147.05	60999507
Capsules	Nos.	(00000)	123.19	9965984	77.26	7923821
Powders, Creams, Ointment & Others	Kg	(000)	313.79	53433827	154.47	22729859
				243420435		144542345

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

CLASS OF GOODS	UNIT OF MEASUREMENT		2008-09		2007-08	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	1326.18	172249162	860.33	146952533
Tablets	Nos.	(00000)	47169.42	2638471496	43661.11	2193638530
Capsules	Nos.	(00000)	5847.56	688052094	5032.44	561667477
Powders, Creams, Ointment & Others	Kg	(000)	512.89	137908372	177.25	46084171
				3636681124		2948342711
Less: Excise duty				15562998		31841402
Net Sales				3621118126		2916501309

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(d) CLOSING STOCK OF FINISHED GOODS

CLASS OF GOODS	UNIT OF MEASUREMENT		2008-09		2007-08	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	653.61	82139231	596.68	72663114
Tablets	Nos.	(00000)	2180.12	148575420	1495.76	102919074
Capsules	Nos.	(00000)	138.74	13846561	93.67	7662477
Powders, Creams & Ointment	Kg	(000)	306.23	53367631	210.38	43076906
TOTAL				297928843		226321571

(e) COST OF MATERIALS CONSUMED :

CLASS OF GOODS	UNIT OF MEASUREMENT		2008-09		2007-08	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Purchase of Bulk Drug	Ton	–	25096.54	2397367317	19672.21	1894575223
Capsules	Nos.	(00000)	5863.11	63568719	6971.62	65127604
Packing material				89207683		71228591
Others				233729864		190724083
Note: No single raw material or packing material accounts for more than 10% of total consumption.						
TOTAL				2783873583		2221655501

(f) COST OF MATERIALS CONSUMED :

PARTICULARS	2008-09		2007-08	
	%	AMOUNT(Rs.)	%	AMOUNT(Rs.)
Indigenous	99.98	2783199974	100.00	2221655501
Imported	0.02	673609		
TOTAL	100.00	2783873583	100.00	2221655501

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

(in Rs.)

PARTICULARS	2008-09	2007-08
Raw Materials	673609	–

(h) EXPENDITURE IN FOREIGN CURRENCY

(in Rs.)

PARTICULARS	2008-09	2007-08
Traveling & other expenses	1538785	26276
Registration & License Fee	430517	39702

(i) EARNINGS IN FOREIGN CURRENCY

(in Rs.)

PARTICULARS	2008-09	2007-08
Exports at FOB value	332497928	232101877
Insurance, freight and other recoveries	4988565	4345845

2.4 Dues to/from various parties are subject to confirmation.



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2.5 Managerial Remuneration u/s 198 of the Companies Act,1956 :

(a) TO THE MANAGING DIRECTOR

PARTICULARS	2008-09	2007-08
Basic Salary	1200000	1200000
Perquisites	1035670	610020
Contribution to Provident Fund	144000	144000
Total Rs.	2379670	1954020

(b) TO THE EXECUTIVE DIRECTORS

PARTICULARS	2008-09	2007-08
Basic Salary	1200000	1200000
Perquisites	1120040	768540
Contribution to Provident Fund	144000	144000
Total Rs.	2464040	2112540

2.6 (a) Payment to Auditors

PARTICULARS	2008-09	2007-08
Statutory Audit Fee	600000	350000
Tax Audit	125000	90000
Other Certifications	275000	225000
Service Tax	103000	81504
Total Rs.	1103000	746504

(b) Payment to Cost Auditor

PARTICULARS	2008-09	2007-08
Cost Audit Fee	80000	80000
Service Tax	8240	9888
Total Rs.	88240	89888

2.7 Research and Development expenses include:

PARTICULARS	2008-09	2007-08
Materials	2128348	121193
Salary, contribution to P. F., Bonus, etc.	1541125	1417025
Others	30504	33673
Total Rs.	3699977	1571891

2.8 Micro, Small and Medium Enterprises

PARTICULARS	2008-09	2007-08
Principal amount due to vendor	7412397	4399487
Interest accrued and remain unpaid	—	—
Total Rs.	7412397	4399487

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Names of Small Scale Industrial Undertakings to whom the Company owes amount which is outstanding for more than 30 days as on 31st March, 2009 :

Amsal Chem Pvt. Ltd., Alchemy Foils, Asian Flavours & Fragrances, Atharv Foil Industries, Bamboat Press Pvt Ltd, Horticon, Maple Biotech, Super Seals, Trichem Enterprises, Ronak Flavours & Fragrances, Wincoat Colours & Coatings Pvt. Ltd, Ideal Cures Pvt. Ltd, S.J. Chemical, Pharmaceutical Coatings Pvt. Ltd, Robin Chemicals.

No amounts are due to Micro Enterprises.

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small & Medium enterprises on basis of information available with the Company.

2.9 Calculation of Earning Per Share as per Accounting Standard (AS 20) "Earning Per Share" :

PARTICULARS		2008-09	2007-08
Net Profit for the year (Rs.)	(a)	221218146	180330323
No. of Equity Shares outstanding at the beginning of the year		21281285	21281285
No. of Equity Shares outstanding at the end of the year		21281285	21281285
Weighted Average Number of Equity Shares	(b)	21281285	21281285
Nominal value per share (Rs.)		5	5
Basic and diluted EPS (Rs.)	(a)/b)	10.39	8.47

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

PARTICULARS		2008-09	2007-08
Deferred Tax Liability:			
Depreciation	(A)	43538055	20072859
Less Deferred Tax Asset:			
Leave Encashment		2057465	497953
Disallowance U/S 43B	(B)	495080	2186444
		2552546	2684397
Less : Deferred Tax Asset	(C)	324462	324462
Expenditure U/S 35 DD			—
Net Deferred Tax Liability Rs. [A – (B+C)]		40661048	17064000

2.11 Disclosure regarding un-hedged foreign currency exposure

Sr. No.	Particulars	Amount in Foreign Currency		Amount in Rupee (in thousand)
		Currency	(in thousand)	
1.	Sundry Debtors	USD	1227.29 (1010.90)	56408.73 (40506.97)
2.	Sundry Creditors	USD	— (79.47)	— (3489.45)

2.12 Financial Derivative Instruments

(a) Derivative contracts entered into by the Company and outstanding as on 31.03.09

For Hedging currency and interest rate relating risks :

Nominal amounts of derivative contracts entered into by the Company and outstanding as at 31st March, 2009 amount to Rs. 17,00,00,000/- (previous year Rs.17,00,00,000/-). Category wise break up is given below :

Particulars	2008-09	2007-08
(i) Interest Rate Swaps (Rs.)	17,00,00,000/-	17,00,00,000/-



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- (b) In respect of the transactions relating to derivatives, by way of prudence and in keeping with the Guidelines issued by the Institute of Chartered Accountant of India, provision of Rs. 26,537,456/- to meet the deficiency arising out of marking to market the transaction was made in the accounts for the year ended 31.03.2008. As at the Balance Sheet date provision existing in books is considered adequate to cover the net deficiency and is continued

2.13 Employee Benefit

As per Accounting Standard 15 " Employee Benefits" , the disclosures of Employee benefits as defined in the Accounting Standard are given below :

Defined Contribution Plan

(in Rs.)

PARTICULARS	2008-09	2007-08
Employer's Contribution to Provident Fund	6420317	4932754
Employer's Contribution to Gratuity Fund	305481	1674632
Employer's Contribution to Leave Encashment Fund	468527	274988

Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2009

(in Rs.)

	Leave Encashment		Gratuity	
	2008-09	2007-08	2008-09	2007-08
(i) Change in Defined Benefit Obligation				
Opening defined obligation	26,25,656	23,21,597	83,42,663	64,10,727
Current service cost	8,04,207	478068	13,36,284	12,09,234
Interest cost	2,10,052	185728	6,67,413	4,80,805
Actuarial loss / (gain)	(10,35,399)	351961	(2,86,588)	3,43,608
Liabilities settled on sale of business	—	—	—	—
Benefits paid	—	7776	(1,20,801)	1,01,711
Closing defined benefit obligations	26,04,516	26,25,656	99,38,971	83,42,663
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets	6,77,117	3,32,731	53,80,654	39,23,350
Expected return on plan assets	61,956	36,857	4,91,032	3,59,015
Actuarial gain / (loss)	—	—	—	—
Contributions by employer	—	3,15,305	380	12,00,000
Assets distributed on sale of business	—	—	—	—
Benefits paid	—	7,776	(1,20,801)	1,01,711
Closing fair value of plan assets	7,39,073	6,77,117	57,51,265	53,80,654
Actual return on plan assets	61,956	36,857	4,91,032	359,015
(iii) Amount recognized in the Balance Sheet				
Present value of obligations as at year end	26,04,516	26,25,656	99,38,971	83,42,663
Fair value of plan assets as at year end	7,39,073	6,77,117	57,51,265	53,80,654
Amount not recognized as an asset	—	—	—	—
Net (asset) / liability recognized as on 31.03.2009	18,65,443	19,48,539	41,87,706	29,62,009
(iv) Expenses recognized in the Profit & Loss Account				
Current service cost	8,04,207	4,78,078	13,36,284	12,09,234
Interest on defined benefit obligation	2,10,052	1,85,728	6,67,413	4,80,805
Expected return on plan assets	61,956	36,857	491032	3,59,015
Net actuarial loss / (gain) recognized in the current year	(12,03,134)	(3,51,961)	(12,07,184)	3,43,608
Effect of the limit in Para 59(b) of the revised AS 15				
Total expense	(250831)	2,74,988	305481	1674632
(v) Principal actuarial used				
Discount rate (p.a.)	8%	8%	8%	8%
Expected rate of return on plan assets (p.a.)	8%	8%	8%	8%
Rate of escalation in salary	5%	5%	5%	5%

2.14 "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	Regent Financial Services Pvt. Ltd. Dubash Investment & Finance Co. Pvt. Ltd. G. R. Capital & Finance 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	4867710.00 (4084560.00)	– (–)	– (–)	4867710.00 (4084560.00)
Rent	875556.00 (875556.00)	2185608.00 (2185608.00)	756000.00 (756000.00)	3817164.00 (3817164.00)
Hire Charges	– (–)	– (–)	0.00 (540000.00)	0.00 (540000.00)
Interest	– (–)	– (–)	21000.00 (21000.00)	21000.00 (21000.00)
Sale of Finished Goods	– (–)	– (–)	– (16364238.80)	– (16364238.80)
Job work charges paid	– (–)	– (–)	– (8224599.00)	– (8224599.00)
Inter Corporate Deposit Received	– (–)	– (–)	– (492845.00)	– (492845.00)
Inter Corporate Deposit Repayment	– (–)	– (–)	– (2403677.00)	– (2403677.00)

Note: Previous year figures are in brackets

2.15 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.

2.16 Figures of previous year have been regrouped wherever necessary.

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
N R Bora Executive Director & CFO
A S Chandvankar Director
S D Tole Director & Company Secretary

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

Place : Pune
Date : 27th June, 2009

Place : Pune
Date : 27th June, 2009



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 9

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

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

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

Total Liabilities

2 3 4 0 9 3 7

Sources of Funds

Paid-up Capital

1 0 6 4 0 6

Secured Loans

1 3 3 3 1 1 0

Application of Funds

Net Fixed Assets

6 3 4 4 4 0

Net Current Assets

1 7 0 6 1 2 0

Total Assets

2 3 4 0 9 3 7

Reserves & Surplus

5 8 9 5 5 9

Deferred Tax liability

4 0 6 6 1

Unsecured Loans

2 7 1 2 0 0

Investments

3 7 7

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

Turnover

3 7 3 1 7 9 4

Profit Before Tax

2 8 2 1 4 4

Earning per share (Rs.)

1 0 . 3 9

Total Expenditure

3 4 4 9 6 5 0

Profit After Tax

2 2 1 2 1 8

Dividend Rate %

2 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 C E F I X I M E T R I H Y D R A T E

TWILIGHT LITAKA PHARMA LIMITED

Regd. Office: 'Himalaya Estate', 16-A Shivajingar, Pune 411 005
Tel. No.: 020-30281700 / 01 / 02

Dear Shareholder,

SUB : PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE [ECS]

Securities and Exchange Board of India [SEBI] has made it MANDATORY for all the companies to use the bank account details furnished by the investors for distributing dividends through Electronic Clearing Service [ECS] to the investors wherever ECS and bank details are available. In the absence of ECS facility, the companies are required to print the bank account details, if available, on the payment instrument for the distribution of dividends to the investors.

• **Instant Credit :**

This facility provides instant credit of dividend amount to your bank account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.

• **Coverage :**

ECS is presently available at 67 Centers viz. Mumbai, New Delhi, Kolkata, Chennai, Ahmedabad, Bangalore, Hyderabad, Pune, Kanpur, Nagpur, Jaipur, Chandigarh, Bhubaneshwar, Guwahati and Thiruvananthapuram etc. RBI has plans of extending this facility to other places in a phased manner.

The scheme is at present available only for payment upto a maximum amount of Rs.5,00,000/-.

• **Procedure for credit :**

Under this facility, the amount of dividend, payable to you would be directly credited to your bank account. Your bank branch will credit your account and indicate the credit entry as ECS transaction in your passbook/statement of account.

In case ECS facility is not made available to you by the Company / their Bankers at a particular centre or the amount payable to you exceeds Rs.5,00,000/-, the dividend amount due to you would be remitted by means of a dividend warrant which would be posted to your address with the particulars of the bank/branch and the account number furnished by you, duly incorporated on it.

If you wish to avail to this facility, kindly fill the Form printed overleaf and return the same along with a Xerox copy of the cheque pertaining to the Bank Account where you would like the amount to be credited. Please send the same to our Registrar and Share Transfer Agent M/s. Sharepro Services (I) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri - Kurla Road Sakinaka, Andheri (E), Mumbai - 400 072, to enable us to credit the dividend entitlement to your account through ECS. This arrangement is subject to the RBI guidelines issued from time to time.

If you do not wish to opt for ECS facility, we request you to provide us your bank details for printing the same on the dividend warrants which will be mailed to you in future.

Thanking you,
Yours faithfully,

For TWILIGHT LITAKA PHARMA LIMITED

S D Tole
Director & Company Secretary

Notes :

1. ECS instructions will supercede the mandate instructions given on the form by you or if noted in our records earlier.
2. In case you are holding shares in dematerialized form, kindly advise your Depository Participant to take note of your Bank Account particulars/ECS mandate.
3. We wish to reiterate that any advise for change in your Bank/ECS details have to be intimated to your Depository Participant only since the relevant records are being maintained by your Depository Participant.



ELECTRONIC CLEARING SERVICES [ECS] MANDATE FORM

To,
Twilight Litaka Pharma Ltd.
'Himalaya Estate'
16-A Shivajinagar, Pune 411 005

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY.

For shares held in physical form

Master Folio No.

For shares held in electronic form

DP ID

Client ID

FOR OFFICE USE ONLY	
ECS Ref. No.	<input type="text"/>

Name of Sole / First holder	
Bank name	
Branch name	
Branch code	<input type="text"/> (9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank.) Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account Type [Please tick (✓) wherever applicable]	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	Cash Credit <input type="checkbox"/>
---	----------------------------------	----------------------------------	--------------------------------------

A/c No. (as appearing in the cheque book)

Effective date of this mandate

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company / Sharepro Services (I) Pvt. Ltd. will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI / Twilight Litaka Pharma Limited.

I further undertake to inform the Company any change in my Bank/branch code and account number.

Dated : _____

(Signature of Sole / First holder)

Notes:

- Whenever the Shares in the given folio are entirely dematerialized, then this ECS mandate form will stand rescinded.
- For shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.



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 **35th Annual General Meeting** of the Company held on **Thursday**, the **13th August, 2009, 2009** at **10.00 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 _____

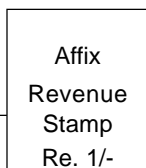
of _____ or failing him _____

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

my/our behalf at the 35th Annual General Meeting of the Company to be held on Thursday, the 13th August, 2009 at 10.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2009.

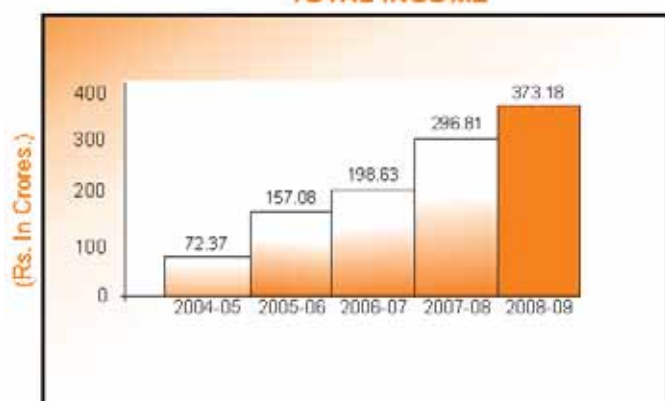
Signed by the said _____



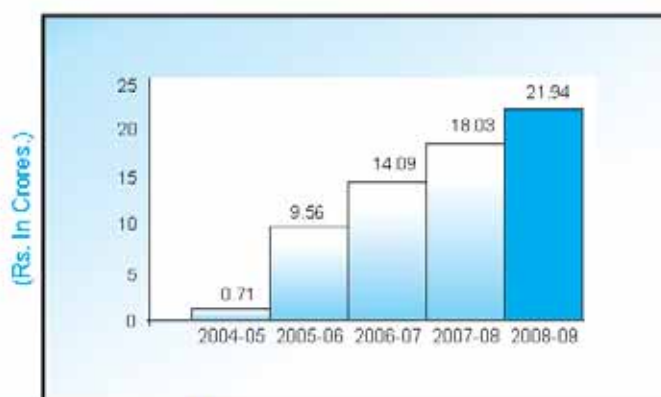
NOTE : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

FINANCIAL HIGHLIGHTS

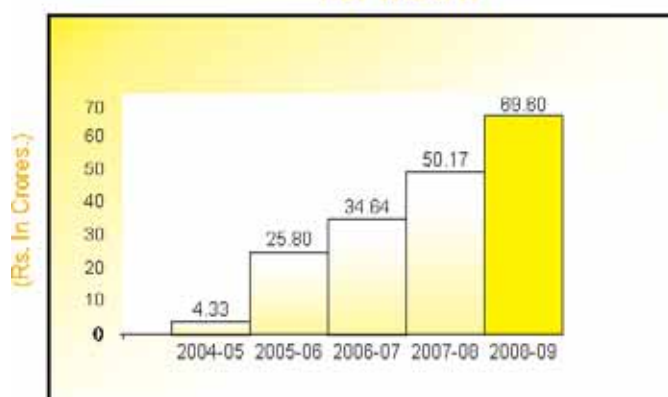
TOTAL INCOME



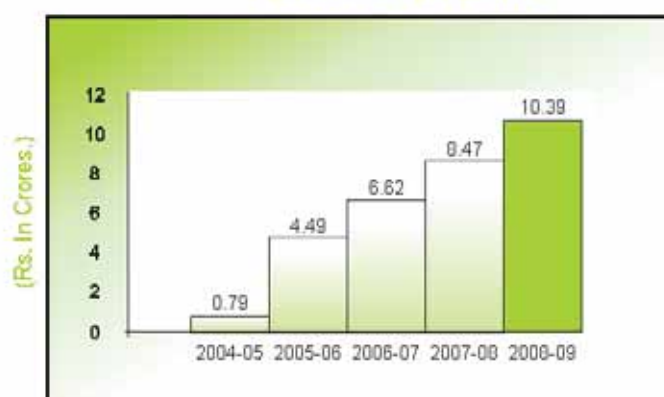
NET PROFIT



NET WORTH



EARNING PER SHARE



Book - Post

If undelivered please return to :



Twillight Litaka Pharma Limited

Regd. Office : 'Himalaya Estate', 16-A Shivajinager, Pune - 411005