

September 07, 2021

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: Annual Report 2020-21

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject and further to our letter dated September 02, 2021; we, Zota Health Care Limited (the "Company") are submitting herewith enclosed the Annual Report of the Company for the financial year 2020-21.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Zota Health Care Limited**



Ashvin Variya
(Company secretary & Compliance Officer)
Place: Surat



Encl: a/a

Registered Office :

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Sagrampura, Surat - 395 002 | Ph: +91 261 2331601
Email: info@zotahealthcare.com
Web : www.zotahealthcare.com

Plant :

Plot no. 169, Surat Special Economic Zone,
Nr. Sachin Railway Station, Sachin,
Surat - 394 230 (Guj.) India
Ph: +91 261 2397122



Charting a Growth Story

Forward looking Message

This document contains statements about expected future events, financial and operating results of Zota Health Care Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the management's discussion and analysis of Zota Health Care Limited's Annual Report, FY2021.

Read Inside

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FY21 Highlights
(Consolidated)

10,679
REVENUE FROM
OPERATIONS (₹ IN LAKHS)

339
DAVAINDIA STORES
ADDED

32
EXPORT DOSSIER
REGISTERED



Charting a Growth Story

For us, at Zota, the next act in our growth story will not simply continue. It's a new and exciting stage in our adventure. It is the motivational milestone that inspires us to be more focused and coherent in providing solutions to the needs of patients. Led by the solid belief in the power to redesign the future, we know that the route ahead demands us to step up and intensify our efforts. That's why we invest consistently in our ability to boost growth in the future.

Our focus on powering growth remains unchanged, and to get there, we are deploying multiple levers,

the most important being a thrust on building our generic retail pharmacy chain. This thrust on the retail chain is based on solid fundamentals, excellent growth prospects and a huge opportunity size. Aggressive measures are being taken to ensure we realise the goals that we have set for ourselves. We recognise that the decisions we make today not only lay the groundwork for long-term business success but also pave the way for current and future generations to live better lives. We're still focused on planning ahead and anticipating tomorrow's requirements today.

We continue to move forward towards that land of opportunities, well equipped and prepared, as we consider the vast opportunity landscape that beckons us with all of its promises and challenges.

COMPANY SNAPSHOT

Introducing Zota Health Care Limited

Zota Health Care Limited is a renowned pharmaceutical company that manufactures, markets, and exports pharmaceutical, ayurvedic, nutraceutical, and over-the-counter (OTC) products. Through its chain, Davaindia, the largest private-sector generic pharmacy chain, the Company is making strong inroads into the generic retail pharmacy business.

Zota, situated in Surat, Gujarat, was founded in 2000 with a passionate desire to provide affordable healthcare to all. Zota meets the requirements of millions of people by increasing access to high-quality, inexpensive medicines for chronic illnesses including heart disease, diabetes, thyroid disease, and others, giving India's pharmaceutical industry a boost. The Company is known for producing high-quality generic pharmaceuticals at an affordable price. The Company's state-of-the-art manufacturing facility at Sachin SEZ serves customers in more than 30 nations.

Zota has been a front runner in generic retail pharmacy, which it believes will be a critical enabler of affordable access to medicines, keeping itself aligned with the needs of 1.3 billion Indians. We stand by our philosophy of providing affordable healthcare to the masses by keeping customers at the centre of our operations. Our passion for making a difference in the world's healthcare needs has enabled us to touch the lives of millions. We remain committed to making a positive impact on people's lives around the world in the coming years.

Vision

Our vision is to become a global healthcare organisation driven by people, research, and technology, and to be known as an integrated healthcare and pharmaceutical company, both domestically and internationally, through innovation, quality, and competence.

Mission

Our goal is to establish ourselves as a globally recognised pharmaceutical company by introducing a diverse portfolio of pharmaceutical formulations, nutraceuticals, and ayurvedic products into key global markets.

Values



INNOVATE AND EXCEL

Our people are our greatest asset. We encourage our team to always strive for innovation and to go above and beyond the call of duty. Every job opportunity at Zota is accompanied with enthusiasm, devotion, and a desire to succeed.



INTEGRITY AND TRANSPARENCY

At Zota, we have fostered a culture of complete transparency between all of our stakeholders in all of our functions. We do our business with the utmost honesty and integrity, thus, garnering trust from our stakeholders.



QUALITY AND SAFETY

As a special healthcare company, we put an emphasis on quality in all of our manufacturing processes. We have created a best-in-class working environment and maintain adequate internal controls and policies to achieve excellence in quality.

3,000+

PRODUCTS IN DOMESTIC
MARKETING PORTFOLIO

250+

FORMULATIONS
MANUFACTURED FOR
EXPORTS

1,431*

SKU'S AT DAVAINDIA

1,050+

DISTRIBUTORS COVERING
ALL STATES OF INDIA

30+

EXPORTS MARKETS
SERVED

591*

DAVAINDIA STORES
ACROSS 24 STATES

(*As of March 2021)



JOURNEY & EVOLUTION

Charting a resilient path

Early history and establishing domestic marketing business

2000

Zota Health Care Private Limited is incorporated

2004

Acquired all brand names of Sayona Medicare Private Limited through MOU

2007

Mexon Health Care Limited's trademark and brand name, as well as its new divisions, Health Park Laboratories and Aaron Biotech, were acquired

Setting up formulation exports business and progressing from merchant to branded exports

2010

Inaugurated export-oriented formulation manufacturing unit in Sachin, SEZ

2011

Exports commenced, and the Company expanded its business beyond India, working in African countries

2012

Manufacturing unit at SEZ gets WHO-GMP approval

2013

Acquired trademark and brand names of Redix Lifecare

2014

Received Kenya (PPB) regulatory and Sri Lanka (CDDA) regulatory approval for Sachin SEZ plant

2015

Received approval from Ethiopia (FMHACA) regulatory body

Strengthening the core, and establishing new age businesses like Davaindia

2017

- Came out with an Initial Public Offering on NSE Emerge

- Davaindia, a private-sector generic pharmacy, was launched with three trial outlets

2018

Crossed the benchmark of 10+ Crore Export Sales

Launching Davaindia into a hyper growth mode

2019

- A total of ~150 Davaindia outlets were opened

- The company migrated to the Main Board of NSE

2020

With over 250 outlets, Davaindia became the largest and fastest-growing private sector generic pharmacy chain

2021

Davaindia strengthens its position as India's largest private sector generic pharmacy, with over 590 locations across the country

BUSINESS VERTICALS

Our Value Creation Canvas

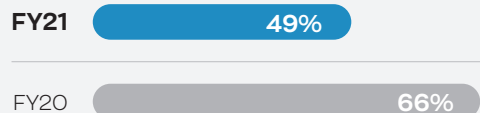
01



MARKETING

Marketing has been the oldest business vertical for the Company and has remained its mainstay in the past. Until 2017, the majority of the Company's revenues were contributed by this vertical. This business vertical involves the direct distribution of generic drugs, OTC products, and other pharmaceutical products through the Company's distribution network across India.

Revenue Contribution (In %)



1,050+

DISTRIBUTORS SPREAD ACROSS INDIA

3,000+

PRODUCTS IN THE PORTFOLIO

Marketing Value Chain



01 FDF Manufacturers

WHO-GMP certified manufacturing partners



02 Branding

Quality check, packaging and branding under the umbrella of Zota brands



03 Distribution

Direct distribution to 1,050+ distributors spread across the country



04 Retail Pharmacies

Ethical marketing, sales distribution and promotional activities undertaken by distributors

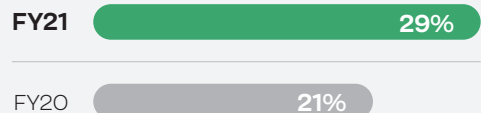
02



EXPORTS

Commenced in 2010, our Exports business vertical caters to customers in over 30 countries, primarily in the African, Asian, CIS, and Latin-American regions. The Company manufactures generic formulations at its facility located in Sachin, SEZ, and has over 253 dossier registration, with another 311 dossiers filed and pending approval from respective regulatory authorities.

Revenue Contribution (In %)



250+

PRODUCTS MANUFACTURED

253

DOSSIERS REGISTERED

311

DOSSIERS PENDING APPROVAL

30

COUNTRIES EXPORTING TO

Global Presence



COUNTRIES

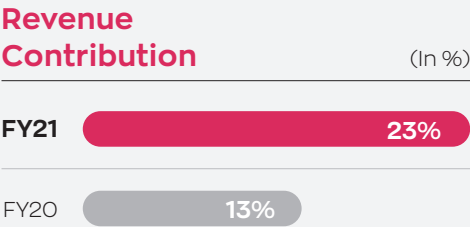
Benin
Bolivia
Cambodia
Cameroon
Costarica
Ethiopia
Georgia
Ivory coast
Kenya
Kyrgyzstan
Libya
Mali
Myanmar
Nepal
Nigeria
South Africa
Sri Lanka
Swaziland
Tanzania
Turkmenistan
Uganda
Ukraine
Uzbekistan
Vietnam
Yemen
Zambia

BUSINESS VERTICALS

03

RETAIL PHARMACY CHAIN

Davaindia is a retail generic pharmacy chain whose core value proposition is providing quality generic medicines at substantial discounts, i.e. 30% to 90%, to their branded equivalents. Davaindia focuses only on private-label products in the medicinal, OTC, and ayurvedic categories, with a greater emphasis on chronic therapies and ailments. This one-of-its-kind concept has scaled up to become the largest private-sector generic pharmacy chain with more than 591 stores as of March 2021.



591
STORES IN 24 STATES

1,431
SKU'S

Operating Model

01

FRANCHISE MODEL

Asset-light franchise model for the majority of stores

02

EXCLUSIVE SALE OF DAVAINDIA PRODUCTS

Exclusive sales of private-label generic medicines, OTC, and ayurvedic products. 95% of the product portfolio is private-label brands

03

COMPREHENSIVE PORTFOLIO

1,431 SKUs with 70% Medicinal products and 30% OTC products, with a special emphasis on chronic ailments such as cardiac, diabetic and thyroid

04

BRAND BUILDING

Brand building and consumer-facing advertisement and promotional campaigns are undertaken by Davaindia

05

TECHNOLOGY-BASED MODEL

Cloud-based software and AI-based tools for real-time supply chain and operations management. Other ongoing initiatives include mobile applications for different stakeholders of Davaindia

06

NEW FORMAT STORES*

- COCO - large-format company-owned and company-operated stores in key metropolitans across the country
- Store-in-store - approaching with a store-in-store model for crowded cities like Mumbai

07

HYPERLOCAL MODEL

Implementing hyperlocal model with on-demand delivery of medicines at consumer's home

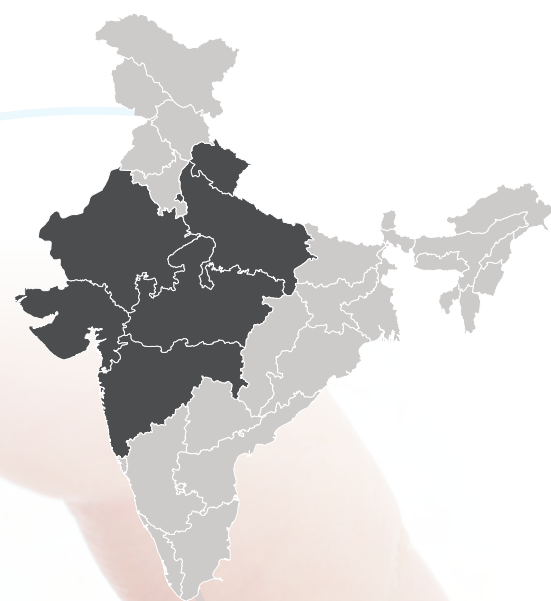


(*Housed under wholly-owned subsidiary)

GEOGRAPHICAL PRESENCE

Wide expanse of operations

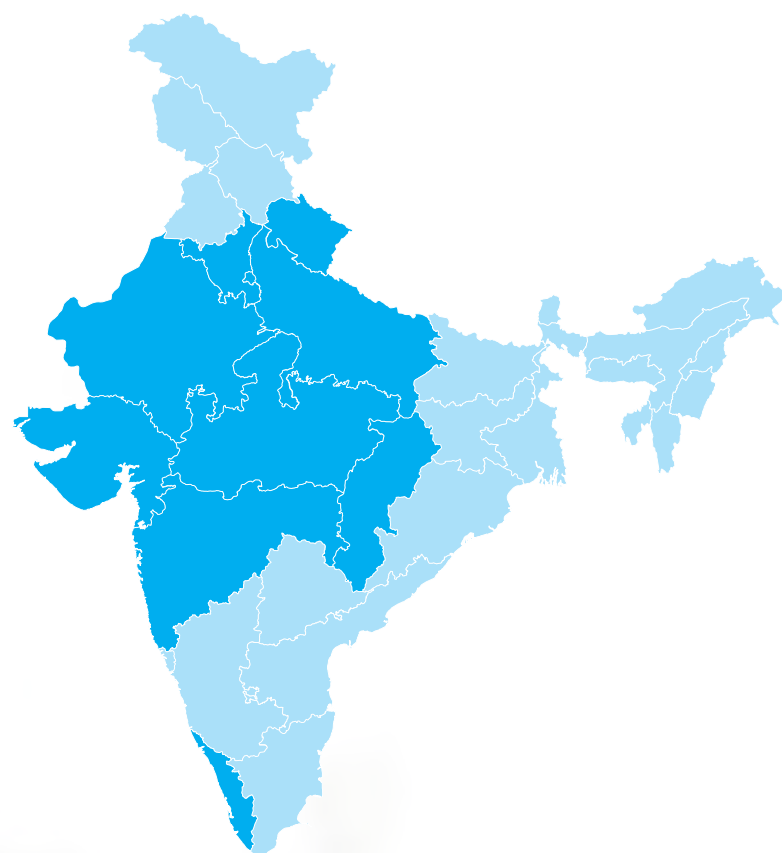
2019



 109

 07

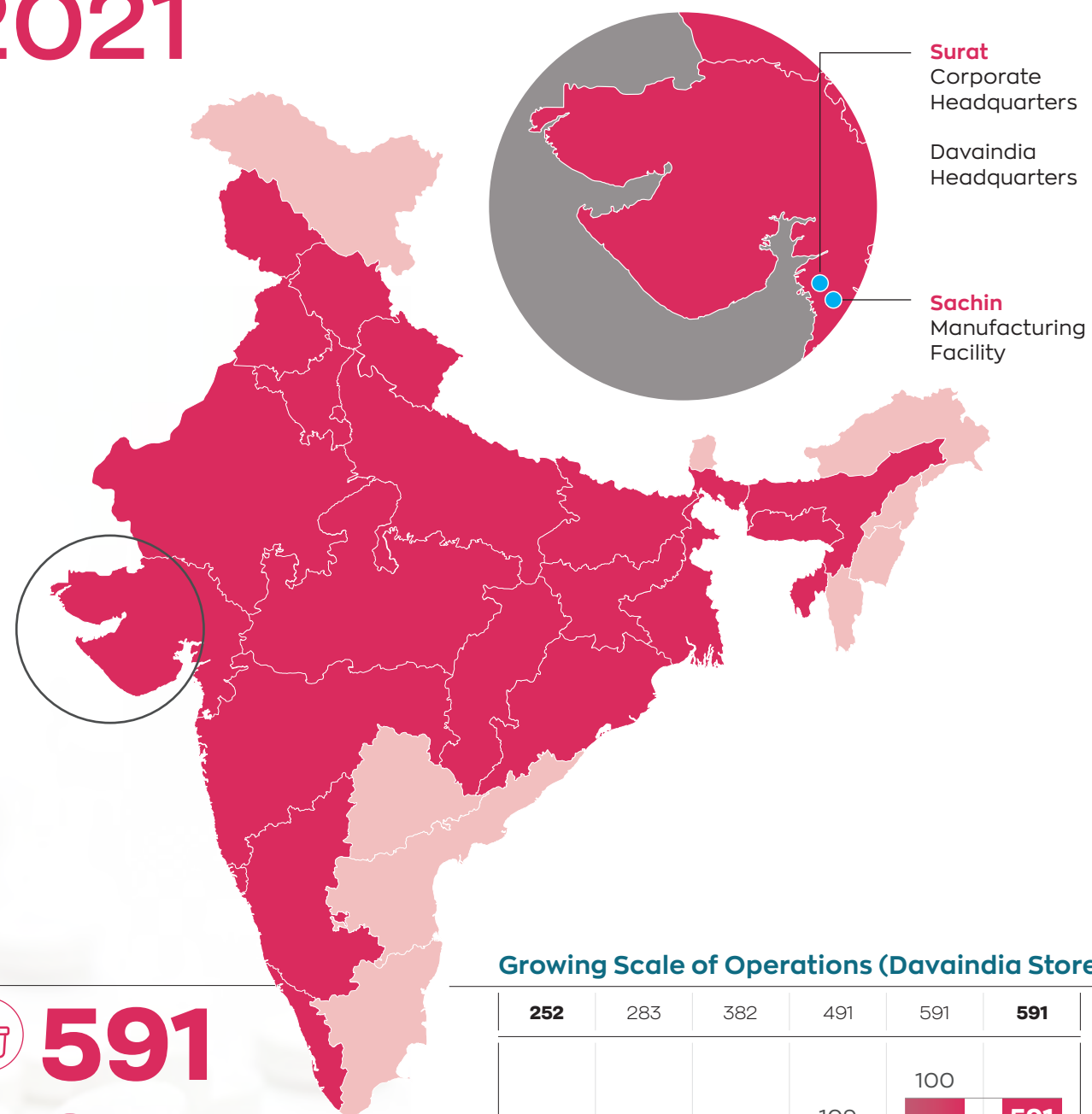
2020



 252

 10

2021



 591

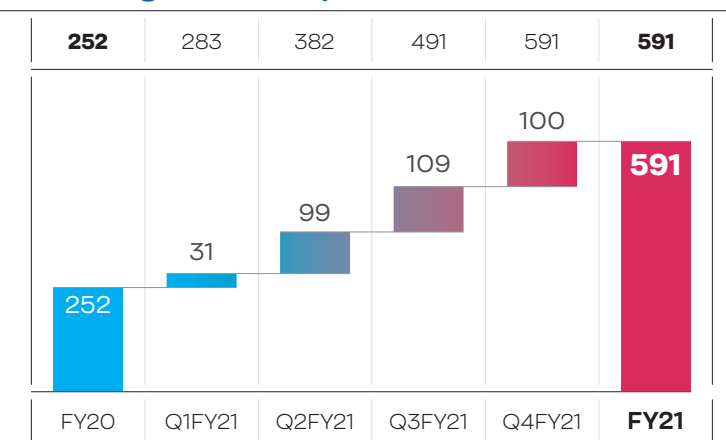
 24

Key

 Davaindia Stores

 States Covered

Growing Scale of Operations (Davaindia Stores)



ADVERTISEMENT AND PROMOTION CAMPAIGNS

Strengthening Our Brand Recall

Advertisement & Promotion Activities

In all areas and media, such as TV commercials, printing, digital & social media, radio, among others, the Company has undertaken bold and aggressive marketing and promotion activities with the firm intention of creating top-of-the-mind brand recall for Davaindia. Davaindia - being a front-runner in private sector generic pharmacy has also assumed the responsibility to create awareness, propagate virtues and debunk misconceptions about generic drugs. Marketing efforts are receiving very encouraging results from prospective franchisees and potential customers. The Company has witnessed a substantial improvement in average wallet spend, footfall at stores, and the number of enquiries for new franchisees with aggressive marketing campaigns.

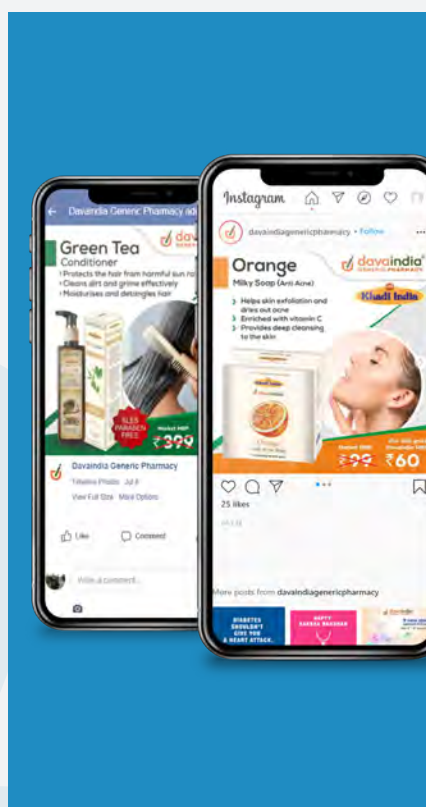
Brand Ambassador - Mr Kapil Dev

Davaindia has collaborated with the renowned, celebrated former Indian Cricketer and the Indian Cricket Team Captain Mr Kapil Dev in the capacity of a brand ambassador. Mr Kapil Dev endorses Davaindia's products and brands prominently. The company has started a series of promotions, including TV and digital advertisements featuring Mr Kapil Dev. Mr Kapil Dev, as an icon, stands for integrity, excellence and willpower, the Company strongly feels he is the perfect fit for endorsing the culture and spirit of Davaindia and Zota Health Care Limited.

TELEVISION COMMERCIALS



SOCIAL MEDIA ADVERTISEMENTS



RADIO ADVERTISEMENTS



HOARDING & OUTDOOR ADVERTISEMENT



BOARD OF DIRECTORS

Reflecting Transparency and Accountability



1. MR. KETANKUMAR CHANDULAL ZOTA
CHAIRMAN AND NON-EXECUTIVE DIRECTOR



2. MR. HIMANSHU MUKTILAL ZOTA
WHOLE TIME DIRECTOR



3. MR. MANUKANT CHANDULAL ZOTA
WHOLE TIME DIRECTOR



4. MR. KAMLESH RAJNIKANT ZOTA
WHOLE TIME DIRECTOR



5. MR. MOXESH KETANBHAI ZOTA
MANAGING DIRECTOR

1. MR. KETANKUMAR CHANDULAL ZOTA CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Ketankumar Zota is the Company's Promoter, Chairman, and Non-Executive Director. He began his career in 1984 with a modest retail medical business, and in 1995, he founded Zota Pharmaceuticals, a proprietorship concern that is now Zota Health Care Limited. He holds a D-Pharmacy from Gujarat University and has worked in the pharmaceutical industry for over 36 years. His energetic leadership propelled Zota Health Care Limited to prominence in the sector, and he is now in charge of developing and implementing the Company's new marketing strategies and projects. He won the 'Lifetime Achievement Award' from the Drug Controller General of India for his outstanding contributions to the pharmaceutical business. At Pharma Ratan Universe - 2019, he was also given the title of 'Pharma Ratna Asia'.

2. MR. HIMANSHU MUKTILAL ZOTA WHOLE TIME DIRECTOR

Mr. Himanshu Zota is a Promoter and Whole-time Director of the Company. He has a Diploma in Pharmacy from the Board of Technical Examinations on behalf of the Government of Maharashtra. He also has a Bachelors in Computer Application from Aptech Compute Education, Surat. He began his career as a Retail Pharmacist and a Distributor of a Medical Agency, subsequently he has been associated with the Company since the time of its incorporation, thus having an aggregate experience of around 28 years in the Pharmaceutical Industry. He is entrusted with responsibilities like strategy formulation, finance, taxation and accounting related matters, information-technology related matters, overall management, planning and implementation of new projects, and forecasting upcoming changes in pharma sectors. He is also playing a vital role in the planning and implementation of the Company's esteemed Davaindia project.

3. MR. MANUKANT CHANDULAL ZOTA WHOLE TIME DIRECTOR

Mr. Manukant Zota is a Promoter and Whole-time Director of the Company. He earned his master's degree in mathematics from Gujarat's Sardar Patel University. He has been with the Zota Group since 1995, and has been with the Company since its

inception, with roughly 25 years of experience in the pharmaceutical industry. He has been charged with overseeing the Company's accounting operations. He's also in charge of the Company's overall management and CSR operations, as well as their implementation.

4. MR. KAMLESH RAJNIKANT ZOTA WHOLE TIME DIRECTOR

Mr. Kamlesh Zota is a Promoter and Whole-time Director of the Company. He holds a bachelor's degree in pharmacy from Gujarat University and has aggregate work experience of over 25 years. He began his career as a Senior Technical Assistant at Torrent Pharma Limited, then moved on to Unique Pharmaceuticals Laboratories as a Production Officer before joining the Company at its inception. He has played a critical role in obtaining regulatory permission for a variety of facilities, including NAFDAC, TFDA, FMHACA, PPD, NMRA, and others. He is in charge of the Company's different business affairs, such as factory management, FDCA work for domestic and export products, WHO certification, trademark and patent registration, customs and export documentation, and pharmaceutical-related regulatory compliances, and so on.

5. MR. MOXESH KETANBHAI ZOTA MANAGING DIRECTOR

Mr. Moxesh Zota is the Company's Managing Director. He holds a bachelor's degree in pharmacy from Gujarat Technological University as well as a master's degree in international marketing and business management from BPP University in the United Kingdom. Under his capable guidance, the organisation has grown to establish a global presence in more than 30 countries. He has pushed for more product registrations in foreign countries, with a total of 250+ products registered in various countries and another 310+ products in the process of being registered. He is in charge of overall management, export business, strategy design for new project implementation, research on future pharmaceutical market scenarios, international business development, and product registration.

BOARD OF DIRECTORS

MR. DHIREN PRAFULBHAI SHAH**INDEPENDENT DIRECTOR**

Mr. Dhiren Shah earned his bachelor's and master's degrees in pharmacy from Ahmedabad's L. M. College of Pharmacy. He also holds a Masters of Business Administration from IGNOU in the subject of "Market Study for Intra Ocular Lens" and a Ph. D. from Gujarat University in the subject of "Exploitation of Natural Product in Formulation Design of a Model Drug." In his professional capacity, he has worked with companies such as Cipla. He also lectured at Bardoli's Maliba Pharmacy College, Shree Dhanvantary Pharmacy College, and C K Pithawalla Institute of Pharmaceutical Science and Research. He is currently working at Shree Naranjibhai Lalbhai Patel College of Pharmacy as a Professor and Principal. He's also co-authored "Establishment of Herbal Monograph," "Pharmaceutical Industrial Management," and "A Text Book of Pharmacognosy," as well as "Exploitation of Natural Product in Formulation Design of a Model Drug." In addition, he is the Editor-in-Chief of the "International Journal of Pharmaceutical Research."

MRS. BHUMI MAULIK DOSHI**INDEPENDENT DIRECTOR**

Mrs. Bhumi Doshi holds a bachelor's degree in business and is now pursuing Chartered Accountancy from the Institute of Chartered Accountants of India (ICAI) and a master's degree in commerce from Veer Narmad South Gujarat University. Currently, she has been working in the accounting department of D.D. Constructions Pvt. Ltd. for the past four years, and she has been practising in the domain of Goods and Service Tax (GST) for the last three years.

MRS. JAYSHREE NILESHKUMAR MEHTA**INDEPENDENT DIRECTOR**

Mrs. Jayshree Mehta is originally from Varahi, Patan, then shifted to Surat. She has completed a Diploma in Pharmacy with first class from M.N. College of Pharmacy, Gujarat University, Ahmedabad, in 1988. She is working as a homemaker as well as a retail pharmacist.

MRS. VARSHABEN GAURANG MEHTA**INDEPENDENT DIRECTOR**

Mrs. Varshaben Mehta serves on the Board of Directors of the Company as a Non-executive Independent Director. She earned a Bachelor of Ayurvedic Medicine and Surgery (BAMS) degree from Surat's O.H. Nazar Ayurvedic University (Gujarat). She is a General Physician in Surat, where she runs her own clinic, Shreeji Clinic.

MR. VITRAG SURESHKUMAR MODI**INDEPENDENT DIRECTOR**

Mr. Vitrag Modi is a chartered accountant in practice and a fellow member of the Indian Institute of Chartered Accountants (ICAI). He also possesses a bachelor's degree in commerce from Surat's Veer Narmad South Gujarat University. He established his firm in 2017. Direct and indirect taxes, bank audits, management and system audits, accounting, and corporate services are among his primary areas of competence.



LETTER TO SHAREHOLDERS

A new way forward

Dear Shareholders,

It is a pleasure to address you all and present you the Company's Annual Report for the year 2020-21. All of us at Zota sincerely hope that each one of you is safe and in good health in these trying times. Unfortunately, the spectre of this deadly pandemic has been looming over all of us since the beginning of 2020, and the resulting loss of human life from it has been indescribable.

In such difficult times, what is pertinent to note is the contributions of our doctors, scientists, paramedics, and healthcare workers - our Covid warriors. The medical community, the social sector and the government authorities worked relentlessly to revive the broken morale of the people; with active vaccination drives across the Country, we are hopeful that this atrocity will soon come to an end.

OUR FY21 PERFORMANCE

Even in one of the most challenging external environments, your Company has delivered resilient operational and financial performance. Let's begin with a review of our operational performance first. For the year under review, our Marketing business vertical witnessed a decline, and this was primarily due to Covid-19 related disruptions early in FY21. Even though pharmaceuticals fall under the essential sector category, during the H1 of FY21, the Company witnessed depressed sales of prescription-drugs and OTC products. The same has performed better in the second half of FY21.

51%

HIGHEST-EVER SALES CONTRIBUTION FROM DRIVING VERTICALS

KETANKUMAR ZOTA
CHAIRMAN

Davaindia continues to scale its operations and retain its #1 position as the Country's largest private-sector generic pharmacy chain with 591 stores.

As far as our driving businesses are concerned, we witnessed a year of excellent performance, more than enough to offset the degrowth of our traditional marketing business and deliver a topline growth of 12.3% over the previous year. Exports registered an increase of 53.2%, with new dossier registrations contributing to operations. The Company still has a significant number of product registrations in the pipeline, and coupled with the ongoing investments in this business vertical; the Company expects to continue on its growth trajectory.

Davaindia continues to scale its operations and retain its #1 position as the Country's largest private-sector generic pharmacy chain with 591 stores. The Company added 339 Davaindia stores in the year under review, serving more than 14.5 lakh customers with quality generic medicines and other products. The Company has also introduced a new format of COCO stores which are registering good responses from consumers. To add to this, Davaindia witnessed a steady climb in footfall and average wallet spend over the year, essentially doubling the sales of this business vertical. Average wallet spend stood at ₹204 in Q4FY21, compared to ₹159 in the corresponding quarter in the previous year, a substantial increase of 28%. The Company also added close to 100 SKU's in the year under review, strengthening the product portfolio further. As we advance, the Company will focus on growing in each of these aspects, i.e. store roll-out, average wallet spends, and the number of customers served.

On the financial front, the Company witnessed an increase in Revenue from Operations to the tune of 12.3%, which stood at ₹106.79 crores in FY21. On the other hand, the Company registered higher operating expenses due to its aggressive growth strategy for Davaindia operations; as a result, Operating Profit Margin

stood at 0.6% in FY21 compared to 4.7% in FY20. Subsequently, Profit after Tax stood at -0.21 crore compared to 2.74 in FY20, a decline of 107.7%. As far as the sales mix is concerned, the traditional Marketing business contributed 49% to the sales compared to 66% in FY20. On the other hand, the contributions of driving business verticals contributed 51% in FY21 - the highest ever in its history.

AFFORDABLE MEDICINES FOR ALL

We have always spoken about Zota's belief of advancing the cause of accessibility and affordability of healthcare and medicinal products in the country. Millions of Indians are driven to poverty each year due to a lack of affordable healthcare; this issue may be resolved with an expanded supply of generic quality drugs at costs much below their brand counterparts. Consumers need to be made aware of the equivalence between brand and generic pharmaceutical drugs and of the misconceptions surrounding generic medicinal products. Our journey, on this path, started a few years ago when we began the Davaindia concept which has now grown, with over 600 shops since March 2021, covering most Indian countries today.

AS WE ADVANCE

Going forward the Company will pursue its strategies for achieving accelerated growth in its Exports and Davaindia business vertical, while Marketing business will remain status quo. In the short term, the Company will be placing greater emphasis on scaling Davaindia to a national level, and increasing its footprint, strengthening product portfolio, leveraging technology to scale the operations. At the same time, increased efforts and investments in product registrations will help scale Exports business. Our continuous focus on new-age businesses will transform Zota Health Care into a newer, better version of itself.

Before concluding, I would like to thank all our employees, Board Members, shareholders, regulatory authorities, and bankers. I wish you all great health and safety, as this pandemic wanes. I am grateful for your continued support and faith in us, and resolve to remain focused on the mission of creating maximum value for all our stakeholders.

Yours sincerely,

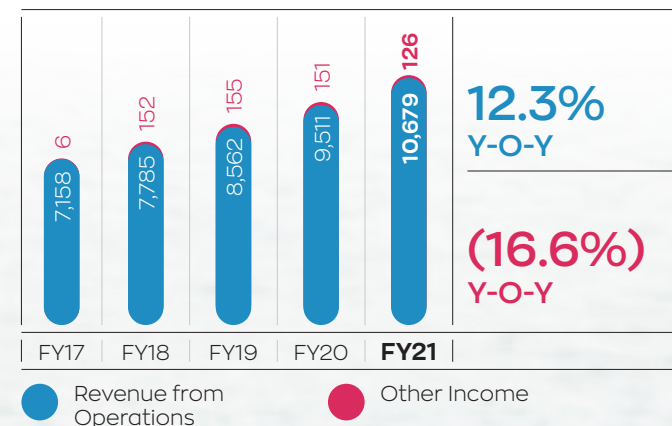
KETANKUMAR ZOTA
CHAIRMAN

KEY PERFORMANCE INDICATORS

Measuring Our Progress

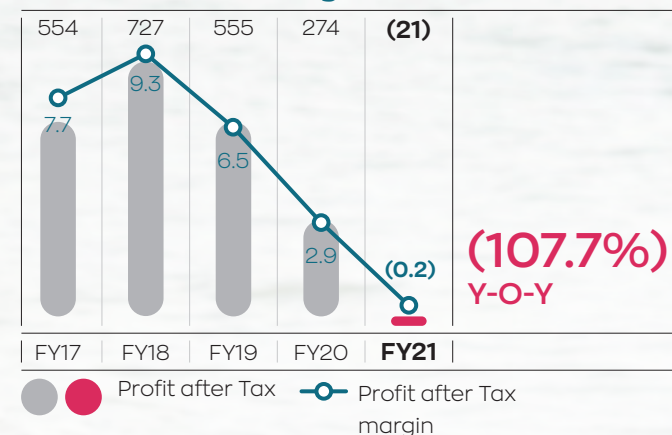
Revenue from Operations & Other Income

(₹ in Lakhs)



Profit after Tax & Profit after Tax margin

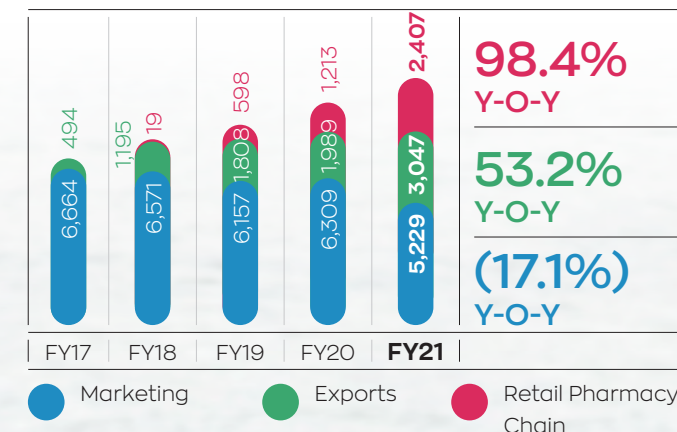
(₹ in Lakhs & %)



(Note - Consolidated Figures)

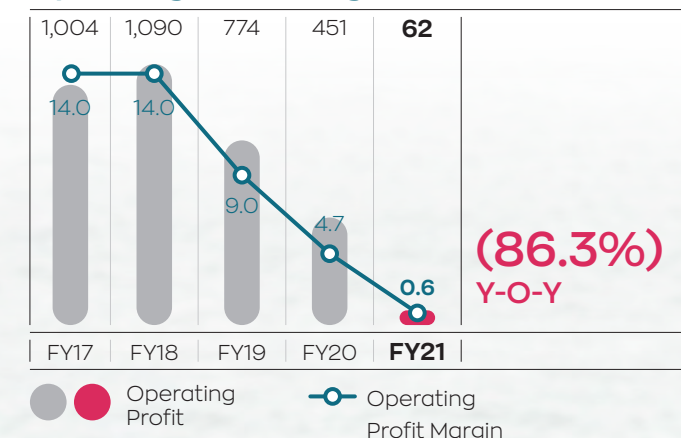
Revenue Mix

(₹ in Lakhs)



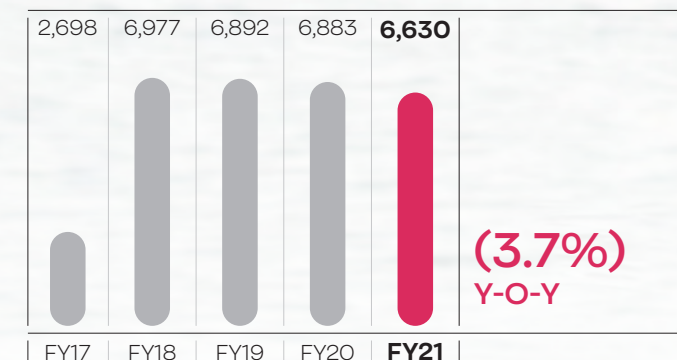
Operating Profit & Operating Profit Margin

(₹ in Lakhs & %)



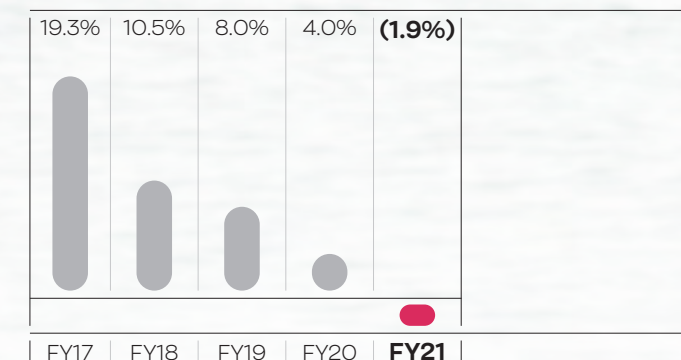
Shareholders' Funds

(₹ in Lakhs)



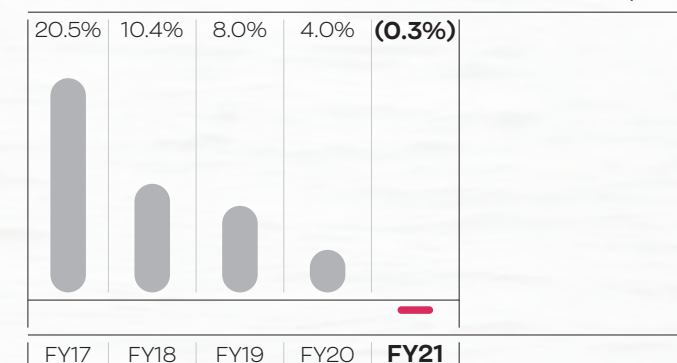
ROCE

(In %)



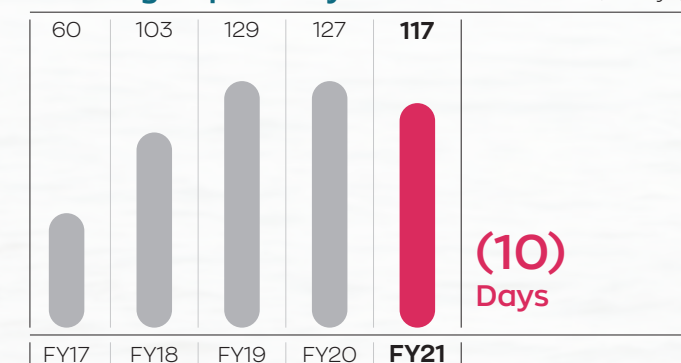
ROE

(In %)



Working Capital Days

(In Days)



MD&A

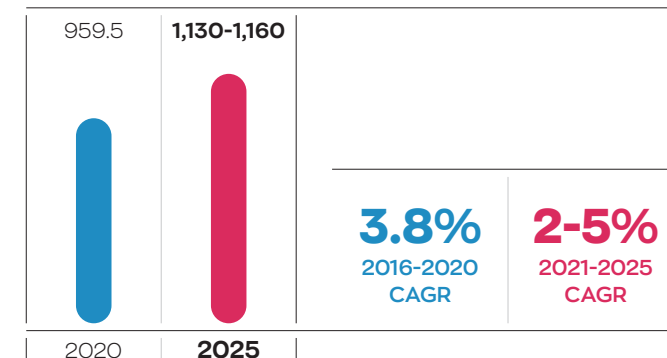
Management Discussion and Analysis

GLOBAL PHARMACEUTICAL INDUSTRY

Global spending on medicines crossed USD 1.26 Trillion in 2020; and is projected to grow at a compound annual growth rate (CAGR) of 3-6% in the next few years, reaching over USD 1.58-1.61 Trillion by 2025, excluding the estimated additional spending on COVID-19 vaccines. The developed markets like the USA, Europe and Japan and emerging markets would be the one's leading growth in the global pharmaceutical markets, with emerging markets ranking the highest in rate of growth. New product launches, especially speciality and innovative products, will be the key growth catalyst in developed markets. While the emerging market expansion is expected to be driven by multiple factors such as - improving per capita income, increasing volumes of branded generics, increasing healthcare awareness, ageing population, and rising incidence of chronic ailments. Emerging technologies are enabling healthcare providers to innovate and engage better with key stakeholders.

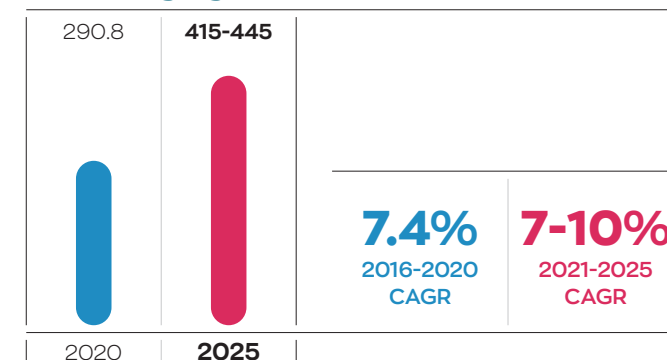
Developed Markets*

(In USD Bn)



Pharmerging Markets*

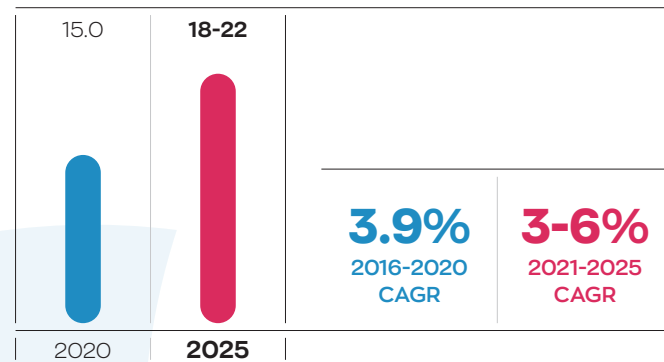
(In USD Bn)



MD&A

Other Markets*

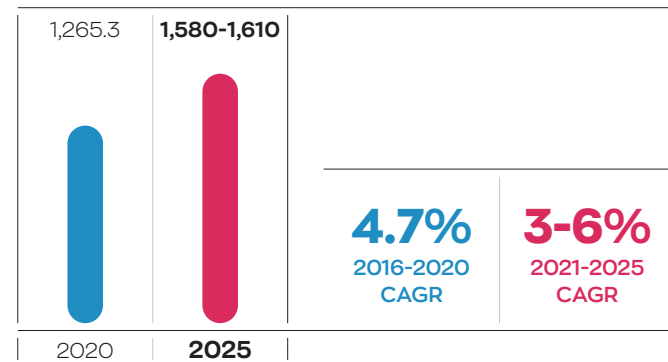
(In USD Bn)



Source: * IQVIA Institute

Global Market*

(In USD Bn)



\$1,265 BN

GLOBAL PHARMACEUTICAL
MARKET IN 2020

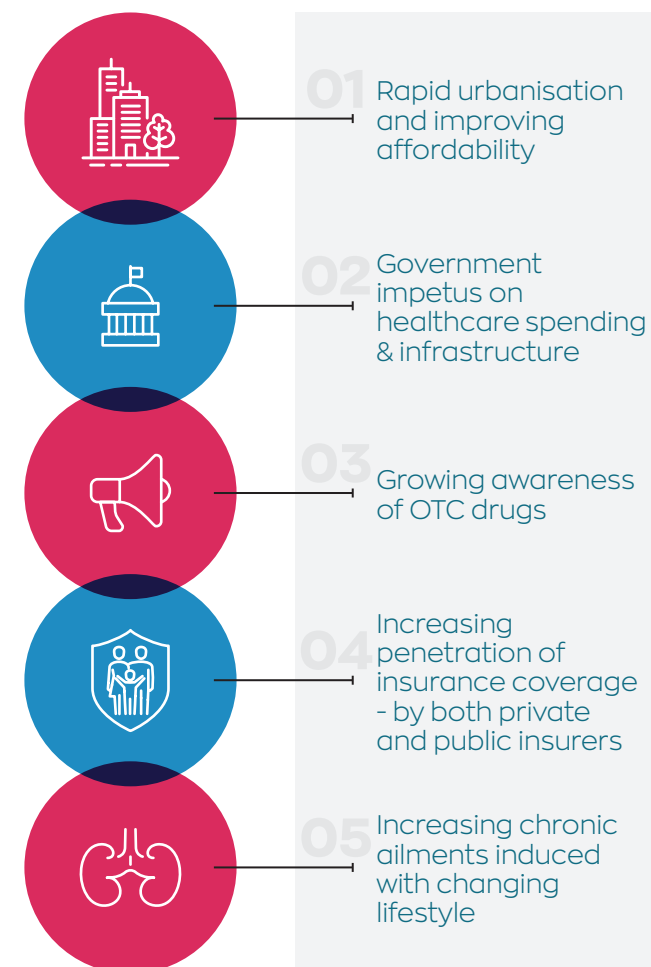
INDIAN PHARMACEUTICAL INDUSTRY

With a significant presence in the global pharmaceutical industry, India is a vital player. India continues to play a crucial role in the performance of high-quality, low-cost pharmaceuticals for both the home and international markets. In terms of size globally, the Indian pharmaceutical industry ranks 11th, and it remains the world's largest provider of generics, accounting for 20% of all international pharmaceutical exports (volumes). India is the country with the largest proportion of USFDA-approved pharmaceutical manufacturing facilities outside of the United States. It meets more than half of the world's demand for different vaccinations and more than 40% of the demand for generic products in the United States. The Indian pharmaceutical industry currently exports its products to more than 200 nations throughout the world. Indian pharmaceutical companies have played a significant role in supplying the world with therapeutic medicines, COVID-19 vaccinations, and other medical supplies since the outbreak of COVID-19 began in 2020. The ability of the Indian pharmaceutical industry to align its product portfolios with chronic therapeutic segments will play a role in the country's pharmaceutical growth for the coming decade. It is also pertinent to note that India has among the lowest spends on healthcare, at about 4.5% of the GDP against the global average of 9%. This gap, along with the recent pandemic, has prompted the Government of India to actively focus on policies that provide impetus to the healthcare sector.

Outlook

According to projections, Indian pharmaceutical spending would reach US\$28-32 billion by 2025, with a CAGR ranging between 7.5% to 10.5%. It will place India in the top ten nations in terms of pharmaceutical spending. In the future, the capability of the industry to orient their product portfolio towards chronic therapies for diseases such as cardiovascular disease, anti-diabetes, anti-depressants, and anti-cancer would also be critical in achieving superior growth in domestic sales. The Indian government has made a number of efforts to make healthcare affordable and to lower the overall expenditure. In recent years, there has been a renewed emphasis on the rapid entry of generic pharmaceuticals into the market, likely to help the Indian pharmaceutical industry. Another positive development for pharmaceutical companies is the increased emphasis on rural health initiatives, lifesaving medicines, and preventative vaccinations.

Growth Enablers



\$28-32 BN

INDIAN PHARMACEUTICAL
MARKET BY 2025

INDIA'S GENERIC MEDICINE LANDSCAPE

Need

Although India is one of the leading generic drug exporters worldwide, the majority of the population does not have access to medicine at affordable prices. According to a recently published study article based on a cross-sectional examination of NSSO data, 55 million Indians slipped into poverty in a single year because of healthcare costs, and out of this 38 million were driven below the poverty line owing to the money they had to spend only on medications. The medicines purchased for non-hospitalized diseases accounted for 72% of the total outlay in the rural sector, and 68% in the urban sector.

PMBJP - Background

To make quality generic medicines available at affordable prices to all, especially for the poor and the deprived, Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) was launched by the Department in the year 2008. Under this scheme, dedicated outlets known as Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK) are opened all over the country to provide generic medicines to the masses.

Objectives

- To make available quality medicines, consumables, and surgical items at affordable prices for all
- Reduce out of pocket expenditure of consumers/patients
- To popularize generic medicines among the masses and dispel the prevalent notion that low-priced generic drugs are of inferior quality or less effective
- To ensure easy availability of menstrual health services to all women across India
- Generate employment by engaging individual entrepreneurs in the opening of PMBJP Kendras

MD&A

COMPANY OVERVIEW

Zota Health Care Limited is a renowned pharmaceutical company that manufactures, markets, and exports pharmaceutical, ayurvedic, nutraceutical, and over-the-counter (OTC) products. The Company is based out of Surat, Gujarat, and was founded in 2000 with a vehement desire to provide affordable healthcare to all. Zota meets the requirements of millions of people by increasing access to high-quality, affordable medicines for chronic illnesses including heart disease, diabetes, thyroid disease, and others, giving India's pharmaceutical industry a boost.

The Company has three business verticals: Marketing - a traditional business vertical, and driving business verticals - Exports and Retail Pharmacy Chain. Through its chain, Davaindia, the largest private-sector generic pharmacy chain, the Company is making strong inroads into the generic retail pharmacy business. The Company also has a state-of-the-art manufacturing facility at Sachin SEZ that caters to the Company's exports business in over 30 countries.

BUSINESS VERTICAL

Marketing

Our Marketing business vertical involves the direct distribution of generic drugs, OTC products, and other pharmaceutical products through the Company's distribution network across India. Marketing remains our largest business vertical, and in the past, has single-handedly driven the Company's growth.

In our domestic Marketing business, we procure finished dosage forms (FDFs) from domestic formulation manufacturers and then market them under our portfolio of brands. We have a set of manufacturing partners recognised by the WHO with a rigorous focus on product quality. With a portfolio of more than 3000 products in various categories, such as generics, OTC products, allopathic, ayurvedic, etcetera, we cater to a wide variety of ailments.

Our business model for this vertical is built on direct distribution to our distributors spread throughout the country, which in turn market products to retail pharmacies in their respective areas. Currently, we have over 1050 distributors spread around the country. Our exclusive distributors are located in each district to retain exclusivity while minimising unhealthy competition across our value chain. Instead of the Company directly engaging in sales, distribution, and promotion activities, our distributors engage in ethical marketing or other sales, distribution, and promotion activities on their own. As a result, several intermediaries in our distribution chain, such as stockists, super-stockists, carrying and forwarding agents, and wholesalers, have been eliminated from the value-chain. Instead, we provide our distributors directly with incentives to help them sell our products more effectively.

Exports

Our exports business vertical started in 2010, following the establishment of our formulations manufacturing facility in the Sachin SEZ. We are required to export all of the products from this unit in accordance with the laws governing this SEZ. At present, we have product approvals in 30 countries, particularly in the semi-regulated and regulated markets in the African, Asian, CIS, and Latin-American countries.

In this facility, we make around 250 formulations for direct exports and contract manufacturing. During the last five years, the Company has significantly increased its efforts and investments towards product registration, the results of which are now apparent in the form of product approvals and the expansion of export operations. At present, the Company has 253 dossiers approved across multiple countries, and another 311 dossiers have been filed and are pending approval. Several factors, such as the backlog in product approvals, the increase in direct exports over merchant exports, and the use of exclusive distributors in international markets, have contributed to the performance of this vertical over the last few years.

Retail Pharmacy Chain

In the Retail Pharmacy Chain business vertical, the Company operates a chain of pharmacy stores under the brand - "davaindia". Davaindia is a retail generic pharmacy chain whose core value proposition is providing quality generic medicines at substantial discounts, i.e. 30% to 90%, to their branded equivalents. Davaindia focuses only on private-label products in the medicinal, OTC, and ayurvedic categories, with a greater emphasis on chronic therapies and ailments. This one-of-its-kind concept started with three pilot stores in 2017 and has been scaled up to become the largest private-sector generic pharmacy chain with more than 591 stores as of March 2021.

Davaindia operates on a unique asset-light franchise model for the majority of its stores. These stores are engaged in exclusive sales of Davaindia products, with more than 95% of products being private-label. Through Davaindia, the Company has been a front runner in generic retail pharmacy, which it believes will be a critical enabler of affordable access to medicines—keeping itself aligned with the needs of 1.3 billion Indians; the Company stand by our philosophy of providing affordable healthcare to the masses by keeping customers at the centre of our operations.

95%

PRIVATE LABEL PRODUCTS
IN THE PORTFOLIO

FINANCIAL PERFORMANCE

Overview

For the year under review, the Company reported Revenue from Operations of ₹ 106.79 crores compared to ₹ 95.11 crores, a growth of 12.3% year on year. Exports and Davaindia sales primarily drove revenue growth, partially offset by a decrease in Marketing sales. Davaindia nearly doubled its sales from ₹ 12.13 crores in FY20 to ₹ 24.07 crores in FY21, while Exports registered a sales growth of 53.2%, increasing from ₹ 19.89 crores in FY20 to ₹ 30.47 crores in FY21. On the profitability front, Operating Profit Margins stood at 0.6% in FY21 compared to 4.7% in FY20, primarily due to higher operating, advertisement & promotional expenses on account of an aggressive expansion of Davaindia operations. As a result, Profit after Tax for the year stood at ₹ (0.21) crores compared to ₹ 2.74 crores in FY20, a decline of 107.7% year on year.

Vertical-wise

Marketing

Marketing vertical witnessed slower business in FY21, primarily on account of lower demand for prescription drugs in H1 of FY21. This was due to disruptions induced by Covid-19 pandemic and resulting lockdowns. The Company has witnessed a steady comeback in this vertical thereafter, and expects to maintain similar levels of growth in this vertical going forward, as it has delivered in the past.

Exports

Exports vertical has performed well in FY21, despite a challenging external environment including the rise in ocean freight and container shortages disrupting global supply chains. The Company has reported a 53% increase in sales in this vertical, along with a growing share of direct exports over merchant exports in the same. Dossier registrations, in existing as well as new export markets, are expected to be key levers for the Company's growth momentum in this vertical.

Retail Pharmacy Chain

The Company has nearly doubled its sales business in this vertical i.e. Davaindia. This was achieved through multiple growth levers, including store rollout, a substantial increase in Average Wallet Spend coupled with a higher number of customers served. The Company has been focusing on advertisement & promotional expenses along with an increased product portfolio to drive Average Wallet Spends and Customers Served. The Company will keep on expanding the footprint of Davaindia across the country to achieve its envisioned scale of operations.

FINANCIAL RATIOS

Pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

| PARTICULARS | FY20 | FY21 | % Change | REMARKS |
|-----------------------------|------|--------|----------|---|
| Debtors Turnover Ratio | 3.3 | 3.7 | 12% | Due to optimization on Trade Receivables. |
| Inventory Turnover Ratio | 3.8 | 3.8 | 0% | NA |
| Interest Coverage Ratio | 56.6 | (11.7) | (121%) | Primarily due to lower operating profitability on account of aggressive davaindia expansion |
| Current Ratio | 3.2 | 3.4 | 6% | Due to optimization on Trade Receivables and increase in Inventory. |
| Debt to Equity Ratio | 0.0 | 0.0 | 0% | NA |
| Operating Profit Margin (%) | 6.3 | 1.8 | 71% | Primarily due to lower operating profitability on account of aggressive davaindia expansion |
| Net Profit Margin (%) | 2.9 | (0.2) | (107%) | Primarily due to lower profitability on account of aggressive davaindia expansion |



THREATS, RISKS AND CONCERNS

- Ours is one of the most regulated industries in the world. Being a pharmaceutical company, we have to adhere to various rules and regulations prescribed by respective authorities
- Changes in the regulatory norms of India or the exporting countries may affect the operations of our company
- Malpractices by some of the players in the industry may affect the overall performance of emerging players
- Our business is working capital intensive, and our inability to manage the same may adversely affect our business
- Our retail pharmacy business is brand-centric. Therefore, any malpractices or dissatisfaction with our products may harm our brand and, subsequently, our business
- Our export business exposes us to the risk of currency fluctuations. Any unhedged exposures may lead to future losses

INTERNAL CONTROLS AND ADEQUACY

The Company has, in place, an adequate system of internal control commensurate with the size and nature of its business. These systems have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly, and the business operations are conducted as per the prescribed

policies and procedures of the Company. The Audit Committee and the management have reviewed the adequacy of the internal control systems, and suitable steps are taken to improve the same.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and an important asset. Hence, the Company's success is closely aligned with the goals of the Company's human resources. Taking into this account, your Company continues to invest in developing its human capital and establishing its brand on the market to attract and retain the best talent. As a result, employee relations during the period under review continued to be healthy, cordial and harmonious at all levels, and your Company is committed to maintaining good relations with the employees.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries in which the Company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not undertake to update these statements.

Corporate Information

| Board of Directors | Designation |
|-------------------------------------|------------------------------------|
| Mr. Ketankumar Chandulal Zota | Non-Executive Chairman |
| Mr. Moxesh Ketanbhai Zota | Managing Director |
| Mr. Himanshu Muktilal Zota | Whole-time Director |
| Mr. Manukant Chandulal Zota | Whole-time Director |
| Mr. Kamlesh Rajanikant Zota | Whole-time Director |
| Mrs. (Dr.)Varshababen Gaurang Mehta | Non-Executive Independent Director |
| Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director |
| Mr. (CA) Vitrag Sureshkumar Modi | Non-Executive Independent Director |
| Mr. (Dr.) Dhiren Prafulbhai Shah | Non-Executive Independent Director |
| Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Directo |

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Ashvin Variya

STATUTORY AUDITOR

M/s SHIVANGI PAREKH & CO.,
Chartered Accountants
302, Sai Bhavan, Nr. New Saibaba Temple,
Opp. SMC Multilevel Parking, Shahpore, Surat - 395002
Email: shivangica@yahoo.co.in

REGISTRAR & TRANSFER AGENT

Satellite Corporate Services Pvt. Ltd.
Category | Registrar to Issue & Share Transfer Agents
Office No. A/106-107, Dattani Plaza
Compound, Andheri Kurla Road, Sakinaka, Mumbai-400072
Ph. No.: 02228520461/462
Tele Fax: 022 28511809

REGISTERED OFFICE

"ZOTA HOUSE", 2/896, Hira Modi Street,
Sagrampura, Surat- 395002
Ph. No.: 0261 2331601
Website: www.zotahealthcare.com

21ST ANNUAL GENERAL MEETING

Date: 30th September, 2021

Time: 11:00 A.M.

Venue: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) (deemed venue of the AGM would be the registered office of the Company i.e. Zota House, 2/896, Hira Modi Street, Sagrampura, Surat - 395002, Gujarat)

AUDIT COMMITTEE

| | |
|---------------------------|------------|
| Vitrag Sureshkumar Modi | - Chairman |
| Varshababen Gaurang Mehta | - Member |
| Himanshu Muktilal Zota | - Member |
| Bhumi Maulik Doshi | - Member |

NOMINATION & REMUNERATION COMMITTEE

| | |
|-------------------------------|------------|
| Varshababen Gaurang Mehta | - Chairman |
| Dhiren Prafulbhai Shah | - Member |
| Jayshreeben Nileshkumar Mehta | - Member |

STAKEHOLDER'S RELATIONSHIP COMMITTEE

| | |
|-------------------------------|------------|
| Jayshreeben Nileshkumar Mehta | - Chairman |
| Himanshu Muktilal Zota | - Member |
| Manukant Chandulal Zota | - Member |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| | |
|---------------------------|------------|
| Himanshu Muktilal Zota | - Chairman |
| Ketankumar Chandulal Zota | - Member |
| Varshababen Gaurang Mehta | - Member |

INTERNAL AUDITOR'S

Pradeep K. Singhi & Associates

BANKER TO THE COMPANY

Axis Bank Limited
State Bank of India
Yes Bank Ltd

Notice of Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of the members of Zota Health Care Limited ('the Company') will be held on Thursday, the 30th day of September, 2021 at 11.00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following businesses:

The venue of the meeting shall be deemed to be the Registered Office of the Company at Zota House, 2/896, Hira Modi Street, Sagrampura, Surat - 395002, Gujarat, India.

ORDINARY BUSINESSSES:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the company for the financial year ended on 31st March, 2021, together with the Reports of the Board of Directors and Auditors thereon.

2. Declaration of final dividend on equity shares @10% i.e. ₹ 1/- per Equity share for the financial year 2020-21.

3. To appoint a Director in place of Mr. Kamlesh Rajanikant Zota, Whole-time Director (DIN- 00822705), who retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

SPECIAL BUSINESSSES:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), any other applicable laws, if any, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Moxesh Ketanbhai Zota (DIN:07625219) as the Managing Director of the Company for the further period of five years from the expiry of his present term, that is with effect from October 07, 2021 to October 06, 2026 at following terms and conditions:

Terms & Conditions:

- (1) Period of appointment: Re-appointment for the further period of five years from the expiry of his present term, that is with effect from October 07, 2021 to October 06, 2026;
- (2) Remuneration: ₹ 150,000/- per month and commission of 0.1% of annual turnover;
- (3) Sitting Fees: ₹ 5000/- per meeting for attending meeting of the Board or Committees thereof."

"RESOLVED FURTHER THAT in case of loss or inadequate profit Mr. Moxesh Ketanbhai Zota shall be entitled to receive the remuneration as stated above as the Minimum Remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 read with schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof from time to time) as amended from time to time, and any other applicable laws, if any, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Varshababen Gaurang Mehta (DIN: 07611561) as a Non-Executive Independent Director on the Board of the Company to hold office for a term of five consecutive years commencing from the expiry of her present term that is with effect from September 10, 2021 till September 09, 2026 at following terms and conditions:

Terms & Conditions:

- (1) Period of appointment: Re-appointment for a further term of five consecutive years commencing from the expiry of her present term that is with effect from September 10, 2021 till September 09, 2026;
- (2) Remuneration: NIL;
- (3) Sitting Fees: ₹ 5000/- per meeting for attending meeting of the Board or Committees thereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and any other applicable provisions, rules (including any statutory modification or re-enactment thereof from time to time), if any, of the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Moxesh Ketanbhai Zota, as the Managing Director of the Company and payment of the remuneration for holding the office as the Managing Director; as detailed explained in the Explanatory Statement."

“RESOLVED FURTHER THAT the above related party transaction to be entered and the transaction(s) already been entered either individually or collectively may exceed the threshold for material related party transactions or 10% of total turnover or 10% of net worth of the Company and is done at arm’s length basis.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

By order of the Board
for **ZOTA HEALTH CARE LIMITED**

Place: Surat
Date: 02.09.2021

Sd/-
Ashvin Variya
Company Secretary & Compliance Officer

Notes:

- a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the 21st AGM of the Company shall be the registered office of the Company.
- b. In terms of the MCA circular, since this AGM is being held through VC / OAVM pursuant to the MCA's circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies under section 105 of the Act by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- c. Corporate Members pursuant to Section 113 of the Companies Act, 2013 intending to attend the Annual General Meeting through their authorized representatives, are requested to send to the Company, a certified copy of relevant Board resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.
- d. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- e. In compliance with the aforesaid MCA Circulars and SEBI Circular SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.zotahealthcare.com, on website of National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>
- f. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
- g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation upto 1,000 Members on a on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 21st AGM without any restriction on account of first-come first-served principle.
- h. Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 24th day of September, 2021 to Thursday, the 30th day of September, 2021 (both day inclusive) for determining the names of Members eligible for dividend on Equity Shares if any, declared at the meeting and for Annual General Meeting.
- i. Members seeking any information/document as referred in the notice are requested to write to the Company on or before September 29, 2021 through email at cszota@zotahealthcare.com. The same will be addressed by the Company suitably.
- j. The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company, will be made payable within 30 days of the date of declaration i.e. Thursday, the 30th September, 2021 to the Company's Equity Shareholders, whose names stand registered on the Company's Register of Members:
 - a. As Beneficial Owners as at the end of business hours on 23rd September, 2021 as per the list provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
 - b. As Members in the Register of Members of the Company after giving effect to valid deletion of name /transmission (As per SEBI circular, as of now no physical transfer of shares are permitted) in physical form lodged with the Company before 23rd September, 2021".
- k. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A separate communication in this regards shall be forwarded to all the shareholders to their registered e-mail addresses.
- l. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investors Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

- m. Members holding shares in demat form are hereby informed that the bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts; will be used by the Company for the payment of dividend. The Company or its registrar cannot act on any request received directly from the Members holding in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.
- n. Members holding shares in physical form are requested to notify following details to the Registrar and Transfer Agent (RTA) of the Company Satellite Corporate Services Pvt. Ltd. having registered address A/106-107, Dattani Plaza MTNL Lane, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai-400072
- i) Bank details for receiving dividend in bank accounts (for those shareholder who have not given bank details to the Company)
- ii) E-mail id (for receiving notices and annual reports through e-mail id.)
- iii) Any change in address (application form is available at website of the Company www.zotahealthcare.com under investor relation tab.)
- iv) PAN card copy for the record of the Company as required under the Guidelines of the SEBI.
- o. Members who are having shares in physical mode and want to register their nominee as per Section 72 of the Companies Act, 2013 are requested to send from SH-13 for nomination or form SH-14 for cancellation of nomination. Form SH-13 and SH-14 are available on Company's website www.zotahealthcare.com under investor relation tab.
- p. The details of directors appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

| Particulars | MR. KAMLESH RAJANIKANT ZOTA |
|---|--|
| DIN No. | 00822705 |
| Date of Birth | 17-01-1973 |
| Date of Appointment on current position | 01-04-2010 |
| Qualification | Bachelor in Pharmacy |
| Expertise in specific functional areas | Mr. Kamlesh Rajanikant Zota has done Bachelor in Pharmacy from Gujarat University. He has started his carrier as a Sr. Technical Assistant in Torrent Pharma Ltd in the year 1995 after that he has worked as a Production Officer at Unique Pharmaceuticals Laboratories and subsequently joined our Company at the time of its incorporation, thus having an aggregate experience of around 26years in the Pharmaceutical Industry. He has played lead role in getting regulatory approval for various facilities like NAFDAC, TFDA, FMHACA, PPD, NMRA, etc. He is looking after various business matters of the Company like factory management, work related to FDCA for domestic products as well as for export products, WHO certification, trademark and patent registration, customs and export documentation, pharmaceutical related regulatory compliances, etc. |
| Relationship between Directors inter-se and with Manager and other KMPs | N.A. |
| Names of listed entities including this entity in which the person also holds the directorship | Zota Health Care Limited |
| Names of listed entities including this entity in which the person also holds the membership of Committees of the board | NIL |
| No. of Shares Held | 1991103 |
| No. of Board Meeting attended during last Financial Year | 05 |
| Remuneration drawn during last Financial Year | 25.77 Lakhs |

| Particulars | MR. MOXESH KETANBHAI ZOTA |
|---|---|
| DIN No. | 07625219 |
| Date of Birth | 12/11/1990 |
| Date of Appointment on current position | 07/10/2016 |
| Qualification | Bachelor of Pharmacy, Master of Science (MBA) in International Marketing and Business Management |
| Expertise in specific functional areas | Mr. Moxesh Ketanbhai Zota has done Bachelor of Pharmacy from Gujarat Technological University and also awarded with degree of Master of Science (MBA) in International Marketing and Business Management from BPP University, United Kingdom. Under his strategic leadership company has managed to get footprint in 30+ foreign countries. He is also looking after the affairs of Davaindia project. He is looking after overall management, export business, strategy formulations for new project implementation, research on future scenario of pharmaceutical market, development of business in foreign countries and product registration in foreign countries. |
| Relationship between Directors inter-se and with Manager and other KMPs | Son of Mr. Ketankumar Chandula Zota (the Non-executive Chairman of the Company) |
| Names of listed entities including this entity in which the person also holds the directorship | Zota Health Care Limited |
| Names of listed entities including this entity in which the person also holds the membership of Committees of the board | NIL |
| No. of Shares Held | 494150 |
| No. of Board Meeting attended during last Financial Year | 05 |
| Remuneration drawn during last Financial Year | 25.77 Lakhs |

| Particulars | MRS. VARSHABAHEN GAURANG MEHTA |
|--|---|
| DIN No. | 07611561 |
| Date of Birth | 13/07/1966 |
| Date of Appointment on current position | 10/09/2016 |
| Qualification | Bachelor of Ayurvedic Medicine and Surgery |
| Expertise in specific functional areas | Mrs. (Dr.) Varshababen Gaurang Mehta has completed her Bachelor of Ayurvedic Medicine and Surgery (BAMS) from O.H. Nazar Ayurvedic University, Surat (Gujarat). She is General Physician and running her clinic named Shreeji Clinic in Surat. Her core area of practice belongs to the Pharmaceutical sector and she has acquainted herself with the tremendous knowledge of the Pharmaceutical industry. She is also well versed with the trends prevailing in the said Industry. |
| Relationship between Directors inter-se and with Manager and other KMPs | N.A. |
| Names of listed entities including this entity in which the person also holds the directorship | Nil |

| | |
|---|---|
| Names of listed entities including this entity in which the person also holds the membership of Committees of the board | Zota Health Care Limited:- (i) Audit Committee – Member (ii) Nomination and Remuneration Committee – Chairman (iii) Corporate Social Responsibility Committee – Member |
| No. of Shares Held | 4838 |
| No. of Board Meeting attended during last Financial Year | 05 |
| Remuneration drawn during last Financial Year | 0.39 Lakhs |

q. E-voting:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs ('MCA') dated April 08, 2020, April 13, 2020, May 05, 2020, SEBI circular dated December 09, 2020 and other relevant MCA and SEBI circulars as issued from time to time; the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting during the AGM will be provided by NSDL.
- ii) The members who are entitled to vote and participate in the AGM through VC / OAVM, and have not cast their vote on the resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM.
- iii) The members who have voted through e-voting are also entitled to attend/ participate in the AGM through VC / OAVM but not entitled to cast their vote during the meeting.
- iv) The Board of Directors of the Company has appointed Mr. Ranjit Binod Kejriwal, Practicing Company Secretary as a scrutinizer to scrutinize the e-voting during the Annual General Meeting and the remote e-voting process in a fair and transparent manner.
- v) The Cut-off date for the purpose of e-voting is Thursday, the 23rd day of September, 2021. Members whose names are appearing on Register of Members on Thursday, the 23rd day of September, 2021 are entitled to vote through e-voting.
- vi) The e-voting facility will be start from Monday, the 27th day of September, 2021 at 9:00 a.m. and will end on Wednesday, the 29th day of September, 2021 on 5:00 p.m.

r. Since this AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 27th day of September, 2021 at 09: 00 A.M. and ends on Wednesday, 29th day of September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Thursday, September 23, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 23, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL . | <ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login Type | HelpDesk |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cszota@zotahealthcare.com. The same will be replied by the company suitably.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rbksurat@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita More at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cszota@zotahealthcare.com
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cszota@zotahealthcare.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Explanatory Statement in respect of special business pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 4:

On the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the Board of Directors of the Company in its meeting held on June 25, 2021 has subject to the approval of the shareholders in ensuing general meeting, re-appointed Mr. Moxesh Ketanbhai Zota (DIN: 07625219) as the Managing Director of the Company for the further period of five years from the expiry of his present term, that is with effect from October 07, 2021 to October 06, 2026.

The Company shall pay to Mr. Moxesh Ketanbhai Zota the remuneration of ₹ 150,000/- per months and commission of 0.1% of annual turnover of the Company and in case of loss or inadequate profit he shall be entitled to receive the remuneration as stated above as the Minimum Remuneration. Apart from this the Company shall pay to him the sitting fees of ₹ 5000/- for attending Board or Committee meetings which is subject to revise from time to time as may be decided by the Board of Directors.

Mr. Moxesh Ketanbhai Zota satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013 for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

BRIEF PROFILE OF MR. MOXESH KETANBHAI ZOTA

Mr. Moxesh Ketanbhai Zota has done Bachelor of Pharmacy from Gujarat Technological University and also awarded with degree of Master of Science (MBA) in international marketing and business management from BPP University, United Kingdom.

He is young entrepreneur and having been associated as the Managing Director of Zota Health Care Limited ('the Company') since the year 2016. Under his strategic leadership company has managed to get footprint in 30+ foreign countries. He is also looking after the affairs of Davaindia project.

He is looking after overall management, export business, strategy formulations for new project implementation, research on future scenario of pharmaceutical market,

development of business in foreign countries and product registration in foreign countries.

As on the date of this notice he has hold 494150 shares in the Company.

Keeping in view of his experience and services rendered by him being the Managing Director of the Company it is in best interest of the Company to re-appoint him as Managing Director of the Company. Accordingly, the Directors recommend the matter and the resolution set out under Item no. 4 for the approval of the Members by way of passing a Special Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that except Mr. Moxesh Ketanbhai Zota and Mr. Ketankumar Chandulal Zota, to the extent of their shareholding none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

The performance of the Company have improved and is expected to improve further in the coming years. However, in view of adverse conditions, it incur losses due to uncontrollable reasons, resulting in inadequate profits to pay managerial remuneration. In such an event, Mr. Moxesh Ketanbhai Zota may be entitled to minimum remuneration. Accordingly, the statement as required under Section II, Part II of the Schedule V to the Act with reference to Special Resolution at Item No.4 is as follow:

I. General information:

(1) Nature of industry

The Company is engaged in manufacturing and marketing of pharmaceutical products and caters both domestic and international markets.

(2) Date or expected date of commencement of commercial production: July, 2000

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

| Particulars | Standalone | |
|---|----------------------------------|----------------------------------|
| | For the year Ended 31-03-2021 | For the year Ended 31-03-2020 |
| Revenue from operations | 10684.12 | 9511.27 |
| Other Income | 125.66 | 151.30 |
| Profit/ (loss) before tax and Exceptional Items | (134.42) | 388.02 |
| Exceptional Items | 102.88 | - |
| Profit/ (loss) before Taxation | (31.54) | 388.02 |
| Income Tax | 1.55 | 105.61 |
| Deferred Tax | (16.85) | 6.40 |
| Profit after Taxation | (16.24) | 276.01 |

(5) Foreign investments or collaborations, if any:

During the last financial year, the Company has neither made any foreign investment nor entered into any foreign collaboration. The Company has foreign investments and collaboration which has been done in past financial years are as below:

| Date of making investments | Name of entity in which investment has been made | Amount (in ₹) |
|----------------------------|--|---------------|
| 06-07-18 | Zota Health Care Lanka (Pvt) Ltd | 86680 |

II. Information about the appointee:**(1) Background details**

Mr. Moxesh Ketanbhai Zota is young entrepreneur and Managing Director of the Company and serves Company since 2014. He has been appointed as Managing Director of the Company w.e.f. October 07, 2016. He has done Bachelor of Pharmacy from Gujarat Technological University and also awarded with degree of Master of Science (MBA) in international marketing and business management from BPP University, United Kingdom.

(2) Past remuneration

During the Financial Year 2020-21 the Company has paid remuneration of ₹ 25.77 Lakhs to Mr. Moxesh Ketanbhai Zota for the position of Managing Director of the Company.

(3) Recognition or awards: N.A.**(4) Job profile and his suitability**

At present Mr. Moxesh Ketanbhai Zota serves as Managing Director of the Company. He is associated with the Company since 2014. He is looking after overall management, export business, strategy formulations for new project implementation, research on future scenario of pharmaceutical market, development of business in foreign countries and product registration in foreign countries. Under his leadership company has managed to get footprint in 30+ foreign countries. He is strive for more and more products registrations in foreign countries and fruition of that company has registered whooping more than 200+ products in various foreign countries and more than 150+ products are under registration stage.

(5) Remuneration proposed;

- (i) ₹ 150,000/- per month
- (ii) Commission of 0.1% of annual turnover;
- (iii) Sitting fees of ₹ 5000/- per meeting

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into account the Industry in which Company Operates, Size of the Company, Experience, Skills, Expertise's and responsibilities that have been handled by Mr. Moxesh Ketanbhai Zota for the position of Managing Director of the Company, the remuneration paid is equivalent with the remuneration packages paid in the peer companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Moxesh Ketanbhai Zota is son of Mr. Ketankumar Chandulal Zota, Chairman of the Company.

Apart from receiving remunerations by Mr. Moxesh Ketanbhai Zota they do not have any other pecuniary relationship with the Company.

III. Other information:

| | |
|--|--|
| (1) Reasons of loss or inadequate profits | As you all are kind aware that Zota Health Care Limited has launched its most esteemed project DAVAINDIA back in the year 2017, DAVAINDIA is retail generic pharmacy chain. Under this project more than 591+stores have already been opened. As of now DAVAINDIA is India's largest private sector generic pharmacy chain. For aggressive escalation of the project and to take the advantage of first movers, the Company has incurred huge working capital expenses in the project. The Company is poised that with increasing numbers of new stores and sales volume, the Company shall able to tapering the effect of expenses. |
| (2) Steps taken or proposed to be taken for improvement | |
| (3) Expected increase in productivity and profits in measurable terms | |

ITEM NO. 5:

On the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the Board of Directors of the Company in its meeting held on June 25, 2021 has subject to the approval of the shareholders in ensuing general meeting, re-appointed Mrs. Varshababen Gaurang Mehta (DIN: 07611561) as an Independent Director of the Company for the further period of five years from the expiry of his present term, that is with effect from September 10, 2021 till September 09, 2026.

Apart from the sitting fees ₹ 5000/- for attending Board or Committee meetings which is subject to revise from time to time as may be decided by the Board of Directors, she will not receive any remuneration. Mrs. Varshababen Gaurang Mehta is independent to the Company and possesses the required qualifications and skills.

Mrs. Varshababen Gaurang Mehta satisfies all the conditions set out in Schedule V to the Companies Act, 2013 as also conditions set out under subsection (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for being eligible for her re- appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

BRIEF PROFILE OF MRS. VARSHABAHEN GAURANG MEHTA

Mrs. (Dr.) Varshababen Gaurang Mehta has completed her Bachelor of Ayurvedic Medicine and Surgery (BAMS) from O.H. Nazar Ayurvedic University, Surat (Gujarat). She is General Physician and running her clinic named Shreeji Clinic in Surat.

She having been associated as the Non-executive Independent Director of Zota Health Care Limited since the year 2016. Her core area of practice belongs to the Pharmaceutical sector and she has acquainted herself with the tremendous knowledge of the Pharmaceutical industry. She is also well versed with the trends prevailing in the said Industry.

As on the date of this notice she has hold 4838 shares in the Company.

Keeping in view of his experience and services rendered by her during her first term as the non-executive independent director of the Company, it is in best interest of the Company to re-appoint her as the Non-Executive Independent Director of the Company. Accordingly, the Directors recommend the matter and the resolution set out under Item no. 5 for the approval of the Members by way of passing a Special Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that except Mrs. Varshababen Gaurang Mehta, to the extent of her shareholding none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

ITEM NO. 6:

The Members of the Company in 19th Annual General Meeting dated September 21, 2019 have approved the series of related party transactions which contains various parties, in which members have also approved the related party transaction for paying remuneration to Mr. Moxesh Ketanbhai Zota, Managing Director of the Company.

The term of Mr. Moxesh Ketanbhai Zota as the Managing Director of the Company is going to be completed on this October 06, 2021 and the Board of Directors have proposed for the re-appointment for the further period of five year commencing from October 07, 2021 till October 06, 2026. As of now Company is paying remuneration of ₹ 1.5 lakhs per month plus commission of 0.1% of annual turnover of the Company to him and the total monthly remuneration paid to him is less than 2.5 lakhs per month. With increasing turnover of the Company, in future it is expected that monthly remuneration payable to him might increase the threshold of ₹ 2.5 lakhs per month. Hence, it is required to obtain members approval.

Nature of related party transaction for which member's approval is sought is as below:

| | |
|---|--|
| Name of Individual/ Company/ Partnership firm with whom Company has entered into related party transactions | Mr. Moxesh Ketanbhai Zota |
| Person who is interested in Related Party Transaction along with designation | Mr. Ketankumar Chandulal Zota (Non - Executive Chairman) and Mr. Moxesh Ketanbhai Zota (Managing Director) |
| Amount Involve in transaction | Remuneration of ₹ 1.5 lakh per month + commission of 0.1% of annual turnover |
| Nature of Transaction | Re-appointed as the Managing Director of the Company |

The related party transaction with Mr. Moxesh Ketanbhai Zota, Managing Director of the Company has already been first approved by the Audit Committee of the Company in its meeting held on June 25, 2021 and the same have been further approved by the Board of Directors in its meeting held on June 25, 2021.

The Board of Directors recommend the matter and the resolution set out under Item no. 6 for approval of the Members by way of passing an Ordinary Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that except Mr. Moxesh Ketanbhai Zota and Mr. Ketankumar Chandulal Zota, to the extent of their shareholding none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

Director's Report

Your directors are glad to present the Annual Report of the Company, accompanying the Audited statement of Accounts for the financial year ended March 31, 2021.

CORPORATE INFORMATION

Our Company having been incorporated under the provisions of the Companies Act, 1956 and having the permanence presence in India since the year 2000. The Company's business vertices includes Manufacturing, Trading and Export of the Pharmaceutical Products. The Company caters both the domestic and the international markets.

FINANCIAL RESULTS

(Amount ₹ in Lakhs)

| | Standalone | | Consolidated | |
|---|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| | For the year Ended 31-03-2021 | % For the year Ended 31-03-2020 | For the year Ended 31-03-2021 | % For the year Ended 31-03-2020 |
| Revenue from operations | 10684.12 | 9511.27 | 10678.92 | 9511.27 |
| Other Income | 125.66 | 151.30 | 125.97 | 151.30 |
| Profit/ (loss) before tax and Exceptional Items | (134.42) | 388.02 | (139.42) | 386.16 |
| Exceptional Items | 102.88 | - | 102.88 | - |
| Profit/ (loss) before Taxation | (31.54) | 388.02 | (36.54) | 386.16 |
| Income Tax | 1.55 | 105.61 | 1.55 | 105.61 |
| Deferred Tax | (16.85) | 6.40 | (17.20) | 6.40 |
| Profit after Taxation | (16.24) | 276.01 | (20.89) | 274.15 |

DIVIDEND

The Board of Directors are gratified to recommend the final dividend at the rate of 10% i.e. ₹.1/- per equity share for the financial year 2020-21. In view of the loss registered in the financial year 2020-21; the dividend shall be paid out of accumulated profits of the Company. The dividend will be paid to all the entitled members within the time frame as specified in the Companies Act, 2013; if the same be approved in this Annual General Meeting.

INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year ended March 31, 2021; the Company has transferred ₹ 2180/- to the Investor and Education Protection Fund ('IEPF') in respect of the unclaimed dividend of Company for financial year 2012-13. Further, there were no shares on which dividend has been unclaimed/unpaid for seven consecutive years; hence no shares were liable to be transferred to the IEPF Authority.

TRANSFER TO RESERVE

Considering the financial position of the company; company has not transferred any amount to its General Reserve for the financial year 2020-21.

STATEMENT OF COMPANY'S AFFAIRS

The Revenues from operations in financial year 2020-21 grew by 12.33% YoY driven by higher revenue growth of Davaindia and Export business. During the year, Revenues from Davaindia has been grew by 98.38% YoY and Revenues from Export business has been grew by 53.22% on YoY basis. This is in line with Company's strategy of increasing overall Revenue contribution from new-age businesses, and reducing dependence on Domestic marketing.

During the year, EBITDA stood at 193.23 lakhs and PAT stood at ₹ -16.24 lakhs due to higher operational expenses on

account of aggressive expansion of Davaindia operations. Performance of various business verticals of the Company during financial year 2020-21 is as below:

DOMESTIC BUSINESS*:-

- In FY21 domestic Revenue was up by 1.52% on YoY basis at ₹ 7636.67 lakhs.
- EBITDA at ₹ -348.13 Lakhs due to high operational expenses of Davaindia.
- PAT at ₹ -369.75 lakhs in FY21.

*Domestic revenue includes revenue of DAVAINDIA.

EXPORT BUSINESS:

- Exports Revenues grew 53.22% at ₹ 3047.45 Lakhs in FY21 with better utilisations and export to newer countries in FY21.
- EBITDA at ₹ 541.36 lakhs with healthy margins of 17.76%.
- PAT grew 33.64% on YoY basis at ₹ 353.51 lakhs for FY21.

DAVAINDIA:

- During the FY21 Revenues from Davaindia operations has been grew 98.38% on YoY at ₹ 2407.18 lakhs.
- The management's focus on Davaindia expansions has been as anticipated, during the year the Company has added more 339 Davaindia stores with the total store count to 591 as at March 31, 2021 covering 24 states of India.

- Davaindia has catered more than 3.07 million happy customers till March 31, 2021; this shown the strong presence of the Company in Generic Medicine space.
- A higher number of ~ 1,432 SKU's with around 95% of Private Label Products has enabled Davaindia to better serve customers across all segments.
- The company has adopted various marketing and communication channels like print, T.V and other mediums to increase top of the mind brand recall in the minds of the customers. This exercise that begun to gain traction and has witnessed wallet share increase among its users. Thus increasing its customer spends across varied price points, the average wallet spends was ~ ₹ 190 during the FY21.

COVID-19 IMPACT ON BUSINESS

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year's performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of this report and it will continue to closely monitor any material changes to future economic conditions.

MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR

The continuous outbreak of COVID-19 pandemic is disrupting the economic activities in India and globally. Being fall under the essential commodities, the operation of the Company have been impacted minimally due to COVID-19.

After the financial year, the Board of directors in its meeting held on August 11, 2021 has recommended the following

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company comprises of ten (10) directors; one Non-Executive Chairman, one Managing Director, three Whole-time Directors and remaining five being the Independent Directors. As on the date of this report, the composition of the Board of the company as follows:

| Name of Directors | Category & Designation |
|------------------------------------|------------------------------------|
| Mr. Ketankumar Chandulal Zota | Non-Executive Chairman |
| Mr. Moxesh Ketanbhai Zota | Executive Managing Director |
| Mr. Himanshu Muktilal Zota | Executive Whole-time Director |
| Mr. Manukant Chandulal Zota | Executive Whole-time Director |
| Mr. Kamlesh Rajanikant Zota | Executive Whole-time Director |
| Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director |
| Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director |
| Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director |
| Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director |
| Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Director |

Pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of the directors of the company are liable to retire by rotation, and if eligible, they can offer themselves for the re-appointment. In this Annual General Meeting Mr. Kamlesh Rajanikant Zota, Whole-time Director of the Company is liable to retire by rotation and being eligible to offer himself for re-appointment.

business items for the approval of members in ensuing Extraordinary General meeting of the Company:

- Increase of Authorised Share Capital of the Company from existing ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of face value of ₹ 10.00/- (Rupees Ten Only) each to ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) equity shares of face value of ₹ 10.00/- (Rupees Ten Only) each by creation of additional 50,00,000 (Fifty Lakhs) equity shares of face value of ₹ 10.00/- (Rupees Ten Only) each ranking pari passu in all respect with the existing equity shares of the Company
- Issuance of up to 6,00,000 (Six lakhs) Equity Shares having face value of ₹ 10.00/- (Rupees Ten Only) each, on preferential basis to persons belonging to the non - promoter group category of the company at a price of ₹ 280.00/- (Two Hundred Eighty Only) including the premium of ₹ 270.00/- (Two Hundred Seventy only) per Equity Share.

Apart from this there are no Material changes occurred between the end of the financial year of the company to which the financial statements related and the date of the report, which is affecting the financial position of the company.

ANNUAL RETURN

The draft of the Annual Return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 in Form MGT-7 is available on the Company's website viz. www.zotahealthcare.com

COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor's Report are self-explanatory and they do not call for any further explanation, as required under Section 134 of the Companies Act, 2013.

Pursuant to the provisions of Section 149, 150, read with schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), and any other applicable laws, Board be and hereby recommending the Re-appointment of Mrs. Varshababen Gaurang Mehta as the Non - Executive Independent director of the Company for a further term of 5 (five) years.

Pursuant to the provisions of Section 196, 197, 198, 203 read with schedule V and any other applicable provisions of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), and any other applicable laws, Board be and hereby recommending the Re- appointment of Mr. Moxesh Ketanbhai Zota as the Managing Director of the Company for a further term of 5 (five) years.

As per Section 2(51) and 203 of the Companies Act, 2013; the Key Managerial Personnel (KMP) of the Company are as follows:

| Name of Directors | Category & Designation |
|-----------------------------|-------------------------|
| Mr. Moxesh Ketanbhai Zota | Managing Director |
| Mr. Himanshu Muktilal Zota | Whole-time Director |
| Mr. Manukant Chandulal Zota | Whole-time Director |
| Mr. Kamlesh Rajanikant Zota | Whole-time Director |
| Mr. Viral Mandviwala | Chief Financial Officer |
| Mr. Ashvin Variya | Company Secretary |

MEETING OF THE BOARD OF DIRECTORS:

The Board of Directors of the company have met Five (5) times during the year. Details of the same are stated as below:

| Sr. No. | Date of Meeting | Board Strength | No. of Director Present |
|---------|-----------------|----------------|-------------------------|
| 1 | 23/06/2020 | 10 | 10 |
| 2 | 25/08/2020 | 10 | 10 |
| 3 | 11/11/2020 | 10 | 10 |
| 4 | 10/02/2021 | 10 | 10 |
| 5 | 09/03/2021 | 10 | 10 |

DEPOSITS

During the year, the Company has not accepted any deposits from public within the meaning of the Section 73 of the Companies Act, 2013.

RELATED PARTY TRANSACTION

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188 of the Companies Act, 2013 read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; entered by the Company during the financial year, were in ordinary course of business and at arm's length basis. Details of the related party transactions made during the year are attached as **Annexure-1** in form AOC-2 for your kind perusal and information.

LOANS, GUARANTEES AND INVESTMENT

With reference to Section 134(3)(g) of the Companies Act, 2013; loans, guarantees and investments made by the company under Section 186 of the Companies Act, 2013 are as below:

| Sr. No. | Date of transaction | Name of the Company | Purpose of Transaction | Amount involved in Transaction |
|---------|---------------------|---------------------------------|-----------------------------|--------------------------------|
| 1 | Earlier year | Prime Co-op. Bank | Investment in equity shares | 100 |
| 2 | 03/12/2019 | DavaIndia Health Mart Limited | Acquisition | 1,000,000 |
| 3 | 16/02/2019 | Zota Healthcare Nig. Ltd. * | Acquisition | 197,300 |
| 4 | 07/06/2018 | Zota Healthcare Lanka (Pvt) Ltd | Acquisition | 86,680 |
| 5 | 10/02/2021 | DavaIndia Health Mart Limited | Loan | 10,000,000 |

* Incorporation of Zota Healthcare Nig. Ltd. is under process.

CORPORATE SOCIAL RESPONSIBILITY

Since applicability of Corporate Social Responsibility, the Company has makes continuous endeavor to cover maximum programs/ initiatives for discharging the social responsibility. Over the years, under various Corporate Social Responsibility initiatives; the Company has mainly covered three main pillars of balanced social growth of the people that are Health, Education and Environment.

On the basis of receipt of recommendations from the Corporate Social Responsibility ('CSR') Committee, the Board has framed the Corporate Social Responsibility Policy and adopted the same. The detailed CSR policy of the Company is available on the link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Corporate_Social_Responsibility_Policy.pdf

The company has carried out varied CSR activities during the financial year 2020-21, the details of the same are as per **Annexure -2**. Corporate Social Responsibility Committee of the Board has met two (2) times during the last year. Details of the CSR committee meetings are stated as below:

| Sr. No. | Date of Meeting | Strength of Committee | No. of Members Present |
|---------|-----------------|-----------------------|------------------------|
| 1 | 22/08/2020 | 3 | 3 |
| 2 | 19/02/2021 | 3 | 3 |

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their duly signed declarations affirming that they met the criteria's of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of Board, the Independent Directors of the company possess the integrity, requisite experience and expertise, relevant for the industry in which the company operates. All the Independent Directors of the Company have successfully registered with the Independent Director's Databank of the Indian Institute of Corporate Affairs. Apart from Mrs. Varshababen Gaurang Mehta, Independent Director of the Company, who has got exemption from clearing the proficiency self- assessment test; the online proficiency self- assessment test as conducted by the said institute is yet to be passed by the remaining Independent Directors.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Company has formulated nomination and remuneration committee comprising of three non-executive independent directors Composition of the Committee is as follows:

| | |
|-------------------------------------|-------------------|
| Mrs. Varshababen Gaurang Mehta - | Chairman & Member |
| Mr. Dhiren Prafulbhai Shah - | Member |
| Mr. Jayshreeben Nileshkumar Mehta - | Member |

During the year, one (1) meeting of the nomination and remuneration committee was held. Details of the Meetings are stated as below:

| Sr. No. | Date of Meeting | Strength of Committee | No. of Members Present |
|---------|-----------------|-----------------------|------------------------|
| 1 | 25/08/2020 | 3 | 3 |

Terms of Reference of the Committee

- » To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- » To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- » The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- » Regularly review the Human Resource function of the Company.
- » Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

- » Make reports to the Board as appropriate.
- » Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- » Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.
- » Any other terms of reference as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under other applicable rules and regulations, if any.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Remuneration to Executive Directors:

The Board of Directors in its duly held meeting, after considering the recommendations received from Company's Nomination and Remuneration Committee, approve the remuneration to be payable to the executive directors of the Company. The remuneration of the executive directors is approved by considering varied norms like qualification, experience, responsibilities, value addition to the Company and financial position of the Company. The Board of Directors

takes the permission of the members, if required, for payment of remuneration to the aforesaid directors.

Remuneration to Non-Executive Directors:

During the year, apart from sitting fees Company has not paid any remuneration to the Non-Executive and Independent Directors.

The detailed policy on directors' appointment and remuneration is available on the below link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Policy_on_Appointment_and_Remuneration_for_Directors_Key_Manual_Personnel_and_Senior_Management_Employee.pdf

AUDIT COMMITTEE:

Pursuant to requirement of Section 177(1) of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Company has formulated Audit Committee. The composition of the Audit Committee as on date is as follows:

| | |
|----------------------------------|-------------------|
| Mr. Vitrag Sureshkumar Modi - | Chairman & Member |
| Mrs. Varshababen Gaurang Mehta - | Member |
| Mrs. Bhumi Maulik Doshi - | Member |
| Mr. Himanshu Muktilal Zota - | Member |

During the year, Audit Committee has met four (4) times, details of the same are as stated below:

| Sr. No. | Date of Meeting | Strength of Committee | No. of Members Present |
|---------|-----------------|-----------------------|------------------------|
| 1 | 23/06/2020 | 4 | 4 |
| 2 | 25/08/2020 | 4 | 4 |
| 3 | 11/11/2020 | 4 | 4 |
| 4 | 10/02/2021 | 4 | 4 |

The Whole term of references of audit committee are to recommend for appointment of the Statutory Auditor, Internal Auditor and Chief Financial Officer, approve related party transactions, examination of financial statements and auditor's report, scrutinize inter corporate loans and investments, evaluation of Internal Financial Control and Risk Management, review and monitor auditors independence and performance and effectiveness of audit process, review Internal Audit Reports, monitor and review compliances of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, monitor and review the utilization of fund raised through IPO, FPO, Right Issue and Preferential Issues and any other terms of reference as prescribed under Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under other applicable rules and regulations, if any.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and to solve the investor's grievances, the Company has formulated the Stakeholder Relationship Committee; the composition of the Committee is as follows:

| | |
|-------------------------------------|-------------------|
| Mr. Jayshreeben Nileshkumar Mehta - | Chairman & Member |
| Mr. Manukant Chandulal Zota - | Member |
| Mr. Himanshu Muktilal Zota - | Member |

During the year, Stakeholders Relationship Committee has met one (1) time, details of the meetings are as follows:

| Sr. No. | Date of Meeting | Strength of Committee | No. of Members Present |
|---------|-----------------|-----------------------|------------------------|
| 1 | 10/02/2021 | 3 | 3 |

VIGIL MECHANISM/ WHISTLE BLOWER

The Company has established a Vigil Mechanism & a Whistle Blower System to deal with instances of fraud and mismanagement, if any. The policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy. The detailed Whistle Blower Policy & Vigil Mechanism available on below link: http://www.zotahealthcare.com/wp-content/uploads/2019/11/VIGIL_MECHANISM.pdf

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk Management is a structured approach to manage uncertainty. An enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process over the period of time will become embedded into the Company's business system and processes, such that our responses to risk remain current and dynamic.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your directors hereby confirm:

A. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departments;

B. That 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 if the Company at the end of the financial year and of the profit and loss of the Company for that period;

C. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

D. That the directors had prepared the annual accounts on a going concern basis;

E. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

F. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

The performance evaluation of the Board, its Committees and the Independent Directors of the company were evaluated by the Board after obtaining inputs from all the directors on the fixed benchmark for the performance evaluation such as participation in strategy formulation and decision making; participation in Board and Committee meetings; Directions, views and recommendations given to the Company, etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The Performance evaluations of the Independent directors were done by the entire board, excluding the independent directors who were being evaluated did not participate in the same.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well-placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders were passed by the regulators or the courts or tribunals impacting the going concern status and Company's operations in future.

REPORTING OF FRAUD BY AUDITOR'S

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee any instances of fraud committed against the Company by its Officers or Employees; the details of the same would need to be mentioned, if any, in the Director's Report.

CORPORATE GOVERNANCE:

Your Company has incorporated the appropriate standards for the corporate governance. The Company has filed all the quarterly compliance reports on corporate governance within the due time line to the Stock Exchange, as specified in Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other Corporate Governance norms mentioned under the said regulation duly complied by the Company. Moreover, as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company gives the Corporate Governance Report in its Annual Report. Corporate Governance Report is as per **Annexure -3**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

With reference to Section 134(3) (m) of the Companies Act, 2013, the details of conservation of energy, technology absorption and foreign exchange earnings are as per **Annexure - 4**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an essential part of this Report.

SECRETARIAL AUDITOR

Your Board has appointed the PCS Ranjit Binod Kejriwal, as Secretarial Auditor of the Company for the period of 5 consecutive years starting from financial year 2016-17. The Secretarial Audit Report for the financial year 2020-21, which has been received from the PCS Ranjit Binod Kejriwal is attached as **Annexure - 5**. Report of the Secretarial Auditor is self-explanatory and need not any further clarification.

COST AUDITOR

During the year, as per the provisions of Section 148(1) of the Companies Act, 2013, the Company has maintained and prepared the cost records. However, as the manufacturing unit of the Company is situated in Special Economic Zone, so the requirement of appointment of the Cost Auditor is not applicable to the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee drawing remuneration in excess of limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosure pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as per **Annexure - 6**.

CEO/ CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; the CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2020-21. The certificate received from CFO is attached herewith as per **Annexure - 7**.

CODE OF CONDUCT

The Board of Directors has formulated and adopted the Code of Conduct for Board of Directors and Senior Management Personnel from May 30, 2018. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard the Board has received a certificate from the Managing Directors as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the same is attached herewith as per **Annexure - 8**.

Code of Conduct for Board of Directors and Senior Management Personnel being effective from May 30, 2018 is available on below link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Code_of_Conduct_for_Board_Members_and_Senior_Management_Personnel.pdf

CERTIFICATE ON CORPORATE GOVERNANCE

Corporate Governance is a set of process, practice and system which ensure that the Company is managed in a best interest of stakeholders. The key fundamental principles of corporate governance are transparency and accountability. At Zota, Company's core business objective is to achieve growth with transparency, accountability and with independency. Company has adopted various corporate governance standard and doing business in ethical way by which Company has enhance stakeholders trust, shareholders wealth creation by improving shares valuation, market capitalization, etc.

A certificate received from M/s Shivangi Parekh & Co., Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as per **Annexure - 9**.

SHARE CAPITAL

During the year the Company has not issued any shares including shares with different rights, sweat equity shares or employee stock options. As on the date of this report the paid up Share Capital of the Company stood at ₹ 24.56 crores.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year, no Company has become Subsidiary, Joint Venture and Associate Company of the Company and no Company has ceased as the Subsidiary, Joint Venture and Associate Company of the Company.

As at March 31, 2021; The Company has two Wholly Owned Subsidiary Companies as below:

- 1) M/s Zota Healthcare Lanka (Pvt) Ltd (incorporated in Sri Lanka)
- 2) M/s Davaindia Health Mart Limited

PERFORMANCE OF SUBSIDIARY COMPANIES

Zota Healthcare Lanka (Pvt) Ltd

During the year under review Zota Healthcare Lanka (Pvt) Ltd has not commenced any commercial operations in Sri Lanka and the financial performance of the same are as below:

| Particulars | Amount (₹ in Lakhs) |
|----------------|---------------------|
| total assets | 0.53 |
| total revenues | NIL |
| total net loss | 0.14 |

Davaindia Health Mart Limited

Davaindia Health Mart Limited (WOS) is engaged in the business of retail trading of pharmaceutical, nutraceutical, OTC, ayurvedic and cosmetic products. For the business purpose as stated above, the WOS has launched the Company Owned Company Operated (COCO) stores of Davaindia - a retail generic pharmacy chain. The financial performance of the WOS for the financial year ended March 31, 2021 are as below:

| Particulars | Amount (₹ in Lakhs) |
|----------------|---------------------|
| total assets | 23.32 |
| total revenues | 1.56 |
| total net loss | 4.50 |

CONSOLIDATED FINANCIAL STATEMENTS

The Statutory Auditor of the Company have provided the Consolidated Financial Statements of the company and the same is forming a part of this Report. The Consolidated Financial Statements includes financial statements of the following companies:

M/s Zota Health Care Limited – Parent Company

M/s Zota Healthcare Lanka (Pvt) Ltd – Wholly Owned Subsidiary Company

M/s Davaindia Health Mart Limited – Wholly Owned Subsidiary Company

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries is given in Form AOC-1 which forms an essential part of this Report and is attached herewith as per **Annexure – 10**.

MATERIAL SUBSIDIARY

The Company has formulated the Policy on Material Subsidiary, indicating therein the threshold limit of Material Subsidiary as specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Company does not have any Material Subsidiary. The Policy on Material Subsidiary is available on the Company's website and can be accessed from following link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Policy_on_Material_Subsiary.pdf

BUSINESS RESPONSIBILITY REPORT

As stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of the Annual Report as an **Annexure – 11**

SEXUAL HARASSMENT OF WOMEN

The constitution of the Internal Complaints Committee of the company is in accordance with the provisions relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no cases filed pursuant to the aforesaid Act.

ACKNOWLEDGEMENT:

We hereby sincerely recognize and admire the comprehensive support and cooperation of our Bankers, Auditors, RTA and members during the year.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 1

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advance, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---------|---|---|--|--|--|----------------------------------|--------------------------------|---|
| NIL | | | | | | | | |

2. Details of material contracts or arrangement or transactions at arm's length basis (₹ IN LAKHS)

| Sr. No. | Name(s) of the related party and nature of relationship | Relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements / transactions | Salient term of the contracts or arrangements or transactions including the value, if any | Date(s) if approval by the Board, if any | Amount paid as advance, if any |
|---------|---|--|---|--|---|--|--------------------------------|
| 1 | Niral M. Zota | Director's relative | Salary | N.A. | 0.45 lakhs per month | 30.09.2014 | NIL |
| 2 | Viren M. Zota | Director's relative | Salary | N.A. | 0.45 lakhs per month | 30.09.2014 | NIL |
| 3 | NiralM.Zota | Director's relative | Commission | N.A. | Commission on sales | 30.09.2014 | NIL |
| 4 | Viren M. Zota | Director's relative | Commission | N.A. | Commission on sales | 30.09.2014 | NIL |
| 5 | Himanshu M. Zota | Whole-time Director | Remuneration | N.A. | 1.5 lakhs per month | 21.08.2019 | NIL |
| 6 | Kamlesh R. Zota | Whole-time Director | Remuneration | N.A. | 1.5 lakhs per month | 21.08.2019 | NIL |
| 7 | Manukant C. Zota | Whole-time Director | Remuneration | N.A. | 1.5 lakhs per month | 21.08.2019 | NIL |
| 8 | Moxesh K. Zota | Managing Director | Remuneration | N.A. | 1.5 lakhs per month | 07.10.2016 | NIL |
| 9 | Ashvin Bhagavanbhai Variya (CS) | Company Secretary & Compliance Officer | Salary | N.A. | N.A | 01.09.2015 | NIL |
| 10 | Viral A. Mandviwala (CFO) | CFO | Salary | N.A | N.A | 21.09.2020 | NIL |
| 11 | Heli Ritesh Shah | Director's relative | Salary | N.A. | 0.15 lakhs per month | 12.10.2018 | NIL |
| 12 | Himanshu M. Zota | Whole-time Director | Commission | N.A. | Commission on sales, 0.1% of annual turnover | 21.08.2019 | NIL |

| | | | | | | | |
|----|-------------------------------------|------------------------------------|----------------------------|--|--|------------|------|
| 13 | Kamlesh R. Zota | Whole-time Director | Commission | N.A. | Commission on sales, 0.1% of annual turnover | 21.08.2019 | NIL |
| 14 | Manukant C. Zota | Whole-time Director | Commission | N.A. | Commission on sales, 0.1% of annual turnover | 21.08.2019 | NIL |
| 15 | Moxesh K. Zota | Managing Director | Commission | N.A. | Commission on sales, 0.1% of annual turnover | 07.10.2016 | NIL |
| 16 | Mr. Ketankumar C. Zota | Non-executive Chairman | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 17 | Mr. Moxesh K. Zota | Executive Managing Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 18 | Mr. Himanshu M. Zota | Executive Whole Time Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 19 | Mr. Manukant C. Zota | Executive Whole Time Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 20 | Mr. Kamlesh R. Zota | Executive Whole Time Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 21 | Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 22 | Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 23 | Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 24 | Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 25 | Mrs. Jayshreeben Nileshekumar Mehta | Non-Executive Independent Director | Sitting Fees | N.A. | ₹ 0.03 lakhs per meeting | ^ | N.A. |
| 26 | Davaindia Health Mart Limited | Wholly Owned Subsidiary Company | Interest | Unsecured loan for the tenure of two years | Interest of 5% per Annum | 10.02.2021 | N.A. |
| 27 | Davaindia Health Mart Limited | Wholly Owned Subsidiary Company | Revenue from sale of Goods | N.A. | N.A. | N.A.* | N.A. |

^ Board of Directors of the Company in its meeting held on May 30, 2019 fixed to pay sitting fees of ₹ 0.03 lakhs per meeting.

* Omnibus approval by the Audit Committee of the Board of Directors of the Company.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 2

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-2021

1. Brief outline on CSR Policy of the Company:

At Zota, we believe that Health, Education, Water, Livelihood, Environment and Disaster Relief are some of our Key priorities in the area of Corporate Social Responsibility (CSR).

We strive to make good health accessible to the local communities and society at large. With intensive efforts of people who worked behind the scenes to combat diseases by means of active field work and dedicated research and recognition; we help people achieve their rights to good health.

Major areas in which CSR activities are planned:

- Promoting Health care
- Environment protection
- Promoting Education
- Eradicating Hunger, Poverty and Malnutrition
- Promoting gender equality and empowering women
- Rural development projects
- Such other activities as prescribed under Schedule VII of the Companies Act, 2013

Corporate Social Responsibility of the Company shall be conducted as following:

- a) By the Company itself with Zota foundation (yet to be formed); or
- b) Through a company registered under section 8 of the Companies Act, 2013 (corresponding section 25 of the Companies Act, 1956); or
- c) Through a Registered public trust or a registered Society registered under section 12A and 80 G of the Income Tax Act, 2016 established by the company itself or along with other company or either formed by the Central Government or State Government; or
- d) Through an entity established under an Act of Parliament or a State legislature.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Nature of Directorship | Status in Committee | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------------|--------------------------------------|---------------------|--|--|
| 1 | Mr. Himanshu Muktilal Zota | Whole-time Director | Chairman | 2 | 2 |
| 2 | Mr. Ketankumar Chandulal Zota | Non- Executive Chairman | Member | 2 | 2 |
| 3 | Mrs. Varsababen Gaurang Mehta | Non - Executive Independent Director | Member | 2 | 2 |

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<http://www.zotahealthcare.com/wp-content/uploads/2021/07/CSR-PolicyV2.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

The obligation under sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 is not applicable to the company.

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Profit calculated as per the provisions of Section 103 of the Co

(b) Sample variance of the GSD, σ_{GSD}^2 , and the variance of the mean, σ_{mean}^2 , are

(c) A _____ is a _____ that _____ the _____ of _____.

(d) Total GSD obligation for the financial year (7a + 7b - 7c): 115.30.

1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 26

[illegible]

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 15.80 Lakhs

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹ Lakhs) |
|---------|---|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 15.39 |
| (ii) | Total amount spent for the Financial Year | 15.80 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.41 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.41 |

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s): NIL

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 3

CORPORATE GOVERNANCE REPORT

In terms of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the report containing details of corporate governance systems and processes at Zota Health Care Limited is as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to apply the core principles of good Corporate Governance and has benchmarked itself against the prescribed standards. The fundamental objective of Corporate Governance is to enhance the shareholders' value and protecting the interest of the stakeholders. Your Company's philosophy of Corporate Governance aimed at facilitating the management in conducting its business operations in an efficient manner and to meet the obligations towards its shareholders and other stakeholders.

2. BOARD OF DIRECTORS

The Company have the optimal combination of Board of Directors of Executive and Non-Executive Directors inclusive of the four (4) Executive Directors and six (6) Non-Executive Directors. None of the Directors of the Company holds directorship in more than seven listed entities nor is a member of more than ten committees or chairman of more than five committees across all listed entities in which they are Directors. None of the independent directors serving as an independent director in more than seven listed entities and none of the whole time directors or managing director of the Company serving as an independent director in more than three listed entities.

(a) Board Strength and representation:

As on date the company's Board strength comprises of ten directors which includes one (1) Non-Executive Chairman, one (1) Managing Director, three (3) Whole-time Directors and remaining five (5) Non-Executive Independent Directors. As on date of this report Board of Directors of the company are as follows:

| Name of Directors | Category & Designation |
|------------------------------------|------------------------------------|
| Mr. Ketankumar Chandulal Zota | Non-Executive Chairman |
| Mr. Moxesh Ketanbhai Zota | Executive Managing Director |
| Mr. Himanshu Muktilal Zota | Executive Whole-time Director |
| Mr. Manukant Chandulal Zota | Executive Whole-time Director |
| Mr. Kamlesh Rajanikant Zota | Executive Whole-time Director |
| Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director |
| Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director |
| Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director |
| Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director |
| Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Director |

The Details of Directorship held by the Directors as on 31st March, 2021 and their attendance at the Board meetings during the year are as follows:

| Name of the Directors | Category of Director | Directorships in other Indian Public Limited Company(ies) | No. of Membership(s)/ Chairmanship(s) of committees in other Company(ies) | | Other listed entities (including debt listed) where Directors of the Company held directorships | Attendance at last AGM | Attendance at Board Meetings | No. of Shares held as on 31.03.2021 |
|-------------------------------|----------------------|---|---|----------|---|------------------------|------------------------------|-------------------------------------|
| | | | Member | Chairman | | | | |
| Mr. Ketankumar Chandulal Zota | Chairman/ PD/NED | NIL | NIL | NIL | NIL | YES | 5 | 3045363 |
| Mr. Moxesh Ketanbhai Zota | MD/ED | 1 | NIL | NIL | NIL | YES | 5 | 494150 |
| Mr. Himanshu Muktilal Zota | WTD/PD/ED | 1 | NIL | NIL | NIL | YES | 5 | 3272280 |
| Mr. Manukant Chandulal Zota | WTD/PD/ED | NIL | NIL | NIL | NIL | YES | 5 | 2176870 |

| | | | | | | | | |
|------------------------------------|-----------|-----|-----|-----|-----|-----|---|---------|
| Mr. Kamlesh Rajanikant Zota | WTD/PD/ED | 1 | NIL | NIL | NIL | YES | 5 | 1991103 |
| Mrs. Varshababen Gaurang Mehta | ID/NED | NIL | NIL | NIL | NIL | YES | 5 | 4838 |
| Mrs. Bhumi Maulik Doshi | ID/NED | Nil | Nil | Nil | NIL | YES | 5 | 1400 |
| Mr. Vitrag Sureshkumar Modi | ID/NED | Nil | Nil | Nil | NIL | YES | 5 | 604 |
| Mr. Dhiren Prafulbhai Shah | ID/NED | Nil | Nil | Nil | NIL | YES | 5 | 0 |
| Mrs. Jayshreeben Nileshkumar Mehta | ID/NED | Nil | Nil | Nil | NIL | YES | 5 | 2041 |

PD – Promoter Director, NED – Non Executive Directors, MD – Managing Directors, ED – Executive Director, WTD – Whole-time Director, ID – Independent Director

Note:

- Mr. Moxesh Ketanbhai Zota, Managing Director of the Company is son of Mr. Ketankumar Chandulal Zota, Chairman of the Company;
- Mr. Ketankumar Chandulal Zota, Chairman of the Company and Mr. Manukant Chandulal Zota, Whole-time Director of the Company are brothers.

(b) Details of number of Board Meetings held in the financial year.

There were Five (5) Board Meetings held during the financial year 2020-21; the details of the same are as follow:

23/06/2020 25/08/2020 11/11/2020 10/02/2021 09/03/2021

(c) Familiarization to Independent Directors:

All independent directors of the Company have been made familiarized with the various aspects of the Company like overview of Company's business model, Strategy, Operations and functions of the Company, Roles, Rights and Responsibilities of the independent director, Term of reference of different Committees of Board of Directors, Duties of the Independent Director, Statutory Policies of the Company, Off-site visit to plant and other important regulatory aspects as relevant for the directors. The Company, through its Company Secretary, Executive Directors or Manager as well as other Senior Managerial Personnel, conducts presentations/ programs to familiarize the Independent Directors with the strategy, operations and functions of the Company inclusive of important developments in business. The details of the number of programmes attended and the cumulative hours spent by an independent director are uploaded on the website of the company. The web link is as follow: <http://www.zotahealthcare.com/wp-content/uploads/2021/03/Familiarization-program-for-IDs.pdf>

(d) Key Board Qualifications:

The Board of Directors of the Company possesses requisite skills, knowledge and experience of various aspects which brings effective contribution to the Board which enhances the decision making process. The details of key qualifications of individual Board members are as mentioned in below table. However, all the Board members possess skills and knowledge as required for the industry in which the Company operates.

| Director | Qualifications | | | | | | |
|--------------------------------------|---|---------|-------|------------|---------------|------------|-----------|
| | Knowledge about Pharmaceutical Industry | Finance | Sales | Accounting | Import/Export | Regulatory | Diversity |
| Mr. Ketankumar Chandulal Zota | | | | | | | |
| Chairman | √ | √ | √ | | √ | √ | √ |
| Mr. Moxesh Ketanbhai Zota | | | | | | | |
| Managing Director | √ | √ | √ | | √ | √ | √ |
| Mr. Himanshu Muktilal Zota | | | | | | | |
| Whole-time Director | √ | √ | √ | √ | √ | √ | √ |

| | | | | | | |
|---|---|---|---|---|---|---|
| Mr. Manukant Chandulal Zota | | | | | | |
| Whole-time Director | √ | √ | √ | | √ | √ |
| Mr. Kamlesh Rajanikant Zota | | | | | | |
| Whole-time Director | √ | √ | √ | | √ | √ |
| Mrs. Varshabhen Gaurang Mehta | | | | | | |
| Independent Director | √ | √ | √ | √ | √ | √ |
| Mrs. Bhumi Maulik Doshi | | | | | | |
| Independent Director | | √ | | √ | √ | √ |
| Mr. Vitrag Sureshkumar Modi | | | | | | |
| Independent Director | | √ | | √ | √ | √ |
| Mr. Dhiren Prafulbhai Shah | | | | | | |
| Independent Director | √ | √ | √ | | √ | √ |
| Mrs. Jayshreeben Nileshkumar Mehta | | | | | | |
| Independent Director | √ | √ | √ | | √ | √ |

(e) Independent Directors confirmation by the Board:

The Company has received the declaration from all the Independent directors under provisions of section 149(7) of the Companies Act, 2013 ('the Act') and under provisions of regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; confirming that they are satisfying the criteria of independence as prescribed under the provisions of section 149(6) of the Act & Regulation 16(1) (b) of the aforesaid Regulations. The Board of Directors of the Company confirm that all the directors satisfy the criteria of Independence as prescribed under provisions of section 149(6) of the Companies Act, 2013 and under provisions of regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of four members inculcating three Independent Directors and One Executive Director of the Company. All the Members of the committee possess sound knowledge in Finance, Accounts and Law. The Members of the Audit Committee are as follows:

| Name | Categories | Nature of Directorship |
|-------------------------------|------------|------------------------------------|
| Mr. Vitrag Sureshkumar Modi | Chairman | Non-Executive Independent Director |
| Mrs. Varshabhen Gaurang Mehta | Member | Non-Executive Independent Director |
| Mrs. Bhumi Maulik Doshi | Member | Non-Executive Independent Director |
| Mr. Himanshu Muktilal Zota | Member | Executive Director |

The Audit Committee has met four (4) times during the financial year 2020-21; the details of the same are as follows:

23/06/2020 25/08/2020 11/11/2020 10/02/2021

Attendances of members for the meetings of Audit Committee held during the year 2020-21 are as below:

| Name | Categories | No. of Meeting Attended |
|-------------------------------|------------|-------------------------|
| Mr. Vitrag Sureshkumar Modi | Chairman | 4 |
| Mrs. Varshabhen Gaurang Mehta | Member | 4 |
| Mr. Himanshu Muktilal Zota | Member | 4 |
| Mrs. Bhumi Maulik Doshi | Member | 4 |

The term of reference of Audit Committee is as below:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and auditor's report thereon.

- (iv) Approval or any subsequent modification of transactions of the company with related parties.
- (v) Scrutiny of inter-corporate loans and investments.
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary.
- (vii) Evaluation of internal financial controls and risk management systems.
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) The Audit Committee may call for the comments of the auditors about internal control system, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issue with the internal and statutory auditors and the management of the company.
- (x) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above in (i) to (iv) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- (xi) The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
- (xii) The Board's report under sub-section (3) of section 134 shall disclose the composition of Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons thereof.
- (xiii) The victims/persons who use vigil mechanism can direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- (xiv) Any other terms of reference as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under other applicable rules and regulations, if any.

4. NOMINATION AND REMUNERATION COMMITTEE

Company has formulated Nomination and Remuneration Committee comprising three non-executive directors Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|------------------------------------|------------|------------------------------------|
| Mrs. Varshababen Gaurang Mehta | Chairman | Non-Executive Independent Director |
| Mr. Dhiren Prafulbhai Shah | Member | Non-Executive Independent Director |
| Mrs. Jayshreeben Nileshkumar Mehta | Member | Non-Executive Independent Director |

The Nomination and Remuneration Committee has met one (1) time during the financial year 2020-21 on 25/08/2020.

Attendances of members for the meetings of Nomination & Remuneration Committee held during the year 2020-21 are as below:

| Name | Categories | No. of Meeting Attended |
|------------------------------------|------------|-------------------------|
| Mrs. Varshababen Gaurang Mehta | Chairman | 1 |
| Mr. Dhiren Prafulbhai Shah | Member | 1 |
| Mrs. Jayshreeben Nileshkumar Mehta | Member | 1 |

The term of reference of Nomination & Remuneration Committee is as below:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - (1) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (3) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

- Regularly review the Human Resource function of the Company.
- Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

- Make reports to the Board as appropriate.
- Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.
- Any other terms of reference as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under other applicable rules and regulations, if any.

The Performance evaluation criteria for Independent directors of the company are mentioned in the Directors Report, kindly refer the same.

5. REMUNERATION OF DIRECTORS

During the year company has paid following remuneration and setting fees to the directors as follows:

| Name | Category | Remuneration (₹ In Lakhs) | | |
|------------------------------------|------------------------------------|---------------------------|------------|--------------|
| | | Salary | Commission | Sitting Fess |
| Mr. Ketankumar Chandulal Zota | Non-executive Chairman | Nil | Nil | 0.21 |
| Mr. Moxesh Ketanbhai Zota | Executive Managing Director | 18 | 7.62 | 0.15 |
| Mr. Himanshu Muktilal Zota | Executive Whole Time Director | 18 | 7.62 | 0.36 |
| Mr. Manukant Chandulal Zota | Executive Whole Time Director | 18 | 7.62 | 0.18 |
| Mr. Kamlesh Rajanikant Zota | Executive Whole Time Director | 18 | 7.62 | 0.15 |
| Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director | Nil | Nil | 0.39 |
| Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director | Nil | Nil | 0.30 |
| Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director | Nil | Nil | 0.30 |
| Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director | Nil | Nil | 0.21 |
| Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Director | Nil | Nil | 0.24 |

Remuneration to Non-Executive Directors:

During the year, Company has paid only sitting fees to the Non-Executive and Independent Directors of the Company; apart from this no profit related commissions have been paid to any of the Non-Executive Directors of the company.

The detailed remuneration policy of the Company is available on the below link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Policy_on_Appointment_and_Remuneration_for_Directors_Key_Management_Personnel_and_Senior_Management_Employee.pdf

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

To resolve the investors grievances Company has formulated Stakeholder's Relationship Committee. Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|------------------------------------|------------|------------------------------------|
| Mrs. Jayshreeben Nileshkumar Mehta | Chairman | Non-Executive Independent Director |
| Mr. Himanshu Muktilal Zota | Member | Executive Whole time Director |
| Mr. Manukant Chandulal Zota | Member | Executive Whole time Director |

The Stakeholders Relationship Committee has met one (1) time during the financial year 2020-21 on 10/02/2021.

Attendance of members for the meeting of Stakeholder's Relationship Committee held during the year 2020-21 is as below:

| Name | Categories | No. of Meeting Attended |
|------------------------------------|------------|-------------------------|
| Mrs. Jayshreeben Nileshkumar Mehta | Chairman | 1 |
| Mr. Himanshu Muktilal Zota | Member | 1 |
| Mr. Manukant Chandulal Zota | Member | 1 |

Name & Designation and address of the Compliance Officer

CS Ashvin Variya

Zota Health Care Ltd.

Zota House, 2/896, Hira Modi Street,
Sagrampura, Surat - 395002, Gujarat

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

Status of Complaints pending, received, disposed and unresolved:

| | |
|--|-----|
| Number of Shareholders' Complaints Pending at the end of the year | NIL |
| Number of Shareholders' Complaints received during the year | NIL |
| Number of Shareholders' Complaints disposed during the year | NIL |
| Number of Shareholders' Complaints remain unresolved during the year | NIL |

7. GENERAL BODY MEETING**a) The details of Annual General Meetings held during the last three years are as follows:**

| Year | Day, Date and Time | Venue |
|---------|---|---|
| 2017-18 | Saturday, 11 th day of August, 2018 At 11:00 A.M. | The Southern Gujarat chamber of Commerce & Industry, 1 st Floor, 'Samruddhi Hall', Makkai Pool, Nanpura, Surat - 395001, Gujarat |
| 2018-19 | Saturday, 21 st day of September, 2019 at 11:00 A.M. | The Southern Gujarat chamber of Commerce & Industry, 1 st Floor, 'Samruddhi Hall', Makkai Pool, Nanpura, Surat - 395001, Gujarat |
| 2019-20 | Saturday, 26 th day of September, 2020 at 11:00 A.M. | The AGM was held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) The registered office of the company i.e. Zota House, 2/896, Hira Modi Street, Sagrapura, Surat - 395002, Gujarat was considered as the deemed venue for the meeting. |

The details of Resolution(s) which were passed in the last three Annual General Meetings ("AGM") of the Company along with details of Postal Ballot & voting pattern are as follows:

| Date of AGM | Resolution | Ordinary/ Special | Favor | | Against | |
|----------------------------------|---|----------------------|---------|----------|---------|----------|
| | | | Ballot | e-voting | Ballot | e-voting |
| 11 th August, 2018 | Adoption of Annual Accounts, Auditor's Report and Directors Report | Ordinary | 1467684 | 3276463 | 432 | 0 |
| | Declaration of dividend at the rate of 30% | Ordinary | 1467684 | 3276463 | 432 | 0 |
| | Re-appointment of Mr. Kamlesh Zota liable to retire by rotation | Ordinary | 88494 | 152040 | 432 | 0 |
| | Ratification of Appointment of Statutory Auditor | Ordinary | 1467684 | 3276463 | 432 | 0 |
| | Change in terms of appointment of Mr. Himanshu Zota, Whole Time Director. | Special | 88494 | 151040 | 432 | 1000 |
| | Change in terms of appointment of Mr. Kamlesh Zota, Whole Time Director. | Special | 88610 | 152040 | 432 | 0 |
| | Change in terms of appointment of Mr. Manukant Zota, Whole Time Director | Special | 88494 | 151040 | 432 | 1000 |
| 21 st September, 2019 | Change in terms of appointment of Mr. Moxesh Zota, Managing Director | Special | 87610 | 152040 | 432 | 0 |
| | Adoption of Annual Accounts, Auditor's & Director's Report | Ordinary | 95763 | 4111271 | 0 | 0 |
| | Declaration of divided at the rate of 10% | Ordinary | 94201 | 4111271 | 0 | 0 |
| | Re-appointment of Mr. Ketankumar Chandulal Zota (DIN: 00822594), as a director, retire by rotation | Ordinary | 94000 | 4111271 | 1400 | 0 |
| | Appointment of M/s Shivangi Parekh & Co., Chartered Accountant, as a statutory auditor | Ordinary | 95763 | 4109871 | 0 | 1400 |
| | Appointment of Mrs. Bhumi Maulik Doshi, as an Independent Non-Executive Director of the Company | Ordinary | 95763 | 4109871 | 0 | 1400 |
| | Appointment of Mr. Vitrag Sureshkumar Modi, as an Independent Non-Executive Director of the Company | Ordinary | 95763 | 4111271 | 0 | 0 |
| | Re-appointment of Mr. Kamlesh Rajnikat Zota, as a Whole-time Director of the Company | Special | 95763 | 4111271 | 0 | 0 |
| | Re-appointment of Mr. Himanshu Muktilal Zota, as a Whole-time Director of the Company | Special | 92403 | 302819 | 0 | 0 |

| | | | | | | |
|----------------------------------|--|----------|-------|----------|--------|------|
| | Re-appointment of Mr. Manukant Chandulal Zota, as a Whole-time Director of the Company | Special | 95763 | 4075431 | 0 | 0 |
| | Appointment of Mr. Dhiren Prafulbhai Shah, as an Independent Non-Executive Director of the Company | Ordinary | 94363 | 4109871 | 1400 | 1400 |
| | Appointment of Mrs. Jayshreeben Nileshkumar Mehta (DIN: 08536399), as an Independent Non-Executive Director of the Company | Ordinary | 94363 | 4111271 | 1400 | 0 |
| | Approve Related Party Transactions | Ordinary | 95763 | 266979 | 0 | 0 |
| 26 th September, 2020 | Adoption of Annual Accounts, Auditor's & Director's Report | Ordinary | N.A.* | 15618652 | N.A. * | 0 |
| | Declaration of dividend at the rate of 10% | Ordinary | N.A.* | 15618652 | N.A. * | 0 |
| | Re-appointment of Mr. Himanshu Muktilal Zota, Whole-time Director (DIN-01097722), as a director, retire by rotation | Ordinary | N.A.* | 12452622 | N.A. * | 0 |

*As the 20th AGM of the Company was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM); No votes were casted through Ballot Papers.

Name and address of scrutinizer or the person who conducted the postal ballot exercise:

CS Ranjit Binod Kejriwal
Practicing Company Secretary,
1, Aastha, 2/906, Hira Modi Sheri,
Opp. Gujarat Samachar Press, Sagrampura, Ring Road, Surat – 395002
Email: rbksurat@gmail.com
Ph: +91-261-2331123

8. MEANS OF COMMUNICATION

1. Financial Results:

Zota Health Care Limited believes to publish all the financial information to the stakeholders within the stipulations provided under the law. During the year, Company has declared all financials results within the timeline provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The quarter, half year and year ended financial results of the Company are published and submitted on the NEAPS portal of National Stock Exchange as well as on the website of the Company i.e. on www.zotahhealthcare.com. All results have been submitted to the stock exchange within 30 minutes from the conclusion of Board Meeting in which financial results have been approved. During the year, following financial results have been submitted on NEAPS portal of NSE. The same can be accessed from the website of the stock exchange at www.nseindia.com

| Period of Financial Results | Date |
|--|-------------------|
| Unaudited Financial Results for the quarter ended June 30, 2020* | August 25, 2020 |
| Unaudited Financial Results for the quarter and half year ended September 30, 2020 | November 11, 2020 |
| Unaudited Financial Results for the quarter and nine month ended December 31, 2020 | February 10, 2021 |
| Audited Financial Results for the quarter and year ended March 31, 2021# | June 25, 2021 |

* In terms of relaxation granted vide Circular dated July 29, 2020 issued by Securities and Exchange Board of India (SEBI) bearing Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2020/140; the Company has published the Unaudited Financial Results for the quarter ended June 30, 2020 on August 25, 2020 after its due date i.e. August 14, 2020.

In terms of relaxation granted vide Circular dated April 29, 2021 issued by Securities and Exchange Board of India (SEBI) bearing Ref. No. SEBI/HO/CFD/CMD1/P/CIR/2021/556; the Company has published the Audited Financial Results for the quarter and year ended March 31, 2021 on June 25, 2021 after its due date i.e. May 30, 2021.

After publication of financial results on the website of the Stock Exchange as well as on the website of the Company; simultaneously the same have been published in the newspapers as per the stipulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Generally the Company published results in the Lok Mitra (Vernacular) and Free Press Gujarat (English) daily. Moreover, the notices of Board meetings for consideration of financial results have also been published in the newspaper as per the regulations aforementioned from time to time.

Post publication of results in the newspapers, the Company prepares presentation on the results (investor presentation) and the same is being uploaded on NEAPS portal of the NSE, the same can be accessed from the website of the stock exchange at www.nseindia.com as well as on the website of the Company at www.zotahealthcare.com. This result presentation is being used at the Institutional Investor/ Analyst meet, if any, held.

2. Annual Report: In line with the Ministry of Corporate Affairs ("MCA") circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 was sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories prior to 23 days of 20th Annual General Meeting. Annual Report for the FY 2019-20 has also been uploaded on the NEAPS portal of NSE prior 21 days of the 20th Annual General Meeting and the same can be accessed from the website of NSE at www.nseindia.com. The Annual Report for the FY 2019-20 had also uploaded on the website of the Company at www.zotahealthcare.com.

In line with the MCA Circulars and SEBI Circular as stated above; no physical copies of the Annual Report 2019-20 have been sent to the shareholders. The Company has issued a public notice in respect of information regarding 20th Annual General Meeting scheduled in 'The Times of India'; English edition, Ahmedabad and "Gujarat Guardian" Gujarati edition, Surat, on August 27, 2020 as per the MCA Circulars.

3. News Release/ Investor Presentation: All press releases and investor presentations made to media, analysts, institutional investors, fund managers, are uploaded on NEAPS portal of the National Stock Exchange (NSE) and the same can be accessed from the website of the stock exchange at www.nseindia.com, simultaneously the same have been uploaded on the official website of the Company at www.zotahealthcare.com.

4. Communication to Shareholders: In view of continuing outbreak of COVID-19 pandemic and Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India; during the year, the Company has sent all communications like Annual Report, Notices, Dividend payment advice, etc, through email to the shareholders who have registered their email IDs with the Company/ RTA/ Depositories after getting it uploaded on the website of the Stock Exchange and Company. Dividend warrants are being sent through speed post/ courier to the shareholders who

have not registered their email IDs with the Company/ RTA/ Depositories.

Company has begun the initiative of save tress and reduces paper consumption; henceforth Company is sending all shareholders communication through email. Those shareholders who have not registered their email ids are requested to register their email ids with the Company or to their respective depositories. Shareholders who are having physical shares can register their email ids by submitting the shareholders information updation form to the Company, the same is available on official website of the Company at www.zotahealthcare.com under investor relations tab.

5. Website: Company's official website www.zotahealthcare.com contains separate tab "Investor Relations" for investors, in which notices of the Board Meetings and outcomes of the same, Financial Results, Corporate Governance Reports, Annual Reports, Investor Presentations, Shareholding Patterns, various policies of the company, announcements, details of unpaid dividend, details of dividend transferred to EPF, details of Nodal Officer and other shareholders information's are displayed in due course of time for the shareholders information. This section of website also contains various forms and applications like application for address change, draft documents for issue of duplicate shares, documents for transmission of shares, nomination form, etc. for updating various information's in Company's records.

6. Email IDs for investors: The Company has formulated separate email id cszota@zotahealthcare.com for investor service, investor can also contact share Registrar and Transfer Agent (RTA) of the Company on their email id service@satellitecorporate.com and the same is available on website of the Company at www.zotahealthcare.com.

7. SEBI SCORES: For investor compliant redressal SEBI has developed SCORES platform in which investor can lodged any complaint against the Company for any grievance. The Company also uploads the action taken report in the SCORES platform for redressal of investor complaint. During the year, company has not received any investor complaint under the SCORES platform.

8. NEAPS portal: For submitting all listing compliances National Stock Exchange has developed NEAPS portal in which all corporate can file their listing compliances. During the year, the Company has filed all the listing compliances on NEAPS portal of NSE and after submitting, the same are also available on official website of NSE at www.nseindia.com.

9. GENERAL SHAREHOLDER INFORMATION

| | |
|-----------------------------|---|
| Date, Time and Venue of AGM | Thursday, the 30 th day of September, 2021 at 11:00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OACM) (deemed venue of the AGM would be the registered office of the Company i.e. Zota House, 2/896, Hira Modi Street, Sagrapura, Surat - 395002, Gujarat) |
| Financial Year | From 1 st April to 31 st March of the following year |
| Date of Book Closure | From Friday, the 24 th day of September, 2021 to Thursday, the 30 th day of September, 2021 (both day inclusive) |
| Listed on Stock Exchanges | National Stock Exchange (NSE) Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
| Trading Symbol | ZOTA |
| Listing Fees | During the year, the Company has paid all the listing fees to the stock exchange, where the securities of the Company are listed. |

Dividend

The Board of Directors of the Company in its meeting held on June 25, 2021 has recommended dividend at the rate of 10% i.e. ₹ 1/- per share and when approved at the Annual General Meeting of the Company, will be made payable within 30 days of the date of declaration i.e. Thursday, the 30th September, 2021 to the Company's Equity Shareholders, whose names stand registered on the Company's Register of Members:

- As Beneficial Owners as at the end of business hours on 23rd September, 2021 as per the list provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
- As Members in the Register of Members of the Company after giving effect to valid deletion of name /transmission (As per SEBI circular, as of now no physical transfer of shares are permitted) in physical form lodged with the Company before 23rd September, 2021".

Unclaimed Dividend

The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, whereby companies are required to identify and upload information regarding unclaimed amounts due to be transferred to IEPF on the IEPF Authority's website and also on its own website.

Accordingly, the details of such unpaid / unclaimed amounts along with their respective due dates for transfer to IEPF are provided for the benefit of investors. The Shareholders may please claim their unclaimed / unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF.

| Year | Rate of Dividend (%) | Date of Declaration | Date of Transfer |
|---------|----------------------|---------------------|------------------|
| 2013-14 | 10 | 30/09/2014 | 05/11/2021 |
| 2014-15 | 10 | 26/09/2015 | 01/11/2022 |
| 2015-16 | 10 | 27/08/2016 | 02/10/2023 |
| 2016-17 | 20 | 10/08/2017 | 15/09/2024 |
| 2017-18 | 30 | 11/08/2018 | 16/09/2025 |
| 2018-19 | 10 | 21/09/2019 | 27/10/2026 |

IEPF- Investor Education and Protection Fund

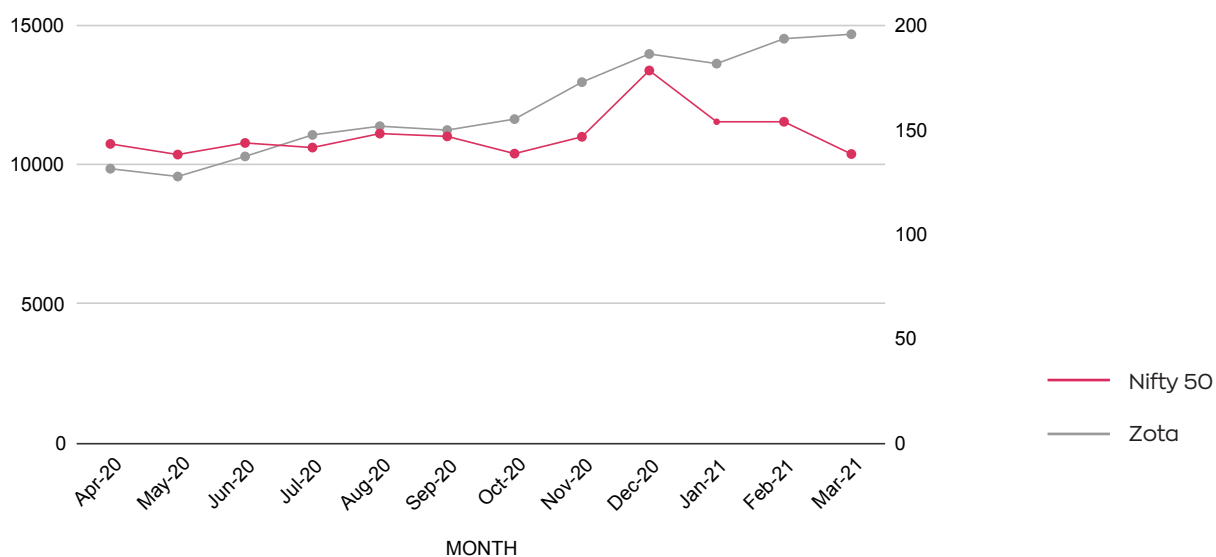
Unpaid/ Unclaimed Dividend Transferred to Investor Education and Protection Fund

During the year, the Company has transferred fund amounting ₹ 2180/- of the unpaid/ unclaimed dividend amount of the Financial Year 2012-13 to Investor Education and Protection Fund (IEPF). The details of the shareholders whose funds so transferred to the IEPF is available on the website of the Company and the same can be accessed from the below link: http://www.zotahealthcare.com/wp-content/uploads/2020/12/ZOTA-Form-IEPF-1_2012-13.pdf

Market Price Data

Data of market price high, low for the year 2020-21 is given below:

| Month | High (₹) | Low (₹) | Volume (No. of Shares) | Turnover (In Lakhs) |
|----------------|----------|---------|------------------------|---------------------|
| April 2020 | 159.2 | 128.05 | 134013 | 192.93 |
| May 2020 | 156 | 131.1 | 173848 | 244.40 |
| June 2020 | 158.7 | 136.95 | 368042 | 542.48 |
| July 2020 | 152 | 138.05 | 180287 | 258.72 |
| August 2020 | 168 | 140 | 461785 | 706.13 |
| September 2020 | 155.75 | 142.4 | 172839 | 257.39 |
| October 2020 | 149.2 | 136 | 201671 | 284.95 |
| November 2020 | 158.9 | 135.9 | 345461 | 483.69 |
| December 2020 | 183.5 | 136.65 | 991254 | 1557.44 |
| January 2021 | 188 | 152 | 649722 | 1123.53 |
| February 2021 | 162.7 | 149.5 | 241689 | 378.15 |
| March 2021 | 156.95 | 137.25 | 361495 | 534.07 |



Registrar & Transfer Agents:

Satellite Corporate Services Pvt. Ltd.

A/106-107, Dattani Plaza MTNL Lane,
East West Compound, Andheri Kurla Road,
Sakinaka, Mumbai-400072

Ph. No.: 022 28520461/462. Fax: 022 28511809

Website: www.satellitecorporate.com

Email: service@satellitecorporate.com

Tele Fax: 022 28511809

Distribution of Shareholdings as on March 31, 2021:

| Share Holding of Nominal Value ₹ | Number of Shareholders | Value of Holding | Percentage of Total |
|----------------------------------|------------------------|---------------------|---------------------|
| UPTO 50,000 | 3,558 | 2,68,61,590 | 10.94 |
| 50,001 100,000 | 112 | 80,18,450 | 3.26 |
| 100,001 500,000 | 75 | 1,35,56,380 | 5.52 |
| 500,001 and above | 26 | 19,71,66,850 | 80.28 |
| Total | 3,771 | 24,56,03,270 | 100.00 |

| Category | No. of Shares held | Shareholding % |
|--|--------------------|----------------|
| Promoter & Promoter' Relatives | 17183728 | 69.97 |
| Bodies Corporate | 178659 | 0.73 |
| Individuals holding nominal share capital up to ₹ 2 lakhs | 3438007 | 14.00 |
| Individuals holding nominal share capital in excess of ₹ 2 lakhs | 2898841 | 11.8 |
| HUF | 651574 | 2.65 |
| Clearing Member | 46271 | 0.19 |
| Non Resident Indians | 30943 | 0.12 |
| Firm | 132304 | 0.54 |
| Total | 24560327 | 100 |

Share Transfer System

Share transfer system is handled by Satellite Corporate Service Pvt. Ltd., Share Registrar and Transfer Agent (RTA) of the company. Shareholders who are intended to transfer shares are first need to provide the transfer form to RTA then RTA shall check the validity of the transfer forms and other details thereto and then forward the same to the company for approval.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further vide its press release PR No.:12/2019 dated March 27, 2019 clarified that transfer of shares (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take dematerialize the shares on expedite manner.

Dematerialization of Shares and Liquidity:

The Company has got listed on NSE Emerge platform on 10th May, 2017, further migrated to the Main Board of National Stock Exchange w.e.f. August 19, 2019 and all the shares of the Company are traded on the said stock exchange. To facilitate shareholders for trading in demat form, Company has entered into agreement with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2021 out of total 24560327 equity shares 24399274 i.e. 99.34% shares are in dematerialized mode. All the shares of the promoters and the persons belonging to promoter's group are in dematerialized mode.

Dematerialization of Shares – Process

Those shareholders who hold shares in physical form are requested to dematerialize their shares at earliest. Process of converting physical shares into dematerialized form is as below:

- Shareholders need to open demat account with a Depository Participant (DP)

- Shareholders should collect Dematerialization Request Form (DRF) form from their respective Depository Participant (DP) and after filling requisite information submit DRF form along with original share certificates to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN)
- DP will submit the DRF and original share certificate to Satellite Corporate Services Private Limited, the Registrar and Transfer Agent (RTA) of the Company.
- RTA will forward DRF to company for confirmation.
- Company will confirm the DRF and request RTA for process demat request.
- RTA will approve or reject DRF as per the direction of Company and inform the same to DP/ Depositories.
- Upon confirmation of request the shareholders will get their shares credited in their respective demat account number.

Credit Rating:

During the year, the Company has not obtained any credit rating.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: NIL**Foreign Exchange Risk:**

The foreign exchange risk of the company can be referred in significant accounting notes to the financial statement.

Plant Locations:

Plot No. 169
Surat Special Economic Zone,
Near Sachin Railway Station,
Sachin, Surat – 394 230, Gujarat

Address for Correspondence:**(a) Registrar & Transfer Agents:**

Satellite Corporate Services Pvt. Ltd.
A/106-107, Dattani Plaza MTNL Lane,
East West Compound, Andheri Kurla Road,
Sakinaka, Mumbai-400072
Ph: No. 022 28520461/462. Fax: 022 28511809
Email: service@satellitecorporate.com
Tele Fax: 022 28511809

(b) Registered Officer:

"Zota House", 2/896, Hira Modi Street,
Sagrampura, Surat - 395002, Gujarat
Ph. No.: 0261 2331601
Email: info@zotahealthcare.com
Website: www.zotahealthcare.com

10. DISCLOSURES**Related Party Transaction**

The list of related party transactions entered by the Company during the year is mentioned in note no. C-22(3) of significant accounting notes to the financial statement. All related party transactions are being monitored by Audit Committee of the Company. Company's policy on related party transaction is available on below link: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Related_Party_Transactions_Policy.pdf

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Whistle Blower Policy/Vigil Mechanism Policy

The Company has a formal Whistle Blower Policy/ Vigil Mechanism Policy and the same is available on the website of the Company at www.zotahealthcare.com. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

IPO FUND Utilization

Pursuant to regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Company has submitted the quarterly statements of deviation and/ variation in utilization of the public issue, if any, to the Stock Exchange, simultaneously the same have also been uploaded on the company's website at www.zotahealthcare.com. As on March 31, 2021 the details of IPO fund utilization is as below:

| Original Object | Original allocation (₹ in Lakhs) | Funds Utilised (₹ in Lakhs) |
|---|-------------------------------------|--------------------------------|
| Repayment/prepayment of certain Borrowings availed by Company | 330.00 | 330.00 |
| Working capital requirement | 2700.00 | 2700.00 |
| General Corporate Purpose | 809.10 | 809.10 |
| Offer expenses | 135.90 | 135.90 |
| Total | 3975.00 | 3975.00 |

*The Company has fully utilized the IPO funds and the same have been reported to the Stock Exchange in Quarterly statement of deviation and/ variation in utilization of the public issue filed for the Quarter ended September 30, 2020.

Mandatory & Non Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt the good corporate governance practices which help in adoption of non-mandatory requirements.

Material Subsidiary

As of now Company does not have any material subsidiary, Company's policy on material subsidiary as available on link http://www.zotahealthcare.com/wp-content/uploads/2019/08/Policy_on_Material_Subsiidiary.pdf

Certificate from Company Secretary in Practice:

Mr. Ranjit Binod Kejriwal, a Practicing Company Secretary, has issued a Certificate as required Schedule V Para C clause (10)(i)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with section in **Annexure - 12.**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Details of fees paid to the Statutory Auditors are mentioned in Note No. C-22(13) of the Standalone Financial Statement and Note No. H-22(13) of Consolidated Financial Statement.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year, No complaints has been received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

11. DISCRETIONARY REQUIREMENTS

The Board

The chairperson of the company is Non-Executive Director.

Shareholder Rights

Quarterly, half yearly and yearly declaration of financial performance is uploaded on the website of the company at www.zotahealthcare.com as soon as it is intimated to the stock exchange.

Modified opinion(s) in audit report

Standard practices and procedures are followed to ensure unmodified financial statements.

Reporting of Internal Auditor

The Internal Auditor M/s Pradeep K. Singhi & Associates, Chartered Accountants, have reported directly to the Audit Committee of the Company.

12. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

Company has complied with all the corporate governance requirements (as far as were applicable to the company) as specified in the aforementioned regulations.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 4

AS PER RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- | | | |
|---|---|-----|
| (i) The steps taken or impact on conservation of energy | } | NIL |
| (ii) The steps taken by the Company for utilising alternate sources of energy | | |
| (iii) The capital investment on energy conservation equipment | | |

B. TECHNOLOGY ABSORPTION

- | | | |
|---|---|-----|
| (i) The efforts made towards technology absorption | } | NIL |
| (ii) The benefits derived like product improvement, cost reduction, product development or import substitution | | |
| (iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year) NIL | | |
| a. The details of technology imported | | |
| b. The year of import | | |
| c. Whether the technology been fully absorbed | | |
| d. If not fully absorbed areas where absorption has not taken place & reasons thereof | | |
| (iv) The expenditure incurred on research & development during the year 2020-21 was ₹ 06 lakhs. | | |

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Foreign Exchange earning in terms of actual inflows

Export of goods calculated on FOB basis Export by SEZ unit during the financial year 2020-21 was ₹ 2203 lakhs.

The Foreign Exchange outgo during the year in terms of actual outflows

Foreign Exchange outgo during the financial year 2020-21 was ₹ 116.16 lakhs.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 5

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ZOTA HEALTH CARE LIMITED
(CIN: L24231GJ2000PLC038352)
Zota House 2/896 Hira Modi Street,
Sagrampura, Surat-395002

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Zota Health Care Limited**, (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the **M/s. Zota Health Care Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

In the wake of COVID-19 pandemic outbreak, we have relied on management representations, scanned copies and soft copies of documents received by the company for issue of this report. Physical verification was not possible. So to that extent the report may be based on our presumption to the truth of digital documents and representation.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Zota Health Care Limited** for the financial year ended on **31st March, 2021** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during the year:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **the regulation is not applicable during the Financial Year 2020-2021**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **the regulation is not applicable during the Financial Year 2020-2021**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **the regulation is not applicable during the Financial Year 2020-2021**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **the regulation is not applicable during the Financial Year 2020-2021 and**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **the regulation is not applicable during the Financial Year 2020-2021**
- vi. Other Laws Specifically Applicable to Company:
 - a. Income Tax Act, 1961
 - b. Goods and Service Tax Act, 2017 and other indirect taxes
 - c. Labour Laws
 - d. The Patents Act, 1970
 - e. The Copyright Act, 1957
 - f. The Trademarks Act, 1999
 - g. The Drugs and Cosmetics Act, 1940
 - h. The Drugs and Cosmetics Rules, 1945
 - i. The Drugs (Price Control) Order, 2013
 - j. Food Safety and Standard Act, 2006

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to the Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During The year under review, the company has generally complied with the provisions of the act, rules, regulations and guidelines mentioned above except following:

- The Company has filed revised IEPF-2 Form
- Form DPT-3 for Non- Acceptance of Deposits and Form MSME for the period ended on 31/03/2020 were filed beyond due date.

I further report that, based on the information provided by the company, its officers and authorised representative during the conduct of the audit, and also on the review of reports by CS/CEO of the company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

I further report that, the compliance by the company of applicable financial laws, like direct, indirect tax laws and other acts point (vi), has not been reviewed in this audit since

the same have been subject to review by statutory financial audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the board were unanimous and no dissenting views have been recorded.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period, there were no specific events/actions in pursuance of the aforesaid laws, rules, regulations, etc. having a major bearing on the company's affairs.

Place: Surat
Date: 02.09.2021

Signature: Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
UDIN: FO06116C000884444
PR: 12004GJ424500

This report is to be read with our letter dated 02nd September, 2021 which is annexed and forms an integral part of this report.

To,
The Members,
ZOTA HEALTH CARE LIMITED
(CIN: L24231GJ2000PLC038352)
Zota House 2/896 Hira Modi Street,
Sagrampura, Surat-395002

Our Secretarial Audit report dated 02nd September, 2021 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Surat
Date: 02.09.2021

Signature: Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
UDIN: F006116C000884444
PR: 12004GJ424500

Annexure - 6

THE DISCLOSURES PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE AS UNDER:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for F.Y. 2020-21 (in ₹ lakhs) | % increase in Remuneration in the F.Y. 2020-21 | Ratio of Remuneration of each Director/to median remuneration of employees |
|---------|---|--|--|--|
| 1 | Mr. Ketankumar Chandulal Zota Non-Executive Chairman | 0.21 | -22.23 | 0.1288:1 |
| 2 | Mr. Moxesh Ketanbhai Zota Managing Director | 25.77 | 0.00 | 15.81:1 |
| 3 | Mr. Himanshu Muktilal Zota Whole Time Director | 25.98 | -0.12 | 15.94:1 |
| 4 | Mr. Kamlesh Rajanikant Zota Whole Time Director | 25.77 | 0.00 | 15.81:1 |
| 5 | Mr. Manukant Chandulal Zota Whole Time Director | 25.80 | -0.23 | 15.83:1 |
| 6 | Mrs. Varshababen Gaurang Mehta Non-Executive Independent Director | 0.39 | -23.53 | 0.2393:1 |
| 7 | Mrs. Bhumi Maulik Doshi Non-Executive Independent Director* | 0.30 | -23.07 | 0.1840:1 |
| 8 | Mr. Vitrag Sureshkumar Modi Non-Executive Independent Director* | 0.30 | -16.67 | 0.1840:1 |
| 9 | Mr. Dhiren Prafulbhai Shah Non-Executive Independent Director* | 0.21 | 75% | 0.1288:1 |
| 10 | Mrs. Jayshreeben Nileshkumar Mehta Non-Executive Independent Director* | 0.24 | 14.29 | 0.1472:1 |
| 11 | CS Ashvin Variya Company Secretary & Compliance Officer | 8.12 | 13.73 | 4.98:1 |
| 12 | Mr. Viral Madviwala Chief Financial Officer | 6.13 | 4.61 | 3.76:1 |

(i) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2020-21:

| Sr. No. | Name & Designation | Qualification and Experience | Remuneration (₹ In Lakhs) | Date of Appointment | Age (In years) | Particulars of Last Employment | Relative of Director/Manager |
|---------|---|--|---------------------------|---------------------|----------------|--------------------------------|---|
| 1 | Himanshu Muktilal Zota - Whole-time Director | Diploma in Pharmacy (29 years) | 25.98 | 01/04/2015 | 47 | N.A. | N.A. |
| 2 | Manukant Chandulal Zota - Whole-time Director | M.SC (26 years) | 25.80 | 01/04/2015 | 70 | N.A. | Brother of Mr. Ketankumar Chandulal Zota (Chairman) |
| 3 | Moxesh Ketanbhai Zota - Managing Director | B.Pharm, Master of Science - BPP University (UK) (7 years) | 25.77 | 07/10/2016 | 30 | N.A. | Son of Mr. Ketankumar Chandulal Zota (Chairman) |

| | | | | | | | |
|----|---|--|-------|------------|----|---|--|
| 4 | Kamlesh Rajanikant Zota – Whole-time Director | B.Pharm (26 years) | 25.77 | 01/04/2015 | 48 | <ul style="list-style-type: none"> Technical Assistant – Torrent Pharmaceuticals Ltd, Production Officer – Unique Pharmaceuticals Laboratories, | N.A. |
| 5 | Niral Zota – Head of Domestic Market | H.S.C. (23 years) | 19.00 | 01/04/2010 | 44 | N.A. | Brother of Mr. Himanshu Zota (Whole Time Director) |
| 6 | Viren Zota – Head of Domestic Market | B.B.A. (14 years) | 19.00 | 01/04/2008 | 37 | N.A. | Son of Mr. Manukant Zota (Whole Time Director) |
| 7 | Jitendra V Raigude | M.Sc. (Clinical Research & Regulatory Affairs) | 11.05 | 22/05/2019 | 36 | Assistant Manager - Unosource Pharma Limited | N.A. |
| 8 | Ravindrasingh Jaiswal | B. A. ; 21 Years of Experience) | 10.67 | 07/04/2020 | 46 | Tristar Hospital (General Manager Operation & Business Development) | N.A. |
| 9 | Santanu Pal Roy | B. Sc.; Post graduate Diploma Marketing Management; 22 Years of Experience | 10.52 | 11/12/2019 | 56 | Mavenick Biotech (general manager) | N.A. |
| 10 | Ratilal G. Harkhani – Plant Manager | B. Pharm (29 years) | 10.43 | 16/05/2009 | 53 | <ul style="list-style-type: none"> Sr. Chemist - Torrent Pharmaceuticals Ltd, Manager - Akums Drugs & Pharmaceuticals Ltd, Manager - Meridian Pharmacare Pvt. Ltd. | N.A. |

(ii) The median remuneration of employees of the Company during the Financial Year was ₹ 1.63 lakhs.

(iii) In the Financial year, the median remuneration of employees is increased by 15.60%.

(iv) There were 321 permanent employees on the rolls of the Company as on March 31, 2021;

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is -11.27%. There is an average increase of 1% in the remuneration of Key Managerial personnel in comparison to the last financial year.

(vi) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.

(vii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 7

CERTIFICATE IN TERMS OF REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Zota Health Care Limited.

Dear Sir(s)/Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:

- a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b. 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.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the auditors and the Audit Committee:-

- a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2021;
- b. during year company has adopted IND AS apart from this there are no significant changes in accounting policies during the financial year ended March 31, 2021; and
- c. that there are no instances of significant fraud of which we have become aware.

Place: Surat
Date: 25.06.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

Sd/-
Viral Mandviwala
Chief Financial Officer

Annexure - 8

DECLARATION BY MANAGING DIRECTOR THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

All the Members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021 as applicable to them as laid down in Companies Act, 2013 with the code of conduct of Board of directors and senior management.

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

Annexure - 9

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Zota Health Care Limited.

We have examined the compliance of the conditions of Corporate Governance by Zota Health Care Limited (The Company); for the year ended 31st March 2021 as stipulated in Regulation 27(2) of SEBI (Listing Obligation And Disclosure Requirements), Regulations 2015 of the said Company with NSE.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

Place: Surat
Date: 02.09.2021

For **Shivangi Parekh & Co.**
Chartered Accountants
Firm No. 131449W

sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAADF5351

Annexure - 10

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Part "A": Subsidiaries

| Sl. No | Name of the subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Share capital | Reserves & surplus | Total assets | Total Liabilities | Turnover | Investments | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of shareholding |
|--------|----------------------------------|---|---|---------------|--------------------|--------------|-------------------|----------|-------------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 1 | ZOTA HEALTHCARE LANKA (PVT) LTD* | 01 st April, 2020 To 31 st March, 2021 | Sri Lankan Rupees (LKR) (1 LKR=0367 INR) | 73,400 | (62,558) | 52,625 | 41,783 | Nil | Nil | (14,447) | Nil | (14,447) | Nil | 100 |
| 2 | Davalindia Health Mart Limited | 01 st April, 2020 To 31 st March, 2021 | N.A. | 1,000,000 | (616,385) | 2,331,812 | 1,983,192 | Nil | 155,895 | (485,196) | 34,995 | (450,202) | Nil | 100 |

*The figures of the financial statement are converted into Indian Rupees at the aforementioned exchange rate.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates/Joint Ventures | Latest audited Balance Sheet Date | Shares of Associate/Joint Ventures held by the company on the year end | Description of how there is significant influence | Reason why the associate/joint venture is not consolidated | Net worth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year |
|-----------------------------------|-----------------------------------|--|---|--|--|----------------------------|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A |

Place: Surat
Date: 02.09.2021

For the Board of Director
ZOTA HEALTH CARE LIMITED

sd/-
Moxesh Ketanbhai Zota
Managing Director
DIN:07625219

sd/-
Himanshu Muktilal Zota
Whole-time Director
DIN:01097722

Annexure - 11

In line with Regulation 34(2)(f) and Schedule V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|----|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L24231GJ2000PLC038352 |
| 2 | Name of the Company | Zota Health Care Limited |
| 3 | Registered address | Zota House, 2/896, Hira Modi Street, Sagrampura, Surat - 395002, Gujarat, India |
| 4 | Website | www.zotahealthcare.com |
| 5 | E-mail id | info@zotahealthcare.com |
| 6 | Financial Year reported | April 01, 2020 to March 31, 2021 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Pharmaceutical |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | Manufacturing and Marketing of Pharmaceutical Products |
| 9 | Total number of locations where business activity is undertaken by the Company | http://www.zotahealthcare.com/about-us/our-business-2/ |
| A | Number of International Locations (Provide details of major 5) | http://www.zotahealthcare.com/about-us/our-business-2/ |
| B | Number of National Locations | http://www.zotahealthcare.com/about-us/our-business-2/ |
| 10 | Markets served by the Company - Local/State/National/International | The Company is catering both the Domestic and the International Markets. In Indian market, the Company is having more than 1050 distributors covering each and every corner of the India. In International market the Company has marked its presence in more than 35 African, Asian, Latin American and CIS countries. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|--|
| 1 | Paid up Capital (INR) | 2456.03 lakhs |
| 2 | Total Turnover (INR) | 10684.12 lakhs |
| 3 | Total profit/ (loss) after taxes (INR) | (16.24) lakhs |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 2% of net profit before tax of preceding three financial years. Refer Annexure -2 of the Board Report on page no. 53 |
| 5 | List of activities in which expenditure in 4 above has been incurred:- | Refer Annexure - 2 of the Board Report on page no. 53 |

SECTION C: OTHER DETAILS

| | | |
|---|--|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Yes, followings are the Wholly Owned Subsidiary Companies of the Company: 1. Davaindia Health Mart Limited 2. Zota Healthcare Lanka (Pvt) Ltd |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | Yes; all the BR Initiatives of the Company are being extended to our subsidiary companies as well. |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | Yes, Less than 30% |

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number : 01097722
2. Name : Himanshu Muktilal Zota
3. Designation : Whole-time Director

b) Details of the BR head

1. DIN Number (if applicable): 07625219
2. Name : Moxesh Ketanbhai Zota
3. Designation : Managing Director
4. Telephone number : +91 261 2331601
5. E-mail id : moxesh@zotahealthcare.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1. Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3. Businesses should promote the wellbeing of all employees
- P4. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5. Businesses should respect and promote human rights
- P6. Business should respect, protect, and make efforts to restore the environment
- P7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8. Businesses should support inclusive growth and equitable development
- P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|-------|------|------|--------|--------|--------|------|--------|------|
| 1 | Do you have a policy/ policies for... | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Does the policy conform to any national / international standards? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online? | Yes** | Yes* | Yes* | Yes*** | Yes**^ | Yes*** | Yes* | Yes*** | Yes* |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 | Does the company have in-house structure to implement the policy/ policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

| | | | | | | | | | | |
|----|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

* Code of Conduct: <http://www.zotahealthcare.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Board-Members-Senior-Management-Personnel.pdf>

** Whistle Blower Policy and Code of Conduct:

http://www.zotahealthcare.com/wp-content/uploads/2019/11/VIGIL_MECHANISM.pdf

<http://www.zotahealthcare.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Board-Members-Senior-Management-Personnel.pdf>

*** Corporate Social Responsibility Policy: http://www.zotahealthcare.com/wp-content/uploads/2019/08/Corporate_Social_Responsibility_Policy.pdf

*^ Code of Conduct & Social Media Policy:

<http://www.zotahealthcare.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Board-Members-Senior-Management-Personnel.pdf>

http://www.zotahealthcare.com/wp-content/uploads/2019/08/Social_Media_Policy.pdf

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|-----|----|----|----|----|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task) | | | | | NIL | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

| | |
|--|--|
| Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | Annually |
| Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Yes Annually www.zotahealthcare.com |

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

| | |
|---|---|
| 1.1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? | <p>The Company has adopted the Code of Conduct for Board of Directors and Senior Managerial Personnel's, in which the Company has laid down various ethical principles for Board of Directors and Senior Managerial Personnel's in accordance with the applicable laws, rules and regulations.</p> <p>The Company has also formed and adopted Whistle Blower Policy for the directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.</p> <p>In respect of suppliers, the Company has adopted standard supplier's agreement in which standard clauses of ethics have been incorporate. Apart from these for distributors we have adopted franchisee agreement which includes ethical principles.</p> <p>These all ethical principles/ guidelines have been extended to the Company's subsidiary companies as well.</p> |
| 1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. | The stakeholder herein includes the company's employees, investors, suppliers, vendors, partners, government and the local community. For details of investor's complaints please refer to the "investor complaint" tab in the shareholders information section of the Corporate Governance Report which is part of Board Report. |

Principle 2

| | |
|---|--|
| 2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | <p>We are engaged in the business of Manufacturing and Marketing of Pharmaceutical products. For manufacturing, we have manufacturing plant at Surat Special Economic Zone (SurSEZ), Sachin, Surat. Wherein we are manufacturing general tablet and general capsules. As per the bylaws of SurSEZ manufacturing of general tablets and general capsules are considered as pollution free activities and no environment clearance certificate is required for the said activities.</p> <p>Further as far as Marketing activities are concerned, we are procuring finished goods from the manufacturing plants which carries valid environment clearance license and WHO-GMP certificate.</p> <p>As stated above our manufacturing activities are totally pollution free, hence details mentioned in point number 2.1 is not applicable.</p> |
| 2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? | N.A. |
| 2.3 Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. | We have placed a balanced supply chain mechanism in which we have focused to do all transportations from the local and registered transporters. All transporters carried valid licenses and run their vehicles by following applicable rules and regulations. We are also giving transit insurance to all the transports, which are delivering our goods. During last financial year around 83% of our transportation has been handled by the local transporters. |

| | | |
|-----|---|---|
| 2.4 | Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Zota has always endeavor for upliftment of small scale entrepreneurs and businesses. With regards to the administrative services we always prefer to hire it from local and surrounding communities where we are working. During last financial year we have procured around 100% of raw materials and finished goods from the domestic suppliers/ manufacturers. |
| 2.5 | 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. | We have adopted eco- friendly procedures for disposal of waste that has been created on account of expired and/ or banned of pharmaceutical products. All expired products have been disposed of by approved biological waste management agencies. We are recycling <5% of our products which were expired. |

Principle 3

| 3.1 | Please indicate the Total number of employees | 321 | | | | | | | | | | | | | | | |
|---|--|--|----------|--|--|---|-----|------------|---------------------------|----|------------|---|---|---|-----------------------------|---|---|
| 3.2 | Please indicate the Total number of employees hired on temporary/ contractual/casual basis | N.A. | | | | | | | | | | | | | | | |
| 3.3 | Please indicate the Number of permanent women employees | 73 | | | | | | | | | | | | | | | |
| 3.4 | Please indicate the Number of permanent employees with disabilities | 0 | | | | | | | | | | | | | | | |
| 3.5 | Do you have an employee association that is recognized by management | No | | | | | | | | | | | | | | | |
| 3.6 | What percentage of your permanent employees is members of this recognized employee association? | N.A. | | | | | | | | | | | | | | | |
| 3.7 | Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | <p>The Company has framed and adopted Anti-Sexual Harassment Policy; covering the complaints against any sexual harassment and complaint for any discrimination. The details of concerned or complaints received by the Company is as below:</p> <table> <tr> <th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr> <tr> <td>Child labour/ forced labour/ involuntary labour</td><td>0</td><td>0</td></tr> <tr> <td>Sexual harassment</td><td>0</td><td>0</td></tr> <tr> <td>Discriminatory employment</td><td>0</td><td>0</td></tr> </table> | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year | Child labour/ forced labour/ involuntary labour | 0 | 0 | Sexual harassment | 0 | 0 | Discriminatory employment | 0 | 0 | | | |
| Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year | | | | | | | | | | | | | | | |
| Child labour/ forced labour/ involuntary labour | 0 | 0 | | | | | | | | | | | | | | | |
| Sexual harassment | 0 | 0 | | | | | | | | | | | | | | | |
| Discriminatory employment | 0 | 0 | | | | | | | | | | | | | | | |
| 3.8 | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities | <p>We cover almost all employees in the safety training which is being given at the time of joining and at regular basis from time to time. Apart from this at regular intervals we are arranging skills development programs in which all categories of employees have been included. The details of training imparted during last financial year is as below:</p> <table> <tr> <th>Category</th><th>No. of Employees</th><th>Training Imparted</th></tr> <tr> <td>Permanent Employees</td><td>321</td><td>5778 hours</td></tr> <tr> <td>Permanent Women Employees</td><td>73</td><td>1314 hours</td></tr> <tr> <td>Casual/Temporary/ Contractual Employees</td><td>0</td><td>0</td></tr> <tr> <td>Employees with Disabilities</td><td>0</td><td>0</td></tr> </table> | Category | No. of Employees | Training Imparted | Permanent Employees | 321 | 5778 hours | Permanent Women Employees | 73 | 1314 hours | Casual/Temporary/ Contractual Employees | 0 | 0 | Employees with Disabilities | 0 | 0 |
| Category | No. of Employees | Training Imparted | | | | | | | | | | | | | | | |
| Permanent Employees | 321 | 5778 hours | | | | | | | | | | | | | | | |
| Permanent Women Employees | 73 | 1314 hours | | | | | | | | | | | | | | | |
| Casual/Temporary/ Contractual Employees | 0 | 0 | | | | | | | | | | | | | | | |
| Employees with Disabilities | 0 | 0 | | | | | | | | | | | | | | | |

Principle 4

| | | |
|-----|--|--|
| 4.1 | Has the company mapped its internal and external stakeholders? Yes/No | Yes, Zota has mapped its internal and external stakeholders. Our stakeholder herein includes the company's employees, investors, shareholders, customers, suppliers, vendors, partners, government and the local community. |
| 4.2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders | Yes, Zota identifies local community around the manufacturing plant and customers from rural areas and lower middle class from the urban areas as disadvantaged, vulnerable & marginalized stakeholders. |
| 4.3 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so | Yes, Zota has continually taken initiatives for the upliftment of the disadvantaged, vulnerable & marginalized stakeholders. For the community where we operates, we are giving first priority to them in terms of employment and business relations. As far as customers from the rural areas and lower middle class from the urban areas are concerned, we are committed to provide them affordable medicines by our project Davaindia and by that we have lower the burden of medical expenses on them. We believe that a healthy and happy community can help us in built up a strong and sustainable business. |

Principle 5

| | | |
|-----|---|--|
| 5.1 | Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? | We at Zota have formed Anti-Sexual Harassment Policy and Social Media Policy which protects human rights of our employees and the same have been extended to our subsidiary companies as well. |
| 5.2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | Please refer para 1.2 of this table. |

Principle 6

| | | |
|-----|--|---|
| 6.1 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others. | We are engaged in manufacturing and marketing of pharmaceutical product. As far as our own manufacturing facility is concerned, we have adopted industry best manufacturing practices for the protection of environment and all necessary approvals have been taken by us. In third party manufacturing, we always insist to give orders to the suppliers/ manufacturer who have adopted all safety measures for protection of environment. |
| 6.2 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. | No |
| 6.3 | Does the company identify and assess potential environmental risks? Y/N | Yes |
| 6.4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | Not Applicable |
| 6.5 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. | No |
| 6.6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | In our manufacturing facilities we are manufacturing only tablet and capsules and manufacturing of the same has not created any emissions or waste. On the other side being pharmaceutical company all the expired and/ or banned medicines are being disposed of by approved biological waste management agencies. |
| 6.7 | Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | None |

Principle 7

| | | |
|-----|--|--|
| 7.1 | Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: | Yes, being a leading pharmaceutical company, we are the part of many well-known chambers and associations. The details of the same is cited below: <ul style="list-style-type: none"> • The Southern Gujarat Chamber of Commerce and Industry • Indian Drug Manufacturers Association • SurSez Association • Export Promotion Council • Pharmaceutical Export Promotion Council |
| 7.2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | No |

Principle 8

| | | |
|-----|--|--|
| 8.1 | Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. | At Zota, we believe that Health, Education, Water, Livelihood, Environment and Disaster Relief are some of our key priorities in the area of Corporate Social Responsibility (CSR). We strive to make good health accessible to the local communities and society at large. With intensive efforts of people who work behind the scenes to combat diseases and by means of active field work and dedicated research and recognition, we help people achieve their right to good health. |
| 8.2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? | Zota is undertaking various CSR initiatives/ programmes with the help of external Registered public trust or a registered Society registered under section 12A and 80G of the Income Tax Act, 2016 or a section 8 company registered under the Indian Companies Act, 2013. |
| 8.3 | Have you done any impact assessment of your initiative? | Every year the CSR committee of the Company do evaluation of the CSR activities carried out by the Company. |
| 8.4 | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken | Please refer Annexure – 2 of the Board Report. |
| 8.5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | Yes, for the betterment of community we have undertaken a project “Vocational Training for Reaching to Unreached” Rural Development, Community Mobilization and Livelihood Promotion Activities, which has been implemented through the registered trust. By this project we have provided vocational training and self-employment training in rural poor area of Surendranagar District, Gujarat without distinction of caste or creed. This project has been successfully implemented by Shri Jagatbharti Education & Charitable Trust and has impacted the lives of many poor rural area population of Surendranagar District, Gujarat. |

Principle 9

| | | |
|-----|---|--|
| 9.1 | What percentage of customer complaints/consumer cases are pending as on the end of financial year. | None |
| 9.2 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information) | Yes, Zota displays all product information on the product label, over and above what is mandated as per the Drug and Cosmetics Act and other laws. This additional information enhance customers about how to use the products with all safety measures. The additional information on products majorly contains the active ingredient contained in the product, clinical benefits, safety warning, consumer grievance redressal process, details of manufacturer, contact details, etc. We also provide information to customers about how to handle the products and in which condition the product shouldn't have been accepted by the customers. |

| | | |
|-----|---|---|
| 9.3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. | No |
| 9.4 | Did your company carry out any consumer survey/ consumer satisfaction trends? | Yes, being a part of continuous stakeholder's engagement we usually carry out consumer survey with the help of third party agencies and from our end as well. To provide the quality products to the customers, we also carried out Quality Attestation and Quality Control of all our products in our labs as well as in the NABL accredited labs. |

Annexure - 12

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
ZOTA HEALTH CARE LIMITED
(CIN: L24231GJ2000PLC038352)
Zota House, 2/896 Hira Modi Street,
Sagrampura, Surat-395002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ZOTA HEALTH CARE LIMITED** having CIN: L24231GJ2000PLC038352 and having registered office at Zota House, 2/896 Hira Modi Street, Sagrampura, Surat-395002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1. | Ketankumar Chandulal Zota | 00822594 | 01/10/2010 |
| 2. | Kamlesh Rajanikant Zota | 00822705 | 01/10/2010 |
| 3. | Himanshu Muktilal Zota | 01097722 | 12/07/2000 |
| 4. | Manukant Chandulal Zota | 02267804 | 01/10/2010 |
| 5. | Moxesh Ketanbhai Zota | 07625219 | 07/10/2016 |
| 6. | Varshababen Gaurang Mehta | 07611561 | 10/09/2016 |
| 7. | Bhumi Maulik Doshi | 08456082 | 30/05/2019 |
| 8. | Vitrag Sureshkumar Modi | 08457204 | 30/05/2019 |
| 9. | Jayshreeben Nileshkumar Mehta | 08536399 | 21/09/2019 |
| 10. | Dhiren Prafulbhai Shah | 08536409 | 21/09/2019 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Surat
Date: 02.09.2021

Signature: Sd/-
Name of PCS: Ranjit Binod Kejriwal
FCS No.: 6116
C P No.: 5985
UDIN: FO06116C000884324
PR: 12004GJ424500

Independent Auditor's Report

TO THE MEMBERS OF ZOTA HEALTH CARE LIMITED

Report on the Audit of the standalone Ind AS financial statements

I have audited the accompanying Ind AS financial statements of ZOTA HEALTH CARE LIMITED (the "company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

I conducted my audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to my audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

I have determined that there are no key audit matters to communicate in my report.

INFORMATION OTHER THAN THE STANDALONE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone Ind AS financial statements and my auditor's report thereon.

My opinion on the standalone Ind AS financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone Ind AS financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication."

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

- 1 As required by section 143(3) of the Act, I report that :
 - a I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b In my opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from my examination of the books;
 - c The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d In my opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate Report in "Annexure A";
 - g In my opinion and to the best of my information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in my opinion and to the best of my knowledge and belief and according to the information and explanations given to me:

(i) The Company does not have any pending litigations which would impact its financial position

(ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor

Education and Protection Fund by the Holding Company during the year ended March 31, 2021.

2 As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order") and according to the information and explanations given to me, I enclose in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

For **Shivangi Parekh & Co.**
Chartered Accountants
ICAI Firm Reg. No. 131449W

Date: 25-06-2021
Place: Surat

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAABP9703

Annexure “A” To the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of my report to the Members of Zota Health Care Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of ZOTA HEALTH CARE LIMITED (“the Company”) as of 31st March 2021 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the condensed financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Shivangi Parekh & Co.**
Chartered Accountants
ICAI Firm Reg. No. 131449W

Date: 25-06-2021
Place: Surat

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAABP9703

Annexure “B” To the Independent Auditor’s Report

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of my Report to the Members of Zota Health Care Limited of even date)

As required by the Companies (Auditor’s Report) Order, 2016 and according to the information and explanations given to me during the course of audit and on the basis of such checks as were considered appropriate, I report that :

- (i) In respect of the Company’s fixed assets :
 - a The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b According to the information and explanations given to me, all property, plant & equipment have been physically verified by the management during the period at reasonable intervals. As explained to me, no material discrepancies were noticed as compared to the books records, on such physical verification.
 - c According to the information and explanations given to me, all the immovable properties are in the name of the company.
- (ii) As explained to me, inventory of the Company has been physically verified during the period by the management at regular intervals. No material discrepancies were noticed as compared to the books records, on such physical verification.
- (iii) (a) The Company has granted loan to a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.
- (b) The Company has granted loan to a subsidiary covered in the register maintained under section 189 of the Companies Act 2013. The schedule of repayment of principal has been stipulated for the loans granted and the repayment are regular.
- (c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to me, the Company has not accepted deposits from the public and the other security deposits accepted are not considered as deposits as per section 73 to 76. Therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information & explanation given to me, cost records have been maintained by the company as prescribed under sub section (1) of section 148 of the Companies Act, 2013. We have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to me, in respect of statutory dues :
 - a According to the information and explanations given to me and according to the records, the Company has generally been regular in depositing undisputed statutory dues with appropriate authorities during the year.
 - b There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c According to the information and explanations given to me and the statutory examination of the records, there are no disputed dues which have not been deposited on account of Disputed matters pending before the appellate authorities.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year
- (xi) In my opinion and according to the information and explanations given to me, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company and hence not commented upon.
- (xiii) In my opinion and according to the information and explanations given to me, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties

and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company and, not commented upon.

(xv) In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Shivangi Parekh & Co.**
Chartered Accountants
ICAI Firm Reg. No. 131449W

Date: 25-06-2021
Place: Surat

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAABP9703

Standalone Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|----------------|------------------------------------|------------------------------------|
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| Property, plant and equipment | M-01 & S-07(a) | 751.85 | 803.24 |
| Intangible Assets | M-02 & S-07(b) | 647.37 | 737.55 |
| Capital work-in-progress | M-03 | 3.62 | 0.00 |
| Intangible assets under development | M-02 & S-07(b) | 0.00 | 0.00 |
| Financial Assets | | | |
| (i) Investments | C-03 | 999.40 | 1403.25 |
| (iii) Loans | C-04 | 36.90 | 29.45 |
| Total Non-Current assets | | 2439.14 | 2973.49 |
| (2) Current Assets | | | |
| Inventories | C-05 | 2812.80 | 2534.08 |
| Financial Assets | | | |
| (i) Trade Receivables | C-06 | 2884.33 | 2913.65 |
| (ii) Cash and Cash Equivalents | C-07 (a) | 1.31 | 1.42 |
| (iii) Bank balance other than cash and cash equivalents | C-07 (b) | 131.21 | 71.33 |
| (iv) Loans | C-08 | 173.39 | 318.74 |
| Other Current Assets | C-09 | 110.46 | 36.40 |
| Total Current assets | | 6113.50 | 5875.63 |
| Total Assets | | 8552.65 | 8849.12 |
| EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (i) Equity Share capital | C-10 | 2456.03 | 2456.03 |
| (ii) Other Equity | C-11 | 4181.18 | 4429.06 |
| Total Equity | | 6637.21 | 6885.09 |
| (2) Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | | 0.00 | 0.00 |
| Provisions | C-12 | 94.45 | 87.47 |
| Deferred tax liabilities (Net) | | 1.02 | 17.87 |
| Total non-current liabilities | | 95.47 | 105.34 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | | 0.00 | 0.00 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 57.94 | 205.61 |
| - Total Outstanding dues of Creditors other than micro enterprises and small enterprises | | 1500.86 | 1293.04 |
| Other Current liabilities | C-13 | 166.86 | 164.10 |
| Provisions | C-14 | 94.30 | 195.95 |
| Total current liabilities | | 1819.96 | 1858.69 |
| Total Liabilities | | 1915.43 | 1964.03 |
| Total Equity and Liabilities | | 8552.65 | 8849.12 |

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bungalow, Athwalines,
Surat,

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Sd/-
Ashvin Variya
Company Secretary

Sd/-
Viral Mandviwala
Chief Financial Officer

Date: 25-06-2021
Place: Surat

Standalone Statement of Profit & Loss

for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|--------------------|--|--|
| i. Revenue from Operations | C-15 | 10684.12 | 9511.27 |
| ii. Other Incomes | C-16 | 125.66 | 151.30 |
| iii. Total Revenue | | 10809.78 | 9662.57 |
| iv. Expenses: | | | |
| Cost of Materials Consumed: | C-17 | 2018.87 | 1303.92 |
| Purchases of Stock-in-Trade | | 5529.28 | 4617.40 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | C-18 | (213.79) | 708.70 |
| Employee Benefit Expenses | C-19 | 930.05 | 1034.05 |
| Finance Costs | C-20 | 10.97 | 6.91 |
| Depreciation / Amortisation and Depletion Expense | M-01 & M-02 & S-07 | 316.68 | 209.75 |
| Other Expenses | C-21 | 2352.15 | 1393.81 |
| v. Total Expenses | | 10944.21 | 9274.55 |
| vi. Profit/(loss) before exceptional items and tax (III-V) | | (134.42) | 388.02 |
| Exceptional items | | 102.88 | 0.00 |
| vii. Profit/(loss) before tax | | (31.54) | 388.02 |
| viii. Tax Expense: | | | |
| (1) Current tax | | 9.14 | 103.53 |
| (1.1) I.T. & DD Tax Provision Created Short/ excess | | (7.59) | 2.07 |
| (2) Deferred Tax | | 16.85 | (6.40) |
| ix. Profit/ (Loss) for the period from Continuing Operations (VII-VIII) | | (16.24) | 276.01 |
| x. Profit/(loss) before tax from discontinued operations | | 0.00 | 0.00 |
| xi. Tax Expense of discontinued Operations | | 0.00 | 0.00 |
| xii. Profit/ (Loss) from Discontinued Operations (after Tax) (X- XI) | | 0.00 | 0.00 |
| xiii. Profit/ (Loss) for the Year | | (16.24) | 276.01 |
| xiv. Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to Statement of profit and loss | | 18.67 | 16.46 |
| (ii) Income Tax relating to items that will not be reclassified to Statement of profit and loss | | (4.70) | (4.14) |
| B (i) Items that will be reclassified to Statement of profit and loss | | 0.00 | 0.00 |
| (ii) Income Tax relating to items that will be reclassified to profit and loss | | 0.00 | 0.00 |
| Other comprehensive income for the year, net of tax | | 13.97 | 12.32 |
| Total comprehensive income for the period (XIII + XIV) | | (2.28) | 288.33 |
| Earnings per equity share of face value of ₹ 10 each | | | |
| (1) Basic (in ₹) | | (0.07) | 1.12 |
| (2) Diluted (in ₹) | | (0.07) | 1.12 |

The accompanying notes form an integral part of the Standalone Financial Statements
As per our report of even date attached

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Standalone Cash Flow Statement

for the Year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax as per Statement of Profit and Loss | (31.54) | 388.02 |
| Adjusted for: | | |
| (Profit) on sale of Property, Plant and Equipment | (102.88) | - |
| Depreciation / Amortisation and Depletion Expense | 316.68 | 209.75 |
| Interest on Unsecured loan | 1.32 | 1.32 |
| Interest on Fixed Deposits | (68.69) | (104.43) |
| Interest on GEB Deposits | (1.35) | (0.45) |
| Operating Profit before Working Capital Changes | 113.54 | 494.20 |
| Adjusted for: | | |
| Trade Payables | 60.16 | (118.19) |
| Provisions-Current Liabilities | (82.98) | (99.82) |
| Provisions - Non-Current | 6.98 | 11.82 |
| Current Liabilities | 2.77 | 111.61 |
| Trade Receivables | 29.31 | (704.01) |
| Loans | 145.35 | 25.07 |
| Inventories | (278.71) | 717.16 |
| Other Current Assets | (74.06) | 226.90 |
| Changes in Working Capital | (191.19) | 170.54 |
| Cash Generated from Operations | (77.64) | 664.74 |
| Taxes Paid | (6.25) | (109.75) |
| Net Cash Flow from/(used in) Operating Activities | (83.90) | 555.00 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Intangible Assets | (130.33) | (535.10) |
| Purchase of Tangible Assets | (53.94) | (82.65) |
| Decrease in Long Term Loans & Advances | (7.45) | (0.15) |
| Interest on Fixed Deposits | 68.69 | 104.43 |
| Interest on GEB Deposits | 1.35 | 0.45 |
| Proceeds from disposal of Property, Plant and Equipment | 108.42 | - |
| Non-current Investments | 403.85 | 158.78 |
| Net Cash Flow from/(used in) Investing Activities | 390.59 | (354.25) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest on Unsecured Loan | (1.32) | (1.32) |
| Dividend Paid | (245.60) | (245.60) |
| Tax on Dividend | - | (50.49) |
| Net Cash Flow from / (used in) Financing Activities | (246.92) | (297.42) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 59.77 | (96.67) |
| Opening Balance of Cash and Cash Equivalents | 72.76 | 169.43 |
| Closing Balance of Cash and Cash Equivalents* | 132.52 | 72.76 |

* Includes ₹ 2.36 lakhs towards unclaimed/unpaid dividend. (Previous Year ₹ 2.03 lakhs)

The accompanying notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Standalone Statement of changes in equity

for the year ended 31st March, 2021

I. EQUITY SHARE CAPITAL

| Particulars | Amount ₹ |
|---------------------------------|----------|
| As at March 31, 2020 | 2456.03 |
| Changes in equity share capital | - |
| As at March 31, 2021 | 2456.03 |

II. OTHER EQUITY

| Particulars | Reserves and surplus | | Total Amount ₹ |
|---|----------------------|-------------------|----------------|
| | Securities premium | Retained earnings | |
| As at March 31, 2019 | 3657.00 | 1481.53 | 5138.53 |
| Profit for the year | - | 276.01 | 276.01 |
| Other comprehensive income | - | 12.32 | 12.32 |
| Total comprehensive income for the year | - | 288.33 | 288.33 |
| Decrease in Securities Premium Reserve On issue of bonus shares | (701.70) | | (701.70) |
| Transactions with owners in their capacity as owners: | | | |
| Final Dividend paid | - | (245.60) | (245.60) |
| Dividends distribution tax paid | - | (50.49) | (50.49) |
| As at March 31, 2020 | 2955.30 | 1473.76 | 4429.06 |
| Profit for the year | - | (16.24) | (16.24) |
| Other comprehensive income | - | 13.97 | 13.97 |
| Total comprehensive income for the year | - | (2.28) | (2.28) |
| Transactions with owners in their capacity as owners: | | | |
| Final Dividend paid | - | (245.60) | (245.60) |
| As at March 31, 2021 | 2955.30 | 1225.88 | 4181.18 |

The accompanying notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bungalow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For Shivangi Parekh & Co.
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

NOTE # C-01**COMPANY OVERVIEW:**

Zota Health Care Ltd. is a public limited company incorporated and domiciled in India and listed on the National Stock Exchange of India Limited.

The company is established as a drug development, manufacturing and marketing company. The company caters to both domestic and international markets. Being a progressive Indian pharmaceutical company, it offers a vast range of pharmaceutical, nutraceutical, ayurvedic and OTC products in India and overseas as well.

The Company has its registered office at Zota House, 2/896, Hira Modi Street, Sagrapura, Surat-395002, Gujarat, India.

The financial statements are approved for issue by the Company's Board of Directors on June 25, 2021.

NOTE # C-02**1. SIGNIFICANT ACCOUNTING POLICIES**

The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1.1 Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company's Financial Statements are presented in rupees and all values are rounded to the nearest Lakh (₹ 00,000), except when otherwise indicated.

1.2 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year's performance and estimates arrived at using

internal and external sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of these financial results and it will continue to closely monitor any material changes to future economic conditions.

1.3 Summary of significant accounting policies**i. Current and non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

ii. Fair value measurement

Fair value is the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments. The Company recognizes transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

iii. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

iv. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is Zota Health Care Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss. Non-monetary items that are measured at historical cost in foreign currency

are not retranslated. All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

v. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for sale of goods are on a fixed-price.

Applying the practical expedient as given in Ind AS 115, revenue from fixed-price where there is no uncertainty as to measurement or collectability of consideration, is recognized in the amount to which the entity has a right to invoice". When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

Trade receivables and Contract Balances:

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time.

Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

vi. Government grants

Government grants are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognized in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

vii. Income tax

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purpose at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

viii. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss over the term of the lease.

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease except where payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

As a lessor

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases or another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The respective leased assets are included in the Balance Sheet based on their nature. Costs, including depreciation, on such leased assets are recognized as an expense in the Statement of Profit and Loss.

Effective April 1, 2019, the Company has adopted IND AS 116, Leases, using modified retrospective method. Accordingly, the

comparatives have not been retrospectively adjusted. The adoption of IND AS.116, did not have any material impact on the standalone financials.

ix. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets except inventories to ascertain whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets excluding goodwill with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

x. Cash and cash equivalents

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

xi. Inventories

Raw Materials & Stores & Spares : Valued at Cost.

Finished Goods & WIP : valued at lower of Cost or Net Realisable Value.

Stock in Trade (in respect of goods acquired for trading): Valued at Cost.

Other Inventories: Valued at Cost.

- Cost of raw materials and Stores & Spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable.

- Cost of finished goods includes all costs incurred in bringing the inventories to their present location and conditions.
- Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

xii. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of:

- (i) the entity's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

xiii. Fair Value Through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit and Loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognized in the Statement of Profit and Loss.

Equity instruments

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial liabilities:**Initial recognition and measurement**

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/ origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently

measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

xiv. Property, Plant and Equipment (PPE)

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation methods, estimated useful lives and residual values:

- Depreciation is provided, pro-rata for the period in use, on the written down value method based on the respective estimate of useful lives given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

- The Management believes that useful lives currently used, which is prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflects its estimate of the useful lives and residual values of PPE.

- Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances

under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

xv. Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

xvi. Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

Development costs of products are charged to the Statement of Profit and Loss. Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met.

xvii. Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent liabilities are disclosed in the Notes to the financial statements. Contingent liabilities are disclosed for

- when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xviii. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xix. Employee benefits

Short term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.

Post-employment benefit obligations

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

Defined Benefit Plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income.

xx. Cash flow statement

Cash flows are reported using the Indirect Method, as set out in Ind-AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxi. Exceptional Items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "exceptional items."

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

2 Significant Judgements and Estimates

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when financial statements were prepared. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note No. 1.2 (xiv.)]
- Measurement of defined benefit obligations [Refer Note No. 1.2 (xix.)]
- Provision for inventories [Refer Note No. 1.2 (xi.)]
- Measurement and likelihood of occurrence of provisions and contingencies [Refer Note No. 1.2 (xvii.)]
- Impairment of trade receivables
- Deferred Taxes

C-03 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| Investments in Equity Instruments | | |
| Prime Co-Op. Bank (Non-Trade Investment) | * | * |
| In Equity Shares of Subsidiary Companies | | |
| Unquoted, fully paid up | | |
| Zota Healthcare Lanka (Pvt) Ltd [2000 units of LKR 100 each] | 0.73 | 0.79 |
| Zota Healthcare Nig. Ltd [1000000 units of Naira 1 each] | 1.93 | 1.92 |
| Investment in DavaIndia Health Mart Ltd | 10.00 | 10.00 |
| Other Non-Current Investments | | |
| Axis Bank Fixed Deposit | 845.57 | 1379.20 |
| Yes Bank Fixed Deposit+ | 141.17 | 11.34 |
| Total | 999.40 | 1403.25 |

* denotes figures less than a lakh

+ ₹ 6 lakhs earmarked against performance bank guarantee

C-04 LOANS - NON-CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Security Deposits | 9.48 | 9.48 |
| Others | | |
| Loan to Employee | 17.38 | 18.70 |
| DavaIndia Health Mart Limited | 10.04 | 1.28 |
| Total | 36.90 | 29.45 |

C-05 INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| Raw Materials | 189.67 | 177.03 |
| Work-in-Progress | 150.09 | 97.80 |
| Finished Goods | 33.48 | 84.34 |
| Stock-in-Trade (in respect of goods acquired for trading) | 2352.42 | 2072.62 |
| Others | | |
| Promotional, Packing and Stationery Material | 87.14 | 102.29 |
| Total | 2812.80 | 2534.08 |

Inventories

Mode of Valuation.

Raw Materials : Valued at Cost.

Finished Goods & WIP : valued at Cost or Net Realisable value whichever is less as per Ind-AS 2.

Stock in Trade (in respect of goods acquired for trading): Valued at Cost .

Other Inventories: Valued at Cost .

C-06 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Trade Receivables | 2884.33 | 2913.65 |
| Total | 2884.33 | 2913.65 |

C-07 (A) CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------|------------------------------------|------------------------------------|
| Cash on Hand | 1.21 | 1.38 |
| Cash on Hand-SEZ | 0.11 | 0.05 |
| Total | 1.31 | 1.42 |

C-07 (B) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------|------------------------------------|------------------------------------|
| Balance with Banks* | 131.21 | 71.33 |
| Total | 131.21 | 71.33 |

* Includes ₹ 2.36 lakhs towards unclaimed/ unpaid dividend. (Previous Year ₹ 2.03 lakhs)

C-08 LOANS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Others | 173.39 | 318.74 |
| Total | 173.39 | 318.74 |

C-09 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Prepaid Expenses | 63.35 | 27.73 |
| Balances with Govt. Authorities | 46.68 | 8.31 |
| Other Receivables | 0.43 | 0.35 |
| Total | 110.46 | 36.40 |

C-10 SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| Share Capital : | | |
| Authorised Share Capital | | |
| 25000000 Equity Shares of ₹ 10/- each | | |
| (Pre. Yr. 25000000 Equity Shares of ₹ 10/- each) | 2500.00 | 2500.00 |
| Issued, Subscribed and Paid up | | |
| 24560327 Equity Shares of ₹ 10/- each | | |
| (Pre. Yr. 24560327 Equity Shares of ₹ 10/- each) | 2456.03 | 2456.03 |
| Total | 2456.03 | 2456.03 |

A. The reconciliation of number of shares outstanding is set out below:

(₹ in Lakhs)

| Authorised Shares | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 2,50,00,000 | 2,00,00,000 |
| Addition during the year | - | 50,00,000 |
| Equity Shares at the end of the year | 2,50,00,000 | 2,50,00,000 |

(₹ in Lakhs)

| Issued, Subscribed and fully paid | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 2,45,60,327 | 1,75,43,352 |
| Addition during the year | - | 70,16,975 |
| Equity Shares at the end of the year | 2,45,60,327 | 2,45,60,327 |

B. Details of shareholders holding more than 5% shares in the Company :

| Name | No. of Shares with Sharing Ratio | | | |
|------------------------------------|----------------------------------|-------|------------------------------|-------|
| | 31 st March, 2021 | | 31 st March, 2020 | |
| | No. of Shares | % | No. of Shares | % |
| Manukant C. Zota | 2176870 | 8.86 | 2176870 | 8.86 |
| Himanshu M. Zota | 3272280 | 13.32 | 3268930 | 13.31 |
| Ketan C. Zota | 3045363 | 12.40 | 3045363 | 12.40 |
| Jainam Share Consultants Pvt. Ltd. | - | | 904546 | 3.68 |
| Kamlesh R. Zota | 1991103 | 8.11 | 1991103 | 8.11 |
| Manisha K. Zota | 1443966 | 5.88 | 1443966 | 5.88 |

C. Equity shares movement during 5 years preceding March 31, 2021

94,10,867 Shares were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium.

C-11 OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-----------------------|------------------------------------|------------------------------------|
| a. Securities Premium | 2955.30 | 2955.30 |
| b. Retained earnings | 1225.88 | 1473.76 |
| Total | 4181.18 | 4429.06 |

a. Securities Premium

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--------------------------------|------------------------------------|------------------------------------|
| As per last Balance Sheet | 2955.30 | 3657.00 |
| Less: On issue of Bonus shares | 0.00 | 701.70 |
| Closing balance | 2955.30 | 2955.30 |

b. Retained earnings

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| Opening balance | 1473.76 | 1481.53 |
| Profit for the year | (16.24) | 276.01 |
| Other comprehensive income of the year | 13.97 | 12.32 |
| Final dividend | (245.60) | (245.60) |
| Dividend distribution tax | 0.00 | (50.49) |
| Closing balance | 1225.88 | 1473.76 |

Nature and purpose of reserves:**1 Securities premium**

Securities premium is created when shares are issued at premium. This is utilised in accordance with the provisions of the Companies Act, 2013.

C-12 PROVISIONS -NON-CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------|------------------------------------|------------------------------------|
| Gratuity Payable | 94.45 | 87.47 |
| Total | 94.45 | 87.47 |

C-13 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------|------------------------------------|------------------------------------|
| Statutory Liabilities | 11.34 | 27.02 |
| Unclaimed/Unpaid dividends | 2.36 | 2.03 |
| Other Payables | 153.16 | 135.05 |
| Total | 166.86 | 164.10 |

C-14 PROVISIONS - CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Provision for Employee Benefits | 80.64 | 88.54 |
| Others | 13.66 | 107.41 |
| Total | 94.30 | 195.95 |

C-15 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|------------------|--|--|
| Sale of Products | 10684.12 | 9511.27 |
| Total | 10684.12 | 9511.27 |

C-16 OTHER INCOMES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-----------------------------------|--|--|
| Interest Income | 71.68 | 104.88 |
| PMRPY Income | 1.77 | 4.81 |
| Export Incentive Licence Income | 39.75 | 6.60 |
| Other Non-Operating Income | | |
| Duty Drawback Income | 0.00 | 0.09 |
| GST Refund Income | 0.99 | 0.00 |
| Foreign Exchange Profit/Loss | 11.47 | 34.89 |
| Product Development Charges | 0.00 | 0.03 |
| Total | 125.66 | 151.30 |

C-17 COST OF MATERIALS CONSUMED:

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Raw Materials | | |
| Inventory at the beginning of the year | 274.83 | 283.28 |
| Add: Purchase Less Return | 2083.79 | 1295.47 |
| | 2358.62 | 1578.75 |
| Less: Inventory at the end of the year | 339.76 | 274.83 |
| Total | 2018.87 | 1303.92 |

C-18 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------|--|--|
| Inventories (at commencement) | 2259.26 | 2967.96 |
| Inventories (at close) | 2473.04 | 2259.26 |
| Total | (213.79) | 708.70 |

C-19 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Salaries, Wages and Bonus | 402.66 | 423.09 |
| Director's Remuneration | 74.49 | 75.45 |
| Contribution to Provident Fund and Other Funds | 58.67 | 68.24 |
| Staff Welfare Expenses | 394.23 | 467.28 |
| Total | 930.05 | 1034.05 |

C-20 FINANCE COSTS

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------|--|--|
| Bank Charges | 5.94 | 5.55 |
| Interest On TDS | 0.05 | 0.04 |
| Interest On Security Deposits | 1.32 | 1.32 |
| Other Interest (CST Interest) | 3.67 | 0.00 |
| Total | 10.97 | 6.91 |

C-21 OTHER EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Direct Expenses | | |
| Freight On Purchases | 1.31 | 9.69 |
| Lab Testing Expenses | 2.01 | 10.18 |
| Lab Chemical Expenses | 2.70 | 2.95 |
| Packing Materials Expenses | 39.84 | 36.02 |
| Transportation Expense | 121.34 | 101.98 |
| GST Expenses | 2.41 | 2.95 |
| Power and Fuel Expenses | 32.58 | 27.87 |
| Factory Maintenance Expenses | 19.19 | 12.53 |
| Water Charges | 2.33 | 1.86 |
| Diesel Expense for Boiler | 22.11 | 18.77 |
| | 245.82 | 224.79 |
| Administrative and General Expenses | | |
| Audit and Consultancy Fees | 5.00 | 5.00 |
| Clearing and Forwarding Charges | 87.63 | 40.11 |
| Computer Repairs and Maintenance Expenses | 5.19 | 7.80 |
| Professional Fess /Consultancy Charges | 327.73 | 237.66 |
| Cylinder Charges | 4.99 | 3.07 |
| Conferance Expenses | 0.00 | 1.04 |
| Commission Expenses | 28.42 | 4.39 |

| | | |
|--|----------------|----------------|
| Diesel Expenses | 1.48 | 2.61 |
| Electricity Light Bill Expenses | 12.92 | 13.52 |
| Export Promotion Council - Membership Fees | 0.00 | 0.41 |
| Godown rent | 73.37 | 72.64 |
| Goods Damaged in Transit | 0.22 | 0.00 |
| Generator on Rent | 0.92 | 0.75 |
| Insurance Expenses | 6.27 | 15.35 |
| Legal Expense | 14.53 | 20.47 |
| Lodging and Boarding Expense | 5.19 | 15.30 |
| Market Research/Survey Expenses (DavaIndia) | 0.00 | 16.55 |
| Membership Fees | 5.01 | 0.18 |
| Medical Waste Treatment Expenses | 0.47 | 0.00 |
| Municipal Tax | 6.60 | 9.19 |
| Office Equipment Maintenance | 2.46 | 4.29 |
| Office/ Factory Miscellaneous Expense | 32.76 | 28.29 |
| PF Fund Administration Charges | 1.78 | 2.06 |
| Post And Courier Charges | 63.23 | 50.13 |
| Printing and Stationery Expense | 4.84 | 8.02 |
| Product Approval Charges | 21.05 | 2.81 |
| Professional Tax | 0.02 | 0.03 |
| Security service charges | 2.74 | 1.49 |
| Service Charges | 2.55 | 1.95 |
| Shop Maintenance Expense | 0.56 | 1.80 |
| Software Subscription Exp | 6.71 | 11.06 |
| Telephone and Mobile Bill Expense | 5.39 | 5.42 |
| Trademark Expense | 9.73 | 5.41 |
| Travelling Expense | 6.59 | 42.60 |
| Website Renewal Charges | 1.17 | 1.18 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | 16.10 | 18.43 |
| GST Penalty | 0.03 | 0.01 |
| Vatav Kasar | 6.61 | (0.47) |
| | 774.75 | 659.90 |
| Selling and Distribution Expenses | | |
| Advertisement Expense | 1070.51 | 251.89 |
| Cash and Trade Discount | 71.32 | 32.25 |
| Commission on Sales | 109.38 | 146.05 |
| Exhibition Expenses | 0.00 | 2.35 |
| Freight on Sales | (4.62) | 5.02 |
| Promotional Expenses | 82.55 | 70.81 |
| Sales Incentive | 2.43 | 0.76 |
| | 1331.57 | 509.13 |
| Total | 2352.15 | 1393.81 |

* denotes figures less than a lakh

NOTE C-22 OTHER DISCLOSURES**1 Dividend**

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Equity shares: Final dividend for the year ended March 31, 2021 - ₹ 1/- (March 31, 2020 - ₹ 1/-) per fully paid up Equity Share | 245.60 | 245.60 |

2 Earnings Per Share

| Particulars | 2020-21 | 2019-20 |
|--|-------------|-------------|
| Profit for the year (Rupees in lakhs) | (16.24) | 276.01 |
| Weighted Average No. of Equity Shares | 2,45,60,327 | 2,45,60,327 |
| Nominal value per share (Rupees) | 10.00 | 10.00 |
| Basic and Diluted Earnings per equity share of face value of ₹ 10 each | (0.07) | 1.12 |

On July 29, 2019 Company had issued 70,16,975 bonus shares in the ratio of 4:10 [i.e' 4 (Four) fully paid up equity shares for every 10 (Ten) equity shares held, post this issue Earning per Share (EPS) for all the reporting period have been restated as per IND- AS 33.

3 Related Party Disclosures

| Sr. No. | Name | Relation | Amount ₹ in lakhs | PAN | Nature of Transaction |
|---------|-------------------------|-------------------------------|-------------------|------------|-----------------------|
| 1 | Mr. Niral M.Zota | Director Relatives | 5.40 | AABPZ1960H | Salary |
| 2 | Mr. Viren M. Zota | Director Relatives | 5.40 | AAEPZ7934J | Salary |
| 3 | Mr. Himanshu M. Zota | Executive Whole Time Director | 7.62 | AABPZ1961G | Commission |
| 4 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 7.62 | AABPZ9457F | Commission |
| 5 | Mr. Manukant C. Zota | Executive Whole Time Director | 7.62 | AAAPZ7965K | Commission |
| 6 | Mr. Moxesh K. Zota | Executive Managing Director | 7.62 | AANPZ1370P | Commission |
| 7 | Mr. Niral M.Zota | Director Relatives | 13.60 | AABPZ1960H | Commission |
| 8 | Mr. Viren M. Zota | Director Relatives | 13.60 | AAEPZ7934J | Commission |
| 9 | Mr. Himanshu M. Zota | Executive Whole Time Director | 18.00 | AABPZ1961G | Remuneration |
| 10 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 18.00 | AABPZ9457F | Remuneration |
| 11 | Mr. Manukant C. Zota | Executive Whole Time Director | 18.00 | AAAPZ7965K | Remuneration |
| 12 | Mr. Moxesh K. Zota | Executive Managing Director | 18.00 | AANPZ1370P | Remuneration |
| 13 | Mr. Ashvin B. Variya | Company Secretary | 8.12 | AQEPV4861E | Salary |
| 14 | Mr. Viral A. Mandviwala | CFO | 6.13 | AAAPZ7965K | Salary |
| 15 | Ms. Heli Ritesh Shah | Director Relatives | 1.04 | AAIPZO123H | Salary |
| 16 | Mr. Ketankumar C. Zota | Non-executive Chairman | 0.21 | AABPZ9238J | Sitting Fees |
| 17 | Mr. Moxesh K. Zota | Executive Managing Director | 0.15 | AANPZ1370P | Sitting Fees |
| 18 | Mr. Himanshu M. Zota | Executive Whole Time Director | 0.36 | AABPZ1961G | Sitting Fees |
| 19 | Mr. Manukant C. Zota | Executive Whole Time Director | 0.18 | AAAPZ7965K | Sitting Fees |
| 20 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 0.15 | AABPZ9457F | Sitting Fees |

| | | | | | |
|----|------------------------------------|------------------------------------|-------|------------|--------------|
| 21 | Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director | 0.39 | ABPPM8710R | Sitting Fees |
| 22 | Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director | 0.30 | DQWPD9279M | Sitting Fees |
| 23 | Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director | 0.30 | ATEPM2221N | Sitting Fees |
| 24 | Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director | 0.21 | AKUPS9999Q | Sitting Fees |
| 25 | Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Director | 0.24 | AMSPM9396F | Sitting Fees |
| 26 | DavaIndia Health Mart Limited | Subsidiary | 10.04 | AAHCD5973D | Loan Given |

Other details pertaining to related party transactions are provided in Form no. AOC-2 annexed to the Board's Report.

4 Deferred Tax Liabilities:

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Deferred Tax Liabilities | | |
| Property, plant and equipments, Intangible Assets | 5.21 | 26.33 |
| Sub Total (a) | 5.21 | 26.33 |
| Deferred Tax Assets | | |
| Items allowable for tax purpose on payments/adjustment | (4.19) | (8.46) |
| Sub Total (b) | (4.19) | (8.46) |
| Total (a+b) | 1.02 | 17.87 |
| Recognised in Statement of Profit & Loss for the year | 16.85 | (6.40) |

5 Fair value measurements

Financial instruments by category

| Financial instruments by category | No. of Shares with Sharing Ratio | | | | | |
|------------------------------------|----------------------------------|----------|----------------|------------------------------|----------|----------------|
| | 31 st March, 2021 | | | 31 st March, 2020 | | |
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | - | - | 999.40 | - | - | 1403.25 |
| Trade Receivables | - | - | 2884.33 | - | - | 2913.65 |
| Cash and Cash Equivalents | - | - | 1.31 | - | - | 1.42 |
| Bank balance other than above | - | - | 131.21 | - | - | 71.33 |
| Other Financial Assets | - | - | 173.39 | - | - | 318.74 |
| Total financial assets | - | - | 4189.64 | - | - | 4708.40 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | - | - | - | - |
| Trade Payable | - | - | 1558.80 | - | - | 1498.65 |
| Other Financial Liabilities | - | - | - | - | - | - |
| Total financial liabilities | - | - | 1558.80 | - | - | 1498.65 |

| Fair value of financial assets and financial liabilities measured at amortised cost. | 31 st March, 2021 | | 31 st March, 2020 | |
|--|------------------------------|------------|------------------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets at amortised cost | | | | |
| Fixed deposits | 986.74 | 986.74 | 1390.53 | 1390.53 |
| Financial assets at FVTPL | | | | |
| Investments in equity instruments (unquoted)# | * | * | * | * |
| Zota Healthcare Lanka (Pvt) Ltd. | 0.73 | 0.73 | 0.79 | 0.79 |
| Zota Healthcare Nig. Ltd. | 1.93 | 1.93 | 1.92 | 1.92 |
| Investment in DavaIndia Health Mart Ltd | 10.00 | 10.00 | 10.00 | 10.00 |

* denotes figures less than a lakh

For investment in equity instrument made in Prime Co-Op Bank, the cost (i.e. carrying value) represents the best estimate of fair value considering the nature of the investment.

*** Fair value of financial assets/liabilities measured at amortised cost**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other financial assets, trade payables, other financial liabilities are considered to be the same as their fair values, as they are current in nature.

6 Post employment employee benefits plans

Gratuity

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Actuarial Assumptions

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---------------------------|--|--|
| Discount Rate (per annum) | 6.80% | 6.80% |
| Expected Rate of Return | | |
| Salary Escalation rate | 9.00% | 9.00% |
| Retirement Age | 60 Years | 60 Years |
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Employees attrition rate | 5% at younger ages and reducing to 1% at older ages according to graduated scale | 5% at younger ages and reducing to 1% at older ages according to graduated scale |

Notes:

1 Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.

2 Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees.

i) Reconciliation of present value of obligations ('PVO') – defined benefit obligation:

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Liability at the beginning of the period | 91.49 | 79.57 |
| Interest Cost | 6.22 | 19.56 |
| Current Service Cost | 21.47 | 8.83 |
| Employees Contribution | 0.00 | 0.00 |
| Interest Guarantee | 0.00 | 0.00 |
| Benefits Paid | (1.56) | 0.00 |
| Transfer from previous employer's | 0.00 | 0.00 |
| Liability Transfer In | 0.00 | 0.00 |
| Liability Transfer Out | 0.00 | 0.00 |
| Actuarial (gain) / loss on Financial Assumption | 0.00 | 0.00 |
| Actuarial (gain) / loss on Demographic Assumption | 0.00 | 0.00 |
| Actuarial (gain) / loss on Experience | (18.67) | (16.46) |
| Liability at the end of the year | 98.95 | 91.49 |

ii) Amount Recognised in the Balance Sheet

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Present Value of Benefit Obligation on 31-3-2021 | 98.95 | 91.49 |
| Fair Value of Plan Assets on 31-3-2021 | 0.00 | 0.00 |
| Net Liability / (Asset) recognised in Balance Sheet | 98.95 | 91.49 |

iii) Expenses Recognised in the Income Statement

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|--|------------------|------------------|
| Current Service Cost | 21.47 | 8.83 |
| Interest Cost on benefit obligation (net) | 6.22 | 19.56 |
| Past Service Cost | 0.00 | 0.00 |
| Expected Contribution | 0.00 | 0.00 |
| Gain / Losses on Curtailment and Settlement | 0.00 | 0.00 |
| Net Effect of Change in Foreign Exchange Rates | 0.00 | 0.00 |
| Expenses Recognised | 27.69 | 28.38 |

iv) Expenses Recognised in Other Comprehensive Income (OCI) for current Period

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Actuarial changes arising from changes in financial assumptions | 0.00 | 0.00 |
| Actuarial changes arising from changes in demographic adjustments | 0.00 | 0.00 |
| Actuarial changes arising from changes in experience adjustments | (18.67) | (16.46) |
| Net (Income) / Expense for period | (18.67) | (16.46) |

v) Maturity profile of defined benefit obligations

Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|--------------------------------|------------------|------------------|
| 1 st Following Year | 4.50 | 4.02 |
| 2 nd Following Year | 2.60 | 2.17 |
| 3 rd Following Year | 3.25 | 2.31 |
| 4 th Following Year | 2.55 | 2.78 |
| 5 th Following Year | 4.41 | 2.01 |
| 6 to 10 years | 40.65 | 38.10 |

vi) Sensitivity Analysis Gratuity Plan

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Projected Benefit Obligation on Current Assumptions | 98.95 | 91.49 |
| Delta Effect of +1% Change in Rate of Discounting | 81.62 | 78.99 |
| Delta Effect of -1% Change in Rate of Discounting | 109.76 | 106.96 |
| Delta Effect of +1% Change in Rate of Salary Increase | 109.26 | 106.46 |
| Delta Effect of -1% Change in Rate of Salary Increase | 81.75 | 79.12 |
| Delta Effect of +1% Change in Rate of Employee Turnover | 92.99 | 90.24 |
| Delta Effect of -1% Change in Rate of Employee Turnover | 95.55 | 92.85 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

vii) Risk exposure :

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

7 Income Tax

(a) - Income tax expense

(₹ in Lakhs)

| Particulars | 31.03.2021 | 31.03.2020 |
|--|----------------|---------------|
| i. Current tax | | |
| Current tax on profits for the year | 9.14 | 103.53 |
| ii Deferred tax | | |
| Decrease (increase) in deferred tax assets | 4.27 | (8.46) |
| (Decrease) increase in deferred tax liabilities | (21.12) | 14.87 |
| Total deferred tax expense / (credit) | (16.85) | 6.40 |
| Total Income tax expenses (i + ii) * | (16.85) | 6.40 |
| *excludes below tax impact on Other Comprehensive Income | | |
| Tax Benefit / (Expenses) on Actuarial | (4.70) | (4.14) |

(b) - Reconciliation of tax expense and the accounting profit multiplied by tax rate :

(₹ in Lakhs)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|----------------|---------------|
| Profit before tax | (134.42) | 388.02 |
| Applicable Tax Rate | 25.168% | 25.168% |
| Computed Tax Expense | (33.83) | 97.66 |
| Tax effect of : | | |
| Expenses not deductible for tax purposes | 95.05 | 71.47 |
| Expenses allowed for tax purposes | (75.62) | (63.28) |
| Deductions allowed | - | (2.32) |
| (Profit) on sale of Property, Plant and Equipment | 9.14 | - |
| Others | 14.40 | - |
| Income Tax Expense | 9.14 | 103.53 |

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

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

10 The quantity and value of closing stock is certified by the management as true and correct.

11 Previous year's figures have been regrouped / recast wherever necessary to conform to current interim period's presentation.

12 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Principal amount remaining unpaid | 57.94 | 205.61 |
| Interest due thereon remaining unpaid | - | - |
| Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | - | - |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| Interest accrued and remaining unpaid | - | - |
| Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

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

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---------------------|------------------------------|------------------------------|
| As Auditors | 5.00 | 5.00 |
| In other capacities | 0.00 | 0.00 |
| Total | 5.00 | 5.00 |

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

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Director's Remuneration (includes commission & sitting fees) | 104.97 | 105.45 |
| Total | 104.97 | 105.45 |

15 Contingent Liabilities

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------|------------------------------------|------------------------------------|
| Performance bank guarantee | 6.00 | 6.00 |
| Total | 6.00 | 6.00 |

16 Operating Segment

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business the segment/s in which the company operates. The Company is primarily engaged in the business of manufacturing and marketing of Pharmaceutical products which the Management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided

17 The Company is primarily engaged in the business of manufacturing and marketing of Pharmaceutical products. The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The company does not enter into contracts with customers and hence, the disclosures regarding Disaggregation of revenue and Performance obligations under Ind AS 115 are not provided.

18 The Company has adopted Ind AS 116 "Leases" effective April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. Adoption of Ind As 116 does not have any significant impact on the financial results.

19. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The Company's financial liabilities comprise of trade payable and other liabilities to manage its operation and financial assets includes trade receivables, security deposit and loans and advances etc. arises from its operation.

The Company has established risk management policies and risk assessment processes to identify and analyse the risks faced by the Company and to reduce the risk to acceptable lower level by setting appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer / counterparty to a contract fails to meet its contractual obligations, the maximum exposure to the credit risk at the reporting date is carrying value of trade receivables.

Credit risk are managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Trade receivables

The Company have low risk of non-recovery of its receivables as its working on franchise module in which good are sold only to contracted party due to this company does not make any provision for doubtful debt any bad debt arise due to uncontrollable situation are written off at the year end.

Write off policy of company include, indicator that there are no reasonable expectation of recovery and information about the policy for financial assets that are written-off but are still subject to enforcement activity.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice falls due.

(₹ in Lakhs)

| Particulars | 0-180 Days | 181 To 365 Days | More Than 365 Days | Total Amount |
|------------------------------|------------|-----------------|--------------------|--------------|
| Trade Receivables | | | | |
| 31 st March, 2021 | 2179.78 | 704.55 | - | 2884.33 |
| 31 st March, 2020 | 2,464.70 | 448.95 | - | 2913.65 |

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has Fixed Deposits with bank of ₹ 986.74 lakhs unutilised working capital lines as on March 31, 2021, ₹ 1390.53 lakhs as on March 31, 2020.

The table below provides details regarding the contractual maturities of significant financial liabilities :

| Particulars | Less Than 1 Year | 1-3 Years | More Than 3 Years | As on 31 st March, 2021 ₹ in lakhs |
|----------------|------------------|-----------|-------------------|---|
| Trade Payables | 1558.80 | -- | -- | 1558.80 |

| Particulars | Less Than 1 Year | 1-3 Years | More Than 3 Years | As on 31 st March, 2021 ₹ in lakhs |
|----------------|------------------|-----------|-------------------|---|
| Trade Payables | 1,498.65 | -- | -- | 1,498.65 |

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

20 These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 25th June, 2021.

21 The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year's performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of these financial results and it will continue to closely monitor any material changes to future economic conditions.

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

M-01 & M03 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land | Buildings | Office Equipments | Furniture & Fixtures | Computers | Total | Capita work-in-progress |
|---|--------------|---------------|-------------------|----------------------|--------------|---------------|-------------------------|
| For Year Ended March 31, 2020 | | | | | | | |
| Opening Gross Carrying Amount | 85.93 | 268.99 | 101.20 | 121.51 | 65.26 | 642.90 | 25.90 |
| Additions | 2.70 | 34.38 | 5.90 | 16.58 | 12.52 | 72.08 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (25.90) |
| Closing Gross Carrying Amount as on 31.03.2020 | 88.63 | 303.37 | 107.10 | 138.09 | 77.78 | 714.97 | 0.00 |
| Accumulated Depreciation | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 57.92 | 30.19 | 41.50 | 57.87 | 187.48 | 0.00 |
| Depreciation Charge during the year | 0.00 | 12.03 | 17.34 | 12.02 | 8.90 | 50.29 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 69.96 | 47.53 | 53.52 | 66.76 | 237.77 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 88.63 | 233.41 | 59.57 | 84.57 | 11.02 | 477.20 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | | |
| Opening Gross Carrying Amount | 88.63 | 303.37 | 107.10 | 138.09 | 77.78 | 714.97 | 0.00 |
| Additions | 0.00 | 0.00 | 3.02 | 0.00 | 1.24 | 4.25 | 3.62 |
| Disposals | (5.54) | 0.00 | 0.00 | 0.00 | 0.00 | (5.54) | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 83.09 | 303.37 | 110.12 | 138.09 | 79.02 | 713.69 | 3.62 |
| Accumulated Depreciation | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 69.96 | 47.53 | 53.52 | 66.76 | 237.77 | 0.00 |
| Depreciation Charge during the year | 0.00 | 11.52 | 14.36 | 22.18 | 7.44 | 55.50 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 81.48 | 61.89 | 75.70 | 74.20 | 293.27 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 83.09 | 221.88 | 48.23 | 62.39 | 4.82 | 420.41 | 3.62 |

M-02 INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Brands/ Trademarks | Copyrights and Patents | Software | Others | Total | Intangible assets under development |
|---|--------------------|------------------------|--------------|---------------|---------------|-------------------------------------|
| For Year Ended March 31, 2020 | | | | | | |
| Opening Gross Carrying Amount | 284.51 | 53.97 | 10.70 | 185.54 | 534.72 | 129.33 |
| Additions | 3.38 | 10.16 | 8.64 | 0.00 | 22.18 | (129.33) |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 129.33 | 129.33 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 287.88 | 64.14 | 19.35 | 314.87 | 686.24 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 246.60 | 32.56 | 1.54 | 65.78 | 346.48 | 0.00 |
| Depreciation Charge during the year | 10.39 | 6.78 | 3.88 | 40.04 | 61.09 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 256.99 | 39.34 | 5.41 | 105.82 | 407.56 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 30.89 | 24.80 | 13.94 | 209.05 | 278.67 | 0.00 |

For Year Ended March 31, 2021

| | | | | | | |
|---|---------------|--------------|--------------|---------------|---------------|-------------|
| Opening Gross Carrying Amount | 287.88 | 64.14 | 19.35 | 314.87 | 686.24 | 0.00 |
| Additions | 0.00 | 0.00 | 8.17 | 0.00 | 8.17 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 287.88 | 64.14 | 27.52 | 314.87 | 694.41 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 256.99 | 39.34 | 5.41 | 105.82 | 407.56 | 0.00 |
| Depreciation Charge during the year | 7.75 | 4.93 | 7.33 | 54.12 | 74.14 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 264.74 | 44.27 | 12.74 | 159.94 | 481.70 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 23.14 | 19.86 | 14.77 | 154.93 | 212.71 | 0.00 |

S-07 (A) PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land | Factory Buildings | Plant & Equipment | Furniture & Fixtures | Electric Accessories | Office Equipment | Computer | TOTAL | "Capital work-in-progress" |
|---|--------------|-------------------|-------------------|----------------------|----------------------|------------------|--------------|---------------|----------------------------|
| For Year Ended March 31, 2020 | | | | | | | | | |
| Opening Gross Carrying Amount | 73.50 | 142.01 | 533.12 | 44.49 | 37.79 | 11.71 | 16.05 | 858.67 | 0.00 |
| Additions | 0.00 | 3.74 | 23.37 | 9.18 | 0.00 | 0.00 | 0.19 | 36.48 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 73.50 | 145.76 | 556.49 | 53.66 | 37.79 | 11.71 | 16.24 | 895.14 | 0.00 |
| Accumulated Depreciation | | | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 56.60 | 381.91 | 30.55 | 28.97 | 11.65 | 15.11 | 524.78 | 0.00 |
| Depreciation Charge during the year | 0.00 | 4.74 | 33.49 | 3.78 | 2.06 | 0.01 | 0.25 | 44.33 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 61.34 | 415.39 | 34.33 | 31.04 | 11.66 | 15.35 | 569.10 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 73.50 | 84.42 | 141.09 | 19.34 | 6.75 | 0.06 | 0.88 | 326.04 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | | | | |
| Opening Gross Carrying Amount | 73.50 | 145.76 | 556.49 | 53.66 | 37.79 | 11.71 | 16.24 | 895.14 | 0.00 |
| Additions | 0.00 | 0.55 | 41.82 | 3.02 | 0.56 | 0.00 | 0.12 | 46.07 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 73.50 | 146.31 | 598.30 | 56.68 | 38.35 | 11.71 | 16.36 | 941.22 | 0.00 |
| Accumulated Depreciation | | | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 61.34 | 415.39 | 34.33 | 31.04 | 11.66 | 15.35 | 569.10 | 0.00 |

| | | | | | | | | | |
|---|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|-------------|
| Depreciation Charge during the year | 0.00 | 3.92 | 29.25 | 5.48 | 1.34 | 0.03 | 0.66 | 40.67 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 65.25 | 444.65 | 39.81 | 32.37 | 11.69 | 16.01 | 609.78 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 73.50 | 81.05 | 153.66 | 16.88 | 5.97 | 0.02 | 0.35 | 331.44 | 0.00 |

S-07 (B) INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Brands/ Trademarks | Copyrights and Patents | Software | Others | Total | Intangible assets under development |
|---|-----------------------|---------------------------|-------------|-------------|---------------|---|
| For Year Ended March 31, 2020 | | | | | | |
| Opening Gross Carrying Amount | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Additions | 512.92 | 0.00 | 0.00 | 0.00 | 512.92 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 512.92 | 0.00 | 0.00 | 0.00 | 512.92 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation Charge during the year | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Disposals | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 458.88 | 0.00 | 0.00 | 0.00 | 458.88 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | |
| Opening Gross Carrying Amount | 512.92 | 0.00 | - | 0.00 | 512.92 | 0.00 |
| Additions | 116.16 | 0.00 | 6.00 | 0.00 | 122.16 | 0.00 |
| Disposals | | | | | | |
| Capitalised /Transferred during the year | | | | | | |
| Closing Gross Carrying Amount as on 31.03.2021 | 629.08 | 0.00 | 6.00 | 0.00 | 635.08 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Depreciation Charge during the year | 145.85 | 0.00 | 0.52 | 0.00 | 146.37 | 0.00 |
| Disposals | | | | | | |
| Closing Accumulated Depreciation | 199.89 | 0.00 | 0.52 | 0.00 | 200.41 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 429.19 | 0.00 | 5.48 | 0.00 | 434.67 | 0.00 |

Independent Auditor's Report

TO THE MEMBERS OF ZOTA HEALTH CARE LIMITED

Report on the Audit of the Consolidated Ind AS financial statements

I have audited the accompanying Consolidated Ind AS financial statements of ZOTA HEALTH CARE LIMITED (the "company"), and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit/loss, including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the Consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the Consolidated Ind AS financial statements.

KEY AUDIT MATTERS

I have determined that there are no key audit matters to communicate in my report.

INFORMATION OTHER THAN THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and my auditor's report thereon.

My opinion on the Consolidated Ind AS financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Consolidated Ind AS financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. I am responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which I am the independent auditor. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication."

OTHER MATTERS

- a. I did not audit the financial statements of the subsidiaries which reflect total assets of ₹ 23.84 Lakhs as at 31st March, 2021, total revenues of ₹ 1.56 Lakhs and total net loss of ₹ 4.99 Lakhs; and total comprehensive loss of ₹ 4.60 Lakhs and cash flows (net) ₹ 2.10 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and my opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and my report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

My opinion on the Consolidated Ind AS financial statements, and my report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to my reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

- 1 As required by Section 143(3) of the Act, I report, to the extent applicable, that:
 - a I / the other auditors whose report I have relied upon, have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid Consolidated Ind AS financial statements;
 - b In my opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from my examination of those books and the reports of the other auditors;
 - c The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account

maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

- d In my opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group's Companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to my separate Report in "Annexure A";
- g In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during

the year is in accordance with the provisions of section 197 read with Schedule V to the Act;

- h With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in my opinion and to the best of my information and according to the explanations given to me and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
 - (i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021.

For **Shivangi Parekh & Co.**
Chartered Accountants
ICAI Firm Reg. No. 131449W

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAABQ8143

Date: 25-06-2021
Place: Surat

Annexure “A” To the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of my report to the Members of Zota Health Care Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with my audit of the consolidated Ind AS financial statements of ZOTA HEALTH CARE LIMITED (hereinafter referred to as the “Holding Company”) as of and for the year ended 31st March, 2021, I have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) which are companies incorporated in India as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

My responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated Ind AS financial statements based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. My audit of internal financial controls with reference to consolidated Ind

AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on internal financial controls with reference to consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company’s internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In my opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Shivangi Parekh & Co.**
Chartered Accountants
ICAI Firm Reg. No. 131449W

Date: 25-06-2021
Place: Surat

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
UDIN: 21118936AAAABQ8143

Consolidated Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|----------------|------------------------------------|------------------------------------|
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| Property, plant and equipment | M-01 & S-07(a) | 760.20 | 803.24 |
| Intangible Assets | M-02 & S-07(b) | 647.37 | 737.55 |
| Capital work-in-progress | M-03 | 3.62 | 0.00 |
| Intangible assets under development | | 0.00 | 0.00 |
| Financial Assets | | | |
| (i) Investments | H-03 | 989.01 | 1392.46 |
| (iii) Loans | H-04 | 26.86 | 28.18 |
| Other Non-current assets | | 0.00 | 0.00 |
| Total Non-Current assets | | 2427.06 | 2961.42 |
| (2) Current Assets | | | |
| Inventories | H-05 | 2817.56 | 2534.08 |
| Financial Assets | | | |
| (i) Trade Receivables | H-06 | 2877.09 | 2913.65 |
| (ii) Cash and Cash Equivalents | H-07 (a) | 1.51 | 1.42 |
| (iii) Bank balance other than cash and cash equivalents | H-07 (b) | 133.11 | 82.06 |
| (iv) Loans | H-08 | 178.31 | 318.74 |
| Other Current Assets | H-09 | 112.95 | 36.50 |
| Total Current assets | | 6120.53 | 5886.46 |
| Total Assets | | 8547.59 | 8847.88 |
| EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (i) Equity Share capital | H-10 | 2456.03 | 2456.03 |
| (ii) Other Equity | H-11 | 4173.66 | 4426.87 |
| Total Equity | | 6629.70 | 6882.90 |
| (2) Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| Provisions | H-12 | 94.45 | 87.47 |
| Deferred tax liabilities (Net) | | 0.67 | 17.87 |
| Total non-current liabilities | | 95.12 | 105.34 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | | 0.00 | 0.00 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 57.94 | 205.61 |
| - Total Outstanding dues of Creditors other than micro enterprises and small enterprises | | 1501.75 | 1293.52 |
| Other Current liabilities | H-13 | 166.94 | 164.10 |
| Provisions | H-14 | 96.14 | 196.41 |
| Total current liabilities | | 1822.77 | 1859.64 |
| Total Liabilities | | 1917.89 | 1964.98 |
| Total Equity and Liabilities | | 8547.59 | 8847.88 |

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For and on behalf of the Board

For **Shivangi Parekh & Co.**
Chartered AccountantsSd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat.,Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat.,Sd/-
Ashvin Variya
Company SecretarySd/-
Viral Mandviwala
Chief Financial OfficerDate: 25-06-2021
Place: SuratSd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|-----------------------|--|--|
| i. Revenue from Operations | H-15 | 10678.92 | 9511.27 |
| ii. Other Incomes | H-16 | 125.97 | 151.30 |
| iii. Total Revenue | | 10804.89 | 9662.57 |
| iv. Expenses: | | | |
| Cost of Materials Consumed: | H-17 | 2018.87 | 1303.92 |
| Purchases of Stock-in-Trade | | 5529.28 | 4617.40 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | H-18 | (219.26) | 708.70 |
| Employee Benefit Expenses | H-19 | 930.43 | 1034.05 |
| Finance Costs | H-20 | 10.98 | 6.94 |
| Depreciation / Amortisation and Depletion Expense | M-01 & M-02 & S-07 | 316.87 | 209.75 |
| Other Expenses | H-21 | 2357.14 | 1395.64 |
| v. Total Expenses | | 10944.31 | 9276.41 |
| vi. Profit/(loss) before exceptional items and tax (III-V) | | (139.42) | 386.16 |
| Exceptional items | | 102.88 | |
| vii. Profit/(loss) before tax | | (36.54) | 386.16 |
| viii. Tax Expense: | | | |
| (1) Current tax | | 9.14 | 103.53 |
| (1.1) I.T. & DD Tax Provision Created Short/ excess | | (7.59) | 2.07 |
| (2) Deferred Tax | | 17.20 | (6.40) |
| ix. Profit/ (Loss) for the period from Continuing Operations (VII-VIII) | | (20.89) | 274.15 |
| x. Profit/(loss) before tax from discontinued operations | | - | - |
| xi. Tax Expense of discontinued Operations | | - | - |
| xii. Profit/ (Loss) from Discontinued Operations (after Tax) (X- XI) | | - | - |
| xiii. Profit/ (Loss) for the Year | | (20.89) | 274.15 |
| xiv. Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to Statement of profit and loss | | 18.67 | 16.46 |
| (ii) Income Tax relating to items that will not be reclassified to Statement of profit and loss | | (4.70) | (4.14) |
| B (i) Items that will be reclassified to Statement of profit and loss | | 0.05 | * |
| (ii) Income Tax relating to items that will be reclassified to profit and loss" | | (0.01) | (*) |
| Other comprehensive income for the year, net of tax | | 14.01 | 12.32 |
| Total comprehensive income for the year (IX + X) | | (6.88) | 286.47 |
| Profit attributable to: | | | |
| Owners of the parent | | (20.89) | 274.15 |
| Non-controlling interest | | 0.00 | 0.00 |
| Other comprehensive income attributable to: | | | |
| Owners of the parent | | 14.01 | 12.32 |
| Non-controlling interest | | 0.00 | 0.00 |
| Total Comprehensive Income attributable to: | | | |
| Owners of the parent | | (6.88) | 286.47 |
| Non-controlling interest | | 0.00 | 0.00 |
| Earnings per equity share of face value of ₹ 10 each | | | |
| (1) Basic (in ₹) | | (0.09) | 1.12 |
| (2) Diluted (in ₹) | | (0.09) | 1.12 |

* denotes figures less than a lakh

The accompanying notes form an integral part of the Consolidated Financial Statements
As per our report of even date attached

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Consolidated Cash Flow Statement

for the Year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|----------|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit Before Tax as per Statement of Profit and Loss | | -36.54 | 386.16 |
| Adjusted for: | | | |
| (Profit) on sale of Property, Plant and Equipment | | -102.88 | - |
| Depreciation / Amortisation and Depletion Expense | | 316.87 | 209.75 |
| Interest on Unsecured loan | | 1.36 | 1.32 |
| Interest on Fixed Deposits | | -69.03 | -104.43 |
| Interest on GEB Deposits | | -1.35 | -0.45 |
| Operating Profit before Working Capital Changes | | 108.44 | 492.35 |
| Adjusted for: | | | |
| Trade Payables | | 67.82 | -117.70 |
| Provisions-Current Liabilities | | -81.59 | -99.69 |
| Provisions - Non-Current | | 6.98 | 11.82 |
| Current Liabilities | | 1.72 | 112.89 |
| Trade Receivables | | 29.30 | -704.01 |
| Loans | | 145.35 | 25.07 |
| Inventories | | -284.19 | 717.16 |
| Other Current Assets | | -76.55 | 227.59 |
| Changes in Working Capital | | -191.15 | 173.12 |
| Cash Generated from Operations | | -82.71 | 665.47 |
| Taxes Paid | | -6.25 | -109.75 |
| Net Cash Flow from/(Used in) Operating Activities (A) | | -88.96 | 555.72 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Intangible Assets | | -130.33 | -535.10 |
| Purchase of Tangible Assets | | -62.49 | -82.65 |
| Decrease in Long Term Loans & Advances | | -7.45 | -0.15 |
| Interest on Fixed Deposits | | 69.03 | 104.43 |
| Interest on GEB Deposits | | 1.35 | 0.45 |
| Proceeds from disposal of Property, Plant and Equipment | | 108.42 | - |
| Non-current Investments | | 403.51 | 158.78 |
| Net Cash Flow (Used in) Investing Activities (B) | | 382.05 | -354.25 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Issue of Equity Share Capital | | - | 10.00 |
| Interest on Unsecured Loan | | -1.36 | -1.32 |
| Borrowings - Current | | 10.04 | - |
| Loans | | -4.98 | - |
| Dividend Paid | | -245.60 | -245.60 |
| Tax on Dividend | | - | -50.49 |
| Net Cash Flow from / (Used in) Financing Activities (C) | | -241.90 | -287.42 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | | 51.18 | -85.94 |
| Effect of Exchange differences on cash and cash equivalents held in foreign currency | | -0.04 | * |
| Opening Balance of Cash and Cash Equivalents | | 83.49 | 169.43 |
| Closing Balance of Cash and Cash Equivalents* | | 134.63 | 83.49 |

* Includes ₹ 2.36 lakhs towards unclaimed/unpaid dividend. (Previous Year ₹ 2.03 lakhs)

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bungalow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

Consolidated Statement of changes in equity

for the year ended 31st March, 2021

I. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | Amount |
|---------------------------------|----------------|
| As at March 31, 2020 | 2456.03 |
| Changes in equity share capital | 0.00 |
| As at March 31, 2021 | 2456.03 |

II. OTHER EQUITY

(₹ in Lakhs)

| Particulars | Reserves and surplus | | Total Amount |
|---|----------------------|-------------------|----------------|
| | Securities premium | Retained earnings | |
| As at March 31, 2019 | 3657.00 | 1481.19 | 5138.19 |
| Profit for the year | 0.00 | 274.15 | 274.15 |
| Other comprehensive income | 0.00 | 12.32 | 12.32 |
| Total comprehensive income for the year | 0.00 | 286.47 | 286.47 |
| Decrease in Securities Premium Reserve On issue of bonus shares | (701.70) | 0.00 | (701.70) |
| Transactions with owners in their capacity as owners: | | | |
| Final Dividend paid | 0.00 | (245.60) | (245.60) |
| Dividends distribution tax paid | 0.00 | (50.49) | (50.49) |
| As at March 31, 2020 | 2955.30 | 1471.56 | 4426.87 |
| Profit for the year | 0.00 | (20.89) | (20.89) |
| Other comprehensive income | 0.00 | 14.01 | 14.01 |
| Total comprehensive income for the year | 0.00 | (6.88) | (6.88) |
| Transactions with owners in their capacity as owners: | | | 0.00 |
| Final Dividend paid | 0.00 | (245.60) | (245.60) |
| Others | 0.00 | (0.71) | (0.71) |
| As at March 31, 2021 | 2955.30 | 1218.36 | 4173.66 |

The accompanying notes form an integral part of the Consolidated Financial Statements

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

NOTE # H-01 GROUP INFORMATION

Zota Health Care Ltd. is a public limited company incorporated and domiciled in India and listed on the National Stock Exchange of India Limited.

The company is established as a drug development, manufacturing and marketing company. The company caters to both domestic and international markets. Being a progressive Indian pharmaceutical company, it offers a vast range of pharmaceutical, nutraceutical, ayurvedic and OTC products in India and overseas as well.

The Company and its subsidiaries (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

| Sr. No. | Name of the Subsidiary Company | Country of incorporation | Principal activities | Proportion (%) of equity interest | |
|---------|---------------------------------------|--------------------------|--------------------------------------|------------------------------------|------------------------------------|
| | | | | As at 31 st March, 2021 | As at 31 st March, 2020 |
| 1 | Davaindia Health Mart Limited | India | Marketing of Pharmaceutical products | 100 | 100 |
| 2 | Zota Healthcare Lanka Private Limited | Sri Lanka | Marketing of Pharmaceutical products | 100 | 100 |

I. The Subsidiary companies considered in the Consolidated Financial Statements are:

| Sr. No. | Name of the Subsidiary Company | Subsidiary / Associates | Country of Incorporation | Proportion (%) of Shareholding Year Ended | |
|---------|---------------------------------------|-------------------------|--------------------------|---|------------------------------------|
| | | | | As at 31 st March, 2021 | As at 31 st March, 2020 |
| 1 | Davaindia Health Mart Limited | Subsidiary | India | 100% | 100% |
| 2 | Zota Healthcare Lanka Private Limited | Subsidiary | Sri Lanka | 100% | 100% |

I. The Subsidiary companies considered in the Consolidated Financial Statements are:

| Particulars | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--|--|---------------------|-----------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | As a % of consolidated Net Assets | Amount (₹ in lakhs) | As a % of consolidated Net Assets | Amount (₹ in lakhs) | As a % of consolidated Net Assets | Amount (₹ in lakhs) | As a % of consolidated Net Assets | Amount (₹ in lakhs) |
| a. Zota Health Care Limited (Parent) | 100% | 6637.21 | 78% | (16.24) | 100% | 13.97 | 33% | (2.28) |
| b. Subsidiary: | | | | | | | | |
| 1 Indian: Davaindia Health Mart Limited | 0.06% | 3.84 | 22% | (4.50) | 0.00% | - | 65.52% | (4.50) |
| 2 Foreign: Zota Healthcare Lanka Private Limited | -0.01% | (0.63) | 0.69% | (0.14) | 0.36% | 0.05 | 1.36% | (0.09) |
| Minority interest in all subsidiaries | - | - | - | - | - | - | - | - |
| Total | 100% | 6640.42 | 100% | (20.89) | 100% | 14.02 | 100% | (6.87) |

* denotes figures less than a lakh

NOTE # H-02**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements:**

- a. The Consolidated financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) (as amended) and other relevant provisions of the Act.

The Company has incorporated wholly owned subsidiary company in Sri Lanka in the Financial year 2018-19 and in India in the Financial year 2019-20.

b. Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value,
- Share based payments; and
- defined benefit plans - plan assets measured at fair value

1.2 Principles Of Consolidation

- a. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR), the net movement of which is included in Other Comprehensive Income (OCI).
- c. The audited / unaudited financial statements of foreign subsidiaries / joint ventures / associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- d. The differences in accounting policies of the Holding Company and its subsidiaries / associates are not material
- e. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- f. The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- g. Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- h. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

1.3 Summary of significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat.,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat.,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

2 Significant Judgements and Estimates

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when financial statements were prepared. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note No. 1.2 (xiv.)]
- Measurement of defined benefit obligations [Refer Note No. 1.2 (xix.)]
- Provision for inventories [Refer Note No. 1.2 (xi.)]
- Measurement and likelihood of occurrence of provisions and contingencies [Refer Note No. 1.2 (xvii.)]
- Impairment of trade receivables
- Deferred Taxes

H-03 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| Investments in Equity Instruments | | |
| Prime Co-Op. Bank (Non-Trade Investment) | * | * |
| In Equity Shares of Subsidiary Companies | | |
| Unquoted, fully paid up | | |
| Zota Healthcare Lanka (Pvt) Ltd [2000 units of LKR 100 each] | | |
| Zota Healthcare Nig. Ltd [1000000 units of Naira 1 each] | 1.93 | 1.92 |
| Other Non-Current Investments | | |
| Axis Bank Fixed Deposit | 845.57 | 1379.20 |
| Yes Bank Fixed Deposit+ | 141.51 | 11.34 |
| Total | 989.01 | 1392.46 |

* denotes figures less than a lakh

+ ₹ 6 lakhs earmarked against performance bank guarantee

H-04 LOANS - NON-CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Security Deposits | 9.48 | 9.48 |
| Others | | |
| Loan to Employee | 17.38 | 18.70 |
| Total | 26.86 | 28.18 |

H-05 INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| Raw Materials | 189.67 | 177.03 |
| Work-in-Progress | 150.09 | 97.80 |
| Finished Goods | 33.48 | 84.34 |
| Stock-in-Trade (in respect of goods acquired for trading) | 2357.18 | 2072.62 |
| Others | | |
| Promotional, Packing and Stationery Material | 87.14 | 102.29 |
| Total | 2817.56 | 2534.08 |

Inventories

Mode of Valuation.

Raw Materials : Valued at Cost.

Finished Goods & WIP : valued at Cost or Net Realisable value whichever is less as per Ind-AS 2.

Stock in Trade (in respect of goods acquired for trading): Valued at Cost.

Other Inventories: Valued at Cost.

H-06 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Trade Receivables | 2877.09 | 2913.65 |
| Total | 2877.09 | 2913.65 |

H-07 (A) CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| Cash on Hand | 1.21 | 1.38 |
| Cash on Hand-SEZ | 0.11 | 0.05 |
| Cash on Hand-DavalIndia Health Mart Limited | 0.20 | 0.00 |
| Total | 1.51 | 1.42 |

H-07 (B) OTHER BANK BALANCES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------|------------------------------------|------------------------------------|
| Balance with Banks* | 133.11 | 82.06 |
| Total | 133.11 | 82.06 |

* Includes ₹ 2.36 lakhs towards unclaimed/ unpaid dividend. (Previous Year ₹ 2.03 lakhs)

H-08 LOANS - CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| (Unsecured and Considered Good) | | |
| Others | 178.31 | 318.74 |
| Total | 178.31 | 318.74 |

H-09 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Prepaid Expenses | 63.35 | 27.73 |
| Balances with Govt. Authorities | 46.68 | 8.31 |
| Other Receivables | 2.92 | 0.45 |
| Total | 112.95 | 36.50 |

H-10 SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| Share Capital : | | |
| Authorised Share Capital | | |
| 250000000 Equity Shares of ₹ 10/- each | | |
| (Pre. Yr. 250000000 Equity Shares of ₹ 10/- each) | 2500.00 | 2500.00 |
| Issued, Subscribed and Paid up | | |
| 24560327 Equity Shares of ₹ 10/- each | | |
| (Pre. Yr. 24560327 Equity Shares of ₹ 10/- each) | 2456.03 | 2456.03 |
| Total | 2456.03 | 2456.03 |

A. The reconciliation of number of shares outstanding is set out below:

(₹ in Lakhs)

| Authorised Shares | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 2,50,00,000.00 | 2,00,00,000.00 |
| Addition during the year | - | 50,00,000.00 |
| Equity Shares at the end of the year | 2,50,00,000.00 | 2,50,00,000.00 |

(₹ in Lakhs)

| Issued, Subscribed and fully paid | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|------------------------------------|------------------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 2,45,60,327.00 | 1,75,43,352 .00 |
| Addition during the year | - | 70,16,975.00 |
| Equity Shares at the end of the year | 2,45,60,327 .00 | 2,45,60,327.00 |

B. Details of shareholders holding more than 5% shares in the Company :

| Name | No. of Shares with Sharing Ratio | | | |
|------------------------------------|----------------------------------|-------|------------------------------|-------|
| | 31 st March, 2021 | | 31 st March, 2020 | |
| | No. of Shares | % | No. of Shares | % |
| Manukant C. Zota | 2176870 | 8.86 | 2176870 | 8.86 |
| Himanshu M. Zota | 3272280 | 13.32 | 3268930 | 13.31 |
| Ketan C. Zota | 3045363 | 12.40 | 3045363 | 12.40 |
| Jainam Share Consultants Pvt. Ltd. | - | | 904546 | 3.68 |
| Kamlesh R. Zota | 1991103 | 8.11 | 1991103 | 8.11 |
| Manisha K. Zota | 1443966 | 5.88 | 1443966 | 5.88 |

C. Equity shares movement during 5 years preceding March 31, 2021

94,10,867 Shares were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium.

H-11 OTHER EQUITY

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-----------------------|------------------------------------|------------------------------------|
| a. Securities Premium | 2955.30 | 2955.30 |
| b. Retained earnings | 1218.36 | 1471.56 |
| Total | 4173.66 | 4426.87 |

a. Securities Premium

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--------------------------------|------------------------------------|------------------------------------|
| As per last Balance Sheet | 2955.30 | 3657.00 |
| Less: On issue of Bonus shares | 0.00 | 701.70 |
| Closing balance | 2955.30 | 2955.30 |

b. Retained earnings

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------------------------|------------------------------------|
| Opening balance | 1471.56 | 1481.19 |
| Profit for the year | (20.89) | 274.15 |
| Other comprehensive income of the year | 14.01 | 12.32 |
| Final dividend | (245.60) | (245.60) |
| Dividend distribution tax | 0.00 | (50.49) |
| Others | (0.71) | 0.00 |
| Closing balance | 1218.36 | 1471.56 |

Nature and purpose of reserves:**1 Securities premium**

Securities premium is created when shares are issued at premium. This is utilised in accordance with the provisions of the Companies Act, 2013.

H-12 PROVISIONS -NON-CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------|------------------------------------|------------------------------------|
| Gratuity Payable | 94.45 | 87.47 |
| Total | 94.45 | 87.47 |

H-13 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------|------------------------------------|------------------------------------|
| Statutory Liabilities | 11.42 | 27.02 |
| Unclaimed/Unpaid dividends | 2.36 | 2.03 |
| Other Payables | 153.16 | 135.05 |
| Total | 166.94 | 164.10 |

H-14 PROVISIONS - CURRENT

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Provision for Employee Benefits | 81.02 | 88.54 |
| Others | 15.12 | 107.88 |
| Total | 96.14 | 196.41 |

H-15 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|------------------|--|--|
| Sale of Products | 10678.92 | 9511.27 |
| Total | 10678.92 | 9511.27 |

H-16 OTHER INCOMES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-----------------------------------|--|--|
| Interest Income | 70.34 | 104.88 |
| PMRPY Income | 1.77 | 4.81 |
| Export Incentive Licence Income | 39.75 | 6.60 |
| Other Non-Operating Income | | |
| Duty Drawback Income | - | 0.09 |
| GST Refund Income | 0.99 | 0.00 |
| Foreign Exchange Profit/Loss | 11.47 | 34.89 |
| Product Development Charges | - | 0.03 |
| Total | 125.97 | 151.30 |

H-17 COST OF MATERIALS CONSUMED:

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Raw Materials | | |
| Inventory at the beginning of the year | 274.83 | 283.28 |
| Add: Purchase Less Return | 2083.79 | 1295.47 |
| | 2358.62 | 1578.75 |
| Less: Inventory at the end of the year | 339.76 | 274.83 |
| Total | 2018.87 | 1303.92 |

H-18 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------|--|--|
| Inventories (at commencement) | 2259.26 | 2967.96 |
| Inventories (at close) | 2478.52 | 2259.26 |
| Total | (219.26) | 708.70 |

H-19 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Salaries, Wages and Bonus | 402.85 | 423.09 |
| Director's Remuneration | 74.49 | 75.45 |
| Contribution to Provident Fund and Other Funds | 58.67 | 68.24 |
| Staff Welfare Expenses | 394.42 | 467.28 |
| Total | 930.43 | 1034.05 |

H-20 FINANCE COSTS

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-------------------------------|--|--|
| Bank Charges | 5.94 | 5.58 |
| Interest On TDS | 0.05 | 0.04 |
| Interest On Security Deposits | 1.32 | 1.32 |
| Other Interest (CST Interest) | 3.67 | 0.00 |
| Total | 10.98 | 6.94 |

H-21 OTHER EXPENSES

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Direct Expenses | | |
| Freight On Purchases | 1.31 | 9.69 |
| Lab Testing Expenses | 2.01 | 10.18 |
| Lab Chemical Expenses | 2.70 | 2.95 |
| Packing Materials Expenses | 39.84 | 36.02 |
| Transportation Expense | 121.34 | 101.98 |
| GST Expenses | 2.42 | 3.00 |
| Power and Fuel Expenses | 32.58 | 27.87 |
| Factory Maintenance Expenses | 19.19 | 12.53 |
| Water Charges | 2.33 | 1.86 |
| Diesel Expense for Boiler | 22.11 | 18.77 |
| | 245.83 | 224.84 |
| Administrative and General Expenses | | |
| Audit and Consultancy Fees | 5.10 | 5.10 |
| Clearing and Forwarding Charges | 87.63 | 40.11 |
| Commission Expense | 4.51 | 9.36 |
| Computer Repairs and Maintenance Expenses | 5.19 | 7.80 |
| Professional Fess /Consultancy Charges | 328.18 | 238.03 |
| Cylinder Charges | 4.99 | 3.07 |
| Conferance Expenses | 0.00 | 1.04 |

| | | |
|--|----------------|----------------|
| Commission Expenses | 28.42 | 4.39 |
| Diesel Expenses | 1.48 | 2.61 |
| Electricity Light Bill Expenses | 13.05 | 13.52 |
| Export Promotion Council - Membership Fees | 0.00 | 0.41 |
| Godown rent | 73.37 | 72.64 |
| Goods Damaged in Transit | 0.22 | 0.00 |
| Generator on Rent | 0.92 | 0.75 |
| Insurance Expenses | 6.27 | 15.35 |
| Legal Expense | 14.86 | 21.78 |
| Lodging and Boarding Expense | 5.19 | 15.30 |
| Market Research/Survey Expenses (DavaIndia) | 0.00 | 16.55 |
| Membership Fees | 5.01 | 0.18 |
| Medical Waste Treatment Expenses | 0.47 | 0.00 |
| Municipal Tax | 6.60 | 9.19 |
| Office Equipment Maintenance | 2.46 | 4.29 |
| Office/ Factory Miscellaneous Expense | 32.78 | 28.29 |
| PF Fund Administration Charges | 1.78 | 2.06 |
| Post And Courier Charges | 63.23 | 50.13 |
| Printing and Stationery Expense | 4.84 | 8.02 |
| Product Approval Charges | 21.05 | 2.81 |
| Professional Tax | 0.02 | 0.03 |
| Security service charges | 2.74 | 1.49 |
| Service Charges | 2.55 | 1.95 |
| Shop Maintenance Expense | 1.60 | 1.80 |
| Shop Rent Expenses | 2.91 | 0.00 |
| Software Subscription Exp | 6.71 | 11.06 |
| Telephone and Mobile Bill Expense | 5.41 | 5.42 |
| Trademark Expense | 9.73 | 5.41 |
| Travelling Expense | 6.59 | 42.60 |
| Website Renewal Charges | 1.17 | 1.18 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | 16.10 | 18.43 |
| GST Penalty | 0.03 | 0.01 |
| Vatav Kasar | 6.61 | (0.47) |
| | 779.74 | 661.67 |
| Selling and Distribution Expenses | | |
| Advertisement Expense | 1070.51 | 251.89 |
| Cash and Trade Discount | 71.32 | 32.25 |
| Commission on Sales | 109.38 | 146.05 |
| Exhibition Expenses | 0.00 | 2.35 |
| Freight on Sales | (4.62) | 5.02 |
| Promotional Expenses | 82.55 | 70.81 |
| Sales Incentive | 2.43 | 0.76 |
| | 1331.57 | 509.13 |
| Total | 2357.14 | 1395.64 |

* denotes figures less than a lakh

NOTE C-22 OTHER DISCLOSURES**1 Dividend**

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Equity shares: Final dividend for the year ended March 31, 2021 - ₹ 1/- (March 31, 2020 - ₹ 1/-) per fully paid up Equity Share | 245.60 | 245.60 |

2 Earnings Per Share

| Particulars | 2020-21 | 2019-20 |
|--|-------------|-------------|
| Profit for the year (Rupees in lakhs) | (20.89) | 274.15 |
| Weighted Average No. of Equity Shares | 2,45,60,327 | 2,45,60,327 |
| Nominal value per share (Rupees) | 10.00 | 10.00 |
| Basic and Diluted Earnings per equity share of face value of ₹ 10 each | (0.09) | 1.12 |

On July 29, 2019 Company had issued 70,16,975 bonus shares in the ratio of 4:10 [i.e' 4 (Four) fully paid up equity shares for every 10 (Ten) equity shares held, post this issue Earning per Share (EPS) for all the reporting period have been restated as per IND- AS 33.

3 Related Party Disclosures

| Sr. No. | Name | Relation | Amount ₹ in lakhs | PAN | Nature of Transaction |
|---------|-------------------------|-------------------------------|-------------------|------------|-----------------------|
| 1 | Mr. Niral M.Zota | Director Relatives | 5.40 | AABPZ1960H | Salary |
| 2 | Mr. Viren M. Zota | Director Relatives | 5.40 | AAEPZ7934J | Salary |
| 3 | Mr. Himanshu M. Zota | Executive Whole Time Director | 7.62 | AABPZ1961G | Commission |
| 4 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 7.62 | AABPZ9457F | Commission |
| 5 | Mr. Manukant C. Zota | Executive Whole Time Director | 7.62 | AAAPZ7965K | Commission |
| 6 | Mr. Moxesh K. Zota | Executive Managing Director | 7.62 | AANPZ1370P | Commission |
| 7 | Mr. Niral M.Zota | Director Relatives | 13.60 | AABPZ1960H | Commission |
| 8 | Mr. Viren M. Zota | Director Relatives | 13.60 | AAEPZ7934J | Commission |
| 9 | Mr. Himanshu M. Zota | Executive Whole Time Director | 18.00 | AABPZ1961G | Remuneration |
| 10 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 18.00 | AABPZ9457F | Remuneration |
| 11 | Mr. Manukant C. Zota | Executive Whole Time Director | 18.00 | AAAPZ7965K | Remuneration |
| 12 | Mr. Moxesh K. Zota | Executive Managing Director | 18.00 | AANPZ1370P | Remuneration |
| 13 | Mr. Ashvin B. Variya | Company Secretary | 8.12 | AQEPV4861E | Salary |
| 14 | Mr. Viral A. Mandviwala | CFO | 6.13 | AAAPZ7965K | Salary |
| 15 | Ms. Heli Ritesh Shah | Director Relatives | 1.04 | AAIPZ0123H | Salary |
| 16 | Mr. Ketankumar C. Zota | Non-executive Chairman | 0.21 | AABPZ9238J | Sitting Fees |
| 17 | Mr. Moxesh K. Zota | Executive Managing Director | 0.15 | AANPZ1370P | Sitting Fees |
| 18 | Mr. Himanshu M. Zota | Executive Whole Time Director | 0.36 | AABPZ1961G | Sitting Fees |
| 19 | Mr. Manukant C. Zota | Executive Whole Time Director | 0.18 | AAAPZ7965K | Sitting Fees |
| 20 | Mr. Kamlesh R. Zota | Executive Whole Time Director | 0.15 | AABPZ9457F | Sitting Fees |

| | | | | | |
|----|------------------------------------|------------------------------------|-------|------------|--------------|
| 21 | Mrs. Varshababen Gaurang Mehta | Non-Executive Independent Director | 0.39 | ABPPM8710R | Sitting Fees |
| 22 | Mrs. Bhumi Maulik Doshi | Non-Executive Independent Director | 0.30 | DQWPD9279M | Sitting Fees |
| 23 | Mr. Vitrag Sureshkumar Modi | Non-Executive Independent Director | 0.30 | ATEPM2221N | Sitting Fees |
| 24 | Mr. Dhiren Prafulbhai Shah | Non-Executive Independent Director | 0.21 | AKUPS9999Q | Sitting Fees |
| 25 | Mrs. Jayshreeben Nileshkumar Mehta | Non-Executive Independent Director | 0.24 | AMSPM9396F | Sitting Fees |
| 26 | DavaIndia Health Mart Limited | Subsidiary | 10.04 | AAHCD5973D | Loan Given |

Other details pertaining to related party transactions are provided in Form no. AOC-2 annexed to the Board's Report.

4 Deferred Tax Liabilities:

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|---------------|---------------|
| Deferred Tax Liabilities | | |
| Property, plant and equipments, Intangible Assets | 5.21 | 26.33 |
| Sub Total (a) | 5.21 | 26.33 |
| Deferred Tax Assets | | |
| Items allowable for tax purpose on payments/adjustment | (4.19) | (8.46) |
| Sub Total (b) | (4.19) | (8.46) |
| Total (a+b) | 1.02 | 17.87 |
| Recognised in Statement of Profit & Loss for the year | 16.85 | (6.40) |

5 Fair value measurements

Financial instruments by category

| Financial instruments by category | No. of Shares with Sharing Ratio | | | | | |
|------------------------------------|----------------------------------|----------|----------------|------------------------------|----------|----------------|
| | 31 st March, 2021 | | | 31 st March, 2020 | | |
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | - | - | 989.01 | - | - | 1392.46 |
| Trade Receivables | - | - | 2877.09 | - | - | 2913.65 |
| Cash and Cash Equivalents | - | - | 1.51 | - | - | 1.42 |
| Bank balance other than above | - | - | 133.11 | - | - | 82.06 |
| Other Financial Assets | - | - | 178.31 | - | - | 318.74 |
| Total financial assets | - | - | 4179.03 | - | - | 4708.33 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | - | - | - | - |
| Trade Payable | - | - | 1559.69 | - | - | 1499.13 |
| Other Financial Liabilities | - | - | - | - | - | - |
| Total financial liabilities | - | - | 1559.69 | - | - | 1499.13 |

| Fair value of financial assets and financial liabilities measured at amortised cost. | 31 st March, 2021 | | 31 st March, 2020 | |
|--|------------------------------|------------|------------------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets at amortised cost | | | | |
| Fixed deposits | 987.08 | 987.08 | 1390.53 | 1390.53 |
| Financial assets at FVTPL | | | | |
| Investments in equity instruments | * | * | * | * |
| (unquoted)# | | | | |
| Zota Healthcare Nig. Ltd. | 1.93 | 1.93 | 1.92 | 1.92 |

*denotes figures less than a lakh

#For investment in equity instrument made in Prime Co-Op Bank, the cost (i.e. carrying value) represents the best estimate of fair value considering the nature of the investment.

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other financial assets, trade payables, other financial liabilities are considered to be the same as their fair values, as they are current in nature.

6 Post employment employee benefits plans

Gratuity

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Actuarial Assumptions

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---------------------------|--|--|
| Discount Rate (per annum) | 6.80% | 6.80% |
| Expected Rate of Return | | |
| Salary Escalation rate | 9.00% | 9.00% |
| Retirement Age | 60 | 60 |
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Employees attrition rate | 5% at younger ages and reducing to 1% at older ages according to graduated scale | 5% at younger ages and reducing to 1% at older ages according to graduated scale |

Notes:

1 Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.

2 Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees.

i) Reconciliation of present value of obligations ('PVO') – defined benefit obligation:

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Liability at the beginning of the period | 91.49 | 79.57 |
| Interest Cost | 6.22 | 19.56 |
| Current Service Cost | 21.47 | 8.83 |
| Employees Contribution | 0.00 | 0.00 |
| Interest Guarantee | 0.00 | 0.00 |
| Benefits Paid | (1.56) | 0.00 |
| Transfer from previous employer's | 0.00 | 0.00 |
| Liability Transfer In | 0.00 | 0.00 |
| Liability Transfer Out | 0.00 | 0.00 |
| Actuarial (gain) / loss on Financial Assumption | 0.00 | 0.00 |
| Actuarial (gain) / loss on Demographic Assumption | 0.00 | 0.00 |
| Actuarial (gain) / loss on Experience | (18.67) | (16.46) |
| Liability at the end of the year | 98.95 | 91.49 |

ii) Amount Recognised in the Balance Sheet

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Present Value of Benefit Obligation on 31-3-2021 | 98.95 | 91.49 |
| Fair Value of Plan Assets on 31-3-2021 | 0.00 | 0.00 |
| Net Liability / (Asset) recognised in Balance Sheet | 98.95 | 91.49 |

iii) Expenses Recognised in the Income Statement

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|--|------------------|------------------|
| Current Service Cost | 21.47 | 8.83 |
| Interest Cost on benefit obligation (net) | 6.22 | 19.56 |
| Past Service Cost | 0.00 | 0.00 |
| Expected Contribution | 0.00 | 0.00 |
| Gain / Losses on Curtailment and Settlement | 0.00 | 0.00 |
| Net Effect of Change in Foreign Exchange Rates | 0.00 | 0.00 |
| Expenses Recognised | 27.69 | 28.38 |

iv) Expenses Recognised in Other Comprehensive Income (OCI) for current Period

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Actuarial changes arising from changes in financial assumptions | - | 0.00 |
| Actuarial changes arising from changes in demographic adjustments | - | 0.00 |
| Actuarial changes arising from changes in experience adjustments | (18.67) | (16.46) |
| Net (Income) / Expense for period | (18.67) | (16.46) |

v) Maturity profile of defined benefit obligations

Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|--------------------------------|------------------|------------------|
| 1 st Following Year | 4.50 | 4.02 |
| 2 nd Following Year | 2.60 | 2.17 |
| 3 rd Following Year | 3.25 | 2.31 |
| 4 th Following Year | 2.55 | 2.78 |
| 5 th Following Year | 4.41 | 2.01 |
| 6 to 10 years | 40.65 | 38.10 |

vi) Sensitivity Analysis Gratuity Plan

(₹ in Lakhs)

| Particulars | Gratuity 2020-21 | Gratuity 2019-20 |
|---|------------------|------------------|
| Projected Benefit Obligation on Current Assumptions | 98.95 | 91.49 |
| Delta Effect of +1% Change in Rate of Discounting | 81.62 | 78.99 |
| Delta Effect of -1% Change in Rate of Discounting | 109.76 | 106.96 |
| Delta Effect of +1% Change in Rate of Salary Increase | 109.26 | 106.46 |
| Delta Effect of -1% Change in Rate of Salary Increase | 81.75 | 79.12 |
| Delta Effect of +1% Change in Rate of Employee Turnover | 92.99 | 90.24 |
| Delta Effect of -1% Change in Rate of Employee Turnover | 95.55 | 92.85 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

vii) Risk exposure :

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

7 Income Tax

(a) - Income tax expense

(₹ in Lakhs)

| Particulars | 31.03.2021 | 31.03.2020 |
|--|----------------|---------------|
| i. Current tax | | |
| Current tax on profits for the year | 9.14 | 103.53 |
| ii Deferred tax | | |
| Decrease (increase) in deferred tax assets | 4.27 | (8.46) |
| (Decrease) increase in deferred tax liabilities | (21.12) | 14.87 |
| Total deferred tax expense / (credit) | (16.85) | 6.40 |
| Total Income tax expenses (i + ii) * | (16.85) | 6.40 |
| *excludes below tax impact on Other Comprehensive Income | | |
| Tax Benefit / (Expenses) on Actuarial | (4.70) | (4.14) |

(b) - Reconciliation of tax expense and the accounting profit multiplied by tax rate :

(₹ in Lakhs)

| Particulars | 31.03.2021 | 31.03.2020 |
|---|----------------|---------------|
| Profit before tax | (134.42) | 388.02 |
| Applicable Tax Rate | 25.168% | 25.168% |
| Computed Tax Expense | (33.83) | 97.66 |
| Tax effect of : | | |
| Expenses not deductible for tax purposes | 95.05 | 71.47 |
| Expenses allowed for tax purposes | (75.62) | (63.28) |
| Deductions allowed | - | (2.32) |
| (Profit) on sale of Property, Plant and Equipment | 9.14 | - |
| Others | 14.40 | - |
| Income Tax Expense | 9.14 | 103.53 |

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

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

10 The quantity and value of closing stock is certified by the management as true and correct.

11 Previous year's figures have been regrouped / recast wherever necessary to conform to current interim period's presentation.

12 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Principal amount remaining unpaid | 57.94 | 205.61 |
| Interest due thereon remaining unpaid | - | - |
| Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | - | - |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| Interest accrued and remaining unpaid | - | - |
| Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

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

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---------------------|------------------------------|------------------------------|
| As Auditors | 5.10 | 5.10 |
| In other capacities | 0.00 | 0.00 |
| Total | 5.10 | 5.10 |

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

(₹ in Lakhs)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Director's Remuneration (includes commission & sitting fees) | 104.97 | 105.45 |
| Total | 104.97 | 105.45 |

15 Contingent Liabilities

(₹ in Lakhs)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------|------------------------------------|------------------------------------|
| Performance bank guarantee | 6.00 | 6.00 |
| Total | 6.00 | 6.00 |

16 Operating Segment

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business the segment/s in which the company operates. The Company is primarily engaged in the business of manufacturing and marketing of Pharmaceutical products which the Management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided

17 The Company is primarily engaged in the business of manufacturing and marketing of Pharmaceutical products. The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The company does not enter into contracts with customers and hence, the disclosures regarding Disaggregation of revenue and Performance obligations under Ind AS 115 are not provided.

18 The Company has adopted Ind AS 116 "Leases" effective April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. Adoption of Ind As 116 does not have any significant impact on the financial results.

19. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The Company's financial liabilities comprise of trade payable and other liabilities to manage its operation and financial assets includes trade receivables, security deposit and loans and advances etc. arises from its operation.

The Company has established risk management policies and risk assessment processes to identify and analyse the risks faced by the Company and to reduce the risk to acceptable lower level by setting appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer / counterparty to a contract fails to meet its contractual obligations, the maximum exposure to the credit risk at the reporting date is carrying value of trade receivables.

Credit risk are managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Trade receivables

The Company have low risk of non-recovery of its receivables as its working on franchise module in which good are sold only to contracted party due to this company does not make any provision for doubtful debt any bad debt arise due to uncontrollable situation are written off at the year end.

Write off policy of company include, indicator that there are no reasonable expectation of recovery and information about the policy for financial assets that are written-off but are still subject to enforcement activity.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice falls due.

(₹ in Lakhs)

| Particulars | 0-180 Days | 180 To 365 Days | More Than 365 Days | Total |
|------------------------------|------------|-----------------|--------------------|---------|
| Trade Receivable | | | | |
| 31 st March, 2021 | 2172.54 | 704.55 | - | 2877.09 |
| 31 st March, 2020 | 2,464.70 | 448.95 | - | 2913.65 |

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has Fixed Deposits with bank of ₹ 987.08 lakhs unutilised working capital lines as on March 31, 2021, ₹ 1390.53 lakhs as on March 31, 2020.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(₹ in Lakhs)

| Particulars | Less Than 1 Year | 1-3 Years | More Than 3 Years | As on 31 st March, 2021 |
|----------------|------------------|-----------|-------------------|------------------------------------|
| Trade Payables | 1559.69 | -- | -- | 1559.69 |

(₹ in Lakhs)

| Particulars | Less Than 1 Year | 1-3 Years | More Than 3 Years | As on 31 st March, 2021 |
|----------------|------------------|-----------|-------------------|------------------------------------|
| Trade Payables | 1,499.13 | -- | -- | 1,499.13 |

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

20 These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 25th June, 2021.

21 The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year's performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of these financial results and it will continue to closely monitor any material changes to future economic conditions.

For and on behalf of the Board

Sd/-
Himanshu M. Zota
(Whole Time Director)
(Din : 01097722)
34, Ichhanath Umra,
Surat,

Sd/-
Ashvin Variya
Company Secretary

Date: 25-06-2021
Place: Surat

Sd/-
Moxesh K. Zota
(Managing Director)
(Din : 07625219)
8D, Lal Bunglow, Athwalines,
Surat,

Sd/-
Viral Mandviwala
Chief Financial Officer

For **Shivangi Parekh & Co.**
Chartered Accountants

Sd/-
CA. Shivangi Mehta
Proprietor
M. No. 118936
Firm No. 131449W

M-01 & M03 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land | Buildings | Office Equipments | Furniture & Fixtures | Computers | Total | Capita work-in-progress |
|---|--------------|---------------|-------------------|----------------------|--------------|---------------|-------------------------|
| For Year Ended March 31, 2020 | | | | | | | |
| Opening Gross Carrying Amount | 85.93 | 268.99 | 101.20 | 121.51 | 65.26 | 642.90 | 25.90 |
| Additions | 2.70 | 34.38 | 5.90 | 16.58 | 12.52 | 72.08 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (25.90) |
| Closing Gross Carrying Amount as on 31.03.2020 | 88.63 | 303.37 | 107.10 | 138.09 | 77.78 | 714.97 | 0.00 |
| Accumulated Depreciation | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 57.92 | 30.19 | 41.50 | 57.87 | 187.48 | 0.00 |
| Depreciation Charge during the year | 0.00 | 12.03 | 17.34 | 12.02 | 8.90 | 50.29 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 69.96 | 47.53 | 53.52 | 66.76 | 237.77 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 88.63 | 233.41 | 59.57 | 84.57 | 11.02 | 477.20 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | | |
| Opening Gross Carrying Amount | 88.63 | 303.37 | 107.10 | 138.09 | 77.78 | 714.97 | 0.00 |
| Additions | 0.00 | 0.00 | 3.02 | 0.00 | 1.24 | 4.25 | 3.62 |
| Disposals | (5.54) | 0.00 | 0.00 | 0.00 | 0.00 | (5.54) | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 83.09 | 303.37 | 110.12 | 138.09 | 79.02 | 713.69 | 3.62 |
| Accumulated Depreciation | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 69.96 | 47.53 | 53.52 | 66.76 | 237.77 | 0.00 |
| Depreciation Charge during the year | 0.00 | 11.52 | 14.36 | 22.18 | 7.44 | 55.50 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 81.48 | 61.89 | 75.70 | 74.20 | 293.27 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 83.09 | 221.88 | 48.23 | 62.39 | 4.82 | 420.41 | 3.62 |

M-02 INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Brands/ Trademarks | Copyrights and Patents | Software | Others | Total | Intangible assets under development |
|---|--------------------|------------------------|--------------|---------------|---------------|-------------------------------------|
| For Year Ended March 31, 2020 | | | | | | |
| Opening Gross Carrying Amount | 284.51 | 53.97 | 10.70 | 185.54 | 534.72 | 129.33 |
| Additions | 3.38 | 10.16 | 8.64 | 0.00 | 22.18 | (129.33) |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 129.33 | 129.33 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 287.88 | 64.14 | 19.35 | 314.87 | 686.24 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 246.60 | 32.56 | 1.54 | 65.78 | 346.48 | 0.00 |
| Depreciation Charge during the year | 10.39 | 6.78 | 3.88 | 40.04 | 61.09 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 256.99 | 39.34 | 5.41 | 105.82 | 407.56 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 30.89 | 24.80 | 13.94 | 209.05 | 278.67 | 0.00 |

| | | | | | | |
|---|---------------|--------------|--------------|---------------|---------------|-------------|
| For Year Ended March 31, 2021 | | | | | | |
| Opening Gross Carrying Amount | 287.88 | 64.14 | 19.35 | 314.87 | 686.24 | 0.00 |
| Additions | 0.00 | 0.00 | 8.17 | 0.00 | 8.17 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 287.88 | 64.14 | 27.52 | 314.87 | 694.41 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 256.99 | 39.34 | 5.41 | 105.82 | 407.56 | 0.00 |
| Depreciation Charge during the year | 7.75 | 4.93 | 7.33 | 54.12 | 74.14 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 264.74 | 44.27 | 12.74 | 159.94 | 481.70 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 23.14 | 19.86 | 14.77 | 154.93 | 212.71 | 0.00 |

S-07 (A) PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Land | Factory Buildings | Plant & Equipment | Furniture & Fixtures | Electric Accessories | Office Equipment | Computer | TOTAL | Capital work-in-progress |
|---|--------------|-------------------|-------------------|----------------------|----------------------|------------------|--------------|---------------|--------------------------|
| For Year Ended March 31, 2020 | | | | | | | | | |
| Opening Gross Carrying Amount | 73.50 | 142.01 | 533.12 | 44.49 | 37.79 | 11.71 | 16.05 | 858.67 | 0.00 |
| Additions | 0.00 | 3.74 | 23.37 | 9.18 | 0.00 | 0.00 | 0.19 | 36.48 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 73.50 | 145.76 | 556.49 | 53.66 | 37.79 | 11.71 | 16.24 | 895.14 | 0.00 |
| Accumulated Depreciation | | | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 56.60 | 381.91 | 30.55 | 28.97 | 11.65 | 15.11 | 524.78 | 0.00 |
| Depreciation Charge during the year | 0.00 | 4.74 | 33.49 | 3.78 | 2.06 | 0.01 | 0.25 | 44.33 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 61.34 | 415.39 | 34.33 | 31.04 | 11.66 | 15.35 | 569.10 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 73.50 | 84.42 | 141.09 | 19.34 | 6.75 | 0.06 | 0.88 | 326.04 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | | | | |
| Opening Gross Carrying Amount | 73.50 | 145.76 | 556.49 | 53.66 | 37.79 | 11.71 | 16.24 | 895.14 | 0.00 |
| Additions | 0.00 | 0.55 | 41.82 | 3.02 | 0.56 | 0.00 | 0.12 | 46.07 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2021 | 73.50 | 146.31 | 598.30 | 56.68 | 38.35 | 11.71 | 16.36 | 941.22 | 0.00 |
| Accumulated Depreciation | | | | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 61.34 | 415.39 | 34.33 | 31.04 | 11.66 | 15.35 | 569.10 | 0.00 |
| Depreciation Charge during the year | 0.00 | 3.92 | 29.25 | 5.48 | 1.34 | 0.03 | 0.66 | 40.67 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 0.00 | 65.25 | 444.65 | 39.81 | 32.37 | 11.69 | 16.01 | 609.78 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 73.50 | 81.05 | 153.66 | 16.88 | 5.97 | 0.02 | 0.35 | 331.44 | 0.00 |

S-07 (B) INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Brands/ Trademarks | Copyrights and Patents | Software | Others | Total | Intangible assets under development |
|---|-----------------------|---------------------------|-------------|-------------|---------------|---|
| For Year Ended March 31, 2020 | | | | | | |
| Opening Gross Carrying Amount | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Additions | 512.92 | 0.00 | 0.00 | 0.00 | 512.92 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised /Transferred during the year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Gross Carrying Amount as on 31.03.2020 | 512.92 | 0.00 | 0.00 | 0.00 | 512.92 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation Charge during the year | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Disposals | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Accumulated Depreciation | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Net Carrying Amount As On 31.03.2020 | 458.88 | 0.00 | 0.00 | 0.00 | 458.88 | 0.00 |
| For Year Ended March 31, 2021 | | | | | | |
| Opening Gross Carrying Amount | 512.92 | 0.00 | - | 0.00 | 512.92 | 0.00 |
| Additions | 116.16 | 0.00 | 6.00 | 0.00 | 122.16 | 0.00 |
| Disposals | | | | | | |
| Capitalised /Transferred during the year | | | | | | |
| Closing Gross Carrying Amount as on 31.03.2021 | 629.08 | 0.00 | 6.00 | 0.00 | 635.08 | 0.00 |
| Accumulated Depreciation | | | | | | |
| Opening Accumulated Depreciation | 54.04 | 0.00 | 0.00 | 0.00 | 54.04 | 0.00 |
| Depreciation Charge during the year | 145.85 | 0.00 | 0.52 | 0.00 | 146.37 | 0.00 |
| Disposals | | | | | | |
| Closing Accumulated Depreciation | 199.89 | 0.00 | 0.52 | 0.00 | 200.41 | 0.00 |
| Net Carrying Amount As On 31.03.2021 | 429.19 | 0.00 | 5.48 | 0.00 | 434.67 | 0.00 |



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