



TWILIGHT LITAKA PHARMA LIMITED

38th Annual Report 2011-12

BOARD OF DIRECTORS**BOARD OF DIRECTORS**

MR. R. C. BORA, Chairman
MR. GOPAL RAMOURTI, Managing Director
MR. N. R. BORA, Executive Director & Chief Financial Officer [CFO]
MR. A. R. BORA, Executive Director
MR. V. K. NAIK (Upto 1/10/2011)
MR. A. S. CHANDVANKAR
MR. RAMESH RAMOURTI (Upto 1/08/2012)
MR. M. S. RAGHAVAN AYYANGAR
MR. RAMESH GADGIL
MR. M.T. MOTWANI (Upto 1/10/2011)

COMPANY SECRETARY

MR. NIKHIL KULKARNI

AUDITORS

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

BANKERS

CENTRAL BANK OF INDIA
ICICI BANK LTD.
UNION BANK OF INDIA
BANK OF INDIA
BANK OF BARODA
BARCLAYS BANK PLC.
IDBI BANK LTD.
STATE BANK OF HYDERABAD
AXIS BANK LTD
DBS BANK LTD

REGISTERED OFFICE

B-22 "H" BLOCK, M.I.D.C.,
PIMPRI, PUNE - 411 018.

38TH ANNUAL GENERAL MEETING

Date : 31ST DECEMBER, 2012

Day : MONDAY

Time : 09.30 a.m.

**Place : B-22 "H" Block, M.I.D.C.,
Pimpri, Pune - 411 018**

VISIT US AT :

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

HEAD OFFICE

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

MANUFACTURING FACILITIES

- 1) 116/2 Chakan Phata,
Mumbai Pune Road
Vadgaon Maval, Pune 412 106
- 2) 39/40 Vasai Taluka Industrial Estate
Sector II, Gaurai Pada, Vasai (E)
Dist.: Thane 401 208
- 3) B-22 'H' Block, M.I.D.C.,
Pimpri, Pune 411 018
- 4) Village Dhana, Bagh Bania, Baddi
Nalagarh Road, Nalagarh,
Dist. - Solan, Himachal Pradesh 174 701
- 5) Briocia Pharma (India) Limited
(100% subsidiary of the Company)
Plot No. E -1, M.I.D.C., Industrial Area,
Jejuri, Pune 412 303

REGISTRAR & TRANSFER AGENTS

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

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NOTICE

NOTICE is hereby given that the THIRTY-EIGHTTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TWILIGHT LITAKA PHARMA LTD., will be held on Monday, 31st December, 2012, at 09.30 a.m. at the registered office at B-22 "H" Block, M.I.D.C., Pimpri, Pune- 411018 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 appoint a Director in place of Mr. Ramesh Gadgil, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Avinash S. Chandvankar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory 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.

Date : 3rd December, 2012
Place : Mumbai

Gopal Ramourti
Managing Director

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 Wednesday, 26th December, 2012 to Monday 31st December, 2012 (both days inclusive).
3. 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.
4. 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.
5. The members are hereby informed that the Company would transfer the dividends which remain unclaimed over a period of 7 years to the Investor Education and Protection Fund constituted by the Central Government under section 205C of the Companies Act, 1956.
6. Green initiative in Corporate Governance:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this 'Green initiative' by the MCA in full measure, members who have not registered their e-mail addresses so far, including change, if any, are requested to register e-mail addresses with their respective Depository participants and members who hold shares in physical form with the company at litaka@shareproservices.com .

7. PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
[Pursuant to clause 49 IV (G)] of Listing Agreement with Stock Exchange

Particulars	Mr. Ramesh Gadgil	Mr. Avinash S. Chandvankar
Date of Birth	08.04.1945	11.04.1960
Date of Appointment	30.01.2010	20.04.2002
Qualifications	Science Graduate	Chartered Accountant
Expertise	He holds Masters' Degree in Marketing Management and Animal Physiology and Zoology. He is a Fellow member of Indian College of Cardiology. Mr. Gadgil has more than 37 years experience in Pharma marketing. He has worked with companies like Lupin, Alkem, Bal Pharma, CFL for their strategic brand management.	He is a practicing Chartered Accountant. He has more than 15 years 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 Partner of A. G. Ogale & Associates, Chartered Accountants and is the Proprietor of A. S. Chandvankar & Associates, Chartered Accountants.
Directorships in other Public Limited Companies	NIL	Briocia Pharma (India) Limited
Membership of Committees in other Public Ltd. Companies *	NIL	NIL
No. of shares held in the Company	NIL	NIL

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

Date : 3rd December, 2012
Place : Mumbai

Gopal Ramourti
Managing Director

DIRECTORS' REPORT
**Dear Shareowners,
Of Twilight Litaka Pharma Ltd.**

Your Directors present this Thirty Eighth Annual Report of your Company for the financial year ended on 31st March 2012.

In October 2011 the Income Tax Department has conducted search and seizure operations and voluminous documents /records have been seized by the Department. The said Department has also asked additional information and further details. Compilation and furnishing of information asked by the Department was to be completed on priority and it took lot of time. Company is facing problem of liquidity as well as shortage of manpower. Due to all these factors the work of finalization of accounts and audit of accounts was delayed. Company has therefore approached Registrar of Companies with a request to grant extension for holding Annual General Meeting on or before 31st December 2012. The ROC vide its letter dt. 5th September 2012 granted permission to hold Annual General Meeting by 31st December 2012. Accordingly Company has decided to hold ensuing Annual General Meeting on 31st December 2012.

FINANCIAL HIGHLIGHTS

Particulars	Standalone		Consolidated
	Year ended 31st March, 2012 [₹ in crs.]	Year ended 31st March, 2011 [₹ in crs.]	Year ended 31st March, 2012 [₹ in crs.]
TOTAL INCOME	731.23	660.51	733.66
NET PROFIT AFTER TAX	3.52	49.44	(0.94)
Add : Surplus brought forward from the Balance Sheet	107.76	67.98	108.67
Less : Short term provision for tax after earlier year	—	0.38	—
Amount available for disposal	3.52	117.04	(0.94)
APPROPRIATIONS:			
General Reserve	—	4.94	—
Equity Dividend	(3.72)	3.72	(3.72)
Distribution Tax on Dividend	(0.62)	0.62	(0.62)
Surplus carried to Balance Sheet	115.61	107.76	112.06
Earnings Per Share (₹) *	1.42	23.23	(0.38)
Book Value per Share (₹) *	71.00	68.19	69.59

* Face Value Rs. 5/- per share.

PERFORMANCE OF THE COMPANY

i. In the Financial year 2010- 11 your Company has acquired 100% stake of M/s Briocia Pharma (India) Limited from the funds available on the expectation that substantial funds will be infused by way of Private Equity. This investment was necessary as the existing plants in Pimpri and Vadgaon were very old and additional capacities were required. Since the Company has entered into Joint Venture with M/ s Interpro Healthcare of Republic of South Africa it was necessary to have a modern facility complying with the regulations applicable in Republic of South Africa. The facility of M/s Briocia Pharma (India) Limited has substantial capacity and is also compliant with Modern WHO GMP guidelines.

ii. The decision to acquire M/s Briocia Pharma (India) Limited as well as capital expenditure the Company has incurred, was based on the assumption that additional substantial funds will be infused by way of Private Equity. Your Company made good progress in this direction however due to adverse condition in capital market as well as fall in the share price of the Company the proposal to bring additional funds by way of Private Equity could not materialize and still it is on hold. Recovery from the debtors was also slow. Cumulative effect of all these factors created severe liquidity crunch and shortage of working capital. This has adversely affected the overall performance of the Company. Your Company could not service the interest and also was unable to honour financial commitments to the bankers as well as creditors. As a result all bankers have classified Company's

account as NPA and some of the bankers recalled their facilities. Some of the bankers as well as creditors have initiated legal proceedings for the recovery of their dues.

Your Company is making efforts to overcome the present critical financial position by approaching bankers to restructure the facilities. Your Company is also in the process of disposing off certain non-core assets. The Company's old plants in Pimpri and Vadgaon (Tal. Maval) have appreciated substantially in terms of real estate value. The Company has been approached by various real estate developers from Pune and Mumbai alike to capitalize on the lucrative opportunity that is offered in real estate. In fact it appears that the gross value of the real estate development can achieve in excess of Rs. 200.00 Cr. when developed over a period of 2-3 years. The sale proceeds of these assets will be utilized in reducing Bank liabilities and also it will meet urgent requirements of working capital. In addition to that Company is still in the process of identifying some strategic investor who will infuse funds in the Company by way of Equity. In view of this your directors are optimistic that your Company will be in position to turn the corner in the current financial year. And on this basis the management is of view that it continues to operate as a going concern and have ability to fully meet its financial obligations.

NON RECOVERABLE CURRENT ASSETS

The Company has identified several receivables as bad and doubtful debts as on 31st March'12. It was identified that the field force had enthusiastically booked additional sales to meet their targets which could not be matched by adequate secondary sales. Subsequently during rigorous follow up for the payment these facts came to light and the stockists refused to pay and surrendered several expired stocks. The Company conducted a detailed audit and identified these bad debts. These outstanding has neither been confirmed by the party nor received since 31st march 2012 and hence the Company has decided to write them off to reflect the correct outstanding balances amounting to Rs. 36.58 Crs.

REDUCTION IN STOCK

The Company has carried out extensive study on inventories at its various locations with a view to examine the correct realizable value and has found that there are several stocks which are either expired or not serviceable and hence they have been written down in value amounting to Rs. 15.04 Crs.

DIVIDEND FOR THE YEAR 2011-12

With a view to overcome present liquidity crunch and to plough back the amount of profit earned and to conserve the resources your Directors do not recommend any dividend for the year ended March 31, 2012.

DIVIDEND FOR THE YEAR 2010-11

As you are aware that in the Extra Ordinary General Meeting of the Shareholders of the Company held on Saturday, 29th September, 2012 at the Registered Office of the Company the shareholders have unanimously accorded their approval and passed the resolution for Cancellation of issuance of Dividend of 30% (i.e. Rs.1.50 per share on the face value of Rs.5/- each of Equity Shares) for the Financial Year ended on 31st March, 2011, which was declared at the Annual General Meeting of the Company held on 29th September, 2011.

CHANGE IN REGISTERED OFFICE OF THE COMPANY.

With a view to reduce expenses and also to have better co-ordination your directors have decided to shift the registered office of the Company from Himalaya Estate, 16-A, Shivajingar, Pune -411005 to B-22, H Block MIDC, Pimpri, Pune - 411018 w.e.f. 12th July, 2012.

AUDIT BY SEBI

With reference to the captioned matter your Directors wish to inform you, that pursuant to the powers conferred under Section 209A of Companies Act, 1956 and Section 11 (2A) of SEBI Act 1992, SEBI has appointed independent firm of Chartered Accountants to conduct



TWILIGHT LITAKA PHARMA LIMITED

Forensic Audit and examination of books of accounts of your Company. The Company and its officers are giving full co-operation to them in this matter.

SUBSIDIARY

Briocia Pharma (India) Limited is a Wholly owned Subsidiary of your Company by virtue of acquisition of 100% stake by the Company.

The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8 February 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the annual report 2011-12 does not contain the financial statements of our subsidiary. The consolidated financial statements, in terms of Clause 32 of the Listing Agreement and prepared in accordance with Accounting Standard 21 as specified in Companies (Accounting Standards) Rules, 2006 also form part of this annual report.

The audited annual accounts and related information of our subsidiary, where applicable, will be made available for inspection during business hours at our registered office in Pune. The annual accounts of Briocia Pharma (India) Limited and the related detailed information will be made available to the members on the specific request made by them.

LEGAL PROCEEDINGS

Some of the bankers as well as few creditors initiated legal proceedings against the Company in various courts including Bombay High Court. Your Company is handling these issues with the help of Company's legal advisors and also making efforts to sort out these issues by amicable settlement.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of your Company is given in the Management Discussion and Analysis Report, which forms part of this Report.

CORPORATE GOVERNANCE

Your Company follows healthy Corporate Governance practices since it believes that Corporate Governance is a voluntary code of self-discipline. A separate report on the initiatives on Corporate Governance adopted by your Company along with a certificate of Compliance from the Auditors given in this Annual Report forms part of this Report.

STATUTORY AUDITORS

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

COST AUDIT

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, Mrs. Swati Joshi, (Fellow Membership No. 28717) practicing Cost Accountant, was appointed to conduct audit of cost records relating to formulations for the year ended March 31, 2012.

DIRECTORS

Mr. Ramesh Gadgil, Mr. Avinash S. Chandvankar Directors of the Company retire by rotation and being eligible offer themselves for reappointment; The resolutions for the Directors seeking reappointment are included in the notice of the Annual General Meeting.

Mr. V. K. Naik and Mr. M. T. Motwani resigned as a Director on 1st October, 2011 and Mr. Ramesh Ramourti resigned as a director on 1st August, 2012 due to their other commitments. The Board placed on record its sincere appreciation for services rendered by all of them to the Company during their tenure of Directorship.

Mr. Gopal Ramourti MD as well as Mr. Nainish Bora, ED & CFO requested the board that considering the present financial position of the Company to reduce their remuneration w.e.f 01/10/2012. Accordingly in the meeting of the Board Of Directors held on 01/09/2012 the board has passed resolution that subject to approval of shareholderds the remuneration as follows:

1. Mr. Gopal Ramourti from Rs. 2,00,000/- to Rs. 1,50,000/- p.m.
2. Mr. Nainish Bora from Rs. 1,00,000/- to Rs.75,000/- p.m.

Accordingly in the EOGM of the Company held on 29/09/2012 the shareholders of the Company have approved the reduction in the remuneration to both the Directors in the above manner. Further it is important to note that considering present liquidity crunch your Company has not made payment of remuneration to the Whole time Directors of the Company during the period under review.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, none of the employee of the Company was in the receipt of excess of Amount prescribed in the (Particulars of Employees) Amendment Rules, 2011.

DISCLOSURE OF PARTICULARS

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed herewith and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm -

- (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 have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 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.

APPRECIATIONS AND ACKNOWLEDGEMENTS

Your Board of Directors wish to place on record their appreciation of the contribution made by the employees at all levels, who through their competence, solidarity and support enabled the Company to achieve consistent growth.

The Board takes this opportunity to express their gratitude to Bankers, Suppliers, Regulatory and government authorities, Stock Exchanges and other Business Associates for their continued support and cooperation received by your Company.

Your Directors are thankful to the esteemed shareholders, all investors, clients, vendors, for their continued faith and valued support.

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

Date : 3rd December, 2012
Place : Mumbai

RAJENDRA C. BORA
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS**PHARMA INDUSTRY STRUCTURE AND DEVELOPMENTS**

After a brief Period of sluggishness during past two years the growth momentum in the domestic formulations market appears to be back on track. According to the Economic Survey 2011-12, Indian economy is estimated to grow at 6.9% in 2011-12 and is expected to be around 5.5% in 2012-13. The annual global spending on medicines will rise from \$956 billion in 2011 to nearly \$1.2 trillion in 2016 representing a compound annual growth rate of 3-6 percent. (IMS - The Global Use of Medicines: Outlook through 2016).

Further, global spending on patented drugs is expected to decline due to loss of exclusivity on patent expiries, there will be accelerated shift in spending towards generics in developed markets, rising to 39% of total spend by 2015, up from 20% in 2005.

India ranks 10th globally in terms of value and 3rd in terms of volumes. Growing population, improving medical infrastructure, rising income levels, increasing health insurance coverage and increasing government spend on healthcare are driving the market growth. Indian pharmaceutical market is dominated majorly by branded generics constituting nearly 70% to 80% (Source: IMS India Pharma Report) of market.

Outlook for generics in India looks positive due to several factors The current pipeline of the generics products that are either undergoing new process development or have been recently launched is strong. In addition, domestic players have the opportunity to develop new combinations and formulations of the products that are already in the market. Generics players continue to have a wide range of options for new generics launches.

OPPORTUNITIES

Generic segment contributed around 30% of the world pharmaceuticals market and is expected to reach 40% of the total global Pharma spending by 2015 growing with a CAGR of 13% compared with a 1% CAGR in the patented branded market. This trend is visible not only in developing markets but also in developed markets. The Company is well positioned to capitalize on these growth opportunities with strong development pipeline, low R&D and manufacturing costs and sound marketing reach and capabilities built over a period of time.

TLPL has always been India-centric. Most of the business turnover has been from the Indian market. With strong growth expected to continue in the Indian economy, we continue to see healthy growth. Regular launch of new products has continuously aided your Company in widening its therapeutic range which is our key focus area. The Year under review witnessed introduction of new products and new combination and line extensions of existing products. As a result of our strong brand building efforts, and innovative marketing strategies, sales from new products have contributed considerably to the turnover of the Company.

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. This has opened up opportunities to CRAMS players from low cost destinations like India. TLPL has identified this opportunity very early and started working on it, which result into overall growth in turnover. The company believes that it can manufacture various products of best quality at a low cost. Many of innovator companies are outsourcing their products to your

company. Recognizing this opportunity, the company continued to take initiatives in reducing its costs by employing lean manufacturing techniques and resource management initiatives.

STRENGTHS AND WEAKNESSES

Being in the Pharma Sector, TLPL has following strength and weaknesses.

STRENGTHS

- Strong and elaborate network of relationships with consumers, suppliers and external partners.
- Manufacturing on Principal to Principal and Loan License Arrangement.
- Ultramodern manufacturing facilities.
- Marketing Network across India.
- Exports to more than 40 countries.
- Listed on the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd.
- Good connectivity to Mumbai by rail as well as road.
- Cordial Relations with Workers.
- Experienced and dedicated staff.
- Availability of skilled and semi skilled workers to create opportunities, replicate the successes and drive business growth..

WEAKNESSES

To remain competitive and profitable in the challenging industry environment of today, TLPL has to increase production capacities to face the competition in the global market. In addition to contract manufacturing, it has to concentrate on increasing its own products range. Besides this your Company also needs to ramp up the marketing operations.

RISK MANAGEMENT

Global operations and product development for regulated markets poses significant challenges and risks for the organization. Such risks, if not identified and addressed properly in a timely manner could adversely impact accomplishment of the overall objectives of the organization and its sustainability.

Your Company's risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritize, manage/mitigate, monitor and communicate the risks across the company. These issues are resolved at the level of Board of Directors.

TALENT MANAGEMENT

Our employees continue to be the Backbone of success in all our endeavors. During the year, TLPL always believe in the concept of human empowerment and continued with its focus on developing the capabilities of its workforce even further through several HR initiatives.

We have bolstered our talent recruitment drives to meet out growing business needs. Steps have been taken to meet the challenges of retention, skill upgradation, remuneration and the career aspirations of talent on TLPL's rolls. We are confident that the measures now being taken by TLPL will enhance the effectiveness of its talent management initiatives.



REWARDS AND RECOGNITION

Rewards and Recognition program was initiated and Every year along with annual increments, employees are rewarded on completion of their service for 5 years, 10 years, 5 years, 20 years and 25 years in TLPL. The Reward and Recognition program has had a very positive impact on colleagues to be a strong motivational input.

CORPORATE SOCIAL RESPONSIBILITY

Good governance demands adherence of social responsibility coupled with creation of value in the larger interest of the general public. Corporate Social Responsibility forms an integral part of TLPL's corporate principles and business philosophy.

TLPL's CSR function is led by the vision to enrich lives to create a healthy and a happier world and We are Committed to being a socially responsible organization. As regards environment care, TLPL continued to maintain well designed effluent treatment plants at its factories. TLPL regularly undertakes various innovative measures to conserve energy, reduce wastage and optimize consumption.

HEALTH & SAFETY POLICY

The environmental policy of your Company emphasizes at being a caring company, which shall protect and promote the environment by complying with up applicable environmental regulations and preventing pollution in all its operations.

TLPL has kept up high standards of occupational health and safety practices at all its manufacturing units. TLPL continuously reviews safety measures at its premises all over India. No efforts have been spared to ensure safety in the operation of the Plants, to promote health and protect the environment. Health of the employees is continuously monitored and environment improvement measures in and around the Plant area have been given due care and attention.

TLPL has in place Occupational Health and Safety Policy which focuses on People, Technology and Facilities supported by Management commitment as the prime driver.

FINANCIAL PERFORMANCE

Performance of TLPL during the financial year 2011- 12 severally affected due to sever liquidity crunch due to inability of TLPL to avail additional facilities assessed by the bankers of the Company and proposal of infusion of additional funds by way of Private Equity could not be materialized. As a cumulative effect t of all these factors TLPL could not honour its financial commitments in terms of servicing of interest and repayment of loans. Bankers of TLPL classified its account as NPA and have initiated legal proceedings for the recovery of their dues.

Management of TLPL is making efforts to review the present Situation. Management has taken in principal decision to disposes off certain non-core assets and accordingly negotiations are at advanced stage. Management is identifying some strategic investor who will infuse funds in the company by way of equity. Management is taking several steps to cut the expenses and to trime its size without affecting the performance of the Company. On these factors management is of view that it continues to operate as a going concern and have ability to fully meet its financial obligations.

Financial Highlights

Return on Net Worth, Return on Capital Employed, EBIDTA and Earnings Per Share (EPS) for the last three years and for the year ended 31st March, 2012 are as follows.

Particulars	2009-10	2010-11	2011-12
Return on Capital Employed (%)	32	41	22
EBIDTA (Rs. In Cr.)	65.11	98.90	54.56
Basic EPS (Rs.)	15.33	23.23	1.42

INTERNATIONAL BUSINESS DIVISION (IBD)

The International Business Division which is located at the Registered Office of the Company at B-22 H Block, MIDC Pimpri, Pune is well supported by trained and qualified team in Regulatory and Product Development Departments. In addition to the 26 countries where the Company is doing export business, 10 new countries have been added and the Registration of the Pharmaceutical dosage forms are completed. Some of the countries are Malawi, Costa Rica, Kazakistan, Tajakistan, Russia, etc.

The performance of this division has grown four-fold with regards to the volumes and value. Acceleration of the growth of this division in the near future will be significant and will have a major contribution to TLPL's revenue over the next couple of years.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control systems complement the nature and size of the business. Internal Controls have been designed to prevent fraud and misuse of Company's resources protecting in turn shareholder interest. The internal audit team constantly monitors the controls and any feedback, whether positive or negative is communicated directly to the management.

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

The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses issues raised by Internal Auditors and Statutory Auditors.

CAUTIONARY STATEMENT

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ

from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

THE COMPANY BELIEVES THAT FOR MEETING ASPIRATIONS AND NEEDS OF STAKEHOLDERS IT IS IMPERATIVE THAT THE COMPANY ADOPT GOOD CORPORATE GOVERNANCE PRACTICES AND SAME COULD BE ACHIEVED THROUGH APPROPRIATE DISCLOSURE NORMS AND POLICIES, BEST IN CLASS BOARD PRACTICES, TRANSPARENT ACCOUNTING POLICIES, EQUITY IN ITS OPERATIONS AND HIGH STANDARDS OF CORPORATE CONDUCT.

The Company always committed to and endeavors to respect Best Corporate Governance norms in spirit not just in letters. The Company emphasizes Dissemination of information to all Stakeholders, so that Stakeholder gains a true and best knowledge and understanding of activities and business of the Company.

The Company has always believed in fair business and corporate practice while dealing with the stakeholders i.e. employees, customers, creditors, lenders and others.

2. BOARD OF DIRECTORS

As on date the Board of Directors of the Company consists of Seven Directors, Four of whom are Non Executive Directors, out of which Three are Independent Directors.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures have been made by the Directors of Directorships in other Companies.

During the Financial Year under review, Six (6) Board Meetings were held on the following dates : 13th May, 2011, 12th August, 2011, 27th August, 2011, 15th November, 2011, 26th December, 2011 and 11th February, 2012.

The Name and Category and their attendance at Board Meetings held during the year and Directorship in other Companies are furnished in table below:

Name of the Director	Category of Directorship	Board Meetings attended	Whether attended last AGM held on 29th September, 2011	Directorship of other Companies
Mr. Rajendra Bora	Chairman (Promoter)	6	Yes	-
Mr. Gopal Ramourti	Managing Director (Promoter)	6	Yes	06
Mr. A. S. Chandvankar	NED (I)	6	Yes	02
Mr. V. K. Naik *@@	NED (I)	0	No	-
Mr. Nainish Bora	Executive Director-Promoter	6	Yes	01
Mr. Ramesh Ramourti **	NED	6	No	02
Mr. Abhijit Bora	Executive Director -Promoter	-	No	-
Mr. M S Raghavan Ayyangar	NED (I)	5	Yes	02
Mr. Ramesh S. Gadgil	NED (I)	5	Yes	-
Mr. Mohan Motwani *@@	NED (I)	0	No	-

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

* Resigned as Director on 01.10.2011

** Resigned as Director on 01.08.2012

@@ Details provided till the date of resignation.

3. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

In terms of Clause 49 of the listing agreement as well as Section 292A of the Companies Act, 1956 the Board has constituted the Audit Committee of the Board of Directors. The Composition of Committee and details of attendance at Committee meetings met (05) Five times on 13th May,2011, 10th August, 2011, 27th August, 2011,15thNovember,2011 and 11th February, 2012. Mr. Nikhil Kulkarni acts as a Secretary to the Committee.

Name of the Director	Category of Directorship	No. of Meetings attended
Mr. A. S. Chandvankar	NED (I)	05
Mr. Nainish Bora	Executive Director -Promoter	04
Mr. Ramesh Ramourti @*	NED	05
Mr. M S Raghavan Ayyangar	NED (I)	04
Mr. Ramesh S Gadgil	NED (I)	04



* Resigned as Director on 01.08.2012

@ Details provided till the date of retirement.

NED - Non Executive Director

NED - Non Executive Director, I - Independent,

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 three Directors of the Company, viz. Mr. A S Chandvankar, Mr. Rajendra C. Bora and Mr. Ramesh Ramourti. However as Mr. Ramesh Ramourti resigned with effect from 1st August, 2012, Mr. M S Raghavan Ayyangar was appointed in his place in subsequent board meeting. Mr. Nikhil Kulkarni acts as a Secretary to the Remuneration Committee. 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.
- To review the remuneration of the aforesaid individuals fixed periodically.

Share Allotment Committee

The Company has constituted a Share Allotment Committee in its Board Meeting held on 13th May, 2011. The Committee was constituted to consider and finalize the proposals in respect of Allotment of Shares of the Company from the issued share capital of the company to the eligible applicants. The Share Allotment Committee consists of four Directors of the Company, viz. Mr. Rajendra C. Bora, Mr. A S Chandvankar, Mr. Nainish Bora and Mr. Gopal Ramourti. Mr. Nikhil Kulkarni, Company Secretary acts as a Secretary to the Share Allotment Committee. During the year four meetings were held on 10th June 2011, 14th June 2011, 15th June 2011 and 16th June 2011 to consider and approve the allotment of equity shares upon conversion of convertible warrants issued in March 2010.

4. Code of Conduct

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

5. MD/CFO Certification

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

6. Remuneration of Directors

The details of remuneration payable to the wholtime directors for the financial year 2011-2012 are given below:

(Amt. in ₹)

Director	Salary	Perquisites	Contribution to PF	Total
Mr. Gopal Ramourti	24,00,000	24,00,000	2,88,000	50,88,000
Mr. Nanish Bora	12,00,000	9,00,000	1,44,000	22,44,000

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

(Amt. in ₹)

Sr. No.	Name of the Non-Executive Director	Sitting Fees	Other elements of remuneration
1.	Mr. R C Bora	30,000	—
2.	Mr. A. S. Chandvankar	40,000	—
3.	Mr. Ramesh Ramourti	40,000	—
4.	Mr. V. K. Naik	—	—
5.	Mr. Mohan Motwani	-	—
6.	Mr. M. S. Raghavan Ayyangar	33,000	—
7.	Mr. Ramesh S. Gadgil	33,000	—

7. Shareholding of Non-Executive / Independent Directors as on 31.03.2012:

Name of Director	No. of Equity Shares of Rs.5/ each
Mr. A. S. Chandvankar	NIL
Mr. V. K. Naik	NIL
Mr. Ramesh Gadgil	NIL
Mr. M. S. Raghavan Ayyangar	NIL
Mr. M. T. Motwani	25,000

8. Share Transfer - cum - Investors Grievance Committee

Mr. A. S. Chandvankar, a Non-Executive Independent Director is the Chairman of the Committee. Other Member of the Committee is Mr. Nainish R. Bora.

Name and Designation of the Compliance Officer: Mr. Nikhil Kulkarni, Company Secretary

The Share Transfer-cum-Investors Grievance Committee meets every fortnight and accordingly 22 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 Seventeen (17) complaints regarding non-receipt of share certificates, sent for transfer and non-receipt of annual report & dividend were received from shareholders, all of which have been resolved.

Nature of Complaints	Received	Resolved	Pending
Share Certificates	01	01	Nil
Dividend	17	17	Nil
Non-Receipt of Annual Report	01	01	Nil
Non - Receipt of Shares after Transfer	01	01	Nil
Complaints of Shareholders forwarded by:			
Stock Exchange	01	01	Nil
SEBI	17	17	Nil

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

9. General Body Meetings

The details of the location and time for Annual General Meetings [AGM] and Extra Ordinary General Meetings [EGM] held during the last 3 years and details of the resolutions passed there at or passed by Postal Ballot:

Date	Year	Type of Meeting	Venue	Time
13.08.2009	2009	Annual General Meeting	Sumant Moolgaonkar Auditorium Hall, Ground Floor MCCA Trade Tower, "A" Wing, ICC Centre, Senapati Bapat Road, Pune 411016.	10.00 a.m.
02.03.2010	2010	Extra Ordinary General Meeting	Sumant Moolgaonkar Auditorium Hall, Ground Floor MCCA Trade Tower, "A" Wing, ICC Centre, Senapati Bapat Road, Pune 411016.	10.00 a.m.
25.09.2010	2010	Annual General Meeting	Sumant Moolgaonkar Auditorium Hall, Ground Floor, MCCA Trade Tower, "A" Wing, ICC Centre, Senapati Bapat Road, Pune 411016.	10.30 a.m.
29.09.2011	2011	Annual General Meeting	Sumant Moolgaonkar Auditorium Hall, Ground Floor, MCCA Trade Tower, "A" Wing, ICC Centre, Senapati Bapat Road, Pune 411016.	10.00 a.m.
29.09.2012	2012	Extra Ordinary General Meeting	B-22 "H" Block, M.I.D.C., Pimpri, Pune- 411018	9.30 a.m

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

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

10. 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. 34 of the notes to the accounts 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.

c) CEO / CFO Certification

The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31,2012, which is annexed hereto.



TWILIGHT LITAKA PHARMA LIMITED

d) Reconciliation of Share Capital Audit and Certification pursuant to Clause 47 (C) of the Listing Agreement

Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulation, 1996 Certificates on quarterly basis have been received from Shekhar Ghatpande & CO., Company Secretary in Practice. Pursuant to Clause 47 (C) of Listing Agreement entered with BSE and NSE, Certificates on Half - yearly basis have been received from Shekhar Ghatpande & CO., Company Secretary in Practice.

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

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

Particulars	Mr. Ramesh Gadgil	Mr. Avinash S. Chandvankar
Date of Birth	08.04.1945	11.04.1960
Date of Appointment	30.01.2010	20.04.2002
Qualifications	Science Graduate	Chartered Accountant
Expertise	He holds Masters' Degree in Marketing Management and Animal Physiology and Zoology. He is a Fellow member of Indian College of Cardiology. Mr. Gadgil has more than 37 years experience in Pharma marketing. He has worked with companies like Lupin, Alkem, Bal Pharma, CFL for their strategic brand management.	He is a practicing Chartered Accountant. He has more than 15 years 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 Partner of A. G. Ogale & Associates, Chartered Accountants and is the Proprietor of A. S. Chandvankar & Associates, Chartered Accountants.
Directorships in other Public Limited Companies	NIL	Briocia Pharma (India) Limited
Membership of Committees in other Public Limited Companies *	NIL	NIL
No. of shares held in the Company	NIL	NIL

12. Means of communication

The quarterly, half-yearly results of the Company were published during the financial year under review in the Newspapers Viz. 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.

To support the 'Green initiative' by the MCA, Company proposes to send all communication including Notices, Annual Reports etc. through e-mail and has requested members who have not registered their e-mail addresses so far, including change, if any, are requested to register e-mail addresses with their respective Depository participants and members who hold shares in physical form with the company at litaka@shareproservices.com

13. General Shareholder Information

a) Registered and Corporate Office

B-22 "H" Block, M.I.D.C., Pimpri, Pune- 411018
Tel Nos: 91-20- 30642650/51/52, Fax:91-20- 27475862
Website: www.twilightlitaka.com

b) **Date of Incorporation** : 18th January, 1974

c) **Registration No./CIN No** : L24231MH1974PTC017139

d) **Day, Date, Time & Venue of 38th AGM** : Monday, 31st December, 2012 at 9.30 a.m. at B-22 "H" Block, M.I.D.C., Pimpri, Pune- 411018.

The Notice of the Annual General Meeting is being sent to the Members along with this Annual Report.

e) **Dates of Book Closure** : Wednesday, 26th December, 2012 to Monday 31st December, 2012 (both days inclusive)

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

i) Financial Calendar

1st Quarterly results	: Upto 15th August 2012
2nd Quarterly results	: Upto 14th November 2012
3rd Quarterly results	: Upto 14th February 2013
4th Quarterly results	: Upto 15th May 2013

j) The Stock Exchange Listing

1. BSE Ltd. (BSE) Scrip Code: 506985 and Scrip ID is TWILITAKA
2. The National Stock Exchange of India Ltd. (NSE) & Symbol: TWILITAKA

The Company has paid Annual Listing Fee for the Financial Year 2012-13 to the both Stock Exchanges on which the shares of the Company are listed.

k) Shareholders are requested to send all share transfers and correspondence relating to shares, dividend, ECS Mandate, etc. to our Share Transfer Agent at:
SHAREPRO SERVICES (I) PVT. LTD.

13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri - Kurla Road Sakinaka, Andheri (E), Mumbai - 400 072. Phone: 022-67720300 " 022-67720400 ". Fax : 022-28591568 " 022-28508927 " E-mail: sharepro@shareproservices.com <http://www.shareproservices.com>

l) Market Price Data

The monthly High & Low Quotations of shares traded at Bombay Stock Exchange Ltd., and National Stock Exchange of India Ltd., during the Financial Year 2011-12.

Months	High Price		Low Price		No of shares		Total Turnover Rs. In Lakh	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April 2011	69	69	53.95	54	27,56,624	2541568	17,51,01,321	1619.74
May 2011	58.55	58.45	50.00	50	13,84,319	1015182	7,46,43,669	544.01
June 2011	58.40	59	49.35	49.15	8,26,058	713245	4,47,93,281	389.24
July 2011	57.90	58.20	50.95	50.20	12,04,234	829675	6,50,60,518	447.77
Aug 2011	53.00	53	30.00	29.10	11,85,451	955560	4,66,98,064	372.77
Sept 2011	43.65	43.45	34.00	33.35	11,02,377	1312913	4,36,98,893	518.95
Oct 2011	40.45	40.30	29.85	29.95	10,50,610	1173287	3,71,25,358	412.43
Nov 2011	45.00	45	27.75	27.70	14,76,181	1168001	5,24,54,639	421.17
Dec 2011	34.15	34.35	20.40	20.05	6,71,875	801842	1,70,52,106	196.87
Jan 2012	31.10	31.15	21.20	20.50	11,03,942	939818	3,05,13,103	259.43
Feb 2012	37.45	37.60	28.55	28.40	10,06,368	941893	3,29,01,152	311.43
March 2012	38.75	39.40	28.50	28.95	10,11,868	966341	3,43,69,955	332.97

(Amt in ₹)

m) Comparison of Litaka Share Prices with BSE Sensex and Nifty for 2011- 12

Period	Change			
	Company's Share Price - BSE	Company's Share Price - NSE	Sensex	Nifty
Opening Price/Index as on 31.03.2011	56.05	56.80	19445.22	5803.05
Closing price Index as on 31.03.2012	36.95	36.80	17404.2	5295.55
% Increase/(Decrease)	(65.92)	(35.21)	(10.50)	(8.74)



TWILIGHT LITAKA PHARMA LIMITED

n) Distribution Schedule as on 31.03.2012

Description	Holder's Folio	% to total shareholders	Holding(s) Shares	% to share capital
Up to 1000	18000	90.689	4289649	17.310
1001- 2000	761	3.834	1171944	4.729
2001- 3000	306	1.542	797446	3.218
3001- 4000	144	0.726	531577	2.145
4001- 6000	193	0.972	973280	3.927
6001- 8000	86	0.433	601313	2.426
8001-10000	72	0.363	678259	2.737
10001 and above	286	1.441	15737817	63.507
Total	19818	100	24781285	100

o) Shareholding Pattern as on 31.03.2012

Sr. No.	Category Held	No. of Shares	% to shares holding
1.	Promoter, including persons acting in concert, Directors and their relatives	1260489	5.0865
2.	Institutional investors (Indian)	1693789	6.8350
	(a) Mutual Funds and UTI		
	(b) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions		
3.	FII / NRIs / OCBs	789809	3.1871
4.	Private Bodies Corporates	7285669	29.3999
5.	Indian Public	13751529	55.4916
	TOTAL	24781285	100.00

p) Plant Locations:

- | | | |
|--|---|--|
| <p>1) B-22 'H' Block, M.I.D.C. Pimpri, Pune 411 018
Tel: 020-30642650/51/52
Fax: 020-2747 4109
Email: tlplpimpri@tlpl.co.in</p> | <p>2) Village Dhana, Bagh Bania, Baddi Nalagarh Road, Nalagarg Dist. Solan Himachal Pradesh -174701
Tele Fax No. 01795267090
E-mail: baddi@tlpl.co.in</p> | <p>3) 39/40 Vasai Taluka Industrial Estate Sector II, Gauraipada, Vasai (E) Dist: Thane 401 208
Tel: 0250-2455465/2450829
Fax No: 0250-2455464
Email: tlplvasai@tlpl.co.in</p> |
| <p>4) 116/2 Chakan Phata Mumbai - Pune Road Vadgaon Maval, Pune 412 106
Tel: 02114-325901 / 61
Fax: 02114-222859
Email: tlplvadgaon@tlpl.co.in</p> | <p>5) Briocia Pharma (India) Limited (100 % Subsidiary of the Company) Plot No. E -1, M.I.D.C., Industrial Area Jejuri, Pune - 412 303</p> | |

q) 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 31.03.2012, 93.87% of Equity Share Capital of the Company has been dematerialized.

r) Investors Correspondence

The Company's Share Department provides assistance to shareholders under the supervision of Company Secretary & Compliance Officer.

Any query relating to shares and requests for transactions such as transfers, transmissions, 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:

Legal & Secretarial Department

Twilight Litaka Pharma Ltd.

B-22 "H" Block, M.I.D.C., Pimpri, Pune- 411018
Tel Nos: 91-20-30642650/51/52, Fax: 91-20-27475862
Email: legal@tlpl.co.in and investors@tlpl.co.in

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We, Gopal Ramourti, Managing Director and Nainish R. Bora, Executive Director and Chief Financial Officer (C.F.O.) of Twilight Litaka Pharma Limited to the best of our knowledge and belief, certify that:

- 1] We have reviewed the balance sheet and profit and loss accounts [consolidated], and all its notes to accounts, as well as the cash flow statements and the Directors' Report for the Financial Year ended on 31.03.2012;
- 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 : 3rd December, 2012

Gopal Ramourti
Managing Director

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



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Twilight Litaka Pharma Ltd.

We have examined the compliance of the conditions of Corporate Governance by Twilight Litaka Pharma Ltd., for the year ended 31st March, 2012 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 an 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, 2012, 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
Firm Regn No: 109208W

V.MOHAN
PARTNER

Membership No. 17748

Place : Mumbai

Date : 3rd December, 2012

AUDITOR'S REPORT TO THE MEMBERS OF TWILIGHT LITAKA PHARMA LIMITED

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, 2012 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] Without qualifying attention is drawn to note 30 regarding going concern assumption.
- 5] 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, Profit and Loss account and Cash flow Statement 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, 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 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, 2012;
 - 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
Firm Regn No: 109208W**

**V Mohan
Partner**

Place : Mumbai
Date : 3rd December, 2012

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] During the year the company has neither taken nor granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 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. Arrears of outstanding statutory dues for a period of more than 6 months from the date they become payable is as under:
- | Nature of the Dues | Amount Rs. | Period | Due Date(s) | Date of Payment |
|--|--------------|----------------------|------------------------------------|-----------------|
| Income tax under Income Tax Act | 15,83,69,999 | FY 2009-10 & 2010-11 | 15th of last month in each quarter | Not Paid |
| Advance tax under Income Tax Act, 1961 | 31,22,730 | FY 2011-12 | Upto September 2012 | Not Paid |
| TDS under Income Tax Act, 1961 | 30,08,009 | FY 2011-12 | 07th Of Every Month | Not Paid |
| Employees State Insurance | 14,92,490 | FY 2011-12 | 15th Of Every Month | Not Paid |
| Provident Fund | 24,45,726 | FY 2011-12 | 15th Of Every Month | Not Paid |
| Sales Tax (VAT & CST) | 2,41,97,442 | FY 2011-12 | 21st Of Every Month | Not Paid |
- (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. Details of disputed dues on account of sales tax not deposited is as under;
- | Name of Statute | Nature of the Dues | Amount. Rs. | Period to which the amt relates | Forum where dispute pending |
|-----------------|--------------------|-------------|---------------------------------|-----------------------------|
| Sales Tax | Interest | 5,44,297 | 2003-2004 | Sales Tax Tribunal Mumbai |
- 10] In our opinion, the Company does not have any accumulated losses at the end of the year, and has no cash losses in the current and immediately preceding financial year.
- 11] According to the information and explanation given to us, the Company has defaulted in repayment of dues to financial institution and banks. Details of default as on March 31, 2012 is as under;
- | Nature of the Dues | Amount. Rs. | Period | Date of Payment |
|--------------------|--------------|------------|-----------------|
| Principle | 5,92,58,356 | FY 2011-12 | Not Paid |
| Interest | 22,52,34,837 | FY 2011-12 | Not Paid |

- 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. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 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] The Company has not given corporate guarantee for loan taken by others. 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. Therefore, 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
Firm Regn No: 109208W

V Mohan
Partner

Place : Mumbai
Date : 3rd December, 2012

Membership No. 17748



TWILIGHT LITAKA PHARMA LIMITED

BALANCE SHEET AS AT 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	NOTE NO.	AS AT 31 Mar 2012	AS AT 31 Mar 2011
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	123,906,425	106,406,425
Reserves and Surplus	3	1,690,332,409	1,325,486,322
Money Received Against Share Warrants	4	—	75,250,000
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	494,683,961	646,351,097
Deferred Tax Liabilities (Net)	6	53,619,722	53,619,722
Long-Term Provisions	7	2,942,015	2,080,791
CURRENT LIABILITIES			
Short-Term Borrowings	8	2,332,327,073	1,796,678,230
Trade Payables	9	345,454,190	398,905,840
Other Current Liabilities	10	304,109,352	219,028,427
Short-Term Provisions	11	164,127,858	159,261,766
	TOTAL	5,511,503,005	4,783,068,620
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	12		
Tangible Assets		944,960,628	807,811,300
Intangible Assets		250,000	1,840,137
Capital work-in-progress		74,160,051	74,160,051
Non-Current Investments	13	107,183,880	107,183,880
Long-Term Loans and Advances	14	242,686,581	245,504,961
Other Non-Current Assets	15	29,089,931	13,114,924
CURRENT ASSETS			
Inventories	16	771,642,416	844,584,572
Trade receivables	17	3,261,080,539	2,567,308,406
Cash and Cash Equivalents	18	16,941,383	26,406,602
Short-Term Loans and Advances	19	21,478,048	33,552,820
Other Current Assets	20	42,029,548	61,600,967
	TOTAL	5,511,503,005	4,783,068,620

The accompanying notes are an integral part of Accounts

The Significant Accounting Policies

1

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai

Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai

Date : 3rd December, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

In ₹ (Rupees)

PARTICULARS	NOTE NO.	Year ended 31 March 2012	Year ended 31 March 2011
INCOME			
Revenue from Operations	21	7,301,865,147	6,573,415,283
Other Income	22	10,439,684	31,721,358
TOTAL REVENUE		<u>7,312,304,831</u>	<u>6,605,136,641</u>
EXPENSES			
Cost of Materials Consumed	23	4,005,481,478	4,672,112,028
Purchases Of Stock-in-Trade		1,640,258,250	464,393,782
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(27,651,840)	(77,818,998)
Employee Benefit Expenses	25	199,862,748	176,792,728
Finance Costs	26	450,239,107	342,838,366
Depreciation and Amortization Expenses	27	51,051,226	36,486,725
Other Expenses	28	798,353,406	356,529,373
TOTAL EXPENSES		<u>7,117,594,374</u>	<u>5,971,334,004</u>
Profit Before Exceptional Item		194,710,457	633,802,637
Exceptional Item - Inventories Written Off		150,306,810	—
PROFIT BEFORE TAX		44,403,647	633,802,637
Tax Expense			
Current Tax		9,200,000	135,837,000
Deferred Tax		—	3,519,822
Profit for the year		35,203,647	494,445,815
Earnings per Share (Rs 5/- per share fully paid up)			
Basic / Diluted		1.42	23.23

The accompanying notes are an integral part of Accounts

The Significant Accounting Policies

1

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai
Date : 3rd December, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
1 Cash Flow from Operating Activity		
Net Profit Before Tax	44,403,647	633,802,637
Adjustment for :		
Depreciation & Amortisation	51,051,226	36,486,725
Loss / (Profit) on Sale of Assets (Net)	455,599	(1,523,275)
Finance Cost	450,239,107	318,722,245
Interest Received	(100,662)	(7,133,660)
Dividend Received	(54,000)	(35,000)
Operating Profit before Working Capital Changes	<u>545,994,917</u>	980,319,672
Adjustment for :		
Trade & Other Receivables	(675,282,599)	(843,049,665)
Inventories	72,942,156	(154,221,478)
Trade Payables	<u>76,197,239</u>	33,500,059
Cash Generated from operations	<u>19,851,713</u>	16,548,584
Direct Taxes (Paid) / Refunds (Net)	<u>(4,694,432)</u>	(71,117,080)
Net Cash flow from Operating activity	(A) <u>15,157,281</u>	<u>(54,568,496)</u>
2 Cash Flow from Investing Activity		
Purchases of Fixed Assets (including changes in Capital WIP)	(189,964,200)	(149,214,279)
Sale of Fixed Assets	2,743,572	2,315,002
Sale/(Purchase) of Investments	—	(106,804,731)
Dividend Received	54,000	35,000
Interest Received	100,662	7,133,660
Net Cash Inflow / (Outflow) from Investing Activity	(B) <u>(187,065,966)</u>	<u>(246,535,348)</u>
3 Cash Flow from Financing Activity		
Proceeds from issue of Convertible Warrants	225,750,000	—
Repayment of Long Term Borrowings	(151,667,136)	55,097,432
Proceeds from Short Term Borrowings	535,648,843	568,753,263
Capital Subsidy Received	2,950,866	—
Dividend Paid	—	(37,224,160)
Finance Cost	<u>(450,239,107)</u>	(318,722,245)
Net Cash from / (utilised) in Financing Activities	(C) <u>162,443,466</u>	<u>267,904,290</u>
Net Increase / (Decrease)	(9,465,219)	(33,199,554)
4 Cash & Cash Equivalents		
Cash & cash equivalents at start of the year	26,406,602	59,606,152
Add : Upon Addition of Subsidiaries	—	—
Cash & cash equivalent at the close of year	<u><u>16,941,383</u></u>	<u>26,406,602</u>

Note : The breakup of cash & cash equipment is as per Note 18 of the Balance Sheet.

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai
Date : 3rd December, 2012

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012**1. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY ARE AS FOLLOWS:-****A. Basis of preparation of financial statements:-**

The financial statements are prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 issued under section 211(3C) of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in preparation of the financial statements are consistent with those of the previous year. During the financial year ended 31st March 2012 the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The Company has also re-classified the previous year figures in accordance with the requirements applicable in the current year.

B. 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.

C. 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.

D. 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 up to ₹ 5,000/- are fully depreciated in the year of purchase.

(c) Intangible Assets are amortized over their economic life not exceeding 5 years from the date of acquisition.

(d) Premium on Leasehold land is amortized over the primary period of the lease. Revalued amount in respect of leasehold land is amortized over the residual period of lease. Amortization in respect of revalued portion is adjusted against the amount drawn from Revaluation Reserve.

(e) Depreciation on Revalued assets is adjusted against the revaluation reserve to the extent of revaluation.

E. 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.

F. Investments: -

Long-term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments.

G. Revenue Recognition:-

Sale of goods is recognized when the risk and reward of ownership are passed on the customer, which generally is on delivery of goods to customers. Net Sales are exclusive of sales tax, excise duty and trade discount.

Income on account of processing charges is recognized on the completion of job. Interest income is recognized on time basis.

Income from conversion charges is recognized as per terms of contract when the related services are rendered.

Export incentive entitlements are recognized as income when right to receive is established.

H. Inventories: -

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



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

I. Employee 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 contribution plan in the form of Provident Fund, Family Pension Fund are charged to the Profit and Loss Account in the year when the contributions to the respective funds accrue.

Retirement benefit plans such as gratuity and leave encashment is recognized at present value of amount payable determined using actuarial valuation techniques. Actuarial gains and losses are charged to Profit & Loss account.

J. 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.

K. Foreign Currency Transaction:-

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

L. Taxes on Income

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

M. 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.

N. 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.

O. Leases

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

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT	
	31 March 2012	31 March 2011
2. SHARE CAPITAL		
AUTHORISED CAPITAL:	215,000,000	215,000,000
43,000,000 Equity Shares of Rs.5/- each.		
ISSUED, SUBSCRIBED & PAID UP	123,906,425	106,406,425
[24,781,285 equity shares of Rs.5/- each (previous year- 21,281,285 equity shares)]		
TOTAL	123,906,425	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	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	117,325,000
	212,812,850	212,812,850
Less : Amount reduced pursuant to Scheme of Capital Reduction approved by the Hon'ble Bombay High court. [equity shares of Rs.10 to Rs. 5 each as on 31.03.2007]	106,406,425	106,406,425
Add : [35,00,000 Equity Shares of Rs.5 each fully paid up allotted on June' 2011]	17,500,000	—
	123,906,425	106,406,425

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
As at beginning of the year	21281285	106406425	21281285	106406425
Add:- Issued during the year	3500000	17500000	Nil	Nil
Outstanding at the end of the year	24781285	123906425	21281285	106406425

(ii) Details of Shareholders holding more than 5% shares in the Company

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Numbers	% Holding	Numbers	% Holding
ICICI Bank Limited	1649889	6.66	—	—
GR Capital & Finance Pvt. Ltd	—	—	3122639	14.67

(iii) The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- each. Each holder of Equity Shares is entitled to one vote per share. In case any Dividend is declared and paid it is done in Indian Rupees. The Dividend proposed if any by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting. The Company has not declared or paid any dividend during the year or in respect of the year ended on 31st March 2012.

(iv) On 13th March 2010, the Company had allotted 35,00,000 Convertible Warrants of Rs. 86/- (Rs. Eighty Six) each to seven subscribers with the Option to convert the same within 18 months from the date of allotment. All the seven warrant Holders exercised their Option to convert the said warrants in to Equity Shares and accordingly between 10th June 2011 to 16th June 2011, the Company has allotted 35,00,000 Equity Shares of Rs. 5/- each at a premium of Rs. 81/- per Share.



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	In ₹ (Rupees)	
	AS AT 31 March 2012	AS AT 31 March 2011
3. RESERVES AND SURPLUS		
CAPITAL RESERVES	87,215	87,215
Add : Capital Subsidy	2,950,866	—
	3,038,081	87,215
SECURITIES PREMIUM ACCOUNT		
Balance As Per Last Balance Sheet	1,300,170	1,300,170
Addition on account of fresh allotment of 35,00,000 Equity Shares of the Rs.5/- each of a premium of Rs.81/- per Share made during June 2011	283,500,000	—
	284,800,170	1,300,170
CAPITAL RESERVES ON REDUCTION OF CAPITAL	68,413,596	68,413,596
REVALUATION RESERVE		
Balance As Per Last Balance Sheet	55,965,350	56,119,962
Less : Amortisation on revalued Leasehold Land transferred from Profit & Loss Account	154,612	154,612
	55,810,738	55,965,350
GENERAL RESERVE		
Balance As Per Last Balance Sheet	122,106,239	72,661,657
Add : Transfer from Profit & Loss A/c	—	49,444,582
	122,106,239	122,106,239
SURPLUS IN PROFIT & LOSS ACCOUNT		
As Per Last Balance Sheet	1,077,613,752	679,849,951
Add : Profit / (Loss) for the year	35,203,647	490,554,569
Less : Proposed Dividend / (cancellation)	(37,171,928)	37,171,928
Less : Dividend Distribution Tax / (cancellation)	(6,174,258)	6,174,258
Less : Transfer to General Reserve	—	49,444,582
	1,156,163,585	1,077,613,752
TOTAL	1,690,332,409	1,325,486,322

- i) In the Annual General Meeting held on 29th September 2011 Shareholders approved payment of dividend of Rs. 1.50 per share for the financial year ended 31st March 2011 inter alia subject to the approval of the Banks. The bankers instructed the Company that before payment of Dividend company has to clear over dues of the Banks and obtain their consent for the same. Due to severe liquidity crunch, in spite of rigorous efforts, company could not clear the overdues of the Banks and therefore the dividend could not be paid. At the EOGM of the Company held on 29th September 2012 shareholders by a resolution accorded their consent for the Cancellation of dividend that was declared in the AGM held on 29/09/ 2011. Accordingly provision existing in accounts towards dividend Rs. 3,71,71,928/- and provision for Dividend Distribution Tax of Rs. 6,174,258 are written back.

PARTICULARS	AS AT	
	31 March 2012	31 March 2011
4. MONEY RECEIVED AGAINST SHARE WARRANTS		
Warrants	—	75,250,000
TOTAL	—	75,250,000

i) PARTICULARS	AS AT	
	31 March 2012	31 March 2011
MONEY RECEIVED AGAINST SHARE WARRANTS		
Opening Balance	75,250,000	75,250,000
Less: Subscription of fully paid shares against warrant	75,250,000	—
Closing Balance	—	75,250,000

- (II) On 13th March 2010, the Company had allotted 35,00,000 Convertible Warrants of Rs. 86/- (Rs. Eighty Six) each to seven subscribers with the Option to convert the same within 18 months from the date of allotment. All the seven warrant Holders exercised their Option to convert the said warrants in to Equity Shares and accordingly the Company has allotted 35,00,000 Equity Shares of Rs. 5/- Each at a premium of Rs. 81/- per Share in the month of June 2011. And accordingly Application Money received against Share warrants Transferred to Share Premium Account.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
5. LONG-TERM BORROWINGS		
SECURED		
Term Loan From Bank	—	—
[Term Loan from ICICI Bank Ltd is secured by first equitable mortgage of some of the immovable properties and personal guarantee of some of the directors and is carrying interest @ 14% and is repayable in 8 quarterly instalment of Rs 212.50 Lacs. Continuing default as on balance sheet date Rs.115.00 Lacs P.Y Rs.115.00 Lacs Total Interest accrued during the year and remaining unpaid Rs.33.00 Lacs]		
Loans from financial Institution (Secured by hypothecation of vehicles)	919,877	—
UNSECURED		
Intercompany Deposit	253,726,124	253,732,374
Sales Tax Deferral (Overdue Rs.77.63 Lacs P.Y (Nil))	37,994,199	48,300,252
Term Loan From Bank	175,000,000	315,550,673
[Term Loan from Bank Of India is secured by corporate guarantee of subsidiary and is carrying interest @ 14% and is repayable in 20 quarterly instalment of Rs 75 Lacs from Dec'2010 to Sept'2015. Continuing default as on balance sheet date Rs.300.00 Lacs P.Y Rs.150.00 Lacs Total Interest accrued during the year and remaining unpaid is Rs.146.51 Lacs.Security is yet to be created in their favour]		
[Corporate loan from State Bank Of Hydrebad is carrying interest @ 12.50% and is repayable in 8 equal quarterly installments of Rs.250 Lacs from June'2012 to March'2014. Total Interest accrued during the year and remaining unpaid is Rs.252.00 Lacs. Security is yet to be created in their favour]		
[Term Loan from Visheshwar Sahakari Bank Ltd is Secured by first equitable mortgage of some of the immovable properties and personal guarantee of relatives of some of the Directors. Loan is carrying interest @ 14% and is repayable in monthly installment of Rs. 2.31 Lacs. Continuing default as on balance sheet date Rs.27.58 Lacs]		
Loans from financial Institution (Secured against personal guarantees of Chairman and his relatives and their immovable properties.)	27,043,761	28,767,798
TOTAL	494,683,961	646,351,097
6. DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITY		
Depreciation	123,685,752	57,723,477
DEFERRED TAX ASSET		
Expenses allowable on payment of TDS/ on payment basis under Income Tax Act, 1961	70,066,030	4,103,755
TOTAL	53,619,722	53,619,722
7. LONG-TERM PROVISIONS		
Employee Benefits - Gratuity & Leave Encashment	2,942,015	2,080,791
TOTAL	2,942,015	2,080,791



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
8. SHORT-TERM BORROWINGS		
SECURED		
Bank Overdraft Accounts	2,255,660,406	1,796,678,230
[WORKING CAPITAL FACILITIES are Secured by first charge on all movable assets of the company, first and second equitable mortgage of immovable property belonging to the company and further secured by mortgage of immovable property belonging to one of group companies and personal guarantee of some of the directors of the company. Total interest accrued during the year and remaining unpaid is Rs. 1,820.84 lacs P.Y Rs. 113.83 lacs]		
Loan from Financial Institutions	50,000,000	—
(Secured by mortgage of an immovable property belonging to the Company and personal guarantee of some of the Directors)		
UNSECURED		
Inter Corporate Deposit	26,666,667	—
TOTAL	2,332,327,073	1,796,678,230
9. TRADE PAYABLES		
Micro, Small & Medium Enterprises	7,732,671	11,272,975
Others	337,721,519	387,632,865
TOTAL	345,454,190	398,905,840

The details of amounts outstanding to Micro, Small & Medium Enterprises based on available information with the Company is as under:

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
i. The principal amount and the interest due thereon remaining unpaid to suppliers		
a. Principal	7,732,671	11,272,975
b. Interest due thereon	—	—
ii. a. The delayed payments of principal paid beyond the appointed date during the entire accounting year	—	—
b. Interest actually paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
iii. a. Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	—	—
b. Normal interest payable for the period of delay in making payment, as per agreed terms	—	—
iv. a. Total interest accrued during the	—	—
b. Total interest accrued during the year and remaining unpaid	—	—

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
10. OTHER CURRENT LIABILITIES		
Current Maturity of Long Term Debt (Refer No. - 5)	192,328,008	132,460,549
Interest payable	13,284,153	296,859
Unclaimed Dividend*	3,128,502	3,210,439
Trade Deposits	15,500,000	14,800,000
Proposed Dividend Payable Including Tax	—	43,346,216
Statutory Dues	54,354,323	24,914,364
Employee Dues	21,817,212	—
Book Over Draft	3,697,154	—
TOTAL	304,109,352	219,028,427

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

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
11. SHORT TERM PROVISIONS		
Provisions For Tax (Net of Advance Tax)	162,875,567	158,369,999
Employee Benefits - Gratuity & Leave Encashment	1,252,291	891,767
TOTAL	164,127,858	159,261,766



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

12. FIXED ASSET SCHEDULE

Sr. No.	PARTICULARS	GROSS BLOCK		DEPRECIATION / AMORTISATION			NET BLOCK	
		AS AT 01.04.2011	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	DELETIONS	AS AT 31.03.2012	AS AT 31.03.2011
	TANGIBLE							
	Leasehold							
1	LAND	29,615,000	29,615,000	2,761,774	162,500	—	2,924,274	26,690,726
	Freehold							
2	LAND	70,854,427	70,854,427	—	—	—	—	70,854,427
3	FACTORY BUILDING	221,207,838	225,111,872	59,317,822	7,556,667	145,011	66,729,478	158,382,394
4	PLANT & MACHINERY	277,750,987	294,830,848	53,490,226	13,869,250	—	67,359,476	227,471,372
5	FACTORY & OTHER EQUIPMENTS INCLUDING COMPUTERS	253,829,842	401,207,897	37,557,621	17,598,946	—	55,156,568	346,051,329
6	MOULD/DIES JIGS, BLOCK & DESIGNS	18,802,462	19,713,399	13,921,046	2,211,981	—	16,133,027	3,580,372
7	AIR CONDITIONING SYSTEM	69,546,098	69,546,098	12,628,637	3,303,440	—	15,932,077	53,614,021
8	ELECTRICAL INSTALLATION	24,888,733	33,505,823	7,484,042	1,489,199	—	8,973,241	24,532,582
9	FURNITURE & FIXTURE	31,871,872	39,728,126	7,278,968	2,431,907	—	9,710,874	30,017,252
10	VEHICLES	8,604,498	8,832,435	4,720,320	991,812	645,850	5,066,282	3,766,153
11	INTANGIBLE							
	a) TRADEMARKS	5,000,000	5,000,000	3,750,000	1,000,000	—	4,750,000	250,000
	b) SOFTWARE	2,344,504	2,344,504	2,344,504	—	—	2,344,504	—
	b) TECHNICAL KNOWHOW	3,000,000	3,000,000	2,409,863	590,137	—	3,000,000	590,137
	TOTAL	1,017,316,261	1,203,290,429	207,664,824	51,205,838	790,861	258,079,801	809,651,437
	PREVIOUS YEAR	844,927,671	1,017,316,261	171,189,800	36,641,337	166,314	207,664,824	809,651,437

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
13. NON CURRENT INVESTMENTS		
UNLISTED		
Subsidiary		
Briocia Pharma (India) Ltd (12,00,000 Equity Shares Of Rs. 10 each)	106,804,731	106,804,731
Others		
60 Shares of Rupee Co.op Bank Ltd of Rs.25 each fully paid	1,500	1,500
7000 Shares of Vishweshwar Sahakari Bank Ltd of Rs.50 each fully paid.	350,000	350,000
National Saving Certificate (Pledged with sales tax authorities)	27,649	27,649
TOTAL	107,183,880	107,183,880
14. LONG-TERM LOANS AND ADVANCES		
Advance Recivable in cash or in kind or for value to be received	242,686,581	245,504,961
TOTAL	242,686,581	245,504,961
15. OTHER NON-CURRENT ASSETS		
Deposits with Banks (Including Margin Money for Lcs with original maturity > 1 year)	21,865,014	13,114,924
Others	7,224,917	—
TOTAL	29,089,931	13,114,924
16. INVENTORIES		
Raw Materials and components	276,917,163	278,511,968
Work-in-progress	69,634,097	151,587,993
Finished goods	422,758,062	413,048,392
Stores and Spares Parts	2,333,094	1,436,219
TOTAL	771,642,416	844,584,572
Note:- Cost of Inventories is determined using FIFO method.		
17. TRADE RECEIVABLES		
EXCEEDING SIX MONTHS		
- Considered Good	325,781,946	97,125,683
- Considered Doubtful	—	1,537,184
Others - Considered Good	2,935,298,593	2,470,182,723
Less : Provision for Doubtful Debts	—	1,537,184
TOTAL	3,261,080,539	2,567,308,406
18. CASH AND CASH EQUIVALENTS		
Cash at Hand	5,358,230	2,055,423
Bank Balances	11,583,153	24,351,179
TOTAL	16,941,383	26,406,602
19. SHORT-TERM LOANS AND ADVANCES		
Other Loans and Advances	21,478,048	—
Loan to Subsidiary	—	33,552,820
TOTAL	21,478,048	33,552,820
20. OTHER CURRENT ASSETS		
Deposits	—	10,011,167
Staff Loans & Advances	22,801,090	8,674,091
Interest Accrued	64,457	7,201,728
Prepaid Expenses	—	578,283
Balance with statutory authorities	19,164,001	35,135,698
TOTAL	42,029,548	61,600,967



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011		
21. REVENUE FROM OPERATIONS				
Sales Products	7,198,113,248	6,513,286,395		
Less : Excise Duty	<u>21,237,086</u>	<u>34,688,276</u>		
	7,176,876,162	6,478,598,119		
Sales of Service - Conversion Charge	119,698,644	89,212,648		
OTHER OPERATING REVENUE				
Export Incentives	<u>5,290,341</u>	5,604,516		
NET SALES	<u>7,301,865,147</u>	<u>6,573,415,283</u>		
Class of Goods				
Formulations				
Liquids	435,485,852	383,522,382		
Tablets	5,142,332,104	4,451,532,702		
Capsules	1,200,645,290	1,149,141,873		
Powders, Creams Ointment & Others	<u>419,650,002</u>	<u>529,089,438</u>		
	7,198,113,248	6,513,286,395		
Earnings In Foreign Currency				
Exports at FOB value	109,110,114	587,498,840		
Insurance, freight and other recoveries	6,175,743	16,553,310		
22. OTHER INCOME				
Interest				
Bank Deposits	—	761,126		
Other Interest	100,662	6,372,534		
Exchange Gain (Net)	3,654,653	7,081,007		
Claims, Refunds & Miscellaneous Income	4,973,998	12,407,059		
Dividend on Long term Investments	54,000	35,000		
Liabilities and Provisions Written Back	1,656,371	3,541,357		
Profit on Sales of Assets	—	1,523,275		
TOTAL	<u>10,439,684</u>	<u>31,721,358</u>		
23. COST OF MATERIALS CONSUMED				
Opening Balance	278,511,968	201,807,623		
Purchase	4,003,886,673	4,748,816,373		
Less : Closing Balance	<u>(276,917,163)</u>	<u>(278,511,968)</u>		
TOTAL	<u>4,005,481,478</u>	<u>4,672,112,028</u>		
i) Consumption of Raw and Packing Materials				
Class of Goods				
	Year ended 31 March 2012		Year ended 31 March 2011	
	Value	%	Value	%
Indigenous	3996669419	99.78	4656336078	99.66
Imported	8812059	0.22	15775950	0.34
TOTAL	<u>4005481478</u>	<u>100</u>	<u>4672112028</u>	<u>100</u>
ii) C. I. F. VALUE OF IMPORTS				
PARTICULARS			31 March 2012	31 March 2011
Material			<u>8812059</u>	<u>15775950</u>
TOTAL			<u>8812059</u>	<u>15775950</u>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
24. CHANGES IN INVENTORIES		
Finished goods		
- Opening Balance	413,048,392	381,500,788
Less : Closing Balance	(523,126,647)	(413,048,392)
WORK-IN-PROGRESS		
- Opening Balance	151,587,993	105,316,599
Less : Closing Balance	(69,634,097)	(151,587,993)
STOCK-IN-TRADE		
- Opening Balance	—	—
Less : Closing Balance	368,585	—
OTHERS		
- Opening Balance	103,934	—
Less : Closing Balance	—	—
TOTAL	(27,651,840)	(77,818,998)
Opening Stock of Finished Goods		
Formulation		
Liquids	98,029,091	94,768,241
Tablets	214,394,394	188,934,812
Capsules	21,782,642	19,765,487
Powders, Creams Ointment & Others	78,842,265	78,032,248
TOTAL	413,048,392	381,500,788
Closing Stock of Finished Goods		
Formulation		
Liquids	98,673,134	98,029,091
Tablets	325,018,751	214,394,394
Capsules	28,645,674	21,782,642
Powders, Creams Ointment & Others	70,789,088	78,842,265
TOTAL	523,126,647	413,048,392
25. EMPLOYEE BENEFIT EXPENSES		
Contributions to Provident Fund & Other Funds	13,512,915	12,673,533
Salary, Wages, Bonus & Gratuity Etc	175,813,339	159,539,417
Staff Welfare Expenses	10,536,494	4,579,778
TOTAL	199,862,748	176,792,728

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	2011-12	2010-11
Employer's Contribution to Provident Fund	5,026,615	8,509,749
Employer's Contribution to Gratuity Fund	880,921	765,261
Employer's Contribution to Leave Encashment Fund	21,524	31,540



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2012

in (Rs.)

Particulars	Leave Encashment		Gratuity	
	2011-12	2010-11	2011-12	2010-11
(i) Change in Defined Benefit Obligation				
Opening defined obligation	3389238	3728047	6356457	5955450
Current service cost	466698	513713	879098	824033
Interest cost	271139	298244	508516	476436
Actuarial loss / (gain)	-664629	-731043	-16527	-15789
Liabilities settled on sale of business	0	0	0	0
Benefits paid	-335949	-419723	-857791	-883673
Closing defined benefit obligations	3126497	3389238	6869753	6356457
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets	646057	806796	6127080	6305894
Expected return on plan assets	51684	49374	490166	519419
Actuarial gain / (loss)	0	0	0	0
Contributions by employer	161514	209610	183812	185440
Assets distributed on sale of business	0	0	0	0
Benefits paid	-335949	-419723	-857791	-883673
Closing fair value of plan assets	523306	646057	5943267	6127080
Actual return on plan assets	51684	49374	490166	519419
(iii) Amount recognized in the Balance Sheet				
Present value of obligations as at year end	3791126	3389238	6869753	6356457
Fair value of plan assets as at year end	523306	646057	5943267	6127080
Amount not recognized as an asset				
Net (asset) / liability recognized	3267820	2743181	926486	229377
(iv) Expenses recognized in the Profit & Loss Account				
Current service cost	466698	513713	879098	824033
Interest on defined benefit obligation	271139	298244	508516	476436
Expected return on plan assets	-51684	-49374	-490166	-519419
Net actuarial loss / (gain) recognized in the current year				
Effect of the limit in Para 59(b) of the revised AS 15	-664629	-731043	-16527	-15789
Total expense	21524	31540	880921	765261
(v) Principal actuarial used				
Discount rate (p.a.)	8%	8%	8%	8%
Expected rate of return on plan assets (p.a.)	8%	8%	8%	8%
Rate of escalation in salary	5%	5%	5%	5%

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
26. FINANCE COSTS		
Bank & Finance Service Charges	30,411,516	24,116,121
Interest on Fixed Loans	64,609,627	67,937,581
Interest on Other Loans	355,217,964	250,784,664
TOTAL	450,239,107	342,838,366
27. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	51,205,838	36,641,337
Less : Transfer to Revaluation Reserve	154,612	154,612
TOTAL	51,051,226	36,486,725

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
28. OTHER EXPENSES		
Audit Fees		
Statutory audit	600,000	600,000
Tax audit	125,000	125,000
Certification	275,000	275,000
Consolidation of financial statements	300,000	300,000
Consumption of stores and spare parts - Note 1	12,400,600	8,719,924
Power and fuel	34,339,229	27,002,086
Repairs to buildings	2,396,287	1,902,344
Repairs to machinery	11,278,964	6,410,734
Rates and taxes	12,678,434	11,313,454
Profit on Sales of Assets	455,599	—
Administrative Cost	53,357,184	44,265,518
Factory Expenses	22,246,192	11,588,066
Labour & Processing Charges	55,830,076	44,611,311
Marketing & Distribution Cost	133,974,796	115,120,918
Travelling Expenses	92,296,045	82,757,834
Bad Debts Written Off	365,800,000	1,537,184
TOTAL	798,353,406	356,529,373

I) CONSUMPTION OF STORES AND SPARE PARTS

Purchases of Stores and Spare parts	13,401,409	8,719,924
Opening Balance of Stores and Spare parts	1,332,285	—
Less : Closing Balance of Stores and spare parts	(2,333,094)	—
TOTAL	12,400,600	8,719,924

29. CONTINGENT LIABILITIES NOT PROVIDE FOR :

Sales Tax case filed before Sales Tax Tribunal, Mumbai challenging the Order of Dy. Commissioner against levy of interest on Assessment dues for the period 2003-2004 : Rs. 544,297.

- 30.** The Company is making efforts to overcome the present critical financial position by approaching bankers to restructure the facilities. The company is also in the process of disposing off certain non-core assets. The sale proceeds of these assets will be utilized in reducing bank liabilities and also it will meet urgent requirements of working capital. The management has also modified existing operating strategies in order to improve overall market performance. In view of these, the management will be in a position to turn around the financial position during the subsequent financial year. On this basis the management is of view that the company continues to operate as a going concern and have ability to fully meet its financial obligations.

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
31. C.I.F. VALUE OF IMPORTS :		
Capital goods	8,922,734	15,775,950
32. EXPENDITURE IN FOREIGN CURRENCY :		
Capital goods	8,922,734	15,775,950
Traveling & Other expenses	481,355	682,449
Registration & License Fee	685,478	3,396,221
Interest on Working Capital	11,937,240	10,305,914
Other	477,345	358,450



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
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33. CALCULATION OF EARNING PER SHARE AS PER ACCOUNTING STANDARD (AS 20) "EARNING PER SHARE":

Net Profit for the year (₹)	(a) 35,203,647	494,445,815
Weighted Average Number of Equity Shares	(b) 24,781,285	21,281,285
Nominal value per share (₹)	5	5
Basic and diluted EPS (₹)	[(a)/(b)] 1.42	23.23

34. "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. Sonia Gopal - wife of Mr. Gopal Ramourti Mrs. Preeti Bora - wife of Mr. N R Bora Mrs. Pooja Bora - wife of Mr. A R Bora
(c) Enterprises over which the key management personnel has influence	Regent Financial Services Pvt. Ltd. Dubash Investment & Finance Co. Pvt. Ltd. G. R. Capital & Finance Pvt. Ltd.
(d) Subsidiary	Briocia Pharma (India) Limited.

(ii) Particular of transactions:

(in ₹)

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	Transaction with Subsidiary	Total
Remuneration	7,332,000 (7,741,000)	-	-	-	7,332,000 (7,741,000)
Rent	875,556 (875,556)	2,185,608 (2,185,608)	756,000 (756,000)	-	3,817,164 (3,817,164)
Interest Paid	-	-	-	-	-
Loan Repaid	-	-	(4,936,466)	-	(4,936,466)
Loan Received	-	-	(127,993,706)	-	(127,993,706)
Conversion Charges paid	-	-	-	9,445,646 (4,156,794)	9,445,646 (4,156,794)
Interest Received	-	-	-	-	-
Loan Given	-	-	-	(265,278)	(265,278)
Amount Given	-	-	-	(40,384,315)	(40,384,315)
Amount Received	-	-	-	6,274,508 (-)	6,274,508 (-)
	-	-	-	33,366,410 (6,831,465)	33,366,410 (6,831,465)

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

Note: i) Remuneration	(a) Mr. Gopal Ramourti	₹ 5,088,000/-
	(b) Mr. Nainish Bora	₹ 2,244,000/-
ii) Rent	(a) Mr. Rajendra C Bora	₹ 875,556/-
	(b) Mrs. L.R. Bora	₹ 813,480/-
	(c) Mrs. Sonia Gopal	₹ 496,584 /-
	(d) Mrs. Preeti Bora	₹ 437,772/-
	(e) Mrs. Pooja Bora	₹ 437,772/-
	(f) Regent Financial Services Pvt Ltd.	₹ 756,000/-
iii) Loan Repaid	(a) G R Capital & Finance Pvt Ltd.	₹ 15,466,563/-
iv) Loan Received	(a) G R Capital & Finance Pvt. Ltd.	₹ 79,50,020/-

35. 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.

36. Figures of the Pervious year have been regrouped and rearranged, wherever necessary.

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai

Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai

Date : 3rd December, 2012



TWILIGHT LITAKA PHARMA LIMITED

FINANCIAL DETAILS OF SUBSIDIARY COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2012

In ₹ (Rupees)

Sr. No.	Name of the Company	Briocia Pharma (India) Limited	
		As on 31st March, 2012	As on 31st March, 2011
1	Capital	12,000,000	12,000,000
2	Reserves & surplus	76,596,523	125,420,032
3	Total Assets	327,103,955	362,570,322
4	Total Liabilities	327,103,955	362,570,322
5	Details of Investment (except in case of investment in subsidiaries)	NIL	NIL
6	Turnover	289,943,816	140,209,856
7	Profit/ (Loss) before Taxation	(42,202,691)	22,482,644
8	Provision for Deferred Taxation	2,453,790	564,159
9	Profit/ (Loss) after Tax	(44,565,481)	21,918,485
10	Proposed/ Interim Dividend	NIL	NIL

Note : The figures appearing in S. No. 6 to 9 (for the year ended 31st March, 2011) are pertaining to the period 25.11.2010 to 31.03.2011 since Briocia has become subsidiary w.e.f. 25.11.2010

STATEMENT PURSUANT TO SECTION 212(3) & 212(5) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr. No.	Name of the Company	Briocia Pharma (India) Limited	
		As on 31st March, 2012	As on 31st March, 2011
1	Financial year of the subsidiary Company ended on	31st March, 2012	31st March, 2011
2	Number of Shares held by holding Company as on 31st March, 2011	1,200,000 Equity Shares of Rs. 10 each	1,200,000 Equity Shares of Rs. 10 each
3	Extent of Interest of holding Company at the end of the financial year of the Subsidiary	100%	100%
4	Date from which it became a subsidiary	25.11.2010	25.11.2010
5	The net aggregate amount of Profits/ (Losses) of the subsidiary so far as the concern member of the holding company not dealt with in the holding Company's accounts for the Period ended 31st March, 2012	Rs. (44,656,481/-)	Rs. 21,918,485/-
6	The net aggregate amount of Profits/ (Losses) of the subsidiary so far as the concern member of the holding company dealt with in the holding Company's accounts at the year ended 31st March, 2012	NIL	NIL
7	Changes in the interest of holding Company between the end of the subsidiary's financial year and 31st March, 2011.	Not Applicable	Not Applicable

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached consolidated Balance Sheet of Twilight Litaka Pharma Limited (the company) and its subsidiary (collectively referred to as the Group), as at 31st March 2012, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of Twilight Litaka Pharma Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts 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.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 as notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit as aforesaid and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India ;

- (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
- (ii) In the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (iii) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn No: 109208W

V Mohan
Partner

Place : Mumbai
Date : 3rd December, 2012

Membership No. 17748

**TWILIGHT LITAKA PHARMA LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31 MAR, 2012**

In ₹ (Rupees)

PARTICULARS	NOTE NO.	AS AT 31 Mar 2012	AS AT 31 Mar 2011
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	123,906,425	106,406,425
Reserves and Surplus	3	1,672,124,202	1,356,101,623
Money Received Against Share Warrants	4	—	75,250,000
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	551,370,222	714,582,828
Deferred Tax Liabilities (Net)	6	56,745,580	54,291,790
Long-Term Provisions	7	2,942,015	2,080,791
CURRENT LIABILITIES			
Short-Term Borrowings	8	2,388,968,559	1,848,301,985
Trade Payables	9	346,774,989	440,198,381
Other Current Liabilities	10	366,477,618	242,041,005
Short-Term Provisions	11	166,482,286	161,949,890
	TOTAL	<u>5,675,791,896</u>	<u>5,001,204,718</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	12		
Tangible Assets		1,042,221,935	912,605,818
Intangible Assets		250,000	1,840,137
Capital work-in-progress		186,437,713	186,437,713
Non-Current Investments	13	379,149	379,149
Long-Term Loans and Advances	14	242,686,581	245,504,961
Other Non-Current Assets	15	29,089,931	13,919,924
CURRENT ASSETS			
Inventories	16	806,285,096	884,229,884
Trade receivables	17	3,275,748,169	2,659,038,059
Cash and Cash Equivalents	18	18,229,009	29,261,699
Short-Term Loans and Advances	19	22,954,878	283,025
Other Current Assets	20	51,509,435	67,704,349
	TOTAL	<u>5,675,791,896</u>	<u>5,001,204,718</u>

The accompanying notes are an integral part of Accounts

The Significant Accounting Policies

1

As per our Report of even date.

For and on behalf of the Board

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

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

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 3rd December, 2012

Place : Mumbai
Date : 3rd December, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MAR-2012

In ₹ (Rupees)

PARTICULARS	NOTE NO.	Year ended 31 March 2012	Year ended 31 March 2011
INCOME			
Revenue from Operations	21	7,325,567,905	6,708,272,094
Other Income	22	11,121,465	32,652,331
TOTAL REVENUE		7,336,689,370	6,740,924,425
EXPENSES			
Cost of Materials Consumed	23	4,005,481,478	4,766,478,063
Purchases Of Stock-in-Trade		1,639,612,382	464,393,782
Obsolete Material Written off		—	—
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(26,696,700)	(79,042,713)
Employee Benefit Expenses	25	226,413,158	184,757,382
Finance Costs	26	466,952,191	320,492,360
Depreciation and Amortization Expenses	27	56,219,880	39,810,262
Other Expenses	28	812,151,724	387,750,008
TOTAL EXPENSES		7,180,134,112	6,084,639,144
Profit Before Exceptional Item		156,555,258	656,285,281
Exceptional item - Inventories Written off		154,354,302	—
Profit Before Tax		2,200,956	656,285,281
Tax Expense			
Current Tax		9,200,000	136,401,159
Less : Mat Credit Utilised		—	—
Deferred Tax		2,453,790	3,519,822
Less : Short Provision for Tax for earlier year		—	3,891,246
Profit/(Loss) for the year from Continuing Operations		(9,452,834)	512,473,054
Earnings per Share (Rs 5/- per share fully paid up)			
Basic / Diluted		(0.38)	23.02
The accompanying notes are an integral part of Accounts			
The Significant Accounting Policies			

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
 Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai
 Date : 3rd December, 2012

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
1 Cash Flow from Operating Activity		
Net Profit Before Tax	2,200,956	656,285,281
Adjustment for :		
Depreciation & Amortisation	56,219,880	39,810,262
Loss / (Profit) on Sale of Assets (Net)	455,599	(1,523,275)
Finance Cost	466,952,191	320,492,360
Interest Received	(117,085)	(6,934,988)
Dividend Received	(54,000)	(35,000)
Operating Profit before Working Capital Changes	525,657,541	1,008,094,640
Adjustment for :		
Trade & Other Receivables	(635,538,706)	(874,692,724)
Inventories	77,944,788	(177,496,766)
Trade Payables	75,759,108	38,599,733
Cash Generated from operations	43,822,731	(5,495,117)
Direct Taxes (Paid) / Refunds (Net)	(5,206,051)	(71,712,195)
Net Cash flow from Operating activity	(A) 38,616,680	(77,207,312)
2 Cash Flow from Investing Activity		
Purchases of Fixed Assets (including changes in Capital WIP)	(191,766,673)	(265,412,218)
Sale of Fixed Assets	2,743,572	2,315,002
Sale/(Purchase) of Investments	—	—
Dividend Received	54,000	35,000
Interest Received	117,085	6,934,988
Advance Against Capital Advance	—	—
Net Cash Inflow / (Outflow) from Investing Activity	(B) (188,852,016)	(256,127,228)
3 Cash Flow from Financing Activity		
Proceeds from issue of Convertible Warrants	225,750,000	—
Proceeds from Borrowings (net)	377,453,968	660,406,151
Capital Subsidy Received	2,950,866	—
Dividend Paid	—	(37,224,160)
Finance Cost	(466,952,191)	(320,492,360)
Net Cash from / (utilised) in Financing Activities	(C) 139,202,643	302,689,631
Net Increase / (Decrease)	(11,032,693)	(30,644,909)
4 Cash & Cash Equivalents		
Cash & cash equivalents at start of the year	29,261,699	59,606,152
Add : Upon Addition of Subsidiaries	—	300,456
Cash & cash equivalent at the close of year	18,229,009	29,261,699

Note : The breakup of cash & cash equipment is as per Note 18 of the Balance Sheet.

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai
Date : 3rd December, 2012

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements:-

The financial statements are prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 issued under section 211(3C) of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in preparation of the financial statements are consistent with those of the previous year. During the financial year ended 31st March 2012 the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The Company has also re-classified the previous year figures in accordance with the requirements applicable in the current year.

B. 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.

C. Principles of Consolidation:-

The consolidated financial statement relate to Twilight Litaka Pharma Limited (the 'Company') and its wholly owned subsidiary. The financial statements of the subsidiary company used in consolidation are drawn up to the same reporting date as of the company. The consolidated financial statement have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements.
- c) The subsidiary considered in the consolidated financial statement is :

Name of the Subsidiary	% ownership interest as at	
	31st March, 2012	31st March, 2011
Briocia Pharma (India) Limited	100%	100%

D. 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.

E. Depreciation and Amortization:-

a) Of Holding Company:

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

Fixed Assets individually costing upto Rs.5,000/- are fully depreciated in the year of purchase.

Intangible Assets are amortized over their economic life not exceeding 5 years from the date of acquisition.

Premium on Leasehold land is amortized over the primary period of the lease, Revalued amount in respect of leasehold land is amortized over the residual period of lease. Amortization in respect of revalued portion is adjusted against the amount drawn from Revaluation Reserve.

Depreciation on Revalued assets is adjusted against the revaluation reserve to the extent of revaluation.

b) Of Subsidiary:

In respect of fixed assets other than Land, the Company has charged depreciation under Written down value method as per the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Fixed Assets individually costing upto Rs.5,000/- are fully depreciated in the year of purchase.

Premium on Leasehold land is amortized over the primary period of the lease, Revalued amount in respect of leasehold land is amortized over the residual period of lease. Amortization in respect of revalued portion is adjusted against the amount drawn from Revaluation Reserve.

Depreciation on Revalued assets is adjusted against the revaluation reserve to the extent of revaluation.

F. 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.



NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

G. Investments: -

Long-term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments.

H. Revenue Recognition:-

Sale of goods is recognized when the risk and reward of ownership are passed on the customer, which generally is on delivery of goods to customers. Net Sales are exclusive of sales tax, excise duty and trade discount.

Income on account of processing charges & conversion charges is recognized on the completion of job.

Interest income is recognized on time basis.

Export incentive entitlements are recognized as income when right to receive is established.

I. Inventories: -

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

J. Employee 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 contribution plan in the form of Provident Fund, Family Pension Fund are charged to the Profit and Loss Account in the year when the contributions to the respective funds accrue.

Retirement benefit plans such as gratuity and leave encashment is recognized at present value of amount payable determined using actuarial valuation techniques. Actuarial gains and losses are charged to Profit & Loss account.

K. 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.

L. Foreign Currency Transaction:-

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

M. Taxes on Income:-

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

N. 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.

O. 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.

P. 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.

Q. Capital reserve on consolidation:-

Capital reserve on consolidation represents the difference between the Company's share in the net worth of subsidiary, and the cost of its investment at each point of time of making the investment in the subsidiary. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the investment after making necessary adjustments for material events between the date of such financial statements and the date of respective investment.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT	
	31 March 2012	31 March 2011
2. SHARE CAPITAL		
AUTHORISED CAPITAL:	215,000,000	215,000,000
43,000,000 Equity Shares of Rs.5/- each.		
ISSUED, SUBSCRIBED & PAID UP	123,906,425	106,406,425
[24,781,285 equity shares of Rs.5/- each (previous year- 21,281,285 equity shares)]		
TOTAL	123,906,425	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	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	117,325,000
	212,812,850	212,812,850
Less : Amount reduced pursuant to Scheme of Capital Reduction approved by the Hon'ble Bombay High court. [equity shares of Rs.10 to Rs.5/- each as on 31.03.2007]	106,406,425	106,406,425
Add : [35,00,000 Equity Shares of Rs.5/- each fully paid up allotted on June' 2011]	17,500,000	—
	123,906,425	106,406,425

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
As at beginning of the year	21281285	106406425	21281285	106406425
Add:- Issued during the year	3500000	17500000	Nil	Nil
Outstanding at the end of the year	24781285	123906425	21281285	106406425

(ii) Details of Shareholders holding more than 5% shares in the Company

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Numbers	% Holding	Numbers	% Holding
ICICI Bank Limited	1649889	6.66	—	—
GR Capital & Finance Pvt. Ltd	—	—	3122639	14.67

(iii) The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 5/- each. Each holder of Equity Shares is entitled to one vote per share. In case any Dividend is declared and paid it is done in Indian Rupees. The Dividend proposed if any by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting. The Company has not declared or paid any dividend during the year or in respect of the year ended on 31st March 2012.

(iv) On 13th March 2010, the Company had allotted 35,00,000 Convertible Warrants of Rs. 86/- (Rs. Eighty Six) each to seven subscribers with the Option to convert the same within 18 months from the date of allotment. All the seven warrant Holders exercised their Option to convert the said warrants in to Equity Shares and accordingly between 10th June 2011 to 16th June 2011, the Company has allotted 35,00,000 Equity Shares of Rs. 5/- each at a premium of Rs. 81/- per Share.



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT	AS AT
	31 March 2012	31 March 2011
3. RESERVES AND SURPLUS		
CAPITAL RESERVES	87,215	87,215
Add : Capital Subsidy	2,950,866	—
	3,038,081	87,215
SECURITIES PREMIUM ACCOUNT		
Balance As Per Last Balance Sheet	1,300,170	1,300,170
Addition on account of fresh allotment of 35,00,000 Equity Shares of the Rs.5/- each of a premium of Rs.81/- per Share made during June 2011	283,500,000	—
	284,800,170	1,300,170
CAPITAL RESERVES ON REDUCTION OF CAPITAL	68,413,596	68,413,596
Capital Reserve on Consolidation	1,581,509	1,581,509
REVALUATION RESERVE		
Balance As Per Last Balance Sheet	69,093,388	56,119,962
Add : Transfer to Revaluation Reserve	—	6,012,730
Add : Surplus in Statement of Profit & Surplus A/c	—	8,647,727
Less : Amortisation on revalued Leasehold Land transferred from Profit & Loss Account	(4,321,640)	(4,751,871)
	64,771,748	69,093,388
GENERAL RESERVE		
Balance As Per Last Balance Sheet	122,106,239	72,661,657
Add : Transfer from Profit & Loss A/c	—	49,444,582
	122,106,239	122,106,239
SURPLUS IN PROFIT & LOSS A/C		
As Per Last Balance Sheet	1,093,519,508	679,849,951
Add : Profit / (Loss) for the year	(9,452,834)	512,473,054
Less : Transfer to Revaluation Reserve	—	6,012,730
Less : Proposed Dividend / (cancellation)	(37,171,928)	37,171,928
Less : Dividend Distribution Tax / (cancellation)	(6,174,258)	6,174,258
Less : Transfer to General Reserve	—	49,444,582
	1,127,412,860	1,093,519,508
TOTAL	1,672,124,202	1,356,101,623

i) In the Annual General Meeting held on 29th September 2011 Shareholders approved payment of dividend of Rs. 1.50 per share for the financial year ended 31st March 2011 interalia subject to the approval of the Banks. The bankers instructed the Company that before payment of Dividend company has to clear over dues of the Banks and obtain their consent for the same. Due to severe liquidity crunch, in spite of rigorous efforts, company could not clear the overdues of the Banks and therefore the dividend could not be paid. At the EOGM of the Company held on 29th September 2012 shareholders by a resolution accorded Cancellation of dividend that was declared in the AGM held on 29/09/ 2011. Accordingly provision existing in accounts towards dividend Rs. 37,171,928/- and provision for Dividend Distribution Tax of Rs. 6,174,258 are written back.

PARTICULARS	AS AT	AS AT
	31 March 2012	31 March 2011
4. MONEY RECEIVED AGAINST SHARE WARRANTS		
Warrants	—	75,250,000
TOTAL	—	75,250,000

i) PARTICULARS	AS AT	AS AT
	31 March 2012	31 March 2011
MONEY RECEIVED AGAINST SHARE WARRANTS		
Opening Balance	75,250,000	75,250,000
Less: Subscription of fully paid shares against warrant	75,250,000	—
Closing Balance	—	75,250,000

(ii) On 13th March 2010, the Company had allotted 35,00,000 Convertible Warrants of Rs. 86/- (Rs. Eighty Six) each to seven subscribers with the Option to convert the same within 18 months from the date of allotment. All the seven warrant Holders exercised their Option to convert the said warrants in to Equity Shares and accordingly the Company has allotted 35,00,000 Equity Shares of Rs. 5/- Each at a premium of Rs. 81/- per Share in the month of June 2011. And accordingly Application Money received against Share warrants Transferred to Share Premium Account.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
5. LONG-TERM BORROWINGS		
SECURED		
Term Loan From Bank :	50,889,968	66,652,407
<p>(Secured by Mortgage of movable and immovable Properties and personal guarantee of Directors) Loan is repayable in 60 monthly installment of ₹ 16.66 Lacs from Jan, 2011 to Jan 2016 Interest @ 14% p.a. continuing Default as on balance that date ₹ 200.00 Lacs P.Y. (Nil) Total Overdue Interest accrued during the year and remaining unpaid ₹ 57.49 Lacs P.Y (Nil)</p> <p>[Term Loan from ICICI Bank Ltd is secured by first equitable mortgage of some of the immovable properties and personal guarantee of some of the directors and is carrying interest @ 14% and is repayable in 8 quarterly installements of Rs 212.50 Lacs. Continuing default as on balance sheet date Rs. 115.00 Lacs. Total Interest accrued during the year and remaining unpaid Rs.33.00 Lacs]</p>		
Loans from financial Institution (Secured by hypothecation of vehicles)	919,877	—
UNSECURED		
Intercompany Deposit	259,522,417	255,311,698
Sales Tax Deferral	37,994,199	48,300,252
Term Loan From Bank	175,000,000	315,550,673
<p>[Term Loan from Bank of India is secured by corporate guarantee of subsidiary and is carrying interest @ 14% and is repayable in 20 quarterly installements of Rs.75 Lacs from Dec'2010 to Sept'2015. Continuing default as on balance sheet date Rs.300.00 Lacs, P.Y Rs.150.00 Lacs. Total Interest accrued during the year and remaining unpaid is Rs.146.51 Lacs.Security is yet to be created in their favour]</p> <p>[Corporate loan from State Bank of Hydrebad is carrying interest @ 12.50% and is repayable in 8 equal quarterly installements of Rs.250 Lacs from June'2012 to March'2014. Total Interest accrued during the year and remaining unpaid is Rs.252.00 Lacs. Security is yet to be created in their favour]</p> <p>[Term Loan from Vishweshwar Sahakari Bank Ltd is Secured by first equitable mortgage of some of the immovable properties and personal guarantee of relatives of some of the Directors.</p> <p>Loan is carrying interest @ 14% and is repayable in monthly installment of Rs. 2.31 Lacs. Continuing default as on balance sheet date Rs.27.58 Lacs]</p>		
Loans from Financial Institution (Secured against personal guarantees of Chairman and his relatives and their immovable properties.)	27,043,761	28,767,798
TOTAL	551,370,222	714,582,828
6. DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITY		
Depreciation	126,811,610	58,395,545
DEFERRED TAX ASSET		
Expenses allowable on payment of TDS on payment basis under Income Tax Act, 1961	70,066,030	4,103,755
TOTAL	56,745,580	54,291,790
7. LONG-TERM PROVISIONS		
Employee Benefits - Gratuity & Leave Encashment	2,942,015	2,080,791
TOTAL	2,942,015	2,080,791



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
8. SHORT-TERM BORROWINGS		
Bank Overdraft Accounts	2,312,301,892	1,848,301,985
[WORKING CAPITAL FACILITIES are Secured by first charge on all movable assets of the company, first and second equitable mortgage of immovable property belonging to the company and further secured by mortgage of immovable property belonging to one of group companies and personal guarantee of some of the directors of the company. Total interest accrued during the year and remaining unpaid is Rs.1820.84 Lacs P.Y Rs.113.83 Lacs]		
Loan from Financial Institutions	50,000,000	—
(Secured by mortgage of an immovable property belonging to the Company and personal guarantee of some of the Directors)		
UNSECURED		
Inter Corporate Deposit	26,666,667	—
TOTAL	2,388,968,559	1,848,301,985
9. TRADE PAYABLES		
Micro, Small & Medium Enterprises	18,819,616	18,880,742
Others	327,955,373	421,317,639
TOTAL	346,774,989	440,198,381

The details of amounts outstanding to Micro, Small & Medium Enterprises based on available information with the Company is as under:

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
i. The principal amount and the interest due thereon remaining unpaid to suppliers		
a. Principal	18,819,616	18,880,742
b. Interest due thereon	—	—
ii. a. The delayed payments of principal paid beyond the appointed date during the entire accounting year	—	—
b. Interest actually paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
iii. a. Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	—	—
b. Normal interest payable for the period of delay in making payment, as per agreed terms	—	—
iv. a. Total interest accrued during the	—	—
b. Total interest accrued during the year and remaining unpaid	—	—

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
10. OTHER CURRENT LIABILITIES		
Current Maturity of Long Term Debt (Refer No. - 5)	232,328,008	152,460,549
Interest payable	13,284,153	296,859
Unclaimed Dividend*	3,128,502	3,210,439
Trade Deposits	15,520,000	14,820,000
Other Liabilities	16,011,578	2,992,578
Proposed Dividend Payable Including Tax	—	43,346,216
Statutory Dues	60,691,011	24,914,364
Employee Dues	21,817,212	—
Book Over Draft	3,697,154	—
TOTAL	366,477,618	242,041,005

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

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
11. SHORT TERM PROVISIONS		
Provisions For Tax (Net of Advance Tax)	164,436,092	160,442,143
Employee Benefits - Gratuity & Leave Encashment	2,046,194	1,507,747
TOTAL	166,482,286	161,949,890


NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012
12. FIXED ASSET SCHEDULE

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		AS AT 01.04.2011	ADDITIONS	DELETIONS	AS AT 01.04.2011	FOR THE YEAR	DELETIONS	AS AT 31.03.2012	AS AT 31.03.2011	
TANGIBLE ASSETS										
	Leasehold									
1.	LAND	60,602,123	—	—	5,212,585	935,605	—	6,148,190	54,453,933	55,389,538
	Freehold									
2.	LAND	70,854,427	—	—	—	—	—	—	70,854,427	70,854,427
3.	FACTORY BUILDING	309,948,235	6,609,431	2,143,572	94,357,561	12,959,673	145,011	107,172,223	207,241,871	215,590,674
4.	PLANT & MACHINERY	291,207,743	17,420,003	—	62,321,690	14,532,218	—	76,853,908	231,773,838	228,886,053
5.	FACTORY & OTHER EQUIPMENTS COMPUTERS	289,852,684	147,965,404	—	58,863,900	19,662,966	—	78,526,867	359,291,221	230,988,784
6.	MOULD, DIES JIGS, BLOCK & DESIGNS	19,378,887	1,173,117	—	13,945,670	2,224,171	—	16,169,841	4,382,163	5,433,217
7.	AIR CONDITIONING SYSTEM	69,546,098	—	—	12,628,637	3,303,440	—	15,932,077	53,614,021	56,917,461
8.	ELECTRICAL INSTALLATION	28,630,574	8,668,067	—	9,677,418	1,707,213	—	11,384,631	25,914,010	18,953,156
9.	FURNITURE & FIXTURE	33,944,785	7,856,254	—	8,242,712	2,632,667	—	10,875,378	30,925,661	25,702,073
10.	VEHICLES	8,648,189	2,074,397	1,846,460	4,757,753	993,432	645,850	5,105,335	3,770,791	3,890,436
11. INTANGIBLE ASSETS										
a)	TRADEMARKS	5,000,000	—	—	3,750,000	1,000,000	—	4,750,000	250,000	1,250,000
b)	SOFTWARE	2,344,504	—	—	2,344,504	—	—	2,344,504	—	—
c)	TECHNICAL KNOWHOW	3,000,000	—	—	2,409,863	590,137	—	3,000,000	—	590,137
	TOTAL	1,192,958,249	191,766,673	3,990,032	278,512,294	60,541,521	790,861	338,262,954	1,042,471,936	914,445,955
	PREVIOUS YEAR	1,015,691,339	178,224,950	958,040	1,192,958,249	232,066,657	42,014,690	166,314	278,512,294	914,445,955

38TH ANNUAL REPORT 2011-12

In ₹ (Rupees)

PARTICULARS	AS AT 31 March 2012	AS AT 31 March 2011
13. NON CURRENT INVESTMENTS		
UNLISTED		
Others		
60 Shares of Rupee Co.op Bank Ltd of Rs.25/- each fully paid	1,500	1,500
7000 Shares of Vishweshwar Sahakari Bank Ltd of Rs.50/- each fully paid.	350,000	350,000
National Saving Certificate (Pledged with sales tax authorities)	27,649	27,649
	379,149	379,149
14. LONG-TERM LOANS AND ADVANCES		
Advance Recivable in cash or in kind or for value to be received	242,686,581	245,504,961
	242,686,581	245,504,961
15. OTHER NON-CURRENT ASSETS		
OTHER LOANS AND ADVANCES		
Deposits with Banks (Including Margin Money For Lcs with original maturity > 1 year)	21,865,014	13,919,924
Others	7,224,917	—
	29,089,931	13,919,924
16. INVENTORIES		
Raw Materials and components	308,359,152	314,001,449
Work-in-progress	72,834,788	154,907,189
Finished goods	422,758,062	413,885,027
Stores and Spares Parts	2,333,094	1,436,219
	806,285,096	884,229,884
Note:- Cost of Inventories is determined using FIFO method.		
17. TRADE RECEIVABLES		
Exceeding Six Months		
- Considered Good	325,781,946	98,634,401
- Considered Doubtful	—	1,537,184
Others - Considered Good	2,949,966,223	2,560,403,658
	—	1,537,184
Less : Provision for Doubtful Debts		
	3,275,748,169	2,659,038,059
18. CASH AND CASH EQUIVALENTS		
Cash at Hand	5,791,245	2,091,246
Bank Balances	11,632,764	27,170,453
Fixed Deposit	805,000	—
	18,229,009	29,261,699
19. SHORT-TERM LOANS AND ADVANCES		
Other Loans and Advances	22,648,252	87,493
Interest accrued but not due	—	115,831
Prepaid Expenses	79,701	79,701
Deposits	226,925	—
	22,954,878	283,025
20. OTHER CURRENT ASSETS		
Deposits	—	10,011,167
Staff Loans & Advances	22,801,090	8,674,091
Interest Accrued	64,457	7,201,728
Prepaid Expenses	—	578,283
Balance with statutory authorities Service Tax Credit Receivable	28,643,888	40,720,711
Others	—	518,369
	51,509,435	67,704,349



TWILIGHT LITAKA PHARMA LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	YEAR ENDED 31 March 2012	YEAR ENDED 31 March 2011		
21. REVENUE FROM OPERATIONS				
Sales Products	7,198,113,248	6,631,479,556		
Less : Excise Duty	21,237,086	37,379,890		
	<u>7,176,876,162</u>	<u>6,594,099,666</u>		
Sales of Service - Conversion Charge	142,948,968	108,275,257		
OTHER OPERATING REVENUE				
Export Incentives	5,290,341	5,897,171		
Sale of Scrap	452,434	—		
NET SALES	<u>7,325,567,905</u>	<u>6,708,272,094</u>		
Class of Goods				
Formulations				
Liquids	435,485,852	383,522,382		
Tablets	5,142,332,104	4,569,725,863		
Capsules	1,200,645,290	1,149,141,873		
Powders, Creams Ointment & Others	419,650,002	529,089,438		
	<u>7,198,113,248</u>	<u>6,631,479,556</u>		
Earnings In Foreign Currency				
Exports at FOB value	109,110,114	587,498,840		
Insurance, freight and other recoveries	6,175,743	16,553,310		
22. OTHER INCOME				
Interest				
a) Bank Deposits	—	919,697		
b) Other Interest	117,085	6,413,780		
Export Incentives	—	—		
Sale of Scrap	—	—		
Exchange Gain (Net)	3,654,653	7,286,015		
Claims, Refunds & Miscellaneous Income	5,639,356	12,933,207		
Dividend on Long term Investments	54,000	35,000		
Liabilities and Provisions Written Back	1,656,371	3,541,357		
Profit on Sales of Assets	—	1,523,275		
TOTAL	<u>11,121,465</u>	<u>32,652,331</u>		
23. COST OF MATERIALS CONSUMED				
Opening Balance	314,001,449	206,625,171		
Purchase	4,003,240,805	4,873,854,341		
Less : Obsolete Materials Written Off	(4,047,492)	—		
Less : Closing Balance	(308,359,152)	(314,001,449)		
TOTAL	<u>4,004,835,610</u>	<u>4,766,478,063</u>		
i) Consumption of Raw and Packing Materials				
Class of Goods				
	Year ended 31 March 2012		Year ended 31 March 2011	
	Value	%	Value	%
Indigenous	3996024972	99.78	4750702113	99.67
Imported	8810638	0.22	15775950	0.33
TOTAL	<u>4004835610</u>	<u>100</u>	<u>4766478063</u>	<u>100.00</u>
ii) C. I. F. VALUE OF IMPORTS				
PARTICULARS			31 March 2012	31 March 2011
Material			8,922,734	15,775,950
TOTAL			<u>8,922,734</u>	<u>15,775,950</u>

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
24. CHANGES IN INVENTORIES		
Finished goods		
- Opening Balance	413,885,027	381,696,620
Less : Closing Balance	(523,126,647)	(413,885,027)
WORK-IN-PROGRESS		
- Opening Balance	154,907,189	108,052,883
Less : Closing Balance	(72,834,788)	(154,907,189)
STOCK-IN-TRADE		
- Opening Balance	—	—
Less : Closing Balance	368,585	—
OTHERS		
- Opening Balance	103,934	—
Less : Closing Balance	—	—
TOTAL	(26,696,700)	(79,042,713)
Opening Stock of Finished Goods		
FORMULATIONS		
Liquids	98,029,091	94,768,241
Tablets	215,231,029	189,130,644
Capsules	21,782,642	19,765,487
Powders, Creams Ointment & Others	78,842,265	78,032,248
TOTAL	413,885,027	381,696,620
Closing Stock of Finished Goods		
FORMULATIONS		
Liquids	98,673,134	98,029,091
Tablets	325,018,751	215,231,029
Capsules	28,645,674	21,782,642
Powders, Creams Ointment & Others	70,789,088	78,842,265
TOTAL	523,126,647	413,885,027
25. EMPLOYEE BENEFIT EXPENSES		
Contributions to Provident Fund & Other Funds	13,851,789	12,862,119
Salary, Wages, Bonus & Gratuity Etc	200,901,253	167,052,944
Staff Welfare Expenses	11,660,116	4,842,319
TOTAL	226,413,158	184,757,382

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	2011-12	2010-11
Employer's Contribution to Provident Fund	5,026,615	9,357,743
Employer's Contribution to Gratuity Fund	980,948	758,154
Employer's Contribution to Leave Encashment Fund	21,524	31,540



NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2012

in (Rs.)

Particulars	Leave Encashment		Gratuity	
	2011-12	2010-11	2011-12	2010-11
(i) Change in Defined Benefit Obligation				
Opening defined obligation	4134752	4398779	6686095	6257764
Current service cost	578534	607615	945026	873294
Interest cost	330780	351903	534887	500621
Actuarial loss / (gain)	-739280	-803822	28742	-61911
Liabilities settled on sale of business	0	0	0	0
Benefits paid	-335949	-419723	-857791	-883673
Closing defined benefit obligations	3968837	4134752	7336959	6686095
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets	775591	908977	6544211	6684374
Expected return on plan assets	60078	56005	527707	553850
Actuarial gain / (loss)	0	0	0	0
Contributions by employer	187420	230332	188442	189660
Assets distributed on sale of business	0	0	0	0
Benefits paid	-335949	-419723	-857791	-883673
Closing fair value of plan assets	687140	775591	6402569	6544211
Actual return on plan assets	63971	59270	527707	553850
(iii) Amount recognized in the Balance Sheet				
Present value of obligations as at year end	4633466	4134752	7356959	6686095
Fair value of plan assets as at year end	687140	775591	6402569	6544211
Amount not recognized as an asset				
Net (asset) / liability recognized	3946326	3359161	954390	141884
(iv) Expenses recognized in the Profit & Loss Account				
Current service cost	578534	607615	945026	873294
Interest on defined benefit obligation	330780	351813	534887	500621
Expected return on plan assets	-60078	-56005	-527707	-553850
Net actuarial loss / (gain) recognized in the current year				
Effect of the limit in Para 59(b) of the revised AS 15	-739280	-803822	28742	-61911
Total expense	109956	99601	980948	758154
(v) Principal actuarial used				
Discount rate (p.a.)	8%	8%	8%	8%
Expected rate of return on plan assets (p.a.)	8%	8%	8%	8%
Rate of escalation in salary	5%	5%	5%	5%

In ₹ (Rupees)

PARTICULARS

**Year ended
31 March 2012**

Year ended
31 March 2011

26. FINANCE COSTS

Bank & Finance Service Charges	30,411,516	24,116,121
Interest on Fixed Loans	70,212,331	67,937,581
Interest on Other Loans	366,328,344	228,438,658
TOTAL	466,952,191	320,492,360

27. DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation	60,541,520	41,497,294
Less : Transfer to Revaluation Reserve	4,321,640	1,687,032
TOTAL	56,219,880	39,810,262

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
28. OTHER EXPENSES		
Audit Fees	—	—
Statutory audit	900,000	900,000
Tax audit	125,000	125,000
Certification	275,000	275,000
Consolidation of financial statements	300,000	300,000
Factory Expenses	24,768,255	13,250,274
Consumption of stores and spare parts - Note (I)	14,441,604	8,996,820
Power and fuel	48,290,357	30,691,818
Repairs to buildings	2,411,352	1,967,641
Repairs to machinery	11,532,564	5,009,565
Repairs to Others	1,514,788	858,886
Travelling Expenses	92,327,373	82,999,927
Freight and Forwarding	235,315	1,318,927
Rates and taxes	12,725,163	11,314,287
Profit on Sales of Assets	455,599	—
Administrative Cost	53,357,184	44,265,518
Labour & Processing Charges	46,250,816	44,611,311
Marketing & Distribution Cost	133,974,796	115,120,918
Conveyance and Vehicle Expenses	779,664	3,404,011
Insurance	—	2,503,810
Telephone, Postage and Telegram	281,739	7,992,558
Printing & Stationery	790,827	6,602,237
Legal & Professional Fees	537,013	1,930,424
Bank Commission & Charges	45,297	1,323,348
Miscellaneous expenses	32,018	450,544
Bad Debts Written Off	365,800,000	1,537,184
TOTAL	812,151,724	387,750,008

I) CONSUMPTION OF STORES AND SPARE PARTS

Purchases of Stores and Spare parts	15,442,413	8,996,820
Opening Balance of Stores and Spare parts	1,332,285	—
Less : Closing Balance of Stores and spare parts	(2,333,094)	—
TOTAL	14,441,604	8,996,820

29. Estimated amount of outstanding contract/capital commitment Nil (P.Y. ₹ 1,35,03,954 /-)

30. CONTINGENT LIABILITIES NOT PROVIDE FOR :

- a) Sales Tax case filed before Sales Tax Tribunal, Mumbai challenging the Order of Dy. Commissioner against levy of interest on Assessment dues for the period 2003-2004 : Rs. 544,297/-
- b) The company has filed appeal before CESTAT, West Zonal bench, Mumbai challenging the order of CCE (Appeal) Pune III upholding excise duty demand of ₹ 41,12,014/- (P.Y. ₹ 41,12,014/-).

31. The Company is making efforts to overcome the present critical financial position by approaching bankers to restructure the facilities. The company is also in the process of disposing off certain non-core assets. The sale proceeds of these assets will be utilized in reducing bank liabilities and also it will meet urgent requirements of working capital. The management has also modified existing operating strategies in order to improve overall market performance. In view of these, the management will be in a position to turn around the financial position during the subsequent financial year. On this basis the management is of view that the company continues to operate as a going concern and have ability to fully meet its financial obligations.

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012**

In ₹ (Rupees)

PARTICULARS	Year ended 31 March 2012	Year ended 31 March 2011
32. C.I.F. VALUE OF IMPORTS :		
Capital goods	8,922,734	17,618,440
33. EXPENDITURE IN FOREIGN CURRENCY :		
Capital goods	8,922,734	17,618,440
Travelling & Other expenses	481,355	682,449
Registration & License Fee	685,478	3,396,221
Interest on Working Capital	11,937,240	10,305,914
Other	477,345	358,450
34. CALCULATION OF EARNING PER SHARE AS PER ACCOUNTING STANDARD (AS 20) "EARNING PER SHARE":		
Net Profit for the year (₹)	(a) (9,452,834)	489,990,410
Weighted Average Number of Equity Shares	(b) 24,781,285	21,281,285
Nominal value per share (₹)	5	5
Basic and diluted EPS (₹)	[(a)/(b)] (0.38)	23.02

35. 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. Sonia Gopal - wife of Mr. Gopal Ramourti Mrs. Preeti Bora - wife of Mr. N R Bora Mrs. Pooja Bora - wife of Mr. A R Bora
(c) Enterprises over which the key management personnel has influence	Regent Financial Services Pvt. Ltd. Dubash Investment & Finance Co. Pvt. Ltd. G. R. Capital & Finance Pvt. Ltd.
(d) Subsidiary	Briocia Pharma (India) Limited.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2012

In ₹ (Rupees)

(ii) Particular of transactions:

Transaction during the year	With parties referred to in (a) above	With parties referred to in (b) above	With parties referred to in (c) above	Transaction with Subsidiary	Total
Remuneration	7,332,000 (7,741,000)	- (-)	- (-)	- (-)	7,332,000 (7,741,000)
Rent	875,556 (875,556)	2,185,608 (2,185,608)	756,000 (756,000)	- (-)	3,817,164 (3,817,164)
Interest Paid	- (-)	- (-)	- (4,936,466)	- (-)	- (4,936,466)
Loan Repaid	- (-)	- (-)	15,466,563 (127,993,706)	- (-)	15,466,563 (127,993,706)
Loan Received	- (-)	- (-)	7,950,020 (160,977,667)	- (-)	7,950,020 (160,977,667)
Conversion Charges paid	- (-)	- (-)	- (-)	9,445,646 (4,156,794)	9,445,646 (4,156,794)
Interest Received	- (-)	- (-)	- (-)	- (265,278)	- (265,278)
Loan Given	- (-)	- (-)	- (-)	- (40,384,315)	- (40,384,315)
Amount Given	- (-)	- (-)	- (-)	6,274,508 (-)	6,274,508 (-)
Amount Received	- (-)	- (-)	- (-)	33,366,410 (6,831,465)	33,366,410 (6,831,465)

Note: i)	Remuneration	(a) Mr. Gopal Ramourti	₹ 5,088,000/-
		(b) Mr. Nainish Bora	₹ 2,244,000/-
ii)	Rent	(a) Mr. Rajendra C Bora	₹ 875,556/-
		(b) Mrs. L.R. Bora	₹ 813,480/-
		(c) Mrs. Sonia Gopal	₹ 496,584 /-
		(d) Mrs. Preeti Bora	₹ 437,772/-
		(e) Mrs. Pooja Bora	₹ 437,772/-
		(f) Regent Financial Services Pvt Ltd.	₹ 756,000/-
iii)	Loan Repaid	(a) G R Capital & Finance Pvt Ltd.	₹ 15,466,563/-
iv)	Loan Received	(a) G R Capital & Finance Pvt. Ltd.	₹ 79,50,020/-

36. 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.

37. Figures of the pervious year have been regrouped and rearranged, wherever necessary.

As per our Report of even date.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. : 109208W

V. MOHAN
PARTNER
M No. 17748

Place : Mumbai
Date : 3rd December, 2012

For and on behalf of the Board

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

Place : Mumbai
Date : 3rd December, 2012



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TWILIGHT LITAKA PHARMA LIMITED

Registered Office : B-22 "H" Block, M.I.D.C., Pimpri, Pune - 411 018.

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 **38th Annual General Meeting** of the Company held on **Monday**, the **31st December, 2012** at **09.30 a.m.**

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

*Strike out whichever is not applicable

PROXY



TWILIGHT LITAKA PHARMA LIMITED

Registered Office : B-22 "H" BLOCK, M.I.D.C., PIMPRI, PUNE - 411 018.

Folio No. _____ Client ID No. _____

I/We _____

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

hereby appoint _____

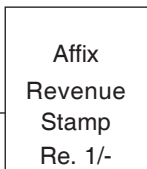
of _____ or failing him _____

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

my/our behalf at the 38th Annual General Meeting of the Company to be held on Monday, the 31st December, 2012 at 09.30 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012.

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.

BOOK POST



If undelivered please return to:

TWILIGHT LITAKA PHARMA LIMITED

Regd. Office : B-22 "H" BLOCK, M.I.D.C., PIMPRI, PUNE - 411 018.

www.twilightlitaka.com