Twilight Litaka Pharma Limited

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of the Company will be held on Saturday 29th September, 2012 at 09.30 a.m. at the Registered Office of the Company at B-22 "H" Block, M.I.D.C., Pimpri, Pune 411 018 to transact the following business:

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Listing Agreement entered into with Stock Exchanges on which the Shares of the Company are listed, the applicable Rules, Notifications, Guidelines issued by the Government of India, Securities and Exchange Board of India, the approval of the Members and Shareholders of the Company be and is hereby accorded to cancel the 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 declared at the Annual General Meeting of the Company held on 29th September, 2011.

   FURTHER RESOLVED THAT this resolution shall be in supersession of the resolution passed by the Members and Shareholders of the Company at the Annual General Meeting of the Company held on 29th September, 2011, and the Board of Directors of the Company be and is hereby authorized to give prior effect to the resolution passed by the Members and Shareholders of the Company at this meeting than that passed at the Annual General Meeting of the Company held on 29th September, 2011.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things which are necessary or incidental to cancel the abovementioned dividend and take such effective steps in this matter as may be necessary to give effect to this Resolution."

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

   "RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310, 311,314 and all other applicable provisions of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, including any statutory modification or re-enactment thereof for the time being in force and subject to all other approvals, sanctions, permissions including the approval of the Central Government, if necessary, approval of the Company be and is hereby accorded to the reduction in the remuneration, to the extent of Rs. 25% of the present remuneration, payable to Mr. Gopal Ramourti as Managing Director of the Company w.e.f. 1st October, 2012 for a balance period of his tenure that is up to 31st July, 2013 as mentioned herein below :-

   A] Salary

   Basic salary Rs. 1,50,000/- p.m. (1,50,000 - 50,000- 4,00,000) (reduced from Rs. 2,00,000/- p.m.) with the authority granted to the Board to determine the salary and grant increments from time to time within the aforesaid scale.

   B] Perquisites (as reduced by 25%)

   In addition to the salary mentioned at [A] above, the Company shall pay to Mr. Gopal Ramourti Perquisites up to the reduced amount of Rs. 1,50,000/- p.m., the break up of which will be as under:-

   i) Rent free furnished residential accommodation with free use of all the facilities and amenities such as cooking gas, water, electricity etc. If no accommodation is provided by the Company, he shall be entitled for House Rent Allowance.
   ii) Education Allowance.
   iii) Books and Periodicals.
   iv) Leave Travel Allowance once in a year as per the Rules of the Company.
   v) Bonus or ex-gratia as per the Rules of the Company.
   vi) Conveyance Allowance.
   vii) Club Membership - Entrance fees and monthly subscription fees for maximum upto two clubs.
   viii) Use of Company's car.
   ix) Telephone at residence. Personal long distance calls shall be borne by Mr. Gopal Ramourti.
   x) Reimbursement of Medical Expenses for self and family.
   xi) Premium in respect of personal accident insurance.
   xii) Reimbursement of Entertainment expenses incurred for the purpose of business of the Company.
   xiii) Mr. Gopal Ramourti shall be entitled to such other perquisites which shall be granted to other Executives of the Company from time to time.

   C] Following Perquisites shall not be included in the computation of ceiling on remuneration specified in [A] and [B] above

   i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
   ii) Gratuity payable upto half a month's salary for each completed year of service.
   iii) Leave encashment at the end of the tenure.

   D] Other Terms

   i) Mr. Gopal Ramourti shall, subject to the superintendence, control and direction of the Board, manage and conduct overall business affairs of the Company including Banking, Finance and Accounts operations.
   ii) He shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof, as long as he occupies position of Managing Director of the Company.
   iii) He will be entitled for leave as per the rules of the Company as may be in force from time to time.
   iv) The appointment can be terminated earlier than the agreed term by either party, by giving 3 calendar months' notice in writing to the other party or by payment of a sum equivalent to remuneration for the notice period.

   Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such Rule, perquisites shall be evaluated at actual cost.

   Notwithstanding anything contained elsewhere in the Resolution, if in any financial year during the currency of the tenure of Mr. Gopal Ramourti the Company has no profits or its profits are inadequate, the remuneration and perquisites as specified above shall be treated as minimum remuneration subject to overall ceiling as per the provisions of Sections 198,309 and Schedule XIII of the Companies Act, 1956 and subject to receipt of any requisite approval, if any.

   RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to do all such necessary acts, deeds and things which are necessary and incidental to give effect to this Resolution."

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269,309,310,311,314 and all other applicable provisions of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, including any statutory modification or re-enactment thereof for the time being in force and subject to all other approvals, sanctions, permissions including the approval of the Central Government, if necessary, approval of the Company be and is hereby accorded to the reduction in the remuneration, to the extent of Rs. 25% of the present remuneration payable to Mr. Nainish R. Bora as Executive Director and Chief Financial Officer (CFO) of the Company w.e.f. 1st October, 2012 for a balance period of his tenure that is up to 24th March, 2013 as mentioned herein below :-

   A] Salary

   Basic salary Rs. 75,000/- p.m. (75,000 - 50,000- 2,00,000) (reduced from Rs. 1,00,000/- p.m.) with the authority granted to the Board to determine the salary and grant increments from time to time within the aforesaid scale.

   B] Perquisites (as reduced by 25%)

   In addition to the Salary mentioned at [A] above, the Company shall pay to Mr. Nainish Bora perquisites upto the reduced amount of Rs. 75,000/- p.m., the break up of which will be as under:-

i) Rent free furnished residential accommodation with free use of all the facilities and amenities such as cooking gas, water, electricity etc. If no accommodation is provided by the Company, he shall be entitled for House Rent Allowance.

ii) Education Allowance.

iii) Books and Periodicals.

iv) Leave Travel Allowance once in a year as per the Rules of the Company.

v) Bonus or ex-gratia as per the Rules of the Company.

vi) Conveyance Allowance.

vii) Club Membership - Entrance fees and monthly subscription fees for maximum upto two clubs.

viii) Use of Company's car.

ix) Telephone at residence. Personal long distance calls shall be borne by Mr. Nainish Bora.

x) Reimbursement of Medical Expenses for self and family.

xi) Premium in respect of personal accident insurance.

xii) Reimbursement of Entertainment expenses incurred for the purpose of business of the Company.

xiii) Mr. Nainish Bora shall be entitled to such other perquisites which shall be granted to other Executives of the Company from time to time.

C] Following Perquisites shall not be included in the computation of ceiling on remuneration specified in [A] and [B] above.

i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.

ii) Gratuity payable upto half a month's salary for each completed year of service.

iii) Leave encashment at the end of the tenure.

D] Other Terms

i) Mr. Nainish Bora, being Chief Financial Officer of the Company (CFO) shall manage and conduct commercial operations of the Company subject to the superintendence, control and direction of the Board. He will report to the Managing Director of the Company.

ii) He shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof, as long as he occupies position of Executive Director of the Company.

iii) He will be entitled for leave as per the rules of the Company as may be in force from time to time.

iv) The appointment can be terminated earlier than the agreed term by either party, by giving 3 calendar months' notice in writing to the other party or by payment of a sum equivalent to remuneration for the notice period.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such Rule, perquisites shall be evaluated at actual cost.

Notwithstanding anything contained elsewhere in the Resolution, if in any financial year during the currency of the tenure of Mr. Nainish Bora, the Company has no profits or its profits are inadequate, the remuneration and perquisites as specified above shall be treated as minimum remuneration subject to overall ceiling as per the provisions of Sections 198,309 and Schedule XIII of the Companies Act, 1956 and subject to receipt of any requisite approval, if any.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to do all such necessary acts, deeds and things which are necessary and incidental to give effect to this Resolution."

By Order of the Board of Director of the Company
For TWILIGHT LITAKA PHARMA LTD

Date : 1st September, 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 EXTRA ORDINARY GENERAL MEETING.
2. The relevant Explanatory Statement of material facts pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business contained in item no. 1, 2,3 of the Notice set out above is annexed herewith.
3. 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.**

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out as required by Section 173(2) of the Companies Act, 1956, the material facts relating to Special Business mentioned in the accompanying Notice dated 1st September, 2012.

ITEM NO.1

In the Board Meeting held on 27th August, 2011 the Board of Directors had recommended the Dividend of Rs.1.50 per share i.e. 30% of the face value of Rs.5/- each amounting to Rs.3,71,71,928/- for the Financial Year ended as on 31st March, 2011. The Members and Shareholders of the Company in the last Annual General Meeting held on 29th September, 2011 had, subject to the provisions of the Companies Act, 1956 and also subject to approval of Banks/ Financial Institutions of the Company, approved the same.

As per terms and conditions stipulated in the Consortium loan documents executed by the Company, one of the condition states that, when the Company is in default in making repayment of loan as well as servicing of interest before making payment of dividend it would be necessary for the Company to seek prior approval of the Bankers for the same. Accordingly the matter regarding payment of dividend was placed before the Consortium Meeting for its approval. The Bankers instructed the Company that unless their over dues are cleared the Company should not make payment of dividend to its Members and Shareholders.

Company is facing sever liquidity crunch and shortage of Working Capital mainly due to (i) non availability of fresh credit facility from the Bankers of the Company; (ii) slow recovery from the debtors; and (iii) acquisition of a Subsidiary Company. In view of the aforesaid reasons your Company could not meet its financial obligation towards servicing of interest and payment of term loan installments.

In spite of Company's rigorous efforts Company could not clear the over dues of the banks and therefore the Company has so far not paid the dividend.

In view of the facts mentioned above the Board is of the opinion that with a view to avoid further staturory defaults and its resultant consequences it is advisable to cancel the dividend. The Board has further agreed that, it can reconsider the proposal to recommend dividend at opportune time. Accordingly Board in its meeting held on 1st September, 2012 passed a resolution that subject to approval of the Members and Shareholders in the general meeting a dividend which was declared in the last Annual General Meeting held on 29th September, 2011 be cancelled. The Company was advised that under the present circumstances it would be possible to cancel a dividend provided approval of shareholders is obtained and hence the resolution is proposed for your approval in the accompanying notice dated 1st September 2012.

A copy of the letter dated 17th October, 2011 received from the

Company's Bankers instructing the Company not to pay any dividend to Equity Shareholders until their overdues are cleared, is available for inspection by the Members and Shareholders on all working days except Sundays between 2 p.m. to 4.00 p.m. at the Registered Office of the Company upto the date of this meeting and at the venue of Extra Ordinary General Meeting during meeting hours.

The Company has been advised that there is no need to readopt the Annual Accounts of the Company for the year ended on 31st March, 2011 in the event of revocation/cancellation of dividend.

The Board recommends the Ordinary Resolution for your approval.

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

ITEM NO. 2 & 3

In the Annual General Meeting held on 25th September, 2010 the Shareholders of the Company reappointed Mr. Gopal Ramourti as Managing Director of the Company for a period of Three years w.e.f. 1st August, 2010 that is up to 31st July, 2013 on the following terms :-

A] Salary Rs. 2,00,000/- p.m.

B] Perquisites for an amount not exceeding Rs. 2,00,000/- p.m.

In the same Annual General Meeting Shareholders also reappointed Mr. Nainish R. Bora as Executive Director and Chief Financial Officer of the Company for a period of Three years w.e.f. 25th March, 2010 that is up to 24th March, 2013 on the following terms :-

A] Salary Rs. 1,00,000/- p. m.

B] Perquisites for an amount not exceeding Rs. 1,00,000/- p.m.

Last few months your Company is facing severer liquidity crunch due to non availability of adequate Working Capital and for investment made by the Company in its Subsidiary Company. As a result, Company in spite of its rigorous efforts facing it difficult to honour its financial commitments timely, particularly towards its Banks & Financial institutions as well as Statuary authorities. This has adversely affected the performance of the Company. Your Company is making all out efforts to overcome the present situation.

The Board is confident that within a reasonable time situation will be improved and accordingly it is taking necessary effective steps.

In the Board meeting held on 1st September, 2012 the matter regarding various strategies to be implemented in consultation with Company's Bankers as well as financial advisors were discussed. With a view to reduce the expenses wherever possible, the Board requested both Mr. Gopal Ramourti, Managing Director and Mr. Nainish Bora, Executive Director & CFO of the Company to accept reduction in the salary by 25% payable to both of them. Mr. Gopal Ramourti, Managing Director and Mr. Nainish Bora, Executive Director & CFO of the Company have accorded their consent for downward revision in their salary as mentioned herein above subject to approval of the Shareholders of the Company.

The terms of revised remuneration payable to Mr. Gopal Ramourti, Managing Director and Mr. Nainish Bora, Executive Director & CFO of the Company are described in the Resolution No. 2 & 3 respectively contained in the appended Notice. The Remuneration Committee in its Meeting held on 1st September, 2012 approved the remuneration payable to these Directors. This explanation together with the accompanying Notice may be treated as an abstract of the revised terms of remuneration payable to Mr. Gopal Ramourti, Managing Director and Mr. Nainish Bora, Executive Director & CFO of the Company under Section 302 of the Companies Act, 1956.

The Board recommends the Special Resolutions mentioned under Item No. 2 & 3 in the accompanying notice for your approval.

None of the Directors of the Company except Mr. Gopal Ramourti, Mr. Nainish Bora & Mr. Rajendra Bora are in any way concerned or interested in the resolutions.

By Order of the Board of Director of the Company
For TWILIGHT LITAKA PHARMA LTD

Date : 1st September, 2012
Place : Mumbai

GOPAL RAMOURTI
MANAGING DIRECTOR

TWILIGHT LITAKA PHARMA LIMITED
Registered Office : B-22 "H" Block M.I.D.C, Pimpri, Pune 411018

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 **Extraordinary General Meeting** of the Company held on **Saturday**, the **29th September, 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

TWILIGHT LITAKA PHARMA LIMITED **PROXY**
Registered Office : B-22 "H" Block M.I.D.C, Pimpri, Pune 411018

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 **Extraordinary General Meeting** of the Company to be held on **Saturday,** the **29th September, 2012** at **09.30 a.m.** and at any adjournment thereof.

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

Affix a Revenue Stamp

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 Ltd.,

B-22 “H” Block M.I.D.C, Pimpri, Pune 411018

PRABODH
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