



Twilight Litaka Pharma Limited



34th Annual Report 2007 - 2008

Give Infections A Tough Fight



TUFFIME
Calcium Ig + Tetracycline 120 mg
Inj. 1.125 g



ProteN Powder

The One-A-Day Treatment



Litazith 250
500



AMFECT 100
250
500



DERMOS

**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
MR. A. R. BORA, Executive Director
MR. S. D. TOLE, Director & Company Secretary

REGISTERED OFFICE

‘Himalaya Estate’
16-A Shivajinagar,
Pune 411 005

HEAD OFFICE

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

AUDITORS

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

MANUFACTURING FACILITIES

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

BANKERS

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

REGISTRAR & TRANSFER AGENTS

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

34th ANNUAL GENERAL MEETING

Date : 31st July, 2008
Day : Thursday
Time : 11.00 a.m.
Place : B-22, ‘H’ Block, M.I.D.C.
Pimpri, Pune 411 018

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VISIT US AT:

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



Managing Director's Communiqué



Dear Stakeholders,

Warm Greetings to you all !

It gives me great pleasure to share with you the performance of the Company for the Financial Year 2007-08. Your Company did exceptionally well and recorded a growth rate of 49%. The Operating Profit grew 40% to Rs.37.41 Crores while Net Profit grew 28% to Rs.18.30 Crores.

You will be glad to know that the Board of Directors of your Company has recommended 20% Dividend for the Financial Year 2007-08, i.e. Re.1/- per share.

I am happy to say that we were able to better our performance significantly in all segments whether in terms of sales, financial performance, launch of new products or consumer satisfaction. It is the culmination of several innovative strategies and continual endeavor by our people which ensured success. We have however not limited ourselves to how we stand in the market today. The approach to the opportunities available to us has been, to maximize our share in it. Our aim is to understand how far we have progressed and how effective we are in being part of the healing process, how our presence has touched lives and how far we have been successful in improving the quality of their life. It is an honor to be in this industry where the yardstick to success is not in terms of monetary benefit, but against the elimination of physical suffering.

With the transition of your company from small cap to mid cap, the obvious question which comes to our mind is : How can we progress on consistent and continuous basis? We can. By focusing on our strategies, energies, competencies, our resources and nonetheless by satisfying our esteemed customers, your Company will transcend all barriers.

To grow consistently I believe that it all depends upon the quality, motivation, integrity and value systems imbibed in our people. At the end of the day it will be the quality of its employees with a passion to focus on customer's delight that count, right from the plant level to senior management. That will be the basic difference between the Company, i.e. the 'Winner' and the ones which 'Also Ran'.

Today all Indian Companies are facing major shortages in key talent. Offering higher compensation and in house training & development are only part of the answer. Your company will have to create HR policies, structures, and practices that enable and empower all employees to make the Company an 'Employer of Choice'. I am sure that Management will deliver this objective as well.

Our consistent and steady performance points to the fact that we are strategically positioned. I am confident that strong growth in the business can be maintained. It is also important to realize that shift in consumer expenditure will create new challenges and opportunities which your Company will need to overcome and control in order to optimize growth opportunities. I believe that we must be consistently innovative in respect of new product development, packaging and continuous interaction with the medical fraternity. Our aim is to be able to procure and produce, so well, without compromising on quality, as to make us the most efficient and lowest cost producer in the market. It will be our aim to optimize production, efficiency and skill which will protect your Company's margins. Your Company has been focusing on the distribution systems to create the most efficient distribution network in the country that consumers need irrespective of where they are. And it must be so at a unit of cost lower than the competitors. Similarly, we will need to accelerate our presence in the rest of the world.



Pharma Companies around the world are looking for strategic outsourcing partners to help them manage their product cycle in a cost effective manner. This is a significant opportunity for your company to explore.

It has been a good year and there are many more to come. We need to further harness our energies, align our priorities and rededicate ourselves to achieving to even higher goals.

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

While the year 2007-08 ended well, we foresee several challenges ahead such as rising costs, pressure on retaining quality manpower, wage inflation and cut throat competition. However, in spite of all these challenges, I can assure you that the company will do all it can to deliver healthy financial figures to meet and exceed your expectations.

My vision for Twilight Litaka Pharma is to continue to excel and target high standards of organizational and operating efficiency. I thank all the stakeholders for their continuing support to our endeavors. There are huge growth opportunities in India. With the dedication of our employees and your encouragement, we aim to excel.

Warm regards,

Gopal Ramourti
Managing Director

NOTICE

NOTICE is hereby given that the THIRTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TWILIGHT LITAKA PHARMA LTD., will be held on **Thursday, 31st July, 2008, at 11.00 a.m. at B-22, 'H' Block, M.I.D.C., Pimpri, Pune - 411 018** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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. Abhijit R. Bora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Avinash S. Chandvankar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Vasudeo K. Naik, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. Sanjeev D. Tole, 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.

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

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 23rd June, 2008

Place : Mumbai

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 26th July, 2008 to Thursday, 31st July, 2008 (both days inclusive).
3. The Dividend on Equity shares as recommended by the Board of Directors, if any, declared at the meeting will be payable to those shareholders whose names appear in the Register of Member as on 25th July, 2008, 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.
4. SEBI has made it mandatory to distribute dividends through Electronic Clearing Services (ECS). Members holding shares in electronic form may kindly note that their Bank account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories. Members are requested to notify any change in their Bank account details to their Depository participants immediately and not to send the requests for the change in their Bank account details directly to the Company or to its Share Transfer Agent.

Members holding shares in physical form are requested to intimate to the Share Transfer Agent of the company under the signature of the sole/ first joint holder(s), the following information to be incorporated on dividend warrants.

- i. Name of the sole/ first joint holder(s) and the folio number.
 - ii. Particulars of Bank account like name of the bank, name of branch, bank account number allotted by the bank, complete address of the bank with pin code.
5. 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.
 6. 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.
 7. 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.



8. 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. Abhijit R. Bora**

Mr. Abhijit R. Bora is a Commerce Graduate and has done his MBA. He has been associated with the Company since the year 2002 in the capacity as Officer on Special Duty and subsequently as General Manager. He looks after the International Business Division and is also looking after the plants of the Company.

2. **Mr. Avinash S. Chandvankar**

Mr. Avinash S. Chandvankar is a practicing Chartered Accountant. He has a vast experience in the field of Audit, Taxation, and Finance. He is also associated with number of management institutes in the capacity as a Visiting Faculty Member. He is also a partner of A G Ogle & Associates, Chartered Accountants and is the proprietor of A. S. Chandvankar & Associates, Chartered Accountants.

3. **Mr. Vasudeo K. Naik**

Mr. Vasudeo K. Naik is a Science Graduate and started his career as a Medical representative and moved up the ladder to become Vice President – Marketing. As a veteran to Pharma Industry, he was deeply involved into strategy planning and sales activities of Litaka Marketing Division.

4. **Mr. Sanjeev D. Tole**

Mr. Sanjeev D. Tole is a qualified Company Secretary. He also holds a law degree. He is having more than 30 years post qualification experience in the corporate field, mainly legal and secretarial. He is also heading Human Resource Department of the Company since last 8 years.

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

S. D. TOLE
DIRECTOR & COMPANY SECRETARY

Date : 23rd June, 2008
Place : Mumbai

DIRECTORS' REPORT

Dear Shareowners,

Your directors are pleased to present this Thirty - Fourth Annual report of your Company for the financial year ended on 31st March 2008.

REVIEW OF PERFORMANCE

	Year ended 31st March, 2008	Year ended 31st March, 2007
	[Rs. In lacs]	[Rs. In lacs]
TOTAL INCOME	29680.84	19863.43
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	2663.39	1910.97
NET PROFIT AFTER TAX	1803.30	1408.89
Add: Balance brought forward from the previous year	1135.87	(148.52)
Amount available for disposal	2939.17	1260.37
APPROPRIATIONS:		
General Reserve	181.00	-
Equity Dividend	212.81	106.41
Distribution Tax on Dividend	36.18	18.09
Balance carried forward	2509.18	1135.87

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. 212.81 lacs. The Dividend Distribution Tax borne by the Company will amount to Rs. 36.18 lacs.

CHANGES IN CAPITAL STRUCTURE

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

MANAGEMENT DISCUSSION AND ANALYSIS

a) Your Company had another satisfactory year. During the year under review the sales turnover increased to Rs.294.84 Crores as compared to Rs.197.54 Crores in the previous year recording a net rise of 49%. Similarly, there is a corresponding 28% rise in the net profit for the year under review i.e. Rs.18.03 Crores from Rs.14.09 Crores in the previous year. The higher profitability during the year was due to greater emphasis on Domestic Markets having better potential for the products of the Company. Our energies and efforts throughout the year were focused on delivering the twin objectives of a strong operating performance and securing the growth drivers of the future.

(b) The pharmaceutical market has grown at 13.5% (IMS MAT Dec 2007) as against the projected growth of 12.5%.

(c) Over the last many years the Indian pharma industry has been extensively engaged in honing its skills and competencies to fructify and accentuate the sustainable 'India Advantage' in the space of Contract Manufacturing, Drug Development and Drug Discovery and Research. India has arguably one of the strongest streams of scientific talent flow, an established reputation of compliance with the highest quality and regulatory standards, distinct cost advantages in manufacturing and drug development, a large naïve patient pool with some of the fastest patient recruitment rates and an innovation and original research engine, which has exhibited success in its research collaborations with the global innovator companies. Related to each of these three segments of the pharma industry, India's set of competitive advantages are being increasingly recognized by the global industry as distinct and sustainable. Your Company enjoys long term relationship with several national and international companies in the segment of contract manufacturing. This arrangement helped your Company to a large extent to update its procedures, systems and technology to the global standards and therefore has decided to remain in this segment and intends to make its strong presence in this field.

d) Your Company is committed to realize its objective of Rs.500 Crores turnover by the year 2010. To achieve this goal, your Company has launched 5 marketing / sales division all over the country starting from the current year. As regards Field Force your Company has taken several well defined strategic steps that aims to maximize returns over the short and medium term. Your Company continues to lay strong emphasis on training for its Field Force both at the induction level and through refresher programs to accredit Front Line Medical Representatives and Managers on Pathology to Promotion. This is aimed at brand building and improving the quality of communication to the Doctor community.

e) In continuation with the steps taken last year to strengthen the company's position in the market, the focus on the products and the customers is being sharpened. During the current year your Company has launched newer antibiotic injectibles like Tufpime and Amfect, as well as other products like Proten Powder, Dermos, Litazith and Alertin which are well received in the market. To meet the market demand, your Company has plans to introduce brand extensions, and also products in new therapeutic groups such as drugs acting on the gastrointestinal system. This is a rapidly



growing market and will increase the company's visibility in the market.

- f) Internal Audit is conducted in almost all departments of the company and internal audit reports are placed before the Audit Committee which reviews adequacy of internal audit functions, audit procedures and coverage periodically. The minutes of the audit committee meetings are placed at the meetings of the Board of Directors from time to time.
- g) Company aims to recruit and retain quality professionals and provide them with a high performance environment.
- h) Certain statements in the "Management Discussion and Analysis" section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

EXPORT

During the year under review your Company was able to substantially improve the export markets (a) by registering additional products in existing markets and (b) by registering products in new countries. These goods were exported to Sudan, Haiti, Uzbekistan, Maldives, Albania, Angola, Armenia, Azerbaijan, France, Trindies, (Trinidad & Tobago), Georgia, Ghana, Jamaica, Kenya, Maldives, Nigeria, Poland, Senegal, Swaziland, Ukraine. Appreciation in the value of rupee has adversely affected the export of your Company. However, during the year under report your Company completed the process of registration of its products in Philippines, Myanmar and Vietnam, and new registration process is on going in few more countries which will be completed during the current year. This will certainly help to boost the exports of your Company in the coming period.

CORPORATE GOVERNANCE

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

DIRECTORS

Mr. A. R Bora, Mr. A. S. Chandvankar, Mr. V. K. Naik and Mr. S. D. Tole, Directors of the company retire by rotation at the forthcoming Annual General Meeting, and offer themselves for reappointment. The resolutions for their reappointment are included in the notice of the Annual General Meeting.

AUDITORS

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, holds 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 report of Mr. S. G. Jog, Cost Accountant in respect of audit of the cost accounts relating to formulations and bulk drugs for the year ended 2006-07 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 employees has crossed the mandatory ceiling limits under Section 217 (2A) of the Companies Act, 1956 for the year under Report, the required information is not annexed to the Directors' Report.

DISCLOSURE OF PARTICULARS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (b) that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2008 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.

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HUMAN RESOURCES

Success of our Organization is fundamentally linked to our people. Therefore Human Resources forms an integral part of your Company's strategies for growth. A robust talent identification and validation process was conducted across the middle management levels. External Training Programs were aimed at development of key talent.

On the Industrial Relationship front, the Company continued to enjoy a harmonious and cordial relationship with its employees and union. A Wage Settlement Agreement of Pimpri workers was successfully concluded during the year under review.

Your Company had an overall strength of 1739 employees as on 31.03.2008 as compared to 1179 employees at the end of the previous year.

ACKNOWLEDGEMENTS

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

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

R.C. BORA
CHAIRMAN

Date : 23rd June, 2008
Place : Mumbai



**CORPORATE GOVERNANCE REPORT FOR THE
FINANCIAL YEAR 2007- 08**

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 2008 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, Nine (9) Board Meetings were held on the following dates: 4th April, 2007, 17th May, 2007, 16th June, 2007, 10th July, 2007, 28th July, 2007, 18th September, 2007, 22nd October, 2007, 18th January, 2008 and 1st March 2008.

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	9	NIL	NIL	NIL	2
Mr. Gopal Ramourti*	Managing Director	9	NIL	NIL	NIL	5
Mr. Sanjeev Tole*	D & CS	9	4**	24	1**	1
Mr. A. S. Chandvankar*	NED (I)	7	4	24	1	1
Mr. V. K. Naik	NED (I)	4	3	24	1	NIL
Prof. P D Gupte *	NED (I)	2	3	NIL	NIL	NIL
Mr. Nainish Bora *	Executive Director	8	NIL	NIL	NIL	1
Mr. Abhijit Bora *	Executive Director	9	NIL	NIL	NIL	1
Mr. Ramesh Ramourti *	NED	1	NIL	NIL	NIL	NIL
Mr. M S Raghavan Ayyangar	NED (I)	2	NIL	NIL	NIL	2
Mr. P M Kulkarni	NED (I)	NIL	NIL	NIL	1	NIL
Resigned w.e.f.12 th May, 07						
Mr. Ramesh Narayan *	NED (I)	NIL	NIL	NIL	NIL	2
Mr. Mohan Motwani *	NED (I)	2	NIL	NIL	NIL	NIL
Appointed on 17th May, 07						

D & CS – Director & Company Secretary

NED – Non Executive Director, I – Independent

* Directors were present in the last Annual General Meeting held on 28.06.2007

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

One Remuneration Committee meeting was held on 1 April, 2007.

** - Attended in the capacity as a Secretary of the Committee and not in the capacity as a member of the Committee.

3. Code of Conduct

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

4. Audit Committee

The Company has an Audit Committee since 2001. As at 31st March 2008, the Audit Committee consisted of three members, namely Mr. A. S. Chandvankar, Prof. P. D. Gupte, and Mr. V. K. Naik all of whom are Non-Executive

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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 Secretary to the Committee.

During the year under report, four Audit Committee meetings were held on, 17.05.2007; 10.07.2007; 22.10.2007 and 18.01.2008, in which quarterly financial results of the Company were considered and then forwarded to the Board of Directors for their approval.

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

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

5. Remuneration Committee

The Company has constituted a Remuneration Committee in its Board Meeting held on 7th February, 2006. The responsibility of the Remuneration Committee is to consider and finalize the proposals in respect of fixation of remuneration to Executive Directors, Managing Director, and other Senior Executives of the Company. The Remuneration Committee consists of following Directors of the Company: Mr. V. K. Naik, 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, one meeting of the Remuneration Committee was held on 1st April, 2007.

Remuneration of Directors

The details of remuneration paid / payable to the Directors for the year 2007-08 are given below:

Director	Salary (Rs.)	Perquisites (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Gopal Ramourti	12,00,000	6,10,020	1,44,000	19,54,020
Mr. Nainish Bora	6,00,000	3,84,270	72,000	10,56,270
Mr. Abhijit Bora	6,00,000	3,84,270	72,000	10,56,270

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

Sr. No.	Name of the Non-Executive Director	Sitting Fees (Rs.)	Other element of remuneration
1.	Mr. A. S. Chandvankar	14,000	NIL
2.	Mr. V. K. Naik	8,000	NIL
3.	Prof. P. D. Gupte	4,000	NIL
4.	Mr. Ramesh Ramourti	2,000	NIL
5.	Mr. M. S. Raghavan Ayyangar	4,000	NIL
6.	Mr. R. C. Bora	18,000	NIL
7.	Mr. Mohan Motwani (Appointed on 17th May, 07)	4,000	NIL

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

6. Shareholding of Non-Executive / Independent Directors as on 31.03.2008

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. Mohan Motwani (Appointed on 17th May, 07)	NIL
Mr. S. D. Tole	10,000



7. Share Transfer – cum – Investors Grievance Committee

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

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

The Share Transfer-cum-Investors Grievance Committee meets every fortnight and accordingly 24 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.

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

8. General Body Meetings

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

Date	Year	Type of Meeting	Venue	Time
26.08.2004	2004	Extra Ordinary General Meeting	} B-22 'H' Block, M.I.D.C. Pimpri Pune – 411 018	9:00 a.m.
25.11.2004	2004	Extra Ordinary General Meeting		9:00 a.m.
29.09.2005	2005	Annual General Meeting		9:00 a.m.
04.03.2006	2006	Extra Ordinary General Meeting [Court Convened]		10:00 a.m.
17.06.2006	2006	Extra Ordinary General Meeting		10:00 a.m.
03.08.2006	2006	Annual General Meeting		9:30 a.m.
28.06.2007	2007	Annual General Meeting		9:30 a.m.

All the resolutions, including special resolutions as set out in the respective Notices were passed by the Shareholders. No resolution was put through postal ballot last year.

9. Disclosures

a) Disclosures regarding materially significant related party transactions:

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

Transactions with the related parties are disclosed in the Note No. 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.

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

Mr. Abhijit R. Bora

Mr. Abhijit Bora is a Commerce Graduate and has done his MBA. He has been associated with the Company since the year 2002 in the capacity as Officer on Special Duty and subsequently as General Manager. He looks after the International Business Division and is also looking after the plants of the Company.

Mr. Avinash S. Chandvankar

Mr. Avinash Chandvankar is a practicing Chartered Accountant. He has a vast experience in the field of Audit, Taxation, and Finance. He is also associated with number of management institutes in the capacity as a Visiting Faculty Member. He is also a partner of A G Ogle & Associates, Chartered Accountants and is the proprietor of A. S. Chandvankar & Associates, Chartered Accountants.

Mr. Vasudeo K. Naik

Mr. Vasudeo Naik is a Science Graduate and started his career as a Medical representative and moved up the ladder to become Vice President – Marketing. As a veteran to Pharma Industry, he was deeply involved into strategy planning and sales activities of Litaka Marketing Division.

Mr. Sanjeev D. Tole

Mr. Sanjeev Tole is a qualified Company Secretary. He also holds a law degree. He is having more than 30 years post qualification experience in the corporate field, mainly legal and secretarial. He is also heading Human Resource Department of the Company since last 8 years.

11. 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. The shareholding pattern is also displayed and is updated every quarter.

12. General Shareholder Information

a) Registered and Corporate Office

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

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

- b) **Date of Incorporation** : 18th January, 1974
- c) **Registration No/CIN No** : L24231MH1974PTC017139
- d) **Day, Date, Time & Venue of 34th AGM** : Thursday, 31st July, 2008 at 11.00 a. m.
at B-22, 'H' Block, M.I.D.C., Pimpri, Pune – 411 018.
The Notice of the Annual General Meeting is being sent to the Members along with this Annual Report.
- e) **Dates of Book Closure** : Saturday, 26th July, 2008 to Thursday, 31st July, 2008
(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 1st August, 2008 to those members whose names appear on the Company's Register of Members as holders of Equity Shares in physical form on 25th July, 2008. In respect of Shares held in dematerialized form the Dividend will be paid on the basis of beneficial ownership details as on 25th July, 2008 to be furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Ltd. [CDSL] for this purpose.

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

h) Financial Calendar

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

The Company's Transfer Book will remain closed from 26th July, 2008 to 31st July, 2008 (both days inclusive), for the purpose of Annual General Meeting.

i) 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 2007-08 to the Stock Exchange on which the Shares of the Company are listed.

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

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

Sharepro Services (I) Pvt. Ltd.

Contact person : **Ms. Veena.**

Satam Estates, 3rd Floor,

Above Bank of Baroda, Cardinal Gracious Road,

Chakala, Andheri (E), Mumbai 400 099.

Tel. No. 022-67720351/352

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

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



TWILIGHT LITAKA PHARMA LIMITED

l) Share Transfer System

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

Tel. No. 022-67720351/352

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

The Contact person is: Ms. Veena.

m) Market Price Data

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

Period	High (Rs.)	Low (Rs.)	Volume of Shares Traded (Nos.)	No of Trades
April 2007	49.90	39.60	260082	1250
May 2007	68.80	46.80	1361867	5582
June 2007	75.95	63.00	1075374	4554
July 2007	76.90	61.10	764076	4067
August 2007	64.90	50.00	425354	1982
September 2007	74.00	55.55	514052	3170
October 2007	66.35	52.00	739975	4123
November 2007	104.50	52.00	1397556	7138
December 2007	101.00	83.10	1117709	8039
January 2008	107.80	52.45	1042295	6384
February 2008	71.40	45.00	459418	3314
March 2008	69.00	41.00	678106	4145

n) Comparison of Litaka Share Prices with BSE Sensex for 2007-08

Company's Share Price performance in comparison to BSE Sensex based on share price on 31.03.2008.

Period	%Change	
	Company's Share Price	Sensex
Opening Price/Index as on 31.03.2007	41.30	13072
Closing price Index as on 31.03.2008	49.20	15645
% increase	19.13	19.68

o) Distribution Schedule as on 31.03.2008

Distribution of Shareholding and shareholding pattern as on 31st March 2008

Description	Holders Folio	%	Holding(s) Shares	% to share capital
Less than 500	13766	90.997	2673007	12.560
501 – 1000	729	4.819	615444	2.892
1001 – 2000	330	2.181	505664	2.376
2001 – 3000	111	0.734	290352	1.364
3001 – 4000	46	0.304	164587	0.773
4001 – 5000	28	0.185	134742	0.634
5001 – 10000	49	0.324	369105	1.734
10001 and above	69	0.456	16528384	77.667
Total	15128	100.00	21281285	100.00

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p) Shareholding Pattern as on 31.03.2008

Sr. No.	Category	No. of Shares	% to shareholding
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	318699	1.50
4.	Private Bodies Corporates	596325	2.80
5.	Indian Public	6797112	31.94
	TOTAL	21281285	100.00

q) Plant Locations:

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

r) Dematerialization of Shares:

The Company has continuous connectivity with NSDL and CDSL for effecting dematerialization of shares and Demat Requests. The Company's ISIN No. is INE783B01029. As on 31.03.2008, 91.42% of Equity Share Capital of the Company has been dematerialized.

s) Investors Correspondence

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

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

Mr. Prashant B. Shimpi, 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@tpl.co.in and investors@tpl.co.in



CHAIRMAN AND MANAGING DIRECTOR CERTIFICATION

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

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

Place : Mumbai

Date : 23rd June, 2008

Rajendra Bora
Chairman

Gopal Ramourti
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Twilight Litaka Pharma Ltd.

We have examined the compliance of the conditions of Corporate Governance by Twilight Litaka Pharma Ltd., for the year ended on 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investors Grievances Committee.

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

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

Place : Mumbai
Date : 23rd June, 2008

**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, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 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, 2008;
 - 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 : 23rd June, 2008

Membership No. 17748

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

- 1] (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, the Company has formulated a regular programme of verification by which all assets of the company shall be verified in phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
(c) There was no disposal of a substantial part of fixed assets.
- 2] (a) The stock of finished goods and raw material has been physically verified during the year by the Management. The Company has a perpetual inventory system in respect of stores and spare parts. In our opinion, the frequency of verification is reasonable. In the case of material lying with the third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- 3] (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
(b) The Company has taken interest free unsecured loans from 5 companies covered in the register maintained under Section 301 of the Act, having balance of Rs.26,356,036/- as on 31st March, 2008.

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- (c) In our opinion and according to information and explanation given to us, terms and conditions of interest free loans taken by the company from parties listed in register maintained under section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the company.
- (d) Principle is repayable only on demand. No demand for repayment of principal was made by lenders during the year.
- 4] In our opinion and according to the information and explanation given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5] (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) Transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6] In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7] In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8] According to the information and explanations given to us, the Central Government has prescribed under Section 209(1)(d) of the Companies Act, 1956, the maintenance of cost records in respect of certain products. We have broadly reviewed the books of account maintained and in our opinion, the prescribed accounts and records have prima facie been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9] (a) 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 are as per details given below:
- | | |
|------------------------|------------------|
| i) Service Tax | : Rs. 1911721.00 |
| ii) Advance Income Tax | : Rs. 4356000.00 |
| iii) Sales Tax | : Rs. 2510904.00 |
- (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.
- 10] In our opinion, the Company does not have any accumulated losses at the end of the year, and has no cash losses in the current and immediately preceding financial year.
- 11] According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- 12] Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13] In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14] In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities and debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15] In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 16] In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- 17] In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on the short-term basis have been utilized for long-term investment.
- 18] According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19] In our opinion and according to the information and explanation given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 20] As informed to us, during the period covered by our Audit report, the Company has not raised any money by public issue.
- 21] To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our Audit.

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

V MOHAN
PARTNER

Place : Mumbai
Date : 23rd June, 2008

Membership No. 17748

**TWILIGHT LITAKA PHARMA LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2008**

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2008	31.03.2007
		Rupees	Rupees
SOURCES OF FUNDS			
1) SHAREHOLDER'S FUNDS :			
Share Capital	1	106,406,425	106,406,425
Reserves & Surplus	2	395,248,471	239,971,864
		<u>501,654,896</u>	<u>346,378,289</u>
2) LOAN FUNDS:			
Secured Loans	3	888,993,378	423,954,844
Unsecured Loans	4	311,381,771	244,618,710
		<u>1,200,375,149</u>	<u>668,573,554</u>
3) DEFERRED TAX LIABILITY (Net)		17,064,000	15,797,000
	TOTAL	<u><u>1,719,094,045</u></u>	<u><u>1,030,748,844</u></u>
APPLICATION OF FUNDS			
1) FIXED ASSETS :			
A) Gross Block		452,535,967	400,438,396
Less : Depreciation & Amortisation		114,613,318	99,011,615
Net Block	5	337,922,649	301,426,781
B) Capital Work in Progress		72,114,122	-
		<u>410,036,771</u>	<u>301,426,781</u>
2) INVESTMENTS	6	358,850	1,008,855
3) CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	7	361,329,311	239,264,186
b) Sundry Debtors	8	1,128,790,451	675,613,247
c) Cash & Bank Balances	9	22,460,207	19,125,483
d) Loans and Advances	10	262,347,266	72,993,749
		<u>1,774,927,235</u>	<u>1,006,996,665</u>
Less: Current Liabilities & Provisions	11		
a) Current Liabilities		307,319,020	215,720,635
b) Provisions		158,909,791	62,962,823
		<u>466,228,811</u>	<u>278,683,458</u>
Net Current Assets		<u>1,308,698,424</u>	<u>728,313,208</u>
	TOTAL	<u><u>1,719,094,045</u></u>	<u><u>1,030,748,844</u></u>

Schedule & Notes forming integral part of accounts. 16

As per our Report of even date.

For and on behalf of the Board

**FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS****V. MOHAN
PARTNER
M No. 17748****R C Bora** Chairman
Gopal Ramourti Managing Director
A S Chandvankar Director
S D Tole Director & Company SecretaryPlace : Mumbai
Date : 23rd June, 2008Place : Mumbai
Date : 23rd June, 2008

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHEDULE	Year Ended 31.03.2008 Rupees	Year Ended 31.03.2007 Rupees
INCOME :			
Sales (Gross)		2,948,342,711	1,974,153,673
Less : Excise Duty		<u>31,841,402</u>	<u>47,467,259</u>
Net Sales		2,916,501,309	1,926,686,414
Processing & Analytical Charges		31,902,720	48,705,318
Other Income	12	<u>19,680,258</u>	<u>10,951,778</u>
	TOTAL	<u>2,968,084,287</u>	<u>1,986,343,510</u>
EXPENDITURE :			
Material Cost	13	2,221,655,501	1,495,846,075
Employee Costs	14	112,088,968	76,114,820
Manufacturing and Other Expenses	15	260,198,376	147,208,648
Interest :			
On fixed loans		27,635,075	17,550,158
On Others		<u>63,850,269</u>	<u>42,900,049</u>
		91,485,344	60,450,207
Depreciation and amortisation	5	16,471,387	15,781,546
Less : Transfer to Revaluation Reserve		<u>154,612</u>	<u>154,612</u>
		16,316,775	15,626,934
PROFIT BEFORE TAX		266,339,323	191,096,826
Provision for taxation :			
Current tax		82,000,000	30,000,000
Deferred tax		1,267,000	14,465,650
Fringe Benefit Tax		2,742,000	1,475,000
Reversal of MAT Credit - 2005-06		-	4,267,262
		<u>86,009,000</u>	<u>50,207,912</u>
PROFIT AFTER TAX		180,330,323	140,888,914
Add/ (Less) : Balance Profit / (Loss) as per last Balance Sheet		<u>113,587,085</u>	<u>(14,852,277)</u>
Profit available for Appropriation		293,917,408	126,036,637
Proposed Dividend		21,281,285	10,640,643
Add : Dividend Distribution Tax		3,617,819	1,808,909
Transfer to General Reserve		18,100,000	-
Profit carried to the Balance Sheet		<u>250,918,304</u>	<u>113,587,085</u>
Basic & Diluted EPS		8.47	6.62
[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 and on behalf of the Board

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 23rd June, 2008

Place : Mumbai
Date : 23rd June, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	Year Ended 31.03.2008 Rupees	Year Ended 31.03.2007 Rupees
1 Cash Flow from Operating Activity		
Net Profit Before Tax	266,339,323	191,096,826
Adjustment for :		
Depreciation & Amortisation	16,316,775	15,626,934
Loss / (Profit) on Sale of Assets (Net)	100,465	-
Interest Paid	91,485,344	60,450,207
Interest Received	(11,811,767)	(331,406)
Dividend Received	(58,800)	(48,740)
Operating Profit before Working Capital Changes	<u>362,371,340</u>	<u>266,793,821</u>
Adjustment for :		
Trade & Other Receivables	(505,230,906)	(163,103,536)
Inventories	(122,065,125)	(49,293,242)
Trade Payables	163,913,248	(26,879,869)
Margin Money Deposit	168,285	(1,027,006)
Cash Generated from operations	<u>(100,843,158)</u>	<u>26,490,168</u>
Direct Taxes (Paid) / Refunds (Net)	(86,009,000)	(50,207,912)
Net Cash flow from Operating activity	<u>(186,852,158)</u>	<u>(23,717,744)</u>
2 Cash Flow from Investing Activity		
Inter Corporate Deposits Placed	(137,299,815)	-
Purchases of Fixed Assets (including changes in Capital WIP)	(127,340,734)	(8,214,903)
Sale of Fixed Assets	2,158,894	-
Sale of Investments	650,005	-
Dividend Received	58,800	48,740
Interest Received	11,811,767	331,406
Net Cash Inflow / (Outflow) from Investing Activity	<u>(249,961,083)</u>	<u>(7,834,757)</u>
3 Cash Flow from Financing Activity		
Proceeds from / (Repayment) of Borrowings :		
Term Loans	342,175,735	(33,312,670)
Working Capital Facilities	122,903,009	139,917,673
Inter-Corporate Deposits	(20,861,790)	(11,923,726)
Others Loans	88,869,421	38,453
Interest Paid	(91,485,344)	(60,450,207)
Loan from Directors	(1,284,781)	(2,430,219)
Net Cash from / (utilised) in Financing Activities	<u>440,316,250</u>	<u>31,839,304</u>
Net Increase / (Decrease)	<u>3,503,009</u>	<u>286,802</u>
4 Cash & Cash Equivalents		
Cash & cash equivalents at start of the year	13,485,046	13,198,244
Cash & cash equivalent at the close of the year	<u>16,988,055</u>	<u>13,485,046</u>

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

As per our Report of even date.

For and on behalf of the Board

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

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

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

Place : Mumbai
Date : 23rd June, 2008

Place : Mumbai
Date : 23rd June, 2008

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rupees	AS AT 31.03.2007 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 (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.]		95,487,850
Add : [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]		117,325,000
		<u>212,812,850</u>
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]		106,406,425
		<u>106,406,425</u>
SCHEDULE 2: RESERVES AND SURPLUS		
1) CAPITAL RESERVE	87,215	87,215
2) SHARE PREMIUM	1,300,170	1,300,170
3) CAPITAL RESERVE ON AMALGAMATION AND CAPITAL REDUCTION		
Opening balance [on Amalgamation]	68,413,596	1,891,944
Add : amount available on Reduction of Capital.	-	106,406,425
Less : Intangible Assets Written off	-	39,884,773
	68,413,596	68,413,596
4) GENERAL RESERVE	-	-
Add : Transfer from Profit & Loss A/C	18,100,000	-
	18,100,000	-
5) PROFIT & LOSS A/C	250,918,304	113,587,085
6) REVALUATION RESERVE		
Balance as per Last Balance Sheet	56,583,798	56,738,410
Less : Amortisation on revalued Leasehold Land transferred from Profit & Loss Account	154,612	154,612
	56,429,186	56,583,798
TOTAL	395,248,471	239,971,864

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2008**

PARTICULARS	AS AT 31.03.2008 Rupees	AS AT 31.03.2007 Rupees
SCHEDULE 3: SECURED LOANS		
A] FROM BANKS		
1) TERM LOANS: [Secured by first equitable mortgage of some of the immovable properties, second charge on all movable assets and personal guarantee of some of the directors of the Company]	387,224,597	45,048,861
2) WORKING CAPITAL FACILITIES : [Secured by first charge on all movable assets, second equitable mortgage of immovable properties and personal guarantee of some of the directors of the Company]	501,768,781	378,865,771
B] FROM OTHERS [Secured by hypothecation of vehicles and personal guarantee of Chairman]	-	40,212
TOTAL	<u>888,993,378</u>	<u>423,954,844</u>
SCHEDULE 4: UNSECURED LOANS		
A) INTER-CORPORATE DEPOSITS	146,304,927	167,166,717
B) SALES TAX DEFERRALS [Repayable in instalments from 2009-10 to 2019-20]	62,207,041	62,207,041
C) TERM LOAN FROM BANK (Secured by immovable properties belonging to the Chairman & his relatives & personal guarantee of the Chairman as well as Managing Director)	102,869,803	13,960,171
D) FROM DIRECTORS	-	1,284,781
TOTAL	<u>311,381,771</u>	<u>244,618,710</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008
SCHEDULE 5 : FIXED ASSETS

SR. PARTICULARS NO	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	AS AT 01.04.2007	ADDITIONS 31.03.2008	DELETIONS 01.04.2007	AS AT 01.04.2007	FOR THE YEAR	DELETIONS 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
1 LAND (FREEHOLD)	55,550,300	-	-	-	-	-	55,550,300	55,550,300	55,550,300
2 LAND (LEASEHOLD)	29,615,000	-	-	1,433,044	388,367	-	1,821,411	27,793,589	28,181,956
3 FACTORY BUILDING	118,492,834	30,610,596	-	33,273,174	4,237,650	-	37,510,824	111,592,606	85,219,660
4 RESIDENTIAL FLATS	2,372,751	-	1,414,711	287,596	19,458	175,481	131,573	826,467	2,085,155
5 PLANT & MACHINERY	92,384,338	1,133,787	-	18,477,651	4,426,370	-	22,904,021	70,614,104	73,906,687
6 FACTORY & OTHER EQUIPMENTS INCLUDING COMPUTERS	44,186,927	7,609,150	-	17,253,333	2,488,260	-	19,741,593	32,054,484	26,933,594
7 MOULD, DIES, JIGS, BLOCK & DESIGNS	14,887,554	1,123,643	-	9,471,911	1,216,879	-	10,688,790	5,322,407	5,415,643
8 AIR CONDITIONING SYSTEM	18,270,327	2,143,799	-	6,321,472	867,289	-	7,188,761	13,225,365	11,948,855
9 ELECTRICAL INSTALLATION	8,845,955	849,732	-	4,594,716	397,780	-	4,992,496	4,703,191	4,251,239
10 FURNITURE & FIXTURE	5,167,052	2,919,646	-	3,375,709	349,530	-	3,725,239	4,361,459	1,791,343
11 VEHICLES	5,994,294	3,162,819	1,714,330	2,842,082	628,327	694,207	2,776,202	4,666,581	3,152,212
12 INTANGIBLE ASSETS									
a) TRADEMARKS	-	5,000,000	-	-	750,000	-	750,000	4,250,000	-
b) SOFTWARE	1,671,064	673,440	-	1,671,064	101,477	-	1,772,541	571,963	-
c) TECHNICAL KNOWHOW	3,000,000	-	-	9,863	600,000	-	609,863	2,390,137	2,990,137
TOTAL	400,438,396	55,226,612	3,129,041	99,011,615	16,471,387	869,688	114,613,318	337,922,649	301,426,781
PREVIOUS YEAR	449,222,637	8,214,903	56,999,144	400,438,396	100,344,441	15,781,546	17,114,372	99,011,615	

**TWILIGHT LITAKA PHARMA LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008**

PARTICULARS	AS AT 31.03.2008 Rupees	AS AT 31.03.2007 Rupees
SCHEDULE 6: INVESTMENTS		
(Long term, Non Trade, at cost and Unquoted)		
In Fully paid up shares of Co-operative Banks		
a) 6000 shares of Janseva Sahakari Bank Ltd. of Rs.25/- each	-	150,000
b) 60 shares of Rupee Co-op Bank Ltd. of Rs.25/- each	1,500	1,500
c) 5000 shares of Janata Sahakari Bank Ltd. of Rs.100/- each	-	500,005
d) 10 shares of Shamrao Vithal Co-op Bank Ltd. of Rs.25/- each	250	250
e) 710 shares of Saraswat Co op Bank Ltd.of Rs.10 each	7,100	7,100
f) 7000 shares of Vishweshwar Sahakari Bank Ltd. of Rs. 50/- each	350,000	350,000
TOTAL	358,850	1,008,855
SCHEDULE 7: INVENTORIES		
(As per inventory taken, valued and certified by the management)		
Stores & Spares	5,140,333	4,988,666
Raw Materials	45,790,914	31,812,915
Packing Materials	28,188,785	22,037,249
Work In Process	55,887,708	35,883,014
Finished Goods	226,321,571	144,542,342
TOTAL	361,329,311	239,264,186
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured, Considered Good by Management)		
1) Exceeding Six months Considered Good (please see note no.2.8)	30,976,992	23,892,675
Considered Doubtful	3,869,639	3,423,240
	34,846,631	27,315,915
2) Others - Considered Good	1,097,813,459	651,720,572
	1,132,660,090	679,036,487
Less : Provision for Doubtful Debts	3,869,639	3,423,240
TOTAL	1,128,790,451	675,613,247
SCHEDULE 9: CASH AND BANK BALANCES		
CASH ON HAND	329,191	2,621,549
BANK BALANCES		
With Scheduled banks		
In Current Accounts	14,658,864	8,863,497
In Time Deposits	2,000,000	2,000,000
Margin Money against LCs	5,472,152	5,640,437
TOTAL	22,460,207	19,125,483

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rupees	AS AT 31.03.2007 Rupees
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured, Considered Good by Management)		
1) Advances Recoverable in Cash or in kind or for Value to be received [including advance on capital account Rs.7,78,819/- (previous year Rs.14,63,986/-)]	32,557,731	28,878,205
2) Export Benefits Receivables	6,857,649	4,826,187
3) Interest Accrued	232,070	788,950
4) Prepaid expenses	2,008,782	3,451,537
5) Employee advances for expenses	12,803,460	9,003,563
6) Deposits	5,345,791	4,404,512
7) Income Tax and Tax Deducted at Source	60,332,468	18,158,513
8) Balances in Excise Accounts	4,909,500	3,482,282
9) ICD Placed	137,299,815	-
TOTAL	<u><u>262,347,266</u></u>	<u><u>72,993,749</u></u>

SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS

A) CURRENT LIABILITIES		
1) Acceptances	82,162,194	9,995,386
2) Sundry Creditors		
a) Small Scale Industries Undertaking	5,341,685	570,510
b) Others	127,074,784	143,717,788
c) For Expenses	28,709,551	27,455,984
3) Unpaid Dividend	454,325	-
4) Trade Deposits	11,600,000	11,900,000
5) Derivative Payable	26,537,456	-
6) Other Liabilities	25,439,025	22,080,967
	<u>307,319,020</u>	<u>215,720,635</u>
B) PROVISIONS		
For Tax	124,818,971	42,854,305
For Leave Encashment,Gratuity	5,457,695	4,608,312
For Proposed Dividend	21,281,285	10,640,643
For Dividend Distribution Tax	3,617,819	1,808,909
Other Provision	3,734,021	3,050,654
	<u>158,909,791</u>	<u>62,962,823</u>
TOTAL	<u><u>466,228,811</u></u>	<u><u>278,683,458</u></u>

**TWILIGHT LITAKA PHARMA LIMITED****SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008**

PARTICULARS	Year Ended 31.03.2008 Rupees	Year Ended 31.03.2007 Rupees
SCHEDULE 12 : OTHER INCOME		
Interest		
a) Bank Deposits (tax deducted at source Rs. 79,349/- (previous year Rs.36,781/-)	523,836	194,958
b) Income tax refund	-	69,727
c) Other Interest (tax deducted at source Rs.13,73,611/- (previous year Rs.14,246/-)	11,811,767	136,448
Liabilities and Provisions Written Back	1,450,033	5,523,314
Export Incentives	3,331,462	2,447,898
Claims, Refunds & Miscellaneous Income	2,504,360	2,530,693
Dividend on long term investments	58,800	48,740
TOTAL	19,680,258	10,951,778
SCHEDULE 13 : MATERIAL COST		
A) Cost of Material		
Opening Stock	53,850,164	44,620,039
Add : Purchases	2,306,861,413	1,532,358,683
	<u>2,360,711,577</u>	<u>1,576,978,722</u>
Less : Closing Stock	73,979,699	53,850,164
	(A) 2,286,731,878	1,523,128,558
B) Purchase of Finished Goods	(B) 36,707,546	9,799,028
C) Increase/Decrease in Stocks		
i) Opening Stock		
Work in Process	35,883,014	52,888,427
Finished Goods	144,542,342	90,455,418
	<u>180,425,356</u>	<u>143,343,845</u>
ii) Closing Stock		
Work in Process	55,887,708	35,883,014
Finished Goods	226,321,571	144,542,342
	<u>282,209,279</u>	<u>180,425,356</u>
Decrease / (Increase) in Stocks	(C) (101,783,923)	(37,081,511)
Cost of Material	TOTAL 2,221,655,501	1,495,846,075

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SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

PARTICULARS	Year Ended 31.03.2008 Rupees	Year Ended 31.03.2007 Rupees
SCHEDULE 14 : EMPLOYEE COSTS		
Salaries, Wages, Bonus Gratuity etc..	100,066,820	58,995,831
Contributions to Provident and Other Funds	10,072,945	14,851,963
Staff Welfare Expenses	1,949,203	2,267,026
TOTAL	112,088,968	76,114,820
SCHEDULE 15 : MANUFACTURING AND OTHER EXPENSES		
Power & Fuel	14,749,642	17,501,292
Water Charges	1,052,696	739,136
Repairs & Maintenance :		
Plant & Machinery	4,968,148	3,428,038
Building	707,979	310,794
Others	960,174	1,148,894
Factory Expenses	6,281,771	7,032,869
Research & Development Expenses	1,571,891	1,613,828
Labour and Processing Charges	27,965,252	20,104,870
Rent	5,154,543	4,466,200
Rates & Taxes	1,130,958	990,325
Communication Expenses	6,007,728	4,133,105
Hire Charges	540,000	540,000
Registration & License Fees	546,744	747,557
Travelling & Conveyance	43,431,981	15,232,589
Vehicle Expenses	1,591,014	1,390,727
Legal & Professional Fees	8,966,404	6,645,474
Sitting fees to Directors	54,000	86,000
Sales Promotion	18,743,474	10,682,870
Insurance	5,832,396	4,324,866
Breakages and Expiry	11,557,429	3,204,568
Provision for Doubtful Debts	819,939	3,049,700
Commission	9,354,216	7,439,312
Carriage Outward	18,609,318	13,208,468
Sales Tax & Excise Duty (net)	2,123,251	1,195,425
Miscellaneous Expenses	6,663,055	5,224,965
Exchange rate fluctuation loss (net)	3,685,896	551,273
Bank & Finance Service charges	24,424,151	9,008,815
Loss on Derivative	26,537,456	-
Security expenses	1,745,536	1,286,686
Expenses on Amalgamation	-	37,801
Loss on Sale of Assets	100,465	-
Printing & Stationary	4,320,869	1,882,201
TOTAL	260,198,376	147,208,648



SCHEDULE 16: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.3.2008

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 mandatory Accounting Standards.

1.2 Use of Estimates:-

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

1.3 Fixed Assets:-

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

1.4 Depreciation and Amortization:-

- (a) In respect of fixed assets other than Land and Intangible assets, the Company has charged depreciation under Straight Line method as per the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (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 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: -

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

1.7 Revenue Recognition:-

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

1.8 Inventories: -

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

1.9 Retirement Benefits: -

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

1.12. Taxes on Income

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

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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) Counter Indemnity given to Bank in respect of Bank Guarantees issued by them : Rs.1,14,218/-.

2.2 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	
				31.03.2008	31.03.2007
Formulations					
Liquids	Litres	(000)	N.A.	1930	1930
Tablets	Nos.	(00000)	N.A.	29300	29300
Capsules	Nos.	(00000)	N.A.	7790	7790
Powders, Creams & Ointment	Kg.	(000)	N.A.	3035	3035

CLASS OF GOODS	PRODUCTION (#)		LOAN LICENSE PROCESSING		TOTAL	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Liquids	810.23	842.76	39.75	137.42	849.98	980.17
Tablets	17773.20	17544.40	2500.18	4084.27	20273.38	21628.67
Capsules	2205.56	2611.04	119.97	191.89	2325.53	2802.93
Powders, Creams & Ointment	40.96	155.51	493.41	639.28	534.37	794.80

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		2007-08		2006-07	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	468.03	52889157	219.93	23222958
Tablets	Nos.	(00000)	1147.05	60999507	748.38	46568372
Capsules	Nos.	(00000)	77.26	7923821	99.74	14730233
Powders, Creams & Ointment	Kg	(000)	154.47	22729859	45.78	5933856
				144542345		90455418



TWILIGHT LITAKA PHARMA LIMITED

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

CLASS OF GOODS	UNIT OF MEASUREMENT		2007-08		2006-07	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	860.33	146952533	723.00	133830022
Tablets	Nos.	(00000)	43661.11	2193638530	32209.57	1566660156
Capsules	Nos.	(00000)	5032.44	561667477	2721.43	250210737
Powders, Ointment & Others	Kg	(000)	177.25	46084171	104.11	23452758
				2948342711		1974153673
Less: Excise duty				31841402		47467259
Net Sales				2916501309		1926686414

(d) CLOSING STOCK OF FINISHED GOODS

CLASS OF GOODS	UNIT OF MEASUREMENT		2007-08		2006-07	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Formulations						
Liquids	Litres	(000)	596.68	72663114	468.03	52889157
Tablets	Nos.	(00000)	1495.76	102919074	1147.05	60999507
Capsules	Nos.	(00000)	93.67	7662477	77.26	7923821
Powders, Creams & Ointment	Kg	(000)	210.38	43076906	154.47	22729859
TOTAL				226321571		144542345

(e) COST OF MATERIALS CONSUMED :

CLASS OF GOODS	UNIT OF MEASUREMENT		2007-08		2006-07	
			QTY.	AMOUNT(Rs.)	QTY.	AMOUNT(Rs.)
Purchase of Bulk Drug	Ton	-	19672.21	1894575223	13239.33	1242748641
Capsules	Nos.	(00000)	6971.62	65127604	4998.60	41714918
Packing material				71228591	-	74367182
Others				190724083	-	137015334
Note: No single raw material or packing material accounts for more than 10% of total consumption.						
TOTAL				2221655501		1495846075

(f) COST OF MATERIALS CONSUMED :

PARTICULARS	2007-08		2006-07	
	%	AMOUNT(Rs.)	%	AMOUNT(Rs.)
Indigenous	100.00	2221655501	99.71	1491378877
Imported	-	-	0.29	4467198
TOTAL	100.00	2221655501	100.00	1495846075

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

(in Rs.)

PARTICULARS	2007-08	2006-07
Raw Materials	-	4443849
Other Materials	-	-

(h) EXPENDITURE IN FOREIGN CURRENCY

(in Rs.)

PARTICULARS	2007-08	2006-07
Traveling & other expenses	26276	36537
Registration & License Fee	39702	-

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(i) EARNINGS IN FOREIGN CURRENCY

(in Rs.)

PARTICULARS	2007-08	2006-07
Exports at FOB value	232101877	167765905
Insurance, freight and other recoveries	4345845	3992347

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

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

(a) TO THE MANAGING DIRECTOR

PARTICULARS	2007-08	2006-07
Basic Salary	1200000	850000
Perquisites	610020	1163551
Contribution to Provident Fund	144000	102000
Total Rs.	1954020	2115551

(b) TO THE EXECUTIVE DIRECTORS

PARTICULARS	2007-08	2006-07
Basic Salary	1200000	600000
Perquisites	768540	514500
Contribution to Provident Fund	144000	72000
Total Rs.	2112540	1186500

2.5 (a) PAYMENT TO AUDITOR

PARTICULARS	2007-08	2006-07
Statutory Audit Fee	350000	350000
VAT Audit Fee	75000	75000
Limited Review, Interim Audit & Corporate Governance Report	150000	150000
Tax Audit Fee	90000	90000
Service Tax	81504	81396
Total Rs.	746504	746396

(b) PAYMENT TO COST AUDITOR

PARTICULARS	2007-08	2006-07
Cost Audit Fee	80000	55000
Service Tax	9888	6732
Total Rs.	89888	61732

2.6 Research and Development expenses include:

PARTICULARS	2007-08	2006-07
Materials	121193	390139
Salary, contribution to P. F., Bonus, etc.	1417025	1202434
Others	33673	21255
Total Rs.	1571891	1613828

2.7 Micro, Small and Medium Enterprises:

PARTICULARS	2007-08	2006-07
Princial amount due to vendor	4399487	570510
Interest accrued and remain unpaid	-	-
Total Rs.	4399487	570510



TWILIGHT LITAKA PHARMA LIMITED

Names of Small Scale Industrial Undertakings to whom the Company owes amount which is outstanding for more than 30 days as on 31st March, 2008:

Anchor Mark Pvt. Ltd., Amsal Chem Pvt. Ltd., Alchemy Foils, Asian Flavours & Fragrances, Atharv Foil Industries, Bamboat Press Pvt Ltd, Horticon, Maple Biotech, Super Seals, Trichem Enterprises.

No amounts are due to Micro Enterprises.

- 2.8 Sundry Debtors include Rs.29,68,811/- (previous year Rs. 1,22,92,137/-) due from a customer in Uganda. In view of the delay in recovery of the amount, the Company had initiated recovery proceedings against the said customer by appointing Official Receiver, after creating charge on the assets of the said customer and one Associate Concern of the customer during the year 2001-02. A settlement has been arrived at, during last financial year following which the Official Receiver has made payments in four installments aggregating to Rs. 93,23,326/-. Balance outstanding of Rs. 29,68,811/- is expected to be received during July,08 in full settlement of the claim. Hence no provision is considered necessary in respect of the same.

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

PARTICULARS	2007-08	2006-07
Net Profit for the year (Rs.) (a)	180330323	140888914
No. of Equity Shares outstanding at the beginning of the year	21281285	9548785
Add : Shares issued during the year on 22.06.2006	-	11732500
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)	8.47	6.62

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

PARTICULARS	2007-08	2006-07
Deferred Tax Liability:		
Depreciation (a)	20072859	16997405
Less : Deferred Tax Asset:		
Gratuity	-	870175
Leave Encashment	497953	348174
Disallowance U/S 43B	2186444	-
(b)	2684397	1218349
Add : Deferred Tax Assets		
Expenditure U/S 35DD (c)	324462	-
Net Deferred Tax Liability Rs. [a-(b+c)]	17064000	15779056

- 2.11 Disclosure regarding un-hedged foreign currency exposure

Sr. No.	Particulars	Amount in Foreign Currency		Amount in Rupee
		Currency	(in thousand)	(in thousand)
1.	Sundry Debtors	USD	1010.90	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 31.03.08

For Hedging currency and interest rate relating risks :

Nominal amounts of derivative contracts entered into by the Company and outstanding as at 31st March, 2008 amount to Rs. 17,00,00,000/- (previous year Rs. nil). Category wise break up is given below :

PARTICULARS	2007-08	2006-07
Interest Rate Swaps (Rs.)	17,00,00,000	NIL

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- (b) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 read with Schedule VI of the Companies Act, 1956 the Company has charged an amount of Rs. 2,65,37,456/- (previous year Rs. nil) to the profit and loss account in respect of derivative contracts outstanding as at 31st March,2008.

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	2007-08	2006-07
Employer's Contribution to Provident Fund	4932754	2862134
Employer's Contribution to Gratuity Fund	1674632	3216695
Employer's Contribution to Leave Encashment Fund	274988	1504126

Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2008

(in Rs.)

	Leave Encashment	Gratuity
(i) Change in Defined Benefit Obligation		
Opening defined obligation	23,21,597	64,10,727
Current service cost	4,78,068	12,09,234
Interest cost	1,85,728	4,80,805
Actuarial loss / (gain)	3,51,961	3,43,608
Liabilities settled on sale of business	-	-
Benefits paid	7,776	1,01,711
Closing defined benefit obligation	26,25,656	83,42,663
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	3,32,731	39,23,350
Expected return on plan assets	36,857	3,59,015
Actuarial gain / (loss)	-	-
Contributions by employer	3,15,305	12,00,000
Assets distributed on sale of business	-	-
Benefits paid	7,776	1,01,711
Closing fair value of plan assets	6,77,117	53,80,654
Actual return on plan assets	36,857	3,59,015
(iii) Amount recognized in the Balance Sheet		
Present value of obligations as at year end	26,25,656	83,42,663
Fair value of plan assets as at year end	6,77,117	53,80,654
Amount not recognized as an asset	-	-
Net (asset) / liability recognized as on 31.03.2008	19,48,539	29,62,009
(iv) Expenses recognized in the Profit & Loss Account		
Current service cost	4,78,078	12,09,234
Interest on defined benefit obligation	1,85,728	4,80,805
Expected return on plan assets	36,857	3,59,015
Net actuarial loss / (gain) recognized in the current year	(3,51,961)	3,43,608
Effect of the limit in Para 59(b) of the revised AS 15		
Total expense	2,74,988	16,74,632
(v) Principal actuarial used		
Discount rate (p.a.)	8%	8%
Expected rate of return on plan assets (p.a.)	8%	8%
Rate of escalation in salary	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 | Borachem Industries Limited
Twilight Mercantiles Ltd.
Regent Financial Services Pvt. Ltd.
Dubash Investment & Finance Co. Pvt. Ltd.
G. R. Capital & Finance Pvt. Ltd. |

(ii) Particular of transactions:

(in Rs.)

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	4084560.00 (3302051.00)	- (-)	- (-)	4084560.00 (3302051.00)
Rent	875556.00 (1055768.00)	2185608.00 (1869236.00)	756000.00 (-)	3817164.00 (2925004.00)
Hire Charges	- (-)	- (-)	540000.00 (540000.00)	540000.00 (540000.00)
Interest	- (-)	- (-)	21000.00 (1462500.00)	21000.00 (1462500.00)
Sale of Finished Goods	- (-)	- (-)	16364238.80 (-)	16364238.80 (-)
Purchase of Finished Goods	- (-)	- (-)	- (13936954.77)	- (13936954.77)
Job work charges paid	- (-)	- (-)	8224599.00 (-)	8224599.00 (-)
Inter Corporate Deposit Received	- (-)	- (-)	492845.00 (24059868.00)	492845.00 (24059868.00)
Inter Corporate Deposit Repayment	- (-)	- (-)	2403677.00 (24219274.00)	2403677.00 (24219274.00)

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.

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2.16 Figures of the pervious year have been regrouped wherever necessary.

As per our Report of even date.

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

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

Place : Mumbai
Date : 23rd June, 2008

For and on behalf of the Board

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

Place : Mumbai
Date : 23rd June, 2008



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 8

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

1 7 1 9 0 9 4

Sources of Funds

Paid-up Capital

1 0 6 4 0 6

Secured Loans

8 8 8 9 9 3

Application of Funds

Net Fixed Assets

4 1 0 0 3 7

Net Current Assets

1 3 0 8 6 9 8

Total Assets

1 7 1 9 0 9 4

Reserves & Surplus

3 9 5 2 4 9

Deferred Tax liability

1 7 0 6 4

Unsecured Loans

3 1 1 3 8 2

Investments

3 5 9

Accumulated Losses

N I L

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

Turnover

2 9 6 8 0 8 4

Profit Before Tax

2 6 6 3 3 9

Earning per share (Rs.)

8 . 4 7

Total Expenditure

2 7 0 1 7 4 5

Profit After Tax

1 8 0 3 3 0

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

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 **34th Annual General Meeting** of the Company held on **Thursday**, the **31st July, 2008** at **11.00 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 _____

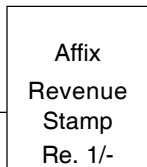
of _____ or failing him _____

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

my/our behalf at the 34th Annual General Meeting of the Company to be held on Thursday, the 31st July, 2008 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2008.

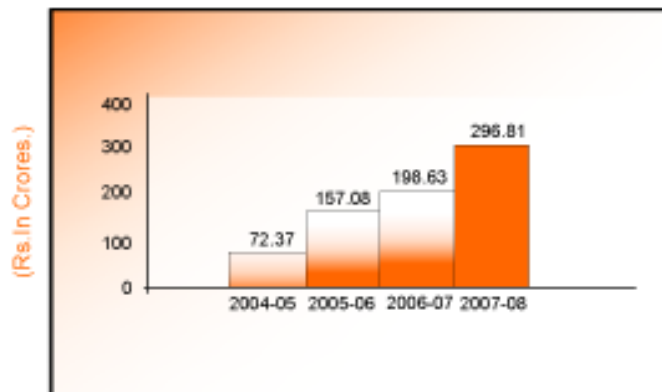
Signed by the said _____



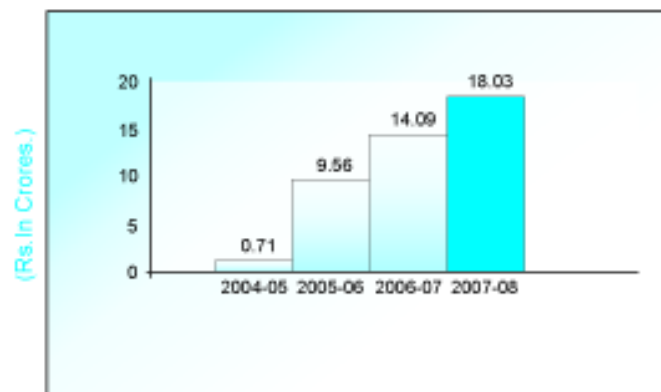
NOTE : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

FINANCIAL HIGHLIGHTS

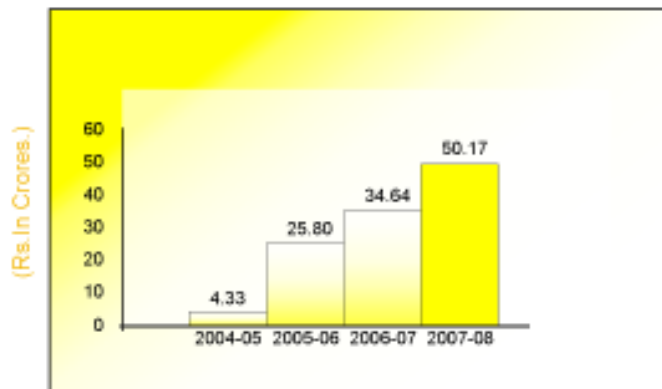
TOTAL INCOME



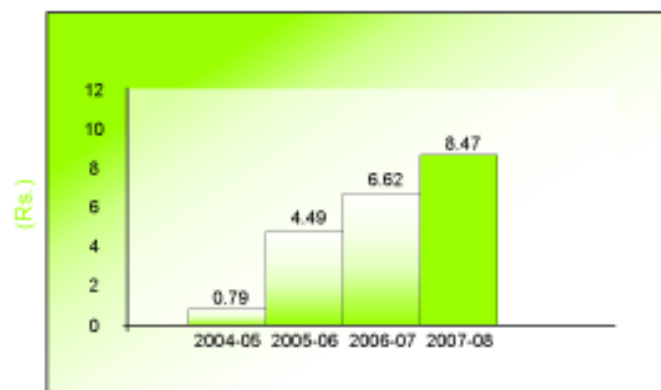
NET PROFIT



NET WORTH



EARNING PER SHARE



Book-Post

If undelivered please return to :



Twilight Litaka Pharma Limited

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