

RELISH PHARMACEUTICALS LIMITED

Board of Directors

Riddhi Mihir Patel
Mihir Mahendrabhai Patel
Shailesh Babubhai Patel
Ramilaben Hasmukhbhai Patel

Managing Director
Director
Director
Director

Auditors of the Company

R M Nagar & Associates
B-5, Dhupsali Apartments
Opp. Lotus School, Jodhpur Gam Road,
Ahmedabad – 380015

Registered Office of the Company

1-2 Moon Light 3rd Floor, Opp: Gurukul,
Drive-In-Road, Memnagar, Ahmedabad – 380052
Phone: 91-79- 66522247
Fax: 91-79- 27498515
E-mail ID: info@relishpharma.com
Website: www.relishpharma.com

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NOTICE

Notice is hereby given that Annual General Meeting of the members of Relish Pharmaceuticals Limited will be held on 30/09/2011 at 12:30 p.m. at 1-2 Moon Light 3rd Floor Opp: Gurukul Drive-In-Road, Memnagar, Ahmedabad – 380052 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2011, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Mihir Mahendrabhai Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For And on Behalf of the Company

Date : 01/07/2011

Place : Ahmedabad

**Sd/-
(Mihir Patel)
Director**

**Sd/-
(Riddhi M. Patel)
Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Wednesday, 21st September, 2011 to Friday, 30th September, 2011 (both days inclusive).
3. The Company has appointed M/s. Sharepro Services (India) Private Limited, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to Sharepro Services (India) Private Limited, Unit: Relish Pharmaceuticals Limited.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.
7. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Sharepro Services (India) Private Limited quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
8. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.
9. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

For And on Behalf of the Company

Date : 01/07/2011

Place : Ahmedabad

**Sd/-
(Mihir Patel)
Director**

**Sd/-
(Riddhi M. Patel)
Director**

DIRECTORS' REPORT

**To,
The Members
Relish Pharmaceuticals Limited**

The Directors' present the Annual report on the business and operations of your Company for the year 2010-2011.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
Gross Sales/Income	102,396,392	8,76,23,452
Less Depreciation	34,62,589	36,68,839
Profit/(Loss) before Tax	68,31,388	28,79,404
Taxes/Deferred Taxes	Nil	Nil
Profit/(Loss) After Taxes	68,31,388	28,79,404
P& L Balance b/f	(9,14,74,868)	(9,43,54,272)
Profit/ (Loss) carried to Balance Sheet	(84,643,480)	(9,14,74,868)

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the companies (Particulars of employee) Rules, 1975 as amended.

DIRECTORS:

Mr. Mihir Mahendrabhai Patel, Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIVIDEND:

In view of losses, your Directors do not recommend any dividend during the year.

DEPOSITS:

During the year under review the Company has not accepted any deposits to which the provisions of section 58A of the Companies Act, 1956 read with Acceptance of Deposits Rules, 1975 as amended are applicable.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of

affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is annexed herewith.

Further, during the period under review, following were earning and expenditure in Foreign Currency:

Earning in Foreign Currency: Rs. Nil (Previous Year Rs. Nil)

Expenditure in Foreign Currency: Nil (Previous Year Rs. Nil)

APPOINTMENT OF AUDITORS:

M/S. R M NAGAR & ACCOCIATES, Chartered Accountants, Ahmedabad, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE:

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

SEGMENT:

Your Company is engaged in a single segment only.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For And on Behalf of the Company

Date : 01/07/2011
Place : Ahmedabad

Sd/-
(Mihir Patel)
Director

Sd/-
(Riddhi M. Patel)
Director

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

SR NO.	Particulars	Unit	2010-11	2009-10
(I)	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased	Kwh	3,91,088	2,67,142
	Total Amount	Rs.	28,74,500	18,14,000
	Rate/Unit	Rs./ Kwh	7.35	6.79
(b)	Own		--	--
	Generation (Units)		--	--
2.	Coal		--	--
	Quantity	Kg	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./Kg	--	--
3.	High Speed Diesel/ LDO		--	--
	Quantity	Liters	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./ Liters	--	--
4.	Other Internal Generation		--	--
(II)	Consumption per unit of production:		--	--

For And on Behalf of the Company

Date : 01/07/2011

Place : Ahmedabad

**Sd/-
(Mihir Patel)
Director**

**Sd/-
(Riddhi M. Patel)
Director**

Report on Corporate Governance
(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy:

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

Relish Pharmaceuticals Limited is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

2. Board of Directors:

2.1 Composition of the Board:

The Board of Directors as at 31st March, 2011 comprises of four directors comprises of a (Chairperson and Managing Director), two is Executive and all other are non-executive directors. Mrs. Riddhiben Patel is the Chairman and Managing Director of the Company and she conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields:

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company, Ahmedabad. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the Financial year 11 Board meeting were held on 2010-2011, 26/04/2010, 14/06/2010, 26/07/2010, 31/07/2010, 30/08/2010, 13/09/2010, 26/10/2010, 15/11/2010, 13/12/2010, 25/01/2011 and 14/02/2011.

The composition, attendance and other memberships of the Board of Directors of the company is as follows: c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in public Companies	Total No. of Committee membership	Total no. of Board Chairmans hip
Riddhi Mihir Patel	Managing Director	Executive	11	Yes	0	0	0
Mihir Patel	Director	Executive	11	Yes	0	0	0
Shailesh Patel	Director	Director/ Non Executive	11	Yes	0	0	0
Ramilaben H Patel	Director	Director/ Non Executive	11	Yes	0	0	0

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Mihir Mahendrabhai Patel, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

Profile of Mr. Mihir Mahendrabhai Patel, Director being appointed u/s 269 of the Companies Act, 1956

Name	Mihir Mahendrabhai Patel
Date of Birth	13/11/1967
Date of Appointment	13/09/1993
No. of shares held in the company	7,00,000
Directorship in other company	Nil

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The

necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2011 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mihir Patel	--	--	--
2.	Riddhi Mihir Patel	--	--	--
3.	Shailesh Patel	--	--	--
4.	Ramilaben H Patel	--	--	--

3. COMMITTEE OF BOARD:

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Sub-Committee (Quarterly Results Review Committee)
4. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of two members viz. Mr. Shaileshbhai Patel Member Director (Non-Executive) Mrs. Ramilaben H Patel Member (Non-Executive) who are aware with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-alias, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies

- Review the company's accounting and management reporting systems and updates the same from time to time.
- Recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit.
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

The terms and reference of the Audit Committee covers the matters specified as per clause 49 of the Listing Agreement besides other terms as may be referred from time to time by the Board of Directors. The Audit Committee met 3 times during the year.

3.2 Remuneration Committee:

(a) Executive Directors:

The Company has not set up a Remuneration Committee. The remuneration of Executive Director were fixed by the Board and approved by the Share Holders at the Annual General Meeting, details of remuneration paid to the Executive Director during the financial year 2010-11 is given as bellows:

Name	Designation	Gross Remuneration(Rs.)
Riddhi Patel	Managing Director	3,60,000
Mihir Patel	Director	3,00,000

(b) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration, they had paid only Sitting Fees, Non Executive director had not paid any Sitting Fees for the financial year.

3.3 Sub-Committee (Quarterly Results Review Committee) :

The Sub-Committee (Quarterly Results Review Committee) comprises as under:

Name	Designation
Shaileshbhai Patel	Director
Ramilaben H Patel	Director

The Committee is responsible for approving quarterly un-audited financial statements and monitoring the performance of the Company. 4 (Four) meeting were held on the following dates:

Financial reporting for the quarter ending March 31, 2010

End of April, 2010

Financial reporting for the quarter ending June 30, 2010

End of July, 2010

Financial reporting for the quarter ending September 30, 2010

End of October, 2010

Financial reporting for the quarter
ending December 31, 2010

End of January, 2011

3.4 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

1	Mr. Mihirbhai Patel	Chairman
2	Mrs. Riddhiben M Patel	Compliance officer

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2011) is given below:-

Complaints Status: 01.04.2010 to 31.03.2011

•	Number of complaints received so far	:	4
•	Number of complaints solved	:	4
•	Number of pending complaints	:	Nil

4. DISCLOSURES:

(a). Materially significant related party transactions:

The same are appropriately disclosed at Note No.10 of the Significant Accounting Policies and notes on accounts- schedules 19of the Annual Accounts – Schedule 19 of the Annual Accounts of the Company.

(b). During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

5. Share Transfer System:

The Company has an in-house share transfer department and has not appointed any Registrar and Transfer Agent. Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

6. Dematerialization of shares and liquidity:

The Company has been registered itself with M/s.Sharepro Services (I) Pvt. Ltd. Satam Estate, 4th Floor, Above Bank of Baroda, Cardinal, Gracious Road, Chakata, Andheri, E, Mumbai; 400 099 for dematerialization of Companies securities so far.

7. Date, Time and venue of 16th Annual General Meeting : 30th September, 2011 at 12.30 P.M..
1-2, Moon light, 3rd Floor, Opp. Gurukul,
Drive In Road, Memnagar, Ahmedabad-
380052

8. Book Closure Date : 21st September, 2011 to 30th September, 2011

9. CEO/CFO Certification:

(Under Clause 49(V) of Listing Agreement)

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2010-2011 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-2011 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
 - Significant changes in internal control over the financial reporting during the year 2010-2011;
 - Significant changes in accounting policies during the year 2010-2011 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

MEANS OF COMMUNICATIONS:

The half Yearly and quarterly results of the Company were not published in any news paper but regularly forwarded to the Mumbai Stock Exchange where the Company's share are listed. The Company has not considered it necessary to circulate half yearly results at the residence of shareholders as there is no significant up and down in the activities of the company having material impact on the shareholders interest.

The Company's financial results and officials news releases are displayed on the Company's website.

Further the Company has not made any presentation to any financial institutional Investors/analysts or banks during the year.

Listing of Equity Shares on Stock Exchanges: Mumbai Annual listing fees for the financial Year upto 31-03-2011 has been paid.

a. Stock Code: BSE 524632, ASE 49039

b. Demat ISIN number: INE551C01010

c. Market price data: The Company has been suspended from the Bombay Stock Exchange; hence no trade has been reported to take place.

d. Performance of the Company's shares in comparison with broad based indices as BSE's Sensex: The Company has nothing to report on the matter.

e. Registered and Transfer Agent: The Company has appointed M/s Sharepro Services (I) Private Limited, Mumbai as the common agency both in respect of demat shares. The Company is having in house share transfer set up for the transfer of shares which are still in physical mode.

f. Share Transfer System: All the transfers are received and processed by the Secretarial Department of the Company and approved by share transfer committee. Share Transfer requests received in physical form The Management discussion and analysis forms part of the Annual Report.

10. Dividend Payment Date : Not Applicable

11. Detail of last three Annual General Meeting:

Meeting	Year	Venue of AGM	Date	Time	Whether Special resolution passed
Annual General Meeting	2007-08	1-2 Moon Light, 3rd Floor, Gurukul Drive In Road, Memnagar, Ahmedabad	30 th September, 2008	11.00 A.M.	Yes
Annual General Meeting	2008-09	1-2 Moon Light, 3rd Floor, Gurukul Drive In Road, Memnagar, Ahmedabad	30 th September, 2009	12.30 P.M.	Yes
Annual General Meeting	2009-10	1-2 Moon Light, 3rd Floor, Gurukul Drive In Road, Memnagar, Ahmedabad	30 th September, 2010	12.30 P.M.	No

Details for Special Resolution had passed in last AGM:

2010

No Special Resolution was passed.

2009

- Special Resolution passed for Forfeiture of 38,00,000 shares of the Company

2008

- Appointment of Mr. Shailesh Babubhai Patel as a director of the Company.
- Appointment of Mrs. Ramilaben Patel as a director of the Company.
- Reappointment of Mrs. Riddhiben Patel as a Managing Director of the Company under section 269 of the Companies Act, 1956

12. High / Low of Monthly Market Price of the Companies Equity Shares traded on Ahmedabad Stock Exchange during the Financial year 2010-2011 is furnished below :

The trading of equity shares of the Company was suspended during the year and hence no Market Price Data is available during the year under review.

13. Distribution of Shareholding as on March 31, 2011.

On the basis of shares held

No of Equity shares held	No. of shareholders	Percentage of Total share holders	No. of Shares held	Percentage of total share held
Upto 5000	6729	93.11%	1,29,74,000	10.96%
5001 – 10000	269	3.72%	22,47,000	1.90%
10001 – 20000	84	1.16%	12,82,000	1.08%
20001 -- 30000	24	0.33%	5,84,000	0.49%
30001 --40000	49	0.68%	18,79,000	1.59%
40001 --50000	48	0.66%	20,99,000	1.77%
50001 --100000	12	0.17%	9,10,000	0.77%
Above 100000	12	0.17%	96,39,3000	81.44%
Total	7227	100.00	11,83,59,000	100.00

Shareholding pattern as on 31st March, 2011

Category	No. of share held	% of shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	29,31,600	24.77%
b. Financial Institutions / Banks	5,00,000	4.22%
b. Other bodies corporate	32,70,885	27.63%
c. Indian public	51,33,715	43.38%
Total	1,18,36,200	100%

Dematerialization of shares: As on 31-03-11 Demat shares accounted for 80,92,400 Equity Shares) of total equity.

14. Listing on Stock Exchanges : The Stock Exchange – Mumbai
Phiroze jeejeebhyy Towers, Dalal Street,
Mumbai – 400023
: The Stock Exchange – Ahmedabad
Kamdhenu Complex,
Opp. Sahajanand Complex,
Panjarapole, Ambawadi,
Ahmedabad -380015.

15. Investor Correspondence : All enquiries, clarifications and
Correspondence should be addressed
to the compliance officer at the
following address.

16. Compliance Officer : Mrs. Riddhi Patel, Managing Director

17. Address for Correspondence :

Relish Pharmaceuticals Limited
1-2 Moon Light 3rd Floor,
Opp: Gurukul Drive-In-Road,
Memnagar, Ahmedabad – 380052
www.relishpharma.com

M/s. Sharepro Services (I) Private Limited
Satam Estate, 4th Floor, Above Bank of Baroda,
Cardinal, Gracious Road, Chakata,
Andheri (E), Mumbai; 400 099.
Phone: 2821 5068, 2832 9828, 2821 5991, 2834 7719, 2832 9828, Fax: 2837 5646
Email: sharepro@vsnl.com

20. Compliance Certificate of the Auditors:

The statutory Auditors have certified that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors Report and Management Discussion and Analysis.

The Certificate from the statutory Auditors will be sent to the listed stock exchange along with the annual return of the Company.

For And on Behalf of the Company

Date : 01/07/2011
Place : Ahmedabad

Sd/-
(Mihir Patel)
Director

Sd/-
(Riddhi M. Patel)
Director

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Manager personnel have affirmed compliance with RELISH PHARMACEUTICALS LIMITED Code of Business conduct and ethics for the year ended March 31, 2011

For And on Behalf of the Company

Date : 01/07/2011
Place : Ahmedabad

Chairperson

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We at Relish Pharmaceuticals Limited Understand your individual manufacturing requirements provide total resource to extend your company's capabilities, meet your goals of a timely entry in to the market, use outsourcing as a strategic move in your product life cycle planning, gain a greater economic edge in a highly competitive market, develop new dosage forms and manufacturing procedures. Our strength is providing total customer satisfaction by delivering superior quality products through cutting edge technology and the best possible services.

We at Relish Pharmaceuticals Limited assisted in the development and manufacture of a wide variety of drugs and dosage forms and potency variations for many prestigious pharmaceuticals companies around the world.

INDUSTRY STRUCTURE AND DEVELOPMENT

The pharmaceutical industry in India is currently registering a value growth of 13 percent on retail sales level. This growth in the domestic market is mainly driven by increasing purchasing power and better availability within the country. Consumer spending on healthcare went up from 4 per cent of GDP in 1995 to 7 per cent in 2007. The number is expected to rise to 13 per cent of GDP by 2015. Furthermore, internationally operating Indian Companies have seen healthy growth of their exports into Western markets. The growth also has spurred players in the Indian pharmaceutical industry to explore newer avenues of drug research, discovery and development, promising higher capital investments in the near future. There have been several new collaborations with the aim of research and discovery between Indian and non Indian pharmaceutical Companies, some of which are Mergers and Amalgamation. Many Multinational Companies have increased their spending in India to conduct clinical trials and research, either by establishing own Research and Development units or commissioning Contract Research Organizations (CROs). Pharmaceutical research, manufacturing and outsourcing have received an impetus in the country, creating the image of a land of opportunities in the pharmaceutical space.

STRENGTH OF THE COMPANY:

The long-term goal of the Company is to become a pharmaceutical company driven by research. The company also takes all most care to ensure that a safe formulation of medicine being manufactured is prepared by method and process. Prescribe with international specifications. With the prime focus on customer satisfaction, continuous efforts are made to offer solutions that give an extra advantage to the customer.

A strong desire for continuous innovation forms the bedrock of the efforts of this dedicated and talented team. Perseverance & Passion for new ideas are the driving forces, which leverage the efforts to develop new product Solutions, Processes and Applications. A strong harmony between R&D, Production and Marketing team aids in fine tuning production processes to make them more efficient and environment friendly.

Globalization is a thrust area at our end which is evident from our continuous efforts to enhance our International Business, which currently accounts for one third of our business. The international business, which currently forms one third of the Company's business, hold huge potential and is focused for future growth.

Expertise in Research and Development, Formulation manufacturing, latest quality movement and in-depth insight into the Indian and international Pharmaceuticals markets, Relish have made unrivaled progress. Current growth rate of the company has exceeded 79%! Further the Company has assisted in the development and manufacture of a wide variety of drugs and dosage forms and potency variations for many prestigious pharmaceuticals companies around the world.

Our endeavour to walk an extra milage by providing our customers with alternate solutions, customized products and packaging has resulted in expanding our business horizons and proximity to the lives of people. We remain focused on developing application related derivatives of existing products as well as newer product solutions.

OVERALL REVIEW OF COMPANY

Product Portfolio

We are providing variety of products to the clientele. Currently the product portfolio includes followings:

Antibiotics (Penicillin), Anti Biotics (Cephalosporin), Anti Biotics, Macrolides, Quinolones, Anti Bacterial, Anti Fungal, Anti Malarial, Anti Viral, Anti Protozoal, Anti Anthelmintic, Sedative and Tranquilliser, Anti Depressant, Anti Manic, Anti Emetic, Anti Ulcer, Beta Blockers, Diuretics, Analgesic, Analgesic (NASID), Muscle Relaxants, Anti Tuberculosis, Vitamin Products, Anti Allergics, Corticosteroids, Hyper and Hypoglycemic, Others

Customer's satisfaction by delivering quality products has been the corner stone of our Company. The Company, therefore, believes in manufacturing of all critical and precision components in-house.

OPPORTUNITIES, THREAT, RISKS AND CONCERNS

The Indian pharmaceutical industry is growing consistently and is expected to do so also in future. Quality of products will improve, as is evident from the recent publication of the new Indian Pharmacopeias and the activities of the Drugs Controller of India against "irrational combinations" and "counterfeits". We wish that these initiatives, which will lead to a safer healthcare environment for patients, will be followed up in a transparent and rational way.

For the pharmaceutical industry in India the National Pharmaceuticals Policy still represents a major threat. We regard price monitoring as a better option, balancing affordability and investments into continuous improvements of product quality. Another major concern relates to the recent developments in the post product-patent regime. Unfortunately, for India the patent regime needs to be challenged looking at the limited amounts of patents granted and patents being opposed.

FUTURE OUTLOOK:

As a Pharmaceutical Industry in India the Company wishes to diversify Business Corporation to achieve leadership by exceeding customer expectation in domestic as well as overseas markets. Further to attain financial strength through ever growing profitability to attain excellence while achieving "Supreme customer satisfaction" to attain the global recognition for the corporation and to focus on customer's need and fulfill their expectations. Further the Company will provide services and products of the most superior quality and seek consistent improvement innovation and excellence in our

performance. To create working environments this helps committed people to achieve their fullest potential. Provide them ample opportunity to grow.

SEGMENT WISE PERFORMANCE

The Company is operating only in one sector i.e. pharmaceutical and therefore the segment reporting and performance standard is not applicable to the Company.

INTERNAL CONTROL

The Internal Control systems including the policies, procedures and guidelines of the Company are adequate and commensurate to the extent and nature of its operations. The controls are reviewed for effectiveness by the internal auditors and the audit committee too. Any deviations are brought to the notice of the Audit Committee periodically and corrective steps are recommended and implemented.

FINANCIAL PERFORMANCE

The Company is passing through the restructuring process and trying to come out of all difficulties by improving its turnover.

For And on Behalf of the Company

Date : 01/07/2011

Place : Ahmedabad

**Sd/-
(Mihir Patel)
Director**

**Sd/-
(Riddhi M. Patel)
Director**

Compliance Certificate

To,
The Members,
RELISH PHARMACEUTICAL LIMITED,
1-2 MOON LIGHT 3RD FLOOR,
OPP. GURUKUL DRIVE-IN-ROAD,
MEMNAGAR,
AHMEDABAD

We have examined the compliance of Corporate Governance by RELISH PHARMACEUTICAL LIMITED for the year ended on 31" March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance 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 R. M. Nagar & Associates
Chartered Accountants**

**Date: 01/07/2011
Place: Ahmedabad**

**SD/-
(Proprietor)
M. No. 338463**

AUDITORS' REPORT

To the Shareholders of
Relish Pharmaceuticals Ltd.
Ahmedabad.

1. We have audited the attached Balance Sheet of Relish Pharmaceuticals Limited, as at 31st March 2011 and Profit and Loss Account for the year ended on that date annexed thereto. 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 have conducted our audit in accordance with the 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 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.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the central government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, para 4 & 5 are not applicable to the company.
4. Further to our comments in the Annexure referred to above, We report that:
 - (a) 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.
 - (b) In our opinion, subject to note no.8, regarding non maintenance of Costing records proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
 - (d) Except for non compliance of Accounting Standard 15 (refer note no 3) for Accounting for Retirement Benefits in the Financial Statement of Employers, Accounting Standard 22 (refer note no. 4) Accounting for taxes on income, In our opinion, the balance sheet and profit & loss account comply with the accounting standards referred to in sub-section (3 C) of section 211 of the companies act, 1956.
 - (e) Except as above and On the basis of written representation received from the directors as on 31/03/2011 and, taken on records by the Board of Directors, We report that none of the directors is disqualified as on 31st March. 2011 from being appointed as Directors in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

Attention is invited to :

1. Note no 5 regarding the accounts of the Company have been prepared on going concern basis.
2. Note no.: 6 regarding balances of secured and unsecured loans, creditors, other liabilities, debtors, loans and advances and balances with banks being subject to confirmation and reconciliation.

3. Note no.: 7 regarding expenses Capital work in progress for building of Rs.4,56,710 in respect of which non provision for impairment is required to be made in the opinion of the management of the Company. In absence of any evidence in this regard, I am unable to comment on the provision for impairment and /or realisability of the same.
- (f) Subject to the foregoing, In our opinion and to the extent best of our information and according to the explanation given to us, the said balance-sheet read together with the notes and give by the companies Act 1956 in the manner as required a true and fair view in the case of Balance Sheet, of the state of affairs of the Company as at 31st March,2011 and
- (I) In the case of balance Sheet, of state of affairs of the Company as at 31st March, 2011 and
- (II) In the case of Profit & loss Account, of the profit, of the Company for the year period ended on that date.

**For R. M. Nagar & Associates.
Chartered Accountants,**

**Place: Ahmedabad
Date: 01/07/2011**

**Sd/-
(Ramesh Nagar)
Proprietor
Membership No.: 38463**

Annexure referred to in paragraph 3 of the auditors' report to the shareholders of Relish Pharmaceuticals Ltd. on the accounts of the year ended on 31st March 2011.

- (i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) as explained to us, the part of the fixed assets has been physically verified by the management at reasonable intervals and as explained to us, no material discrepancies was noticed on such verification.
 - (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year.

- (ii)
 - (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book stocks were not material.

- (iii)
 - (a) According to the information and explanation given to us, the Company has not granted any loans, secured and unsecured to the companies, firm and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) The Company has not taken unsecured loan from parties covered in the register in the register maintained under Section 301 of the Companies Act, 1956.
 - (c) In our opinion, in view of the above, whether the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company, is not applicable.
 - (d) In view of the above, the payment of principal amounts and interest is not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are internal control procedures which are required to be strengthened to make commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure of major weakness in the internal control.

- (v) According to the information and explanations given to us, the Company has not entered in any transaction which is required to be entered into the register maintained under section 301 of the Companies Act, 1956.

- (vi) During the year under review, the Company has not accepted any deposits from public.

- (vii) In our opinion, the internal audit system of the Company is required to be strengthened to make it commensurate with the size and nature of the business.

- (viii) As informed by the management, the accounts and records, as required by the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, are not made and maintained by the Company.
- (ix) (a) According to the records, information and explanations provided to us and also representation received from the management, the Company has not been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees state insurance, Sales tax, Excise duty and Cess. Quantification in case of undisputed statutory dues for Provident Fund has not been made in absence of the available information in this regard.
(b) According to the records, information and explanations provided to us, the details of statutory dues towards Income Tax, which have not been deposited on account of dispute of pending at Hon'ble Income Tax Tribunal for AY 2001-2002 has been Rs. 9,19,262.
- (x) In my opinion and according to the information and explanations given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) The company is not a Chit Fund, Nidhi or Mutual Benefit Fund / Society. Therefore the provisions of clause (xiii) of Para 4 of the Order are not applicable to the company.
- (xii) In our opinion and according to the explanation and information given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of para 4 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and hence clause (xv) of Para 4 of the Order is not applicable to the Company.
- (xiv) According to the records of the Company, the Company has not taken term loan during the year and hence comments under clause (xvi) of Para 4 of the Order are not called for.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on long term basis have prima facie been used during the year for short term investment.
- (xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xvii) The Company has not issued any debentures requiring report under clause (xix) of Para 4 of the Order.
- (xviii) During the period covered by us audit, the Company has not raised any money by way of public issue.

(xix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For R. M. Nagar & Associates.
Chartered Accountants,**

**Place: Ahmedabad
Date: 01/07/2011**

**Sd/-
(Ramesh Nagar)
Proprietor
Membership No.: 38463**

RELISH PHARMACEUTICALS LTD.
Balance Sheet as at 31st March 2011

	Schedule	In Rupees	
		As at 31 st March 2011	As at 31 st March 2010
SOURCES OF FUNDS			
Shareholder's funds			
Share capital	1	89,862,000	89,862,000
Reserve & surplus			
		89,862,000	89,862,000
Loan funds			
Secured loans	2	17,332,937	55,347,416
Unsecured loans	3	411,353	3,021,214
		17,744,290	58,368,630
Deferred tax liability	4	9,936,680	9,936,680
		117,542,970	158,167,310
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	99,697,931	99,697,931
Depreciation		75,793,651	74,154,094
Net Block		23,904,280	25,543,837
Capital work in progress		456,710	456,710
		24,360,990	26,000,547
Investments			
Current assets, loans and advances			
Inventories	6	6,421,120	2,329,095
Sundry debtors	7	22,683,064	44,484,706
Cash and Bank Balances	8	465,746	1,705,024
Loans and Advances	9	230,275	17,645,626
		29,800,205	66,164,451
Current Liabilities and provisions			
Current Liabilities	10	8,140,240	18,736,615
Provisions	11	8,332,955	6,735,941
		16,473,195	25,472,556
Net Current assets		13,327,010	40,691,895
Profit and loss account	12	79,854,970	91,474,868
		117,542,970	158,167,310

Notes to the Accounts
As per our report of even date attached
For Relish Pharmaceuticals Ltd.

For R. M. Nagar & Associates
Chartered Accountants

Sd/-
Mihir Patel
Director
Date: 01/07/2011
Place: Ahmedabad

Sd/-
Riddhi M. Patel
Director

Sd/-
Ramesh Nagar
Proprietor
Date: 01/07/2011
Place: Ahmedabad

**RELISH PHARMACEUTICALS LTD.
Profit and Loss Account for the year ended on 31st March, 2011**

		In Rupees	
	Schedule	for the year ended 31 March, 2011	for the year ended 31 March, 2010
Income			
Sales	13	99,996,645	89,153,354
Net sales		99,996,645	86,343,364
Other Income	14	1,110,200	1,243,918
Increase / (decrease) of stock	15	1,289,547	36,170
		102,396,392	87,623,452
Expenditure			
Material consumed	16	66,886,123	57,834,441
Payment to and provisions for employees	17	11,396,108	9,062,974
Manufacturing, administrative and general expenses	18	13,820,175	9,921,722
Interest to banks			4,256,072
		92,102,406	81,075,209
Profit before depreciation and tax		10,293,986	6,548,243
Less : Provision for depreciation	5	3,462,589	3,668,839
Profit / (loss) before tax		6,831,388	2,879,404
Provision tax		-----	-----
Provision for FBT		-----	-----
FBT earlier year		-----	-----
Net Profit / (loss)		6,831,388	2,879,404
Balance in Profit and loss account brought forward		(91,474,868)	(94,354,272)
Balance carried to Balance Sheet		(84,643,480)	(91,474,868)
EPS		0.76	0.24
Notes to the Accounts	19		
As per our report of even date attached			

For Relish Pharmaceuticals Ltd.

**For R. M. Nagar & Associates
Chartered Accountants**

**Sd/-
Mihir Patel
Director
Date: 01/07/2011
Place: Ahmedabad**

**Sd/-
Riddhi M. Patel
Director**

**Sd/-
Ramesh Nagar
Proprietor
Date: 01/07/2011
Place: Ahmedabad**

RELISH PHARMACEUTICALS LTD.
Cash Flow Statement for the Period ended on 31 March 2011
(Indirect Method)

Statement of Cash Flows

Particulars	31/03/2011	31/03/2010
<u>Cash flows from operating activities</u>		
Profit before taxation	6,861,388.00	2,879,404.00
<i>Adjustments for:</i>		
Depreciation	3,462,589.00	3,668,839.00
Investment income	(595,218.00)	(1,212,141.00)
Interest expense	-	4,256,072.00
Profit / (Loss) on the sale of property, plant & equipment	-	-
<i>Working capital changes:</i>		
(Increase) / Decrease in trade and other receivables	21,801,642.00	8,789,838.00
(Increase) / Decrease in inventories	(4,092,025.00)	(898,139.00)
Increase / (Decrease) in trade payables	(10,596,375.00)	(12,696,206.00)
Cash generated from operations	7,113,242.00	(4,804,507.00)
Interest paid	-	(4,256,072.00)
Income taxes paid	-	-
Dividends paid	-	-
<i>Net cash from operating activities</i>	7,113,242.00	(9,060,579.00)
<u>Cash flows from investing activities</u>		
Business acquisitions, net of cash acquired		
Purchase of property, plant and equipment	-	-
Proceeds from sale of equipment	-	-
Acquisition of portfolio investments	-	-
Investment income	595,218.00	1,212,141.00
<i>Net cash used in investing activities</i>	595,218.00	1,212,141.00
<u>Cash flows from financing activities</u>		
Proceeds from issue of share capital	-	-

Relish Pharmaceuticals Limited

Proceeds from long-term borrowings	-	-
Payment of long-term borrowings	(2,609,861.00)	(252,000.00)
<i>Net cash used in financing activities</i>	(2,609,861.00)	(252,000.00)
Net increase in cash and cash equivalents	5,098,599.00	(8,100,438.00)
Cash and cash equivalents at beginning of period	1,705,024.00	1,464,220.00
Cash and cash equivalents at end of period	465,746.00	1,705,024.00

For Relish Pharmaceuticals Ltd.

For R. M. Nagar & Associates
Chartered Accountants

Sd/-
Mihir Patel
Director
Date: 01/07/2011
Place: Ahmedabad

Sd/-
Riddhi M. Patel
Director

Sd/-
Ramesh Nagar
Proprietor
Date: 01/07/2011
Place: Ahmedabad

RELISH PHARMACEUTICALS LTD.
Schedules to Balance Sheet as at 31 March, 2011

		In Rupees	
		As at 31st March 2011	As at 31st March 2010
1.	Share Capital		
	Authorised		
	12,000,000 Equity Shares of Rs. 10 each	120,000,000	120,000,000
	Issued, subscribed and paid up		
	4,836,200 Equity Shares of Rs. 10 each	48,362,000	48,362,000
	7,000,000 Equity Shares of Rs. 10 each	70,000,000	70,000,000
	Less : Calls in Arrears	28,500,000	28,500,000
		89,862,000	89,862,000
	Reserve and surplus		
	General Reserve		
	As per last year		
	Total		
2.	Secured loans		
	From Banks		
	Term Loans		
	> Union Bank of India	-	4,212,933
	> Syndicate Bank	3,560,131	3,509,295
	> Visnagar Nagrik Sahkari Bank Ltd.	-	182,051
	> Charotar Nagrik Sahkari Bank Ltd.	-	-
	> Centurion Bank	-	-
		3,560,131	7,904,279
	Working Capital loans		
	> Union Bank of India	13,772,806	47,443,137
		17,332,937	55,347,416

Note

Rupee Term loan from Union Bank of India is secured by way of first charges on new factory building.

Rupee Term loan from Syndicate Bank is secured by way of first charge on fixed asset located at the first floor of the Factory, second charge on other immovable assets of the Company, Corporate Guarantee of the Director.

Rupee Term loan from Visnagar Nagrik Sahkari Bank Ltd. and Charotar Nagrik Sahkari Bank Ltd. have been secured against office premises at New York Tower.

Working Capital from loans from Union Bank of India has been secured by way of first charge on all fixed assets of the company except the fixed assets financed by Syndicate Bank on first floor of the Factory, hypothecation of stocks & Book Debts, Mortgage of Registered office premises of the Company, Mortgage of Residential flat of the Directors, Corporate and Personal guarantees of Directors and Pledge of a portion of equity shares of the Company.

RELISH PHARMACEUTICALS LTD.
Schedules to Balance Sheet as at 31 March, 2011

		In Rupees	
		As at 31st March 2011	As at 31st March 2010
3.	Unsecured loans		
	> Shareholders & Others		2,821,322
	> Directors	411,353	199,892
		411,353	3,021,214
4.	Deferred tax liability	9,936,680	9,936,680
	Current Assets		
6	Inventories (As taken, valued and certified by the Management)		
	At cost or net realizable value whichever is lower		
	> Raw Materials	3,607,500	1,343,650
	> Packing Material	1,056,740	831,695
	> Finished Goods	712,880	75,750
	Work in process	1,044,000	78,000
		6,421,120	2,329,095
7	Sundry debtors (Unsecured, considered good unless stated otherwise)		
	More than six months		
	> Considered good	4,600,323	6,668,962
	> Considered doubtful	----	----
	> Others : Considered good	18,082,741	37,815,744
		22,683,064	44,484,706
8	Cash and bank balances		
	> Cash on Hand	168,890	3,974
	> Balances with scheduled banks		
	> In current account	296,856	1,701,050
		465,746	1,705,024
9.	Loans and advances (unsecured; considered good)		
	> Advances recoverable in cash or in kind or for value to be received	-	8,684,498
	> Income tax paid / Tax deducted at source (Net of provision, if any)	75,605	2,162,577
	> Advance for capital goods	-	4,285,400
	Modvate receivable	-	998,003
	Staff Imprest	154,670	1,515,148
		230,275	17,645,626
	Current liabilities and provisions		
10.	Current liabilities		
	Sundry creditors for goods	7,458,970	15,175,235
	Sundry creditors for expenses	124,590	2,581,978
	Sundry creditors for capital good	-	242,540
	Other creditors & liabilities	556,680	736,862
		8,140,240	18,736,615
11.	Provisions		

Relish Pharmaceuticals Limited

	Income Tax	810,000	810,000
	Provision for FBT	----	----
	Excise duty on FG Stock	504,235	95,460
	Excise duty payable	5,121,970	2,565,769
	Sales tax payable	1,896,750	3,264,712
		<hr/>	<hr/>
		16,473,195	6,735,941
12.	Profit & Loss Account	79,854,970	91,474,868
13.	Sales		
	Domestic including Job work	34,896,000	30,088,286
	Less : Goods Return	-----	-----
		34,896,000	30,088,286
	Export	65,100,645	59,065,068
		<hr/>	<hr/>
		99,996,645	89,153,354
14.	Other Income		
	Discount	512,120	25,716
	Kasar Vatav	2.862	6,061
	Profit on Sale of Property		
	Other Income	595,218	1,212,141
		<hr/>	<hr/>
		1,110,200	1,243,918
15.	Increase (decrease) in stock	1,289,547	36,170
	Opening Stock	(420,973)	(117,580)
	> Finished goods	(420,973)	(68,330)
	> Work in process	-	(49,250)
	Closing Stock	1,710,520	153,750
	> Work in Process	944,600	78,000
	> Finished goods	750,460	75,750
	Excise duty on stock of Finished Goods	15,460	----
16.	Material consumption		
	Raw material & packing material consumption		
	Opening Stock	11,004,194	1,313,376
	Purchase during the year	57,027,689	58,696,410
	Closing stock	(1,145,760)	(2,175,345)
		<hr/>	<hr/>
		66,886,123	57,834,441
17.	Payment of salary		
	Salary and wages	11,150,700	9,033,293
	Contribution to Provident fund	78,971	28,549
	Welfare Expenses	166,437	1,132
		<hr/>	<hr/>
		11,396,108	9,062,974
18.	Manufacturing, administrative, selling and general expenses		
	Advertisement	8,915	6,855
	Auditor's Remuneration	33,060	33,060
	Bank Charges	21,942	117,644
	Business Promotion	5,670	-
	Commission Exp.	-	795,845
	Computer & maintenance	54,351	62,214
	Consultancy Fees	53,700	53,845
	Conveyance	12,356	24,037

Relish Pharmaceuticals Limited

Custom Duty Exp.		222,482
Director's Remuneration	2,750,000	660,000
Electricity	38,700	18,014
Tender Fee Exp.	-	132,000
Excise Duty Provided on FG	195,460	-
Export Expenses	976,500	1,400,790
Factory Expenses	2,697,633	588,608
Freight, Octroi and Carting	409,080	344,888
Insurance	95,124	96,621
Import Exp.	-	450,323
Laboratory Testing Charge	195,279	160,680
Listing & Filing Fees	----	----
L/C negotiation & Interest	-	344,928
Membership Fees	7,075	----
Misc. Store Purchases	907,300	36,023
Municipal Tax	23,161	2,089
Office Expenses	103,961	114,775
Postage and Telegraph	35,750	76,335
Power & Fuel	2,874,500	1,618,259
Previous year Expenses	160,050	13,459
Printing & Stationery	55,000	425,483
Product permission	36,200	7,805
Professional & legal expenses	706,878	294,973
Repairs and maintenance exp.	883,775	1,211,894
Sales Promotion Exp.	-	25,000
Security Expenses	107,000	6,600
Telephone Exp.	-	150,779
Traveling Exp.	215,749	296,271
Misc. Exp.	-	8,100
Vehicle Exp.	156,006	121,043
	<hr/>	<hr/>
	13,820,175	9,921,722

RELISH PHARMACEUTICALS LTD.

SCHEDULE – 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- (1) Significant accounting policies:
- (a) General :
 - (i) The Accounts of the company are prepared under the historical cost convention using the accrual method of accounting and on the accounting principal of going concern basis.
 - (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
 - (b) Fixed Assets :

Fixed Assets are stated at cost net of modvat, less depreciation. Interest on borrowing attributable till commencement of commercial production is capitalized.
 - (c) Depreciation :

Depreciation has been provided in the accounts on straight-line method at the rates specified in Schedule XIV of the companies Act, 1956. Depreciation on assets acquired during the year and additions thereto is calculated pro rata from the following month of the addition thereto.
 - (d) Investments : Investments, if any, are stated at cost price.
 - (e) Current Assets :

Inventories are valued as under

Raw Material	:	On FIFO basis.
Stock in process	:	At cost
Finished Goods	:	At lower of cost or net realizable value.
 - (f) Sales :

Sales include excise duty only and net of sales tax, returns and discounts, if any.
 - (g) Prior period and extraordinary items
Items of income and expenditure pertaining to prior period items as well as extraordinary items, where material are disclosed separately.
- (2) Contingent Liabilities:
Claims against the Company not acknowledged as debts for income tax for as at 31st March, 2011
- (3) Retirement benefits, gratuity, leave encashment, etc. has not been provided in the accounts by the Company. They have been dealt with on cash basis. This is not in accordance with Accounting Standard 15 for Accounting for Retirement Benefits in the Financial Statements of Employers issued by the Institute of Chartered Accountants of India.

- (4) In view of the accumulated losses, unabsorbed depreciation and current losses, the Company has not recognized deferred tax assets (net) in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India by way of prudence.
- (5) Due to continuing losses, the net worth of the Company has been eroded by more than fifty thereof. However, it is informed that the Company has been in dialogue with the Bankers and shall propose the restructuring of existing outstanding loans for adequate net worth and working capital funds to be made available in future for continuing the operation. Accordingly, the accounts for the year have been prepared on a going concern basis.
- (6) Balance of creditors, other liabilities, debtors, loans and balances with banks, in current accounts and deposits are subject to confirmation and reconciliation. In respect of the old debtors, the Auditor has relied on the judgment of the management of the company as to the recoverability in absence of direct confirmation.
- (7) The Company has Capital Work in progress for building for Rs. 4,56,710 in respect of which no provision of impairment is required to be made in the opinion of the management of the Company.
- (8) As informed by the management, the Company has not maintained cost records under section 209(1)(d) of the Companies Act, 1956 and rules made thereunder by the Central Government in this regard.
- (9) The details as to the names of the Small Scale Industrial undertakings to whom the Company owes a sum, and which is outstanding for more than 30 days as on 31st March, 2011 have not been given in view of information in this regard not made available to us.
- (10) The names of related parties with relationship and transactions with them are disclosed as under :
- (A) Relationship
- (I) Subsidiary Company : NIL
- (II) Other related Parties : NIL
- (III) Key Management Personnel :
- Mr. Mihir Patel
- Mrs. Riddhi Patel
- (B) Related parties relationship is as identified by the Company and relied up and accepted by the auditor. Details of transactions with related party in the ordinary course of business are as under:
- | | |
|---------------------------------------------|-------------|
| Salary and perquisites to Mr. Mihir Patel | Rs. 300,000 |
| Salary and perquisites to Mrs. Riddhi Patel | Rs. 360,000 |
- (11) Profit & Loss account includes Managerial remuneration:
- | | | |
|------------------------|-----------|-----------|
| Salary and Perquisites | 2010-2011 | 2009-2010 |
| | (Rs.) | (Rs.) |
| | 660,000 | 660,000 |

Quantitative Information hereunder are as certified by the management of the Company.

	Installed Capacity (Nos. in lacs)		
	2010-2011	2009-2010	2008-2009
1. Capsule	600	600	600
2. Tablets	22,500	20,500	19,500
3. Liquid (Ltrs)	20	20	20
4. Injectables	300	200	200

Note : Licensed capacity not mentioned since the same is not applicable.
The Installed capacity as shown above has been certified by the management and not verified by the auditors, being a technical matter.

(12) Production and Stock:

Item	Unit	Opening Stock	Production	Closing Stock
Capsules	Nos.	450,000	33,200,000	450,000
Tablets	Nos.	18,320,400	3,010,000,500	22,000,500
Liquid	Nos.	2,450	180,000	500
Injectables	Nos.	80,500	3,050,000	220,900

(13) Sales by class of good for the year:

Item	Unit	Closing Stock
Capsules	Nos.	450,000
Tablets	Nos.	22,000,500
Liquid	Nos.	500
Injectables	Nos.	220,900

(14) Details of Raw material consumption :

(A) Raw materials / Packing Material consumption:

Item	Consumption
Paracetamol	41200.00
Ciprofloxacin	530.00
Chlorpheniramine Maleate	575.00
Prochlorperazine Maleate	100.00
Nimesulide	800.00
Mebendazole	1200.00
Nalidixic Acid	4000.00
Starch	23000.00
Di Calcium Phosphate	18000.00
Citirizine	125.00
Sulphamethoxazole	2400.00
Trimethoprim	480.00
Rifampicin	1450.00
Pyrazinamide	3400.00
Ethambutol Hydrochloride	2300.00
Quinine Dihydrochloride	1450.00

(B) Imported and Indigenous materials Consumption Raw Materials / Packing Materials.

Raw Materials / Packing Materials

	%		
Imported	5	2,851,384	-
Indigenous	95	54,176,304	

Signature to Schedule 1 to 19

As per our report of even date attached

For Relish Pharmaceuticals Ltd.

**For R. M. Nagar & Associates
Chartered Accountants**

**Sd/-
Mihir Patel
Director**

**Sd/-
Riddhi M. Patel
Director**

**Sd/-
Ramesh Nagar
Proprietor**

**Date: 01/07/2011
Place: Ahmedabad**

**Date: 01/07/2011
Place: Ahmedabad**

RELISH PHARMACEUTICALS LIMITED

As per notification dated 15.05.95 issued by Department of Company Affairs, The additional information under para IV is as under:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. **Registration Details:**

Registration No. : 19079
States Code No. : 04
Balance Sheet Date : 31-03-2011

2. **Capital Raised during the year (Amount in Rs.)**

Public Issue : Nil Right Issue : Nil
Bonus Share : Nil Private Placement : Nil

3. **Position of Mobilizations and Deployment of Fund (Amount in Rs.)**

Total Liabilities : 16,437,195 Total Assets : 29,800,205

Sources of Funds

Paid of Capital : 89,862,000 Reserve and Surplus : Nil
Secured Loans : 35,60,131 Unsecured Loans : Nil

Application of Funds

Net Fixed Assets : 23,904,280 Investment : Nil
Net Current Assets : 13,327,010 Miscellenous Expenses: 13,820,175
Accumulated Loss : 79,854,970

4. **Performance of Company (Amount in Rs.)**

Turnover : 102,396,392 Total Expenditure : 92,102,406
Profit/(Loss) Before Tax : 68,31,388 Profit(Loss) after Tax : 61,31,388
Dividend Rate % : Nil.

5. **Generic Names of Three Principal Products/Services of Company (as per momentary Terms)**

Item Code No. : 3003/10/20
Production Description : Pharmaceuticals

PROXY FORM

Registered Folio No:

No of Shares held:

I/We _____ of _____ being Member / Members of Relish Pharmaceutical Limited, hereby appoint Shri / Smt. _____ of _____ or failing him Shri / Smt. _____ of _____ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 30th Day of September, 2011 at 12.30 p.m.

Signed by the said _____ day of _____ 2011.

Signature: _____

**Affix Rs. 1
Revenue
Stamp**

Applicable to the members holding shares in electronic form.

NOTE:

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at 1-2 Moon Light 3rd Floor, Opp. Gurukul Drive-In-Road, Memnagar, Ahmedabad on the 30th Day of September, 2011 at 12.30 p.m.

Full Name of the Members/Proxy _____

(In Block Letters, to be filled in if the proxy attends instead of the Member)

Members/ Proxy Signature

Application to the members holding shares in electronic form.

NOTES:

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.