

May 17, 2019

To,  
The Manager  
Listing Department,  
**The National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051

Dear Sir/Madam,

**Trading Symbol: ZOTA**

**Sub: Monthly Business Update for the month of April, 2019**

**Ref: Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject we, Zota Health Care Limited (the "Company") are hereby submitting Monthly Business Update for the month of April, 2019.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**For Zota Health Care Limited**



**Ashvin Variya**

**Company Secretary & Compliance Officer**

**Place: Surat**



Encl: a/a

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# MONTHLY BUSINESS UPDATE



April 2019  
From the Chairman's Desk

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## **Dear shareholders and members of the investor community,**

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We are delighted to introduce Zota Health Care Limited's Investors Newsletter. The newsletter will provide you with an update on company's strategy, information about the progress and some recent developments. We intend to make it a regular publication for better communication with our shareholders. This document will also provide you regular updates of our retail pharmacy operations

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## **Business Overview:**

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Zota Health Care is a Gujarat based pharmaceutical company primarily engaged in the business of marketing and manufacturing generic drugs, OTC products and prescription drugs. The product portfolio consists of 3000+ products including antibiotics, anti-malarials, analgesic, cardiovascular products, skin care products, nutraceutical products and ayurvedic products.

While marketing and manufacturing constitutes most of the business, the most recent project of low-cost generic pharmacy store under the brand name of DAVAINDIA, is the first step towards diversifying further.

The business can now be classified into 3 parts.

- 1) Marketing
- 2) Export
- 3) Retail Pharmacy Chain

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## **Marketing:**

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Since its inception the company has been involved in marketing of drugs and OTC products under its brand name. This segment has always driven the company revenues single handedly and contributed around 85% to the top-line in 2018 as well. Almost all the sales in this segment are domestic. The process involves procuring finished dosages from formulation manufacturers and then marketing them under our brand names. We have 1000+ distributors spread across the country.

## **What will drive the performance?**

The performance of the segment will depend on our ability to create ZHCL into a superior brand by undertaking various measures towards brand building. This will help us in adding more distributors and have higher penetration in existing markets.

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## **Export:**

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The company manufactures around 250 finished dosage formulations (fdf) based

out of the factory in Surat (SEZ). Under the rules pertaining to SEZ the company can only export the fdf's manufactured in this plant. In FY18 this segment contributed around 15% to the topline. The company has product approvals for exports in more than 22 countries with major exposure to African, Asian and CIS markets

## **What will drive the performance ?**

The company is focusing on getting more product approvals in the already existing geographies and also trying to enter into new markets. With the manufacturing unit still operating at 25-30% capacity utilisation, there is a huge opportunity to grow without any capex requirement.

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## **Retail Pharmacy Chain:**

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Davaindia is the most recent and aggressive project undertaken by ZHCL. Davaindia is a retail pharmacy chain selling generic medicines at a substantial markdown to other branded medicines. The company commenced the first store in October 2017 and since then it has rolled out 120 stores.

# DAVAINDIA: Operational Model



## **Retail generic pharmacy chain:**

Selling medicines at 30-90% discount



## **Product portfolio of 1,200+ SKUs:**

With 70% Medicinal and 30% Ayurvedic, Cosmetic & OTC products



## **Franchise model:**

Franchisees to get 1km radius



## **Promotion:**

Zota will do all the promotion expenses



## **Tools:**

Mobile App & AI based tools to update customer



## **Supply:**

Supply chain shall exclusively management by DAVAINDIA



## **Cloud based dedicated software**

for Retailer which reflect real time Data to the Company

### **Management Commentary.**

ZHCL has constantly been aggressive in advertising. The key focus has been on creating awareness about the stores' unique value proposition of providing similar medicines at substantial discounts. For this, the route of Outdoor Marketing - like hoarding and billboards in prime locations - was chosen. As majority of Dava India stores are in Gujarat, the promotions have been regional and the benefits of the same will be evident soon.

# Current Scale of Operations: DAVAINdia

120

stores opened

72,900

number of customers served during the month of April, 2019

Rs. 126/-

Average wallet spends during the month of April, 2019

‘1200+’

SKUs in product portfolio

‘42’

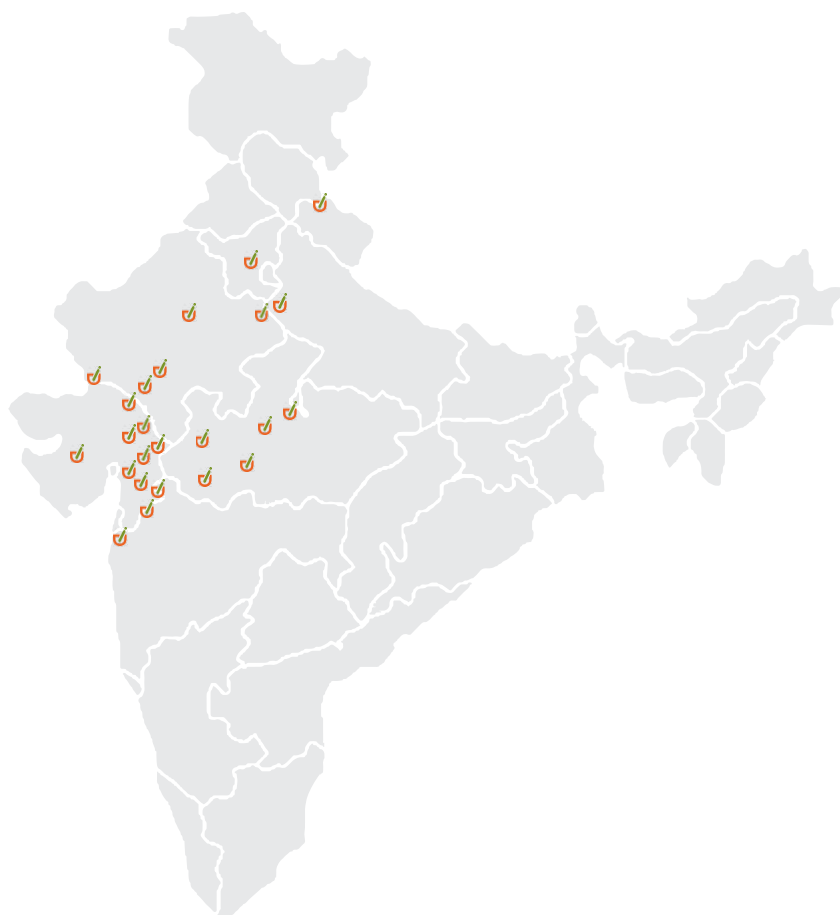
agreements signed, execution of the same are in under process and the same shall be opened soon

## Major presence in:

Ahmedabad, Surat, Rajkot, Vadodara, Indore, Pune, Mumbai Jaipur and many more.



# Our Presence: DAVAINDIA



## Contact Details

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This presentation contains "forward looking statement", including "future oriented financial information" and "financial outlook". This forward looking statement is based on management's current expectations and belief, and subject to uncertainty. Actual result may be vary from the material facts contained in this presentation due to changes in government policies, regulations, economics reforms, natural calamities, competition, technology, etc. Company is not under obligation to inform any update or alter in forward looking statement, whether as a result of any new information or future events

| City         | Opened Stores |
|--------------|---------------|
| Surat        | 16            |
| Navsari      | 03            |
| Kheda        | 02            |
| Vadodra      | 02            |
| Rajkot       | 13            |
| Ahmedabad    | 12            |
| Gandhi Nagar | 04            |
| Mehsana      | 04            |
| Sabarkantha  | 03            |
| Banaskantha  | 01            |
| Indore       | 15            |
| Jabalpur     | 03            |
| Nagpur       | 06            |
| Pune         | 12            |
| Hariyana     | 02            |
| Firozabad    | 01            |
| Jaipur       | 01            |
| MP-Sagar     | 02            |
| Vapi         | 03            |
| Bharuch      | 01            |
| Chikli       | 01            |
| Bilimora     | 01            |
| Ghaziabad    | 01            |
| Dehradun     | 02            |
| Mumbai       | 01            |
| Bhopal       | 01            |
| MP-Guna      | 01            |
| Lucknow      | 01            |
| MP- Dhar     | 01            |
| Godhra       | 01            |
| Latur        | 01            |
| Gwalior      | 02            |
| <b>Total</b> | <b>120</b>    |