11th Annual Report

2010 - 2011

ZOTA HEALTH CARE LIMITED

ISO 9001-2008 CERTIFIED COMPANY

NSIC-CRISIL-SE-A1

Corporate Office : "ZOTA HOUSE" 2/896, Hira Modi Street, Sagrampura, SURAT - 395 002. (Guj.) INDIA

Phone : (0261) 2331601 • Tele Fax : (0261) 2346415.

email : zotahealth@yahoo.com • Visit us at : www.zotahealthcare.com

CRISIL RATINGS

NSIC-CRISIL Performance and Credit Rating for Small Scale Industries

Zota Health Care Limited, Gujarat

has been awarded an NSIC-CRISIL Rating of

NSIC - CRISIL

SE 1A

on April 30, 2011.

This rating indicates `Highest Performance Capability and High Financial Strength`.

This rating is valid till April 29, 2012.

Roopa Kudva

Roopa Kudva

Managing Director and Chief Executive Officer

ZOTA HEALTH CARE LTD.

ELEVENTH ANNUAL REPORT

BOARD OF DIRECTORS

Shri Manukant Zota

Shri Ketan Zota

Shri Himanshu Zota

Shri Kamlesh Zota

11TH ANNUAL GENERAL MEETING

Date : 27th September 2011

Venue : ZOTA HOUSE, 2/896,
Hira-Modi Street, Sagrampura,
Surat - 395 002.

Time : 11.00 am

AUDITORS

PRADEEP K. SINGHI & ASSOCIATES

Chartered Accountants, Surat.

INSTRUCTION TO THE MEMBERS

Members are requsted to bring their copy of Annual Report at the meeting, as copies of the same will not be circulated at the AGM as a measure of Economy.

BANKERS

AXIS BANK LTD.

STATE BANK OF INDIA

REGISTERED OFFICE

ZOTA HOUSE, 2/896, HIRA-MODI STREET,
SAGARAMPURA, SURAT - 395 002.

BRANCH OFFICE

ZOTA HOUSE, BHAGWAN AIIYAPPA COMPLEX,
BATLIBOI CIRCLE, UDHNA NAVSARI MAIN ROAD,
PANDESARA, SURAT.

SEZ UNIT

Plot No. 169, Surat Special Economic Zone,
Sachin, Surat.

NOTE

SHAREHOLDERS ARE REQUESTED NOT TO BRING CHILDREN WITH THEM IN THE MEETING HALL

ZOTA HEALTH CARE LIMITED Has Been AWARDED

An Crisil Raiting of NSIC-CRISIL-SE-A1 This Rating Indicates

"HIGEST" Performance Capability and "HIGH" Financial Strength

ZOTA HEALTH CARE LTD.

NOTICE OF 11 TH ANNUAL GENERAL MEETING

Notice is hereby given that an 11th **ANNUAL GENERAL MEETING** of the members of M/s Zota Health Care Limited will be held at Registered Office of the Company at "Zota House', 2/896, Building No.B, 2nd Floor, Hira-Modi, Street, Sagrampura, Surat 395002 on Tuesday, 27th September, 2011 at 11:00 a.m. to consider and transact the following business:

Ordinary Business:

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To re-appoint M/s Pradeep K. Singhi & Associates as Auditor and authorize the directors to fix the auditor's remuneration.
3. To appoint a director in place of Shri Kamlesh R Zota who retires by rotation and being eligible offers himself for reappointment.

Special Business:

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

"**RESOLVED THAT** pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the company be and is hereby increased from Rs. 10,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10 each to Rs. 15,00,00,000 divided in to 1,50,00,000 Equity Shares of Rs. 10 each."

"**RESOLVED FURTHER THAT** the Existing Clause V of the Memorandum of Association as to Share Capital be and is hereby deleted and in its place the following Clause V be substituted:"

" The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees ten only) each."

5. 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 Articles of the Articles of Association of the company and other approvals, permissions and sanctions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals such approvals which the Board of Directors of the Company be and is hereby authorized to accept, if think fit, the Company be and is hereby authorized to capitalized upto Rs. 2,10,00,000/- out of 'Reserves and Surplus' (Free Reserves/Profit & Loss A/C) and Rs. 1,22,48,500/- out of 'Securities Premium Account' and transfer to share capital account towards issue and allotment of equity shares not exceeding 33,24,850 equity shares of Rs. 10/- each, as Bonus Shares credited as fully paid-up, to members of company holding equity shares of Rs. 10/- each whose names stand in the register of members of the company on 27th September, 2011 in the **proportion of 1 (ONE) new fully paid-up Equity Share** of Rs. 10/- each **for every 2 (TWO) Equity Shares** of Rs. 10/- each , held on that dated and that the **Bonus Shares** so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted, inter-alia, on the following terms and conditions:

(a) The New Equity Shares of Rs. 10/- each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the then existing Equity Shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted.

(b) No letters of Allotment shall be issued for the Bonus Shares and the Share Certificates in respect thereof shall be delivered within 3 months from the date of their allotment."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto."

6. To Consider and if thought fit, to pass, with or without modification, the following Resolution as Ordinary Resolution:

"RESOLVED THAT the consent of the company be and is hereby accorded under the provisions of section 293(1)(d) of the Companies Act, 1956, to the Board of directors of the company borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed by the Company (apart from temporary Loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of directors (apart from temporary Loans obtained from the Company's bankers) shall not exceed Rs. 500.00 Lakhs Outstanding at anytime.

Further Resolved that without forgoing the generality of above resolution, the board of director be and is hereby authorized to borrow Rs. 165.00 Lakhs from AXIS Bank Limited as per terms to be decided with the concerned bank."

7. Any other Business with the permission of chair.

For Board of Directors of
Zota Health Care Limited

PLACE:
DATE: 19/08/2011

Chairman/Director

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote only on poll instead of himself and proxy need not be a member of the Company.
2. Proxy to be effective must be deposited at Registered Office of the Company at least 48 hours before the time of meeting.
3. The record dates have been fixed from 24th day of September, 2011 to 27th day of September, 2011 (both days inclusive)

Explanatory Statement pursuant to Provision of section 173(2) of The Companies Act, 1956; in respect of special business of the accompanying notice of Annual General Meeting to be held on 27th September, 2011.

Item No. 4 & 5

With a view to bring the Share Capital to a level commensurate with the total capital employed in the Company, your Directors have proposed that sums not exceeding Rs. 2,10,00,000/- /- out of 'Reserves and Surplus' (Free Reserves/Profit & Loss A/C) and Rs. 1,22,48,500/- out of 'Securities Premium Account' of the Company and capitalized and transferred to Share Capital Account towards issue and allotment of Equity Shares not exceeding 33,24,850 Equity Shares of Rs. 10/- each as Bonus Shares, credited as fully paid-up, to the members holding Equity Shares as on 27th September, 2011. The Bonus Shares will be issues in the proportion of 1 (One) new Equity Shares for every 2 (Two) Equity Shares held on that date. The said Bonus Shares shall rank pari-passu with the then existing Equity Shares.

In order to facilitate the capitalization of reserves as set out in the Resolution at Item No. 5 of the Notice Authorized Share Capital of the Company is being increased from Rs. 10,00,00,000/- (Rs Ten Crores only) to Rs. 15,00,00,000/- (Rs Fifteen Crores only) by creation of 1,50,00,000/- Equity Shares of Rs. 10/- each, which will rank pari-passu in all respect with the existing Equity Share Capital of the Company. The proposed increase in the Equity Capital of the Company requires approval of the members at the General Meeting. Consequent upon the increase in Authorized Share Capital of the company, its Memorandum of Association will require alteration so as to reflect the increase in the Authorized Share Capital.

None of the Directors is in any way concerned or interested in the proposed Resolution.
The Directors recommend this resolution for approval of the share-holders.

Item No. 6

The sanction of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the company's plan for expansion and diversification, your board plans for acquiring certain brands trademarks etc. and for the same the board will require term loan facilities from bank(s). At present the company has applied for one such term loan of Rs. 165.00 Lakhs with Axis Bank Limited. In due course of time the board may have to take other facilities from various bank(s). Hence the board thinks it necessary to acquire this power and commends passing of this resolution for borrowing upto Rs. 500.00 Lakhs including existing term loan taken from Axis Bank.

None of the Directors is in any way concerned or interested in the proposed Resolution.
The Directors recommend this resolution for approval of the share-holders.

For Board of Directors of
Zota Health Care Limited

PLACE:
DATE: 19/08/2011

Chairman/Director

BOARD OF DIRECTORS' REPORT

To,
The Shareholders,
ZOTA HEALTH CARE LTD.
SURAT.

Your Directors have the pleasure in presenting the 11th ANNUAL REPORT together with the Audited Accounts of the company for the year ended on 31st March, 2011.

1. FINANCIAL RESULTS

Your Directors are pleased to report that during the year under review the company has earned Profit Before Depreciation of Rs.32146881/- ((Previous Year Profit Before depreciation Rs 29224366/-) & after providing of Depreciation, profit is Rs 30514351/- (Previous Year after Depreciation profit Rs 27627233/-).

2. EMPLOYEES :

There was no employee drawing salary of Rs. 24,00,000/- or more per year or Rs. 2,00,000/- or more per month for the part of the year, hence particulars under sub section (2A) of section 217 of the companies Act 1956 read with the Companies (Particulars of employees) Rules,1975 are not given.

3. AUDITORS :

The Auditors M/s. PRADEEP K. SINGHI & ASSOCIATES Chartered Accountants retires at the conclusion of this Annual General Meeting and M/s PRADEEP K. SINGHI & ASSOCIATES have been appointed pursuant to section 224(1) of the companies Act, 1956.

4. FIXED DEPOSITS :

The Company has accepted deposits which are exempted from the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit Rules) 1975.

5. DIVIDEND :

During the year the company has earned a net profit after tax of Rs. 20237451/- and your directors have decided to plough back the profits into the business and hence no dividend could be recommended."

6. INSURANCE :

All the properties and insurable interests of the company, including building, assets and stocks, wherever necessary and to the extent required have been adequately insured.

7. EMPLOYEE RELATIONS :

Relation between the employees and management remain cordial during the year under review. The director wish to place on records their sincere appreciation of the contribution made by the employees specially at all levels to the continued growth of the company.

8. SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

9. **MATERIALS CHANGES SUBSEQUENT TO THE CLOSE OF THE YEAR :**

No material changes have been occurred between Balance Sheet date and the date on which the financial statement are approved by the Board of Directors.

10. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE** EARNINGS & OUTGOINGS

The information required to be given 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 not applicable to the company.

11. **DIRECTORS RESPONSIBILITY STATEMENT :**

As required under section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that :

1) That in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanations relating to material departure;

2) The Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the company for that period.

3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4) The Directors have prepared the annual accounts for the financial year ended 31st March, 2011 on a "going concern basis".

12. **APPRECIATION / ACKNOWLEDGEMENT**

Your Directors express their gratitude to the Government of India, State Government, Local Authorities, Bankers, Vendors, Customers & People associated with the Company for their continued and valuable Co-operation, support, assistance & guidance to the company.

For & On behalf Board of Directors

PLACE :SURAT
DATE :1-08-11

Ketan Zota - Director
Himanshu Zota - Director

AUDITOR'S REPORT

To,
The Members,
ZOTA HEALTH CARE LTD.

We have audited the attached Balance sheet of ZOTA HEALTH CARE LTD. SURAT as at 31st March, 2011, and profit & loss account for the year ended on that date attached 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.

We conducted our audit in accordance with auditing standard generally accepted in India. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. The audit includes examining, on a test basis evidence supporting the amounts and disclosure in the financial statement. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

We report that :

1. As required by the Companies (Auditors Report) Order, 2004 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 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 purpose of our audit.

b. In our opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from our examination of the books.

c. The Balance Sheet and Profit & Loss Account referred to in the report are in agreement with the books of accounts.

d. In our opinion the Blance sheet and Profit & Loss Account complies with the requirements of the mandatory accounting standard referred to in Section 211(3C) of the Companies Act, 1956.

e. On the basis of written representation received from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.

f. In our opinion, and to the best of our information and according to the explanations given to us, the said Balance sheet and Profit & Loss Account read together with the notes thereon, give in information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

   i In the case of the Balance Sheet of the company of the state of affairs of the company as at 31st March 2011.

   ii In the case of the Profit & Loss Account, of the Profit/Loss for the year ended 31st March 2011.

   iii In the case of the Cash Flow Statement, of the cash flows for the year ended 31st March 2011.

For, Pradeep K. Singhi & Associates
Chartered Accountants

PLACE :SURAT

DATE :1-8-2011

(PRADEEP KUMAR SINGHI)
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

As required by the Companies (Auditor's Report) Order, 2004 and according to the information and explanations given to us during the course of audit and on the basis of such checks as were considered appropriate, we report that :

ANNEXURE "A" TO THE AUDITORS REPORT

1.Fixed Assets :

a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) In our opinion, the fixed assets have been physically verified by management at reasonable intervals, having regard to the size of the company and nature of the assets.

c) No material discrepancies between the book records and the physical verification were noticed.

2.Inventory :

a) As informed to us, the stock of raw materials have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.

b) In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

c) On the basis of our examination of the record of inventories, we are of the opinion that, the company has maintained proper records of inventories. The discrepancies noticed on the verification of inventories as compared to book records were not material and these have been properly dealt with in the books of accounts.

3.Loans & Advances :

The company has not granted unsecured loans to Companies, Firms or other parties mentioned under the register maintained u/s. 301 of the companies Act, 1956.

a) The company has not granted unsecured loans to Companies, Firms or other parties mentioned under the register maintained u/s. 301 of the companies Act, 1956.

b) N.A.

c) N.A.

d) N.A.

e) The company has taken unsecured loans from companies, Firms or other parties mentioned under the register maintained u/s. 301 of the companies Act, 1956. There are twenty one such parties covered u/s 301 of Companies Act., 1956. The total amount accepted during the year from forteen parties is Rs. 6,52,000/-.

f) As per information and explanations given to us, the rate of interest wherever applicable and other terms and conditions, if applicable on loan taken are not prima facie prejudicial to the interest of the Company.

g) As per information given to us, Payment of the principal amount and interest are as per decided by management.

4.Internal control procedure :

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5.Transaction with Parties u/s. 301 :

a) The particulars of contracts or arrangements referred to in section 301 of the Act have been duly entered in the register required to be maintained for section 301.

B) Transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs.5,00,000/- or more in respect of each party have been made at reasonable prices having regard to the prevailing market price at relevant time.

6.Public Deposits :

The Company has not accepted any Deposits from Public during the year.

7.Internal Audit System :

In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.

8.Cost Records :

As informed to us, the maintenance of cost records of the company has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956,in respect of the activities carried on by the company.

9.Statutory Dues :

i) According to the information and explanation given to us and the records examined by us, the company is Generally regular in depositing undisputed statutory dues including Income tax, Service Tax, Wealth tax, Sales tax, Custom duty, Provident Fund, Cess and any other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Statutory dues which has remained outstanding as at 31st March, 2011 for a period more than six months from the date they became payable.

ii) According to the information and explanation given to us there is no dispute related to the dues of Income Tax/Sales Tax/Wealth Tax/Service Tax/Custom Duty/Excise Duty/Cess.

10. Accumulated/Cash Losses :

The company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediate preceding financial year.

11.Default in Repayment of Dues to Banks/Financial Institution etc :

The company has not defaulted in repayment of dues to the financial institution or Bank or debenture holders.

12. Granting of Loan & Advances :-

According to the information and explanations given to us, the Company has not granted any unsecured or secured Loan & Advances on the basis of securities by way of pledge of shares, debentures and other securities.

13.Chit Fund/Nidhi/Mutual Fund :

The provisions of any Special Statute applicable to Chit Fund, Nidhi, Mutual Benefit Fund/ Societies are not applicable to the company.

14.Dealing or Trading in Shares etc :

The Company is not Dealing/Trading in Shares, securities, Debentures or other investments.

15.Guarantee Given by Company :

In our opinion, the terms and conditions on which company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.

16.Utilization of Term Loans :

In our opinion and according to the information and explanations given to us, the term loans are applied for the purpose for which the loans were obtained.

17.Application of Short Term Fund for Long Term Investment and vice versa :

According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments and vice versa.

18.Preferential Allotment of Shares :

During the year Company has issued 2,48,9300 Equity Shares at Rs. 100 per share (Including premium of Rs. 90 per share). Out of 2,48,930 Equity shares, 2,09,2700 shares are issued as Bonus Shares.

19.Creation of Securities for Debenture Issued :

The Company has not issued any Debenture during the year.

20.End Use of Money :

The Company has raised money by way of public issues during the year as mentioned in point 18 above.

21.Fraud noticed or Reported :

As per information & explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For, Pradeep K. Singhi & Associates
Chartered Accountants

(PRADEEP KUMAR SINGHI)
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

PLACE :SURAT

DATE :1-8-2011

ZOTA HEALTH CARE LTD. (COMBINED)

BALANCE SHEET as on 31st March, 2011

	Schedules	31.03.2011	31.03.2010
SOURCE OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	A	66,497,000	41,604,000
Reserve & Surplus	B	54,506,733	19,502,283
		121,003,733	**61,106,283**
LOAN FUND			
Secured Loans	C	21,702,054	34,665,746
Unsecured Loans	D	9,032,649	9,890,032
		30,734,703	**44,555,778**
DEFFERED TAX LIABILITY	E	**433,774**	**349,350**
TOTAL SOURCE OF FUNDS		**152,172,210**	**106,011,411**
APPLICATION OF FUNDS			
FIXED ASSETS			
TANGIBLE ASSETS			
Gross Block	F	79,980,551	53,464,170
Less: Accumulated Depriciation		4,170,859	3,072,320
		75,809,691	**50,391,850**
INTANGIBLE ASSETS			
Gross Block		2,912,566	2,380,935
Less: Written off during the year		1,144,413	774,281
		1,768,153	**1,606,654**
WORK IN PROGRESS		490,077	-
TOTAL FIXED ASSETS		**78,067,921**	**51,998,504**
INVESTMENTS	G	**601,566**	**564,528**
DEFFERED TAX ASSET	E	-	-
CURRENT ASSETS, LOANS & ADVANCES	H		
Inventories		54,833,777	54,881,955
Sundry Debtors		51,052,024	44,027,568
Cash & Bank Balance		3,158,507	1,390,161
Loan & Advances		12,243,176	11,197,858
		121,287,484	**111,497,542**
CURRENT LIABILITIES	I		
Sundry Creditors		34,707,197	43,496,041
Provisions		13,078,713	12,104,467
Other Liabilities		3,223,652	3,092,512
		51,009,563	**58,693,020**
NET CURRENT ASSETS		**70,277,921**	**52,804,522**
MISCELLANEOUS EXPENDITURE:			
(to the extent not written off or adjusted)			
a) Preliminary & Pre-operative Expenses		**3,224,802**	**643,857**
b) Profit and Loss A/c		-	-
TOTAL APPLICATION OF FUNDS		**152,172,210**	**106,011,411**
Notes forming part of accounts	Q		

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
Chartered Accountants
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :1-8-2011

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD. (COMBINED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED : 31-3-2011

	Schedules	31.03.2011	31.03.2010
INCOME			
Sales less return		250,467,791	212,670,760
Other Income	J	174,161	149,317
Increase / Decrease in Stock	K	(48,178)	(625,390)
TOTAL		**250,593,774**	**212,194,687**
EXPENDITURE			
Purchase		163,251,630	141,018,312
Trading Expenses	L	5,296,402	4,870,701
Administration & General Expenses	M	32,545,165	23,480,142
Selling & Distribution Expenses	N	15,015,600	9,705,918
Depreciation	F	1,262,398	1,200,353
Intangible Assets Written off		370,132	396,780
Loss on sale of Fixed Asset		41,140	-
Disallowable Expenses	O	932,000	2,121
TOTAL		**218,714,467**	**180,674,328**
Operating Profit		**31,879,307**	**31,520,359**
Financial Charges	P	3,945,901	4,296,755
Profit / Loss before Taxation		**27,933,406**	**27,223,604**
Less: Provision for Taxation		10,188,206	9,468,170
I.T. Provision created short /(excess)		4,270	25
Depreciation adjustment		-	(371,382)
Provision for Deferred Tax		84,424	246,443
Net Profit After Tax		**17,656,506**	**17,880,348**
Add: SEZ Unit Exp. Transfer to Pre -Operative Expenses		2,580,945	403,629
Balance Carry forward to Reserve & Surplus		**20,237,451**	**18,283,977**
Significant Accounting Policies			
Notes on Accounts	Q		

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
Chartered Accountants
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :22-Jul-10

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD. (COMBINED)

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-3-2011

		31.03.2011	31.03.2010
Schedule - A			
Authorized Share Capital			
10000000 Equity Shares of Rs.10/- each		100,000,000	50,000,000
(Previous Year:5000000 Equity Shares of Rs.10/- each)		-	-
Issued, Subscribed & Paid Up Share Capital			
6649700 Equity Shares of Rs.10/- each		66,497,000	41,604,000
(Prev. Yr.: 4160400 Equity Shares of Rs.10/- each)			
TOTAL		**66,497,000**	**41,604,000**
Schedule - B			
Reserve & Surplus			
Share Premium/Reserve & Surplus		35,694,000	9,396,000
Less: Bonus issued during the year		2,250,000	9,396,000
Closing Balance		33,444,000	-
Profit & Loss A/c (Opening Balance)		19,502,282	12,624,305
Add: Profit/(Loss) during the year		20,237,451	18,283,977
Less: Bonus issued during the year		18,677,000	11,406,000
Closing Balance		21,062,733	19,502,282
TOTAL		**54,506,733**	**19,502,282**
Schedule - C			
Secured Loans			
Axis Bank CC A/c		-	20,629,685
Axis Bank Term Loan A/c (SEZ)		21,702,054	14,036,061
TOTAL		**21,702,054**	**34,665,746**
Schedule - D			
Un-Secured Loans			
Loan from Directors & Share Holders		285,399	1,322,816
Loan from Relatives		8,747,250	8,242,916
Loan from Others		-	324,300
TOTAL		**9,032,649**	**9,890,032**
Schedule - G			
Investments			
Unquoted Securities:			

ZOTA HEALTH CARE LTD.
(COMBINED OF H.O. & S.E.Z.)
SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-3-2011

		31.03.2011	31.03.2010
Unquoted Securities:			
Prime Co-op Bank (Shares)		100	100
Axis Bank (FD)		601,466	564,428
TOTAL		**601,566**	**564,528**
Schedule - H			
Current Assets, Loans & Advances , Inventories			
Stock in hand			
(as taken, valued & certified by management)		53,983,809	54,881,955
Stock in hand on SEZ			
Packing Material		98,114	
Raw Material		452,870	
Stock in Process		89,990	
Stock in Transit		208,994	
TOTAL		**54,833,777**	**54,881,955**
Sundry Debtors			
(Unsecured Considered Good)			
Less than Six Months	"H-1"	45,435,689	45,435,689
Over Six Months	"H-1"	5,616,335	5,616,335
TOTAL		**51,052,024**	**51,052,024**

ZOTA HEALTH CARE LTD. (COMBINED)

Cash & Bank Balance			
Cash on hand		230,045	110,006
Cash on hand (SEZ)		5,422	9,537
Axis Bank Ltd Current A/c. (SEZ)		72,795	
Axis Bank Ltd.		986,034	1,178,191
State Bank of India		326,025	92,427
Axis Bank CC A/c.		1538186	-
TOTAL		**3,158,507**	**1,390,161**
Loans, Advances & Deposits			
(Recoverable in cash or kind for value to be received)			
Loans & Advances :			
Advances to Creditors	**"H-2"**	222,517	66,711
Advance to Suppliers (Sez)			555,026
Pre-Paid Insurance Premium		81,712	36,956
Income Tax Advance		10,700,000	9,200,000
TDS Receivable		4,116	-
Other Advances		83,831	94,613
Income Tax Refund (A.Y. 2009-2010)			379,160
ZOTA HEALTH CARE LTD.			
(COMBINED OF H.O. & S.E.Z.)			
Deposits :		**31.03.2011**	**31.03.2010**
Dakshin Gujarat Vij Co.Ltd			
Gas Indian Oil (Mitall Gas) (SEZ)		1,002,462	5,822
NSDL Database Management Syst.		3,000	834,032
GEB-Deposit		2,000	
Prime Bank Demat A/c		20,538	20,538
Thakorbhai N. Patel (Deposite)		-	5,000
		123,000	-
		12,243,176	**11,197,858**
TOTAL			
Schedule - I		**121,287,484**	**131,076,764**
Current Liabilities & Provisions			
(A) Current Liabilities	**"I-1"**		
Sundry Creditors for Advertisement			
Sundry Creditors for Commission		794,142	527,590
Sundry Creditors for Courier / Transport		1,054,771	680,829
Add Charges		213,693	141,817
Sundry Other Creditors		1,514,693	1,216,794
Sundry Creditors for Professional Services		5,064,036	5,411,883
Sundry Creditors for Goods		573,818	7,429
		25,492,045	35,509,700
TOTAL			
		34,707,197	**43,496,041**
(B) Provisions			
ESI Payable			
Employee's Professional Tax		51,543	15,509
Provident Fund Payable		8,990	6,330
Remuneration Payable		63,894	35,444
Provision for Income tax		197,300	286,700
Professional Tax Payable		10,188,206	9,468,170
Provision for Central Sales Tax		1,000	
Provision for TDS Payable		378,244	181,964
Expenses Payable	**"I-2"**	393,402	271,397
TOTAL		1,796,134	1,838,953
		13,078,713	**12,104,467**
(C) OTHER LIABILITIES			
Security Deposit & Advances	**"I-3"**		
Advance from Debtors	**"I-4"**	3,057,913	2,891,721
		165,739	200,791
		3,223,652	**3,092,512**
TOTAL			
		51,009,563	**54,826,090**

For, Pradeep K. Singhi & Associates
Chartered Accountants
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :01-08-2011

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD. (COMBINED)

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31.3.2011

	31.03.2011	31.03.2010
Schedule - J		
Other Income		
Commission Income	-	20,000
Income From Damaged Goods	10,000	-
Interest Income from Customer	10,809	32,325
Interest on Bank F.D.	41,154	9,428
Profit on Sale of Shares	-	40,319
Rounded off	**172**	-
Share Dividend	-	2,825
Sample Sale	62,668	-
Vatav & Kasar	49,359	44,420
TOTAL	**174,161**	**149,317**
Schedule - K		
Increase / Decrease in Stock		
Closing Stock	54,833,777	54,881,955
Less: Opening Stock	54,881,955	55,507,345
TOTAL	**(48,178)**	**(625,390)**
Schedule - L		
Trading Expenses		
Entry Tax	86,006	61,613
Freight on Purchase	280,946	226,737
Lab.Chemical Expence	295,174	-
Lab.Testing Expenses	10,245	-
Packing Material expence	706,600	902,696
Purchase Tax	1,284,513	1,239,057
Transportation expenses	2,632,918	2,440,598
TOTAL	**5,296,402**	**4,870,701**
Schedule - M		
Administration & General Expenses		
Audit & Consultancy fees	90,998	90,998
Computer Repairs & Maintenence expenses	115,870	201,230
Conference Expenses	1,252,699	-
Consultancy Charges	2,190,861	645,720
Conveyance & Travelling expenses	4,084,735	3,369,877
Clearing & Forwading Charges	25,200	-
Diesel Expenses	75,752	39,402
Director Remuneration	3,180,000	2,760,000
Education Allowance	110,464	69,247
Electricity Light Bill Expenses	922,779	388,465
Export Promotion Council-Mebership Fees	5,000	5,000
EPF- Employer's contribution	281,172	221,306
Schedule - M		
Administration & General Expenses		
ESI- Employer's contribution	330,538	129,856
Factory Maintanance Expenses	18,000	-
Fixed working allowance	871,341	553,185
House Keeping Expenses	65,835	-
Hamali Expense	18,454	10,382
HRA	1,858,627	1,551,517
Insurance Premium	78,874	82,270
Kit Allowance	118,723	38,259
Legal expenses	457,660	459,687
Lodging & Boarding Charges	187,859	182,575
Municipal Tax	227,359	120,187
Office/Building Repairs & maintenance	198,654	199,246
Office Equipment Maintenance	141,110	14,507
Office Misce. Expenses	175,103	131,289
PF Fund Administration Charges	35,815	29,829
Loss on transit of goods (Parcel)	3,154	-
Post & Courier Charges	2,418,113	1,706,148
Printing & Stationery expenses	1,355,366	1,425,246

ZOTA HEALTH CARE LTD. (COMBINED)

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31.3.2011

Product Approval Charges	47,508	46,540
Professional Tax	3,030	2,400
Professional Fees	454,700	28,180
Rent Expenses	123,000	-
ROC Expenses	500,000	134,500
Rounded Off	1	-
GST Receivable written off	-	58,969
Salary Expense(Staff Exp.)	8,579,416	7,881,190
Shop Maintenance expense	197,007	168,587
Security Service Charges	70,700	-
Service Charges	133,714	100,875
Shop and Misc.Expenses	84,151	6,147
Staff Salary Labour Contractor	76,065	-
Telephone & Mobile Bill Expenses	249,713	272,968
Trademark Registration Expense	25,000	55,500
Travelling Expense	501,038	261,112
Uniform Allowance	36,662	-
Vat Expenses	491,380	-
Vehicle Maintenance expense	10,875	4,331
Water Charges	32,834	27,459
Washing Allowance	11,519	-
Website Renewal Charges	20,736	5,956
TOTAL	**32,545,165**	**23,480,142**
Schedule - N		
Selling & Distribution Expenses		
Advertisement expenses	2,682,680	1,881,193
Cash and Trade Discount	2,385,210	1,948,119
Commission on Sales	4,979,582	3,044,371
Freight on Sale	2,417,710	2,045,084
Promotional expense	2,550,418	787,151
TOTAL	**15,015,600**	**9,705,918**
Schedule - O		
Disallowable Expenses		
Charity & Donations Exp	932,000	2,121
TOTAL	**932,000**	**2,121**
Schedule - P		
Financial Charges		
Bank Charges	301,899	84,232
Bank Interest	2,520,023	2,585,467
Bank Processing Charges	-	601,135
Interest on Unsecured Loans	1,123,212	1,023,557
Other Interest	767	2,364
TOTAL	**3,945,901**	**4,296,755**

For, Pradeep K. Singhi & Associates
Chartered Accountants
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

PLACE :SURAT
DATE :01-08-2011

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD. (COMBINED)

Financial Year : 2010 - 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.Registration Details

Registration Number	U224231GJ2000PLC038352
State Code	04
Balance Sheet Date	**31-Mar-11**

II.Capital Raised During The Year

(Rs. In Thousands)

Public Issue	-
Right Issue	-
Bonus Issue	24,893,000
Private Placement	-

III.Position of Mobilisation and Deployment of Funds

Total Liabilities	152,172,210
Total Assets	152,172,210

Source of Funds

Paid up Capital	66,497,000
Reserves & Surplus	54,506,733
Secured Loans	21,702,054
Unsecured Loans	9,032,649
Deferred Tax Liability	433,774

Application of Funds

Net Fixed Assets	78,067,921
Investments	601,566
Net Current Assets	70,277,921
Deferred Tax Assets (net)	-
Miscellaneous Expenditure	-
Accumulated Losses	

IV.Performance of Company

Turnover	250,593,774
Total Expenditure	222,660,368
Profit/(Loss) Before Tax	27,933,406
Profit/(Loss) After Tax	20,237,451
Earnings Per Share in Rs.	3.04
Dividend Rate (%)	-

V.Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description : Trading in Pharmaceuticals items Item Code No. N.A.

For, Pradeep K. Singhi & Associates
Chartered Accountants
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

PLACE :SURAT
DATE :1-8-2011

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD.

BALANCE SHEET as on 31st March, 2011

SOURCE OF FUNDS	Schedule	31.03.2011	31.03.2010
SHARE HOLDERS FUND			
Share Capital	A	66,497,000	41,604,000
Reserve & Surplus	B	54,506,733	19,502,283
		121,003,733	**61,106,283**
LOAN FUND			
Secured Loans	C	-	20,629,685
Unsecured Loans	D	9,032,649	9,890,032
		9,032,649	**30,519,717**
DEFFERED TAX LIABILITY	E	**433,774**	**349,350**
TOTAL SOURCE OF FUNDS		**130,470,156**	**91,975,350**
APPLICATION OF FUNDS			
FIXED ASSETS			
TANGIBLE ASSETS			
Gross Block	F	17,529,993	16,625,815
Less: Accumulated Depreciation		4,170,859	3,072,320
		13,359,134	**13,553,495**
INTANGIBLE ASSETS			
Gross Block		2,912,566	2,380,935
Less: Accumulated Depreciation		1,144,413	774,281
		1,768,153	**1,606,654**
WORK IN PROGRESS		**490,077**	-
TOTAL FIXED ASSETS		**15,617,363**	**15,160,149**
INVESTMENTS	G	**601,566**	**564,528**
CURRENT ASSETS, LOANS & ADVANCES	H		
Inventories		53,983,809	54,881,955
Sundry Debtors		50,989,356	44,027,568
Cash & Bank Balance		3,080,290	1,380,624
Loan & Advances		55,094,551	30,786,617
		163,148,005	**131,076,764**
CURRENT LIABILITIES	I		
Sundry Creditors		32,594,413	39,629,111
Provisions		13,078,713	12,104,467
Other Liabilities		3,223,652	3,092,512
		48,896,779	**54,826,090**
NET CURRENT ASSETS		**114,251,226**	**76,250,674**
TOTAL APPLICATION OF FUNDS		**130,470,156**	**91,975,350**
		-	-
Notes forming part of accounts	Q		

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

PLACE :SURAT
DATE :1-8-2011

ZOTA HEALTH CARE LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-3-2011

		31.03.2011	31.03.2010
Schedule - A			
Authorized Share Capital			
10000000 Equity Shares of Rs.10/- each		100,000,000	50,000,000
(Previous Year: 5000000 Equity Shares of Rs.10/- each)		-	-
Issued, Subscribed & Paid Up Share Capital			
6649700 Equity Shares of Rs.10/- each		66,497,000	41,604,000
(Prev. Yr.: 4160400 Equity Shares of Rs.10/- each)			
TOTAL		**66,497,000**	**41,604,000**
Schedule - B			
Reserve & Surplus			
Share Premium/Reserve & Surplus		35,694,000	9,396,000
Less: Bonus issued during the year		2,250,000	9,396,000
Closing Balance		33,444,000	-
Profit & Loss A/c (Opening Balance)		19,502,282	12,624,305
Add: Profit/(Loss) during the year		20,237,451	18,283,977
Less: Bonus issued during the year		18,677,000	11,406,000
Closing Balance		21,062,733	19,502,282
TOTAL		**54,506,733**	**19,502,282**
Schedule - C			
Secured Loans			
Axis Bank CC A/c		-	20,629,685
TOTAL		**-**	**20,629,685**
Schedule - D			
Un-Secured Loans			
Loan from Directors & Share Holders		285,399	1,322,816
Loan from Relatives		8,747,250	8,242,916
Loan from Others		-	324,300
TOTAL		**9,032,649**	**9,890,032**
Schedule - G			
Investments			
Unquoted Securities:			
Prime Co-op Bank (Shares)		100	100
Axis Bank (FD)		601,466	564,428
TOTAL		601,566	564,528
Schedule - H			
Current Assets, Loans & Advances , Inventories			
Stock in hand			
(as taken, valued & certified by management)		53,983,809	54,881,955
TOTAL		**53,983,809**	**54,881,955**
Sundry Debtors			
(Unsecured Considered Good)			
Less than Six Months	"H-1"	45,373,021	36,851,836
Over Six Months	"H-1"	5,616,335	7,175,732
TOTAL		**50,989,356**	**44,027,568**
Cash & Bank Balance			
Cash		230,045	110,006
Axis Bank Ltd.		986,034	1,178,191
State Bank of India		326,025	92,427
Axis Bank		1538186	-
TOTAL		**3,080,290**	**1,380,624**

ZOTA HEALTH CARE LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-3-2011

		31.03.2011	31.03.2010
Loans, Advances & Deposits			
(Recoverable in cash or kind for value to be received)			
Loans & Advances :			
Advances to Creditors	"H-2"	104,165	66,711
Pre-Paid Insurance Premium		47,257	36,956
Income Tax Advance		10,700,000	9,200,000
TDS Receivable		4,116	
Income Tax Refund (A.Y. 2009-2010)			379,160
Advances to Employee		83,831	94,613
Zota Health Care Ltd. (SEZ Unit)		43,863,752	20,998,355
Deposits :			
Dakshin Gujarat Vij Co.Ltd		168,430	5,822
Prime Bank Demat A/c			5,000
Thakorbhai N. Patel (Deposite)		123,000	-
		55,094,551	**30,786,617**
TOTAL		**163,148,005**	**131,076,764**
Schedule - I			
Current Liabilities & Provisions			
(A) Current Liabilities	"I-1"		
Sundry Creditors for Advertisement		794,142	527,590
(A) Current Liabilities	"I-1"		
Sundry Creditors for Commission		1,054,771	680,829
Sundry Creditors for Courier / Transport		213,693	141,817
Add Charges		1,514,693	1,216,794
Sundry Other Creditors		2,951,252	1,544,953
Sundry Creditors for Professional Services		573,818	7,429
Sundry Creditors for Goods		25,492,045	35,509,700
TOTAL		**32,594,413**	**39,629,111**
(B) Provisions			
ESI Payable		51,543	15,509
Employee's Professional Tax		8,990	6,330
Provident Fund Payable		63,894	35,444
Remuneration Payable		197,300	286,700
Provision for Income tax		10,188,206	9,468,170
Professional Tax Payable		1,000	
Provision for Central Sales Tax		378,244	181,964
Provision for TDS Payable		393,402	271,397
Expenses Payable	"I-2"	1,796,134	1,838,953
TOTAL		**13,078,713**	**12,104,467**
(C) OTHER LIABILITIES			
Security Deposit & Advances	"I-3"	3,057,913	2,891,721
Advance from Debtors	"I-4"	165,739	200,791
		3,223,652	**3,092,512**
TOTAL		**48,896,779**	**54,826,090**

For & On behalf Board of Directors

PLACE :SURAT
DATE :1-08-11

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED : 31-3-2011

	Schedules	31.03.2011	31.03.2010
INCOME			
Sales less return		250,467,791	212,670,760
Other Income	J	109,329	149,317
Increase / Decrease in Stock	K	(898,147)	(625,390)
T O T A L		**249,678,973**	**212,194,687**
EXPENDITURE			
Purchase		162,644,413	141,018,312
Trading Expenses	L	5,436,822	4,870,701
Administration & General Expenses	M	30,418,666	23,278,994
Selling & Distribution Expenses	N	14,114,000	9,705,918
Depreciation	F	1,262,398	1,200,353
Intangible Assets Written off		370,132	396,780
Loss on sale of Fixed Asset		41,140	-
Disallowable Expenses	O	932,000	2,121
T O T A L		**215,219,572**	**180,473,180**
Operating Profit		**34,459,402**	**31,721,507**
Financial Charges	P	3,945,051	4,094,274
Profit / Loss before Taxation		**30,514,351**	**27,627,233**
Less: Provision for Taxation		10,188,206	9,468,170
I.T. Provision created short /(excess)		4,270	25
Depreciation adjustment		-	(371,382)
Provision for Deferred Tax		84,424	246,443
Net Profit After Tax tans.			
To Reserve & Surplus		**20,237,451**	**18,283,977**
Significant Accounting Policies			
Notes on Accounts	Q		

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

PLACE :SURAT
DATE :1-8-2011

ZOTA HEALTH CARE LTD.

	31.03.2011	31.03.2010
Schedule - J		
Other Income		
Commission Income	-	20,000
Income From Damaged Goods	10,000	-
Interest Income from Customer	10,809	32,325
Interest on Bank F.D.	41,154	9,428
Profit on Sale of Shares	-	40,319
Rounded off	172	
Share Dividend	-	2,825
Vatav & Kasar	47,195	44,420
TOTAL	**109,329**	**149,317**
Schedule - K		
Increase / Decrease in Stock		
Closing Stock	53,983,809	54,881,955
Less: Opening Stock	54,881,955	55,507,345
TOTAL	**(898,147)**	**(625,390)**
Schedule - L		
Trading Expenses		
Entry Tax	86,006	61,613
Freight on Purchase	256,444	226,737
Transportation expenses	2,632,918	2,440,598
Packing Material expence	687,650	902,696
Purchase Tax	1,284,161	1,239,057
Vat Expenses	489,644	-
TOTAL	**5,436,822**	**4,870,701**
Schedule - M		
Administration & General Expenses		
Audit & Consultancy fees	90,998	90,998
Computer Repairs & Maintenence expenses	115,870	201,230
Conference Expenses	1,252,699	
Consultancy Charges	2,190,861	645,720
Conveyance & Travelling expenses	4,066,211	3,365,842
Diesel Expenses	75,752	39,402
Director Remuneration	3,180,000	2,760,000
Education Allowance	110,464	69,247
Electricity Light Bill Expenses	388,397	361,613
EPF-Employer's Contribution	281,172	221,306
ESI- Employer's Contribution	330,538	129,856
Fixed working allowance	871,341	553,185
Hamali Expense	18,454	10,382
HRA	1,858,627	1,551,517
Insurance Premium	64,687 -	82,270
Kit Allowance	118,723	38,259
Legal expenses	389,180	459,687
Lodging & Boarding Charges	187,859	182,575
Municipal Tax	227,359	120,187
Office/Building Repairs & maintenance	198,654	199,246
Office Equipment Maintenance	141,110	14,507
Office Misce. Expenses	175,103	131,289
PF Fund Administration Charges	35,815	29,829
Loss on transit of goods (Parcel)	3,154	-
Post & Courier Charges	2,418,113	1,706,148
Printing & Stationery expenses	1,340,823	1,425,246
Product Approval Charges	47,508	46,540
Professional Tax	3,030	2,400
Rent Expenses	123,000	
ROC Expenses	500,000	134,500
GST Receivable written off	-	58,969
Salary Expense(Staff Exp.)	8,560,614	7,878,590
Shop Maintenance expense	197,007	168,587
Telephone & Mobile Bill Expenses	249,713	272,968
Trademark Registration Expense	25,000	55,500
Travelling Expense	501,038	261,112
Uniform Allowance	36,662	-

ZOTA HEALTH CARE LTD.

Vehicle Maintenance expense	10,875	4,331
Washing Allowance	11,519	-
Website Renewal Charges	20,736	5,956
TOTAL	**30,418,666**	**23,278,994**

Schedule - N

Selling & Distribution Expenses

Advertisement expenses	2,682,680	1,881,193
Cash and Trade Discount	2,385,210	1,948,119
Commission on Sales	4,979,582	3,044,371
Freight on Sale	2,416,110	2,045,084
Promotional expense	1,650,418	787,151
TOTAL	**14,114,000**	**9,705,918**

Schedule - O

Disallowable Expenses

Charity & Donations Exp	932,000	2,121
TOTAL	**932,000**	**2,121**

Schedule - P

Financial Charges

Bank Charges	301,049	84,232
Bank Interest	2,520,023	2,382,986
Bank Processing Charges	-	601,135
Interest on Unsecured Loans	1,123,212	1,023,557
Other Interest	767	2,364
TOTAL	**3,945,051**	**4,094,274**

FIXED ASSETS & DEPRECIATION AS PER COMPANY ACT FOR YEAR 2010-11

Schedule "F"

Assessment Year : 2011-12
Financial Year : 2010-11

S. N.	PARTICULARS	GROSS BLOCK 01-04-09	GROSS BLOCK Additions	GROSS BLOCK Deductions	GROSS BLOCK 31-03-11	DEPRECIATION 01-04-10	DEPRECIATION For the p.	DEPRECIATION Adjust.	DEPRECIATION 31-03-11	NET BLOCK 31-03-11	NET BLOCK 31-03-10
	TANGIBLE ASSETS:										
1	Bhagvan Aiyappa Complex(office)	8,078,360	-	-	8,078,360	704,418	368,697	-	1,073,115	7,005,245	7,373,942
2	FURNITURE, FIXTURES & OFFICE EQUP.	4,849,307	962,678	265,000	5,546,985	2,018,312	725,766	65,373	2,678,705	2,868,280	2,830,995
3	Plot Land at Bhagvatinagar	938,529	-	-	938,529	-	-	-	-	938,529	938,529
4	Plot Land (Hojliwala Industrial area)	322,873	-	-	322,873	-	-	-	-	322,873	322,873
5	WHEEL TEMPO	144,000	350,500	144,000	350,500	91,940	66,180	98,487	59,633	290,867	52,060
6	ZOTA HOUSE -SAGARAMPURA-OFFICE	2,292,746	-	-	600,000	45,807	27,710	-	73,517	526,483	554,193
	SUB TOTAL	16,625,815	1,313,178	409,000	17,529,993	3,072,320	1,262,399	163,860	4,170,860	13,359,133	13,553,495
	INTANGIBLE ASSETS:										
7	Trademark Registration	2,380,935	76,000	-	2,456,935	774,281	327,140	-	1,101,421	1,355,514	1,606,654
8	Pattent	-	455,631	-	455,631	-	42,992		42,992	412,639	-
	SUB TOTAL	2,380,935	531,631	-	29,125,566	774,281	370,132	-	1,144,413	1,768,153	1,606,654
	WORK IN PROGRESS										
9	Construction on Plot at Bhagvatinagar	-	490,077		490,077	-	-		-	490,077	-
	GRAND TOTAL	19,006,750	2,334,886	409,000	20,932,636	3,846,601	1,632,530	163,860	5,315,273	15,617,363	15,160,149

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

PLACE :SURAT
DATE :1-8-2011

ASSTT. YEAR : 20011-12 ACCTT. YEAR : 2010-11

Schedule : Q

NOTES FORMING PART OF THE ACCOUNTS ;-

Significant Accounting Policies

Significant accounting policies adopted in the preparation and presentation of the accounts are based on accounting principal set out in Accounting Standard (AS) issued by ICAI as enumerated below.

1 Basis of Accounting (AS 1):

(i) The financial statements are prepared under historical cost convention on an accrual basis. The company follows mercantile system of Accounting and recognizes income & expenditure on accrual basis.

(ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(iii) The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by companies (Accounting Standard) Rules, 2009 (as amended) and the relevant provisions of the Companies Act, 1956.

2 Inventories (AS 2) :

Inventories are valued at lower of cost or net realizable value whichever is less.

3 Depreciation (AS 6) :

Depreciation on fixed assets is provided on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets and assets disposed off / discarded is charged on pro rata basis. Depreciation on commissioning of plant and other assets of new projects is charged for the days they are actually put to use.

4 Fixed Assets (AS 10) :

Fixed Assets are stated at the cost of acquisition or construction less depreciation thereon. All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to acquisition or construction of fixed assets, up to the date the assets are put to use.

5 Investments (AS 13):

Investments are stated at cost. Investment in shares and securities are considered as long term and valued at cost. No provision is made in respect of diminution in the value of investment, which is temporary in nature

6 Revenue Recognition (AS 9):

The company recognizes sales on the basis of actual delivery of goods. Sales are recorded at invoice values net of excise duties, sales tax and trade discounts. The purchases recorded at the invoice value. The all expenses and income to the extent considered payable and receivable respectively are accounted for on mercantile basis except encashment of leave salary and interest on income tax refunds, which are treated on cash basis.

7 Retirement Benefits (AS 15):

A. Defined contribution Plan
Provident fund and pension scheme are Defined Contribution Plans in the Company. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The amount of contribution is being deposited each and every month well within the time under the rules of EPF Scheme. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services

B. Defined Benefit Plan
Employee Gratuity Fund Scheme is the Defined Benefit Plan. No provision for gratuity payable to employees is made, since the gratuity expenses are account for on payment basis in the year of payment only.

8 Borrowing Cost (As 16) :
Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as a part of the cost of asset. Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

9 Earning Per Share (AS 20) :

Net profit attributable to share holder	20237450.69
Number of equity shares	6649700
Earning per share of Rs 10 each	3.04

10 Related Party Transactions (As 18) :

As per AS-18 issued by the Institute of Chartered Accountants of India, the company's related parties in terms of AS-18 are disclosed below:

Sr. No.	Name of the related parties	Nature of relationship	Nature of Transaction	Amount (Rs.)
1	Anila K. Zota	Relative of key management	Interest on Loan	9,572
2	Ashokkumar C. Zota	Relative of key management	Interest on Loan	4078
3	Ashokkumar C. Zota [HUF]	Relative of key management	Interest on Loan	89647
4	Bhanuben R. Zota	Relative of key management	Interest on Loan	22524
5	Chandulal N. Zota [HUF]	Relative of key management	Interest on Loan	66082
6	Divyesh A. Zota	Relative of key management	Interest on Loan	27542
7	Dixit A. Zota	Relative of key management	Interest on Loan	33524
8	Himanshu M. Zota [HUF]	Relative of key management	Interest on Loan	50288
9	Induben M. Zota	Relative of key management	Interest on Loan	47233

Sr. No.	Name of the related parties	Nature of relationship	Nature of Transaction	Amount (Rs.)
10	Jatin A. Zota	Relative of key management	Interest on Loan	60530
11	Kamlesh R. Zota [HUF]	Relative of key management	Interest on Loan	54338
12	Ketan C. Zota [HUF]	Relative of key management	Interest on Loan	9868
13	Madhuben A. Zota	Relative of key management	Interest on Loan	107050
14	Manisha K. Zota	Relative of key management	Interest on Loan	83500
15	Manukant C. Zota [HUF]	Relative of key management	Interest on Loan	57410
16	Muktilal C. Zota [HUF]	Relative of key management	Interest on Loan	86311
17	Nimisha Niral Zota	Relative of key management	Interest on Loan	13055
18	Niral M. Zota	Relative of key management	Interest on Loan	6194
19	Niral M. Zota [HUF]	Relative of key management	Interest on Loan	38338
20	Rajnikant C. Zota [HUF]	Relative of key management	Interest on Loan	87195
21	Varsha H. Zota	Relative of key management	Interest on Loan	10833
22	Ketan C. Zota	Director	Director Remuneration	840,000
23	Himanshu M. Zota	Director	Director Remuneration	840,000
24	Kamlesh R. Zota	Director	Director Remuneration	780,000
25	Manukant C. Zota	Director	Director Remuneration	720,000
26	Ketan C. Zota	Director	Commission on Sales	250,500
27	Jatin A. Zota	Relative of key management	Commission on Sales	180,000
28	Viren M. Zota	Relative of key management	Commission on Sales	180,000
29	Himanshu M. Zota	Director	Commission on Sales	250,500

Sr. No.	Name of the related parties	Nature of relationship	Nature of Transaction	Amount (Rs.)
30	Kamlesh R. Zota	Director	Commission on Sales	250,500
31	Manukant C. Zota	Director	Commission on Sales	250,500
32	Ashok kumar C. Zota	Relative of key management	Salary	300,000
33	Niral M. Zota	Relative of key management	Salary	240,000
34	Viren M. Zota	Relative of key management	Salary	300,000
35	Jatin A. Zota	Relative of key management	Salary	13,055
36	Himanshu M. Zota	Relative of key management	Interest	21,700
37	Niral M. Zota	Relative of key management	Commission on Sales	120,000

Taxation (AS 22) :

Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year

In accordance with the Accounting Standard 22, Accounting for taxes on Income, *issued by the Institute of Chartered Accountants of India* (ICAI), the Company has provided for deferred tax at 31st March, 2011. Deferred tax resulting from timing differences between book and tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

SR. NO.	DESCRIPTIONS	AMOUNT (Rs.)	AMOUNT (Rs.)
1.	**Difference in closing Balance of Fixed Assets**		
	Fixed Assets as per COMPANIES ACT	15,127,286	
	Fixed Assets as per INCOME TAX ACT	13,790,336	
	DEFFERED TAX ASSET/(LIABILITY) @ 32.445 %	(1,336,951)	(433,774)
	NET DEFERRED TAX (LIABILITY) /ASSETS FOR THE YEAR		**(433,774)**
	Opening Balance of (DTL) /DTA		(349,350)
	Deferred Tax asset / liability adjustment of the year		(84,424)
	Closing Balance of (DTL) / DTA		**(433,774)**

Notes on Accounts:

1 The schedules referred to in the balance sheet and profit and loss account form an integral part of the accounts.

2 Balances of depositors, sundry debtors, creditors and loans and advances are subject to confirmation and reconciliation.

3 During the year Company has issued 2,48,930 Equity Shares at Rs. 100 per share (Including premium of Rs. 90 per share). Out of 2,48,930 Equity shares, 2,09,270 shares are issued as Bonus Shares.

4 Previous year's figures have been regrouped / recast wherever necessary to conform to current year's presentation. As compared to the previous year, the figures of SEZ Branch have been showed separately from the Head Office for the year under consideration.

5 The company's income tax liability for the year has been estimated at Rs. 10188206/- (previous year Rs 9468170/-) under the provisions of Income Tax Act 1961 after taking into account deductions and exemptions.

6 All known liabilities have been provided for in the books accounts for the year under report.

7 The company is not in position to identify the amount of balances due to small-scale industrial (SSI) undertakings in absence of sufficient information from suppliers regarding their status as SSI undertakings.

8 Auditor's remuneration and expenses charged to profit and loss account are as under:

	F.Y.: 2010-11	**F.Y.: 2009-10**
As Auditor	50,000	50,000
Fees in other capacity	32,500	32,500
Service Tax	8,498	8,498
TOTAL	**90,998**	**90,998**

9 Managerial remuneration to directors charged to profit and loss account are as under:

	F.Y. 2010-11	**F.Y. 2009-10**
Director's Remuneration	3,180,000	2,760,000
Perquisite	Nil	Nil
TOTAL	**3,180,000**	**2,760,000**

10 Deferred tax Asset/(Liability) for the year on Account of differance between book and tax depreciation Aggregating Rs. 84424/- have been recognized in the profit and loss Account

11 Contingent Liabilities for the year under review is Nil.

Signatures to Schedules forming part of Balance Sheet and Profit and Loss Account.

For, Pradeep K. Singhi & Associates
Chartered Accountants

PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :01-08-2011

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD.(SEZ)

BALANCE SHEET as on 31st March, 2011

SOURCE OF FUNDS	Schedule	31.03.2011	31.03.2010
SHARE HOLDERS FUND			
Head Office			
Reserve & Surplus	A	43,863,752	20,998,355
		-	-
LOAN FUND		**43,863,752**	**20,998,355**
Secured Loans			
Unsecured Loans	B	21,702,054	14,036,061
		-	-
		21,702,054	**14,036,061**
DEFFERED TAX LIABILITY			
		-	-
TOTAL SOURCE OF FUNDS		**65,565,806**	**35,034,416**
APPLICATION OF FUNDS			
FIXED ASSETS			
TANGIBLE ASSETS			
Gross Block	C	62,450,558	36,838,355
Less: Accumulated Depreciation		-	-
TOTAL FIXED ASSETS		**62,450,558**	**36,838,355**
INVESTMENTS		-	-
DEFFERED TAX ASSET		-	-
CURRENT ASSETS, LOANS & ADVANCES	D		
Inventories		849,968	-
Sundry Debtors		62,668	-
Cash & Bank Balance		78,217	9,537
Loans, Advances & Deposits		1,012,377	1,409,596
		2,003,230	**1,419,133**
CURRENT LIABILITIES & PROVISIONS	E		
Current Liabilities		2,112,784	3,866,930
Provisions		-	-
		2,112,784	**3,866,930**
NET CURRENT ASSETS		**(109,554)**	**(2,447,797)**
MISCELLANEOUS EXPENDITURE:			
(to the extent not written off or adjusted)			
a) Preliminary & Pre-operative Expenses	F	**3,224,802**	**643,857**
b) Profit and Loss A/c		-	-
TOTAL APPLICATION OF FUNDS		**65,565,806**	**35,034,416**
Notes forming part of accounts	Q		

The Schedules and Notes referred to herein forms an integral part of the account
This is the Balance Sheet referred to in our report of even date.

For, Pradeep K. Singhi & Associates
Chartered Accountants

PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :1-8-2011

Ketan Zota - Director
Himanshu Zota - Director

ZOTA HEALTH CARE LTD.(SEZ)

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31.3.2011

Schedule - J	31.03.2011	31.03.2010
Other Income		
Sample Sale	62,668	
Vatav & Kasar	2,164	-
TOTAL	**64,832**	-
Schedule - K		
Increase / Decrease in Stock		
Closing Stock	849,968	-
Less: Opening Stock	-	-
TOTAL	**849,968**	-
Schedule - L		-
Trading Expenses		
Lab.Chemical Expence	295,174	
Lab.Testing Expenses	10,245	-
TOTAL	**305,419**	-
Schedule - M		
Administration & General Expenses		
Clearing & Forwading Charges	25,200	-
Conveyance Expence	18,524	4,035
Ele. Light Bill Expenses	534,382	26,852
Export Promotion Council-Mebership Fees	5,000	5,000
Factory Maintanance Expenses	18,000	
Freight on Purchase	24,502	
House Keeping Expenses	65,835	
Insurance Premium	14,187	-
Legal expenses	68,480	28,180
Packing Material Expences	18,950	-
Professional Fees	454,700	-
Purchase Tax	352	
Rounded Off	1	
Salary Staff Expenses	18,802	2,600
Security Service Charges	70,700	-
Service Charges	133,714	100,875
Shop and Misc.Expenses	84,151	6,147
Staff Salary Labour Contractor	76,065	
Stationary Expenses	14,543	
Vat Expenses	1,736	
Water Charges	32,834	27,459
TOTAL	**1,680,659**	**201,148**
Schedule - N		
Selling & Distribution Expenses		
Freight on Sale	1,600	-
Promotional expense	900,000	-
TOTAL	**901,600**	-
Schedule - O		
Financial Charges		
Bank Charges	850	
Term Loan Interest	-	202,481
TOTAL	**850**	**202,481**

For, Pradeep K. Singhi & Associates
Chartered Accountants

PRADEEP KUMAR SINGHI
PARTNER
M. No. 200/24612
Firm Reg. No.: 126027W

For & On behalf Board of Directors

PLACE :SURAT
DATE :1-8-2011

Ketan Zota - Director
Himanshu Zota - Director

Schedule : C

FIXED ASSETS & DEPRECIATION AS PER COMPANY ACT FOR YEAR 2009-10

Assessment Year : 2010-11
Financial Year : 2009-10

S.N.	PARTICULARS	Rate of Depr.	01-04-10	Additions	Deductions	31-03-11	01-04-10	For the period	Adjust	31-03-11	31-03-11	31-03-10
1	**PLANT & MACHINERY**											
	AC - DUCTING		4,861,084	9,037,048	-	13,898,132	-	-	-	-	13,898,132	4,861,084
	AIR COMPRESSOR		443,778	7,160	-	450,938	-	-	-	-	450,938	443,778
	BOILER AND ITS PARTS		598,546	320,379	-	918,925	-	-	-	-	918,925	598,546
	CAPSULE DEPT. MACHINE		4,993,900	280,000	-	5,273,900	-	-	-	-	5,273,900	4,993,900
	LAB. INSTRUMENTS		-	4,020,007	-	4,020,007	-	-	-	-	4,020,007	-
	LIFT (ELEVATORS)		1,140,618	201,750	-	1,342,368	-	-	-	-	1,342,368	1,140,618
	MISC. MACHINERY		443,500	1,445,129	-	1,888,629	-	-	-	-	1,888,629	443,500
	TABLET SECTION MACHINES		8,608,195	714,832	-	9,323,027	-	-	-	-	9,323,027	8,608,195
	WATER SYSTEM & PLUMBING WORK		1,665,986	155,574	-	1,821,560	-	-	-	-	1,821,560	1,665,986
	WEIGHT BALANCES		896,500	133,832	-	1,030,332	-	-	-	-	1,030,332	896,500
2	**BUILDING - FACTORY SEZ**		9,340,406	3,662,884	-	13,003,290	-	-	-	-	13,003,290	9,340,405
3	**COMPUTER**		-	1,028,325	-	1,028,325	-	-	-	-	1,028,325	-
4	**ELECTRIC ASSESORIES**		2,226,634	1,396,096	-	3,622,730	-	-	-	-	3,622,730	2,226,634
5	**FURNITURE & FIXTURE**		269,209	2,292,751	-	2,561,960	-	-	-	-	2,561,960	269,209
6	**LAND - SURSEZ**		1,350,000	-	-	1,350,000	-	-	-	-	1,350,000	1,350,000
7	**OFFICE EQUIPMENTS**		-	916,435	-	916,435	-	-	-	-	916,435	-
			36,838,356	**25,612,202**	**-**	**62,450,558**	**-**	**-**	**-**	**-**	**62,450,558**	**36,838,355**

For & On behalf Board of Directors

Ketan Zota - Director
Himanshu Zota - Director

D&B
Decide with Confidence

This is to certify that

Zota Health Care Limited

Zota House, 2/896, Hira Modi Street,
Sagrampura, Surat-395002, Gujarat, India
*India*is now part of the
Dun & Bradstreet Global Database
and has been assigned the

D&B D-U-N-S® Number: 67-741-2748

For **Dun & Bradstreet Information Services India Private Limited**

Mohan

Authorized Signatory

October 15, 2010

"The fact that this business is registered in the D&B database should not be construed as suggesting that credit or any other financial or business transaction should be approved, denied, restricted or delayed. It only signifies that there is sufficient information in the database to assign a D&B D-U-N-S® Number."

D&B D-U-N-S® Number is a registered number of Dun & Bradstreet Corporation, USA.

ZOTA HEALTH CARE LIMITED

ZOTA HOUSE, 2/896, HIRA-MODI STREET, SAGRAMPURA,SURAT 395 002.

ATTENDANCE SLIP
ANNUAL GENRAL MEETING 27-09-2011

Regd. Folio No.____________ No. of Shares held _____________

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at ZOTA HOUSE 2/896, Hira-Modi Street, Sagrampura, Surat. On Tuesday the 27th sept 2011.

____________________________________ ____________________________________

Member's Proxy's Name in Block Letters Signature of Member / Proxy

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

- - - - - - - - - - Tear Here - - - - - - - - - -

ZOTA HEALTH CARE LIMITED

ZOTA HOUSE, 2/896, HIRA-MODI STREET, SAGRAMPURA, SURAT 395 002.

PROXY FORM

Regd. Folio No.____________ No. of Shares held _____________

I / We____

of ____in the District

of ____being a member / members of

the above named Company herby appoint ____

or failing to him / her ____

of __________________________________in the District of ______________________________

as my / our proxy to vote for me/our behalf at the ANNUAL GENERAL MEETING of the company to be held on tuesday day the 27th Sept 2011 at 11.00 a.m.any adjournments thereof.

Signed this ____________________ day of ____________________ 2011

Signature_________________________ **Affix 1 Rupee Revenue Stamp** _________________________

NOTE : This form in order to be effective should be duly stamped, completed and signed and must be deposited the Registered office of the Company not less then 48 hours before the meeting.

BOOK POST / UPC

To,

If Undelivered please return to :

ZOTA HEALTH CARE LIMITED

ZOTA HOUSE, 2/896, HIRA-MODI STREET,

SAGRAMPURA, SURAT 395 002.