



Zenith Healthcare Limited

18TH
ANNUAL REPORT

2011-2012



Zenith Healthcare Limited

EIGHTEENTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 25th SEPTEMBER, 2012
DAY : Tuesday
TIME : 10.00 AM
VENUE : ATMA Conference Hall,
Ahmedabad Textile Mills'
Association,
Ashram Road, Navrangpura,
Ahmedabad - 380 009

NOTE TO SHAREHOLDERS:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting Shareholders are requested to kindly bring their copy at the meetings.

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BOARD OF DIRECTORS

Shri Mahendra C. Raycha	Chairman & Managing Director
Shri Akshit Raycha	Joint Managing Director
Smt. Neela Raycha	Director
Shri Atul Thakker	Director
Shri Gaurang Vora	Director
Shri Tejas Thakker	Director
Shri Ashwin Thakker	Director
Shri Rajesh Thakker	Director

COMPANY SECRETARY Shri Piyush Patel D-344, Krishnanagar, Opp. Dipali Nagar, Odhav, Ahmedabad- 382 425	COMPANY LAW CONSULTANT M/s. Kamlesh M. Shah & Co., Practicing Company, Secretaries, 6, Avani Park, Khanpur, Ahmedabad- 380 001
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BANKERS OF THE COMPANY

Punjab National Bank
State Bank of India
Union Bank of India

STATUTORY AUDITORS

M/s. Jayesh R. Mor & Co.
Chartered Accountants
Ahmedabad

INTERNAL AUDITORS

M/s. Nimesh M. Shah & Co.
Chartered Accountants
Ahmedabad

REGISTERED AND CORPORATE OFFICE

201 & 205 Labh Complex, 12-B, Sattar Taluka Society,
P.O. Navjivan, Ahmedabad - 380 014.

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
E-2/3, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD, SAKINAKA,
ANDHERI (E), MUMBAI - 400 072

WORKS

388/34, Changodar Industrial Estate,
Sarkhej - Bavla Highway,
Changodar - 382 210

LISTING AT

Ahmedabad Stock Exchange Ltd.
Kamdheni Complex,
Nr. Panjarapole,
Ambawadi,
Ahmedabad - 380 015

Bombay Stock Exchange Ltd.
25th floor,
P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

NOTICE

NOTICE is hereby given to the Members of Zenith Healthcare Limited that 18th Annual General Meeting of the Members of the Company will be held on Tuesday, the 25th September, 2012 at 10.00 AM at ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Ahmedabad- 380 009 to transact the following Business:

ORDINARY BUSINESS :

- (1) To receive, consider, approve and adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31/3/2012, the Profit & Loss Account & Cash Flow Statement for the year ended on that date and the Report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Atul Thakker, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
- (3) To appoint a Director in place of Rajesh Manubhai Thakker, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
- (4) To appoint the Auditors for the next financial year to hold the office as such from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

- (5) Appointment of Mr. Akshit M. Raycha as Joint Managing Director
To Consider and if thought fit, to Pass, with or without modification(s), the following resolution as a Special Resolution.
“RESOLVED THAT in accordance with the Provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of The Companies Act 1956 (The Act) (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the appointment of Mr. Akshit M. Raycha as Joint Managing Director, not liable to retire by rotation, for a period of 5 years with effect from 1st April'2012 upon the terms and conditions including payment of remuneration, perquisites and benefits as are set out hereunder, which Draft Agreement is hereby approved, with Liberty and Powers to the Board of Directors (“The Board” which term shall include its committee(s) constituted it to exercise its powers including the Powers conferred by this resolution).

PLACE : AHMEDABAD

DATE : 13.08.2012

BY ORDER OF THE BOARD OF DIRECTORS

PIYUSH PATEL

COMPANY SECRETARY

NOTES :

- (1) A Member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself and on behalf of him and that a Proxy need not be a member of the Company.
- (2) Proxies in order to be effective should be duly stamped, completed in the prescribed form and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- (3) Members desiring any information as regards accounts, are requested to write to the Company atleast 7 days before the meeting to enable the management to keep the information ready.
- (4) Members are requested to be in their seats at the meeting before the scheduled time of commencement of the Meeting to avoid interruption in the proceedings.
- (5) Members who are holding Equity Shares in Physical Form, are requested to intimate any change of address, if any, directly to the Company's **Registrar & Share Transfer Agent - Bigshare Services Pvt. Ltd.**
- (6) The Register of Members and Share Transfer Books of the Company shall remain closed from 17.09.2012 To 25.09.2012 (both days inclusive).
- (7) If Shareholders have any complaint/grievance, please write to the Company's Registrar & Share Transfer Agent - Bigshare Services Pvt. Ltd. The Company has designated an exclusive E-mail ID

called zhlgriev@yahoo.in for redressal of shareholders' complaints/grievances.

- (8) With effect from 25th June, 2001, equity shares of your Company are compulsorily traded in dematerialised form as mandated by the SEBI. Your Company has already Tri-Partite agreement with two Depositories viz. National Securities Depository Limited & Central Depository Services (India) Limited.

Shareholders holding old share certificate(s) of Rs.10/- each, are requested to return the ORIGINAL old share certificate(s) [which is / are no longer tradeable] directly to the Company's Registrar & Share Transfer Agent - Bigshare Services Pvt. Ltd., for cancellation alongwith Application duly signed by all the holders, to enable to issue New Share Certificate(s) in physical form after effecting Reduction, if any, and Sub-division in to Re.1/- each in lieu thereof.

- (9) The Ministry of Corporate Affairs has taken a 'Green initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notice and documents through electronic mode by registering their e-mail addresses with the Company. **Shareholders who have not registered their e-mail address with the Company can now register the same by sumitting duly filled-in 'E-Communication Registration Form' with M/s. Bigshare Services Pvt. Ltd./ Investors Service Department of the Company.** The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants Only. Even after registering for E-Communication the Shareholders of the Company are entitled to recive such communication in physical form, upon request.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under item No. 2,3 & 5 of Notice.

Item No. 2

Name of Director : Atul Mansukhbhai Thakker
Date of Birth : 02.10.1960
Date of reappointment : As on the Date of Annual General Meeting
Expertise in specific functional area : He is businessman and having expertise in marketing and other liassion work
Qualification : Commerce graduate
No. of Equity Shres held : 500
List of Outside Company Directorship held : Nil
Member of Committees of Board of Directors of the Company : He is the member of Remuneration Committee

Item No. 3

Name of Director : Rajesh Manubhai Thakker
Date of Birth : 01.01.1962
Date of reappointment : As on the Date of Annual General Meeting
Expertise in specific functional area : He is businessman and having expertise in marketing
Qualification : B.COM.,
No. of Equity Shres held : Nil
List of Outside Company Directorship held : Nil
Member of Committees of Board of Directors of the Company : Member of Investor grievance committee

Item No. 5

The Board of Directors of the Company at its meeting held on 26th March, 2012, Mr. Akshit M. Raycha appointed as Joint Managing Director for the period of five years with effect from 01.04.2012 upto and including 31st March, 2017 subject to the approval of the members in the Annual General Meeting.

Mr. Akshit Mahendra Raycha is a Commerce Graduate and MBA, from Ahmedabad University Associated with Cambridge University.

Mr. Akshit Mahendra Raycha in respect of his appointment as Joint Managing Director, would contain terms and conditions of his appointment including remuneration as from 01st April, 2012 during the period of this agreement and so long as the Joint Managing Director perform his services as per the terms and condition provided by this agreement, he shall be entitled to the following

Salary : Rs. 50,000/- per month with annual increments as decided by the Board of Directors.

Commission : 2.5% of the Company's Net Profit and overall ceiling stipulated in section 198, 309 read with schedule XIII of the Companies Act, 1956.

Perquisites : upto Rs. 3.90 Lakh per annum and in accordance with rules of the Company.

Others : official use of car/driver and communication facilities for Company's business.

The Resolution at item no. 5 is proposed for approval of the members for appointment of Mr. Akshit Mahendra Raycha as the Joint Managing Director as contemplated by part III of schedule XIII of the companies Act, 1956 and other applicable provision, if any.

This explanation together with the a companying Notice is and should be treated as abstract of the terms of appointment of Mr. Akshit Mahendra Raycha, as the Joint Managing Directors of the Company under section 302 of the Companies Act, 1956

The Agreement to be entered into with Mr. Akshit Mahendra Raycha will be open for inspection by member at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. upto the date of the Annual Genral Meeting .

Mr. Akshit Mahendra Raycha may be deemed to be interested in this resolution as it concerns his appointment, Mr. Mahendra C. Raycha & Mrs. Neela M. Raycha may also be deemed to be interested in this resolution, they being, re-elected to him. Save and except the above, none of the other Directors of the Company are in any way, concelned or interested in this resolution.

The Board recommends approval of the appointment of Mr. Akshit Mahendra Raycha as Joint Managing Director of the Company.

DIRECTORS' REPORT

To,
The Members,
ZENITH HEALTHCARE LIMITED

Dear Shareholders,
Your Directors have pleasure in presenting herewith the 18th Audited Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS

During the financial year 2011-2012 the financial operational results of the Company is as under :

(Amount in Rs.)

Particulars	Year ended on 31st March 2012	Year ended on 31st March 2011
Total Revenue	3,93,39,176	4,471,0,656
Profit Before Depreciation	17,40,954	55,20,730
Provision for Depreciation	15,25,570	16,06,898
Profit Before Tax	2,15,384	39,13,832
Provision for Tax	1,05,000	12,85,000
Net Profit after Tax	1,10,384	26,28,832
Add: Balance as per last Balance Sheet	91,24,554	64,93,554
Short Provision for Previous year	(32,169)	34,439
Deferred Tax Assets / (Liability)	33,964	36,608
Net Profit carried to Balance Sheet	92,36,733	91,24,554

(1) YEAR UNDER REVIEW :

In spite of keen competition, during the year under review, your Company has achieved sales of Rs. 39339176 against Rs. 44710656 in the Previous year. The Profit before depreciation is Rs. 1740954 for the current year against Rs.5520730 of the previous year.

(2) DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217(2AA) of the companies Act 1956, we hereby state :

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any ;
- (b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) that they have prepared the annual accounts on a going concern basis.

(3) CORPORATE GOVERNANCE :

A report on the Corporate Governance alongwith a certificate from the auditors of the Company regarding the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement as also the management Discussion and Analysis Report are annexed to this Report.

(4) FIXED DEPOSIT :

The Company has neither invited nor accepted any fixed deposit from public during the year under review as defined under Section 58A of the Companies Act, 1956.

(5) DIVIDEND :

Due to small amount of profit, your Directors do not recommend any dividend for the year ended on 31st March, 2012.

(6) DIRECTORS :

Shri Atul Manshukhbhai Thakker & Shri Rajesh Manubhai Thakker, Directors of the Company retire by rotation as per provisions of the Act at this Annual General Meeting. However, being eligible offers themselves for re-appointment, your Directors recommend to appoint them by passing resolutions.

Approval of Shareholder is also being sought for the appointment of Mr. Akshit M. Raycha, Joint Managing Director, for a period of 5 years with effect from 1st April, 2012, which the Board recommends.

The Notice convening the Annual General Meeting includes the proposals for the appointment/re-appointment of the Directors. Brief resumes of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship/membership/chairmanship of the Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange have been provided as an annexure to the Notice convening the Annual General Meeting.

(7) PARTICULARS OF EMPLOYEES :

None of the employee falls within the limits prescribed under the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies(Particulars of Employees) Rules,1975 as amended.

(8) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUT GO :

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with Rules 2 of the Companies (Disclosure of particulars in the Reports of Board of Directors) Rules 1988, the particulars relating to conservation of Energy, Technology Absorption, Foreign Exchange outgo/ earnings, etc. are given in Annexure - A as a part of this Report.

(9) STATUTORY AUDITORS:

M/s. Jayesh R. Mor & Co. Chartered Accountants, Ahmedabad, the retiring auditors hold office of the Auditors up to the date of this Annual General Meeting as per provisions of the Act. The Company has received a letter from the said auditors to the effect that their appointment shall be within the limits laid down under Section 224(1B) of the Companies Act. A resolution proposing their re-appointment as Statutory Auditors of the Company for the period from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting is required to be passed. Your Directors recommend to pass the said resolution.

(10) INTERNAL AUDITORS :

M/s. Nimesh M. Shah & Co., Chartered Accountants, Ahmedabad, were appointed as Internal Auditors of the Company. The Company has received a letter from the said Auditors to continue to act as Internal Auditors of the Company.

(11) AUDITORS OBSERVATION :

The Company had given Loans and Advances in the nature of loans to various corporate and non-corporate entities. The Board is of the opinion that the same will be recoverable and hence, no provision for the same as bad and doubtful advance are required in the books of accounts. However, notes to be Accounts to itself are clarificatory and self-explanatory in nature.

(12) INFORMATION PURSUANT TO STOCK EXCHANGE LISTING AGREEMENT :

The Company's Equity Shares are at present listed and traded on Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited. The Company has duly paid the annual Listing Fees of both the Stock Exchanges for and up to the financial year ending on 31.03.2013. The Equity Shares of the Company are freely tradeable on both the Stock Exchanges and trading thereof have not been suspended at any time during the year under review. The Company has been regularly and timely making all compliances of the various clauses of the Listing Agreement and SEBI Regulations from time to time.

(13) AUDIT COMMITTEE :

The Company has formed Audit Committee in compliance to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Details are separately given in Report on Corporate Governance.

(14) INSURANCE :

The Assets of your Company have been adequately insured.

(15) APPRECIATION :

Your Directors take this opportunity to acknowledge the trust reposed in your Company by its Shareholders, Bankers, Customers, Suppliers, various Government Authorities and Clients. Your Directors sincerely appreciate the dedication & commitment of all employees, without which the continuing progress of the Company would not have been possible.

On Behalf of Board of Directors
of Zenith Healthcare Limited

ANNEXURE - A TO THE REPORT OF DIRECTORS
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies Rules, 1988, information regarding conservation of energy, technologies absorption and foreign exchange earnings and outgo are given as under:-

POWER AND FUEL CONSUMPTION

	CURRENT 2011-2012	PREVIOUS 2010-2011
[A] ELECTRICITY		
Purchased		
Total Units	66,441	73,950
Total Amount Rs.	4,63,155	5,05,468
Rate per Unit Rs.	6.97	6.84
Through Diesel Generation		
Total Units	1,578	2,958
Total Amount Rs.	16,295	29,352
Rate per Unit Rs.	10.33	9.92
[B] Technology Absorption, Adaption & Innovation	Nil	Nil
[C] Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Expenditure	Nil	83,936

CONSERVATION OF ENERGY:

The Company continued to accord high priority to the conservation of energy.

ANNEXURE - B TO THE REPORT OF DIRECTORS
REPORT ON CORPORATE GOVERNANCE:
BOARD COMPOSITION:

Name of Director	Designation	DIN No.	Type	Executive/ Non-Executive
Shri Mahendra C. Raycha	Chairman & Managing Director	00577647	Promoter	Executive
Shri Akshit Raycha	Joint Managing Director	03039859	Additional Director	Executive
Smt. Neela Raycha	Director	01258479	Promoter	Non - Executive
Shri Atul Thakker	Director	01157384	Independent Director	Non - Executive
Shri Gaurang Vora	Director	01157447	Independent Director	Non - Executive
Shri Tejas Thakker	Director	01157506	Independent Director	Non - Executive
Shri Ashwin Thakker	Director	01153319	Independent Director	Non - Executive
Shri Rajesh Thakker	Director	01597404	Independent Director	Non - Executive

BOARD COMMITTEES:

Currently the Board has three committees:

- A. Audit Committee
- B. Investor Grievance Committee
- C. Remuneration Committee

COMPOSITION OF COMMITTEES
A. AUDIT COMMITTEE

<i>Name</i>	<i>Designation</i>
1. Shri Gaurang Vora	Chairman
2. Shri Atul Thakker	Member
3. Shri Nimesh M. Shah	Internal Auditor
4. Shri Akshit Raycha	Member

B. INVESTOR GRIEVANCE COMMITTEE

<i>Name</i>	<i>Designation</i>
1. Shri Tejas Thakker	Chairman
2. Shri Gaurang Vora	Member
3. Shri Prashant R. Gupta	Member
4. Shri Rajesh Thakker	Member

C. REMUNERATION COMMITTEE

<i>Name</i>	<i>Designation</i>
1. Shri Ashwin Thakker	Chairman
2. Shri Gaurang Vora	Member
3. Shri Tejas Thakker	Member

No. of Board and Committee Meeting held during the Year:

<i>Name of the Committee</i>	<i>No. of Meetings held</i>
Board	7
Audit Committee of Board	4
Investor Grievance Committee	2
Remuneration Committee of Board	1

Attendance of the Directors:

Name of Director	Board Meeting	ACB Meetings	IGCB Meetings	RCB Meetings
1. Shri Mahendra C. Raycha	7	—	—	—
2. Smt. Neela Raycha	7	—	—	—
3. Shri Atul Thakker	6	4	—	—
4. Shri Gaurang Vora	3	2	2	1
5. Shri Tejas Thakker	5	—	2	1
6. Shri Ashwin Thakker	4	—	—	1
7. Shri Rajesh Thakker	1	—	1	—
8. Shri Akshit Raycha	7	4	—	—

FUNCTION OF AUDIT COMMITTEE :

The Audit Committee is headed by Shri Gaurang Vora as Chairman and other Directors namely Shri Atul Thakker, Shri Nimesh M. Shah, Shri Akshit Raycha. The members of the Audit Committee consisting Chartered Accountants by Profession & Businessmen. Shri Nimesh M. Shah is an independent Chartered Accountant and is acting as Internal Auditor for the Company. Shri Gaurang Vora is also a Chartered Accountant, Independent and is the Chairman of the Committee is looking policy matter of financial and accounting position of the Company.

The Committee meets atleast once in every quarter and prepare its minutes on the proceeding and business discussed, transacted. All committee reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record. Other functional powers, duties etc. of the committee are defined taking into account the legal provision of the listing.

FUNCTION OF INVESTORS GRIEVANCES COMMITTEE:

The Committee is entrusted with the responsibility to address the Shareholders and investors complaints with respect to transfer of Shares, non-receipt of annual report etc. and ensures an expeditious share transfer process of the company and also provides continuous guidance to improve the service levels for investor.

REMUNERATION COMMITTEE:

This Committee takes care of remuneration payable to Chairman & Managing Director, Joint Managing Director and sitting fees, if any, payables to all other Directors of the Company. In addition there to the committee also takes care of remuneration payable to top executives like Production Manager, General Manager, Personnel Manager, Financial Manager etc. The Committee also recommend to the Board the remuneration package to be fixed and payable to class of workers & is in now precess of fixing up of the retirement package to be offered to the employees of the Company .

Directors present at the last Annual General Meeting dated September 24, 2011

1. Shri Mahendra C. Raycha	Chairman & Managing Director
2. Shri Akshit Raycha	Joint Managing Director
3. Smt. Neela Raycha	Director
4. Shri Atul Thakker	Director
5. Shri Tejas Thakker	Director
6. Shri Ashwin Thakker	Director

Disclosure:

- (i) Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature, with its promoters, the directors or the management their subsidiaries or relative etc. that may have potential conflict with the interest of Company at large. The transactions did not have any potential conflict with the interest of the Company.
- (ii) Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil

Investor Services :

**All share transfers and related operations are conducted by the
Company's Registrar & Share Transfer Agent :**

Bigshare Services Pvt. Ltd.

**E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Mumbai - 400 072
Telephone No. (022) 40430200, 284470652 Fax No. (022) 28475207
E-Mail ID - info@bigshareonline.com**

Demat ISIN No. for Equity Shares of the Company in NSDL & CDSL: INE812B01026

**For the Convenience of our investor, the Company has designated exclusive E-MAIL ID
zhlgriev@yahoo.in All investors are requested to avail this facility.**

Details of Shares Price movement during the year at Bombay Stock Exchange Limited.

Month	High (Rs.)	Low (Rs.)
April, 2011	1.19	0.83
May, 2011	1.12	0.81
June, 2011	1.00	0.76
July, 2011	0.95	0.76
August, 2011	0.92	0.67
September, 2011	0.96	0.61
October, 2011	0.87	0.62
November, 2011	0.75	0.50
December, 2011	0.72	0.53
January, 2012	0.86	0.55
February, 2012	0.90	0.66
March, 2012	0.82	0.55

Annual General Meeting:

Date	Venue
1. September 30, 2009	: ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.
2. September 28, 2010	: ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.
3. September 24, 2011	: ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.

ANNEXURE - C TO THE REPORT OF DIRECTORS

AGM : Date, Time and Venue	: 25th September, 2012 at 10.00 A.M. : ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad - 380 009.
Financial Calendar	: April to March
Particulars	Board Meeting to approve Unaudited Quarterly Financial Results
Quarter ending 30th June, 2012	: Latest by end of 13th August, 2012
Half Year ending 30th September, 2012	: Latest by end of 10th November, 2012
Quarter ending 31st December, 2012	: Latest by end of 10th February, 2013
Year ending 31st March, 2013	: Latest by end of 10th May, 2013
Date of Book Closure	: 17.09.2012 to 25.09.2012 (both days inclusive)
Listing on Stock Exchange	: Ahmedabad Stock Exchange Ltd., Bombay Stock Exchange Ltd.
Distribution of Shareholding	: Please refer Annexure - C
Registrar & Share Transfer Agent	: Bigshare Services Pvt. Ltd. is the Registrar and Transfer Agent of the Company and handles the entire Share Registry work, both Physical and Electronic. Accordingly, all documents, transfer deed, demat requests and other communications in relation thereto should be addressed to the Registrar and Transfer Agent.
Dematerialisation of Shares	: 4,11,69,850 Equity Shares representing 76.61% of the total Equity Share Capital has been dematerialised as on 31st March, 2012.

Distribution of Shareholding* as on 31.03.2012

Holdings	Number of Shareholders	Total Amt. Of Shares Face Value
Upto 5000	7607	12083542
5001-10000	582	4741795
10001-20000	203	2986871
20001-30000	88	2246391
30001-40000	21	748399
40001-50000	23	1064888
50001-100000	30	2248281
100001 & Above	44	27618833

* Both in Physical and Dematerialised Form.

Shareholding Pattern as on 31.03.2012

Category	No. of Shareholder	% of holding to total
Promoters, Director & Associates	14007617	26.06
Foreign Holding	321978	0.59
Corporates	6032943	11.22
Mutual Fund	211000	0.39
Public	33165462	61.74
Total	53739000	100.00

Compliance Officer : Mr. Prashant Gupta
201 & 205, Labh Complex, 12 - B, Sattar Taluka Society,
P.O. Navjivan, Ahmedabad - 380 014. Tel. (079)27541004

MANAGEMENT DISCUSSION & ANALYSIS REPORT:**(A) INDUSTRY STRUCTURE DEVELOPMENT AND OUTLOOK :**

The Company operates in the single Business Segment of Manufacturing of Pharmaceuticals formulations in the forms of Tablets,Capsules, Oral liquid and Injectable. Industry is expected to achieve average annual growth.

(B) OPPORTUNITIES,THREATS, RISKS & CONCERNS :

Due to very high competition it is expected that due to increased in the products mix, the Company's future business & financial position would be maintained.

(C) INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

The Company has a good system of internal controls in all spheres of its activity. The internal control system is supplemented by effective internal audit being carried out by an external firm of Chartered Accountants. The Audit committee regularly reviews the findings of the internal auditors and effective steps to implement the suggestion/ observation of the Auditors are taken and monitored regularly. In the opinion of the Board, an effective internal control system adequate to the size of the Company exists.

(D) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE :

Inspite of very high competition from new comers, Company is maintaining their standing

(E) CAUTIONARY STATEMENT :

Statements in the Management Discussion and analysis describing the Company's position and expectation may be "Forward Looking Statements" within the meaning of applicable securities laws & regulations.Actual results could differ materially from those expressed or implied.Importance factors that could make,among other economic conditions affecting demand / supply and price conditions in the market in which the Company operates,in the Government regulations, Tax Laws and other statutes and incidental factors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

ZENITH HEALTHCARE LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Zenith Healthcare Limited,for the year ended on 31st March, 2012,as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management.Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

PLACE : AHMEDABAD

DATE : 13.08.2012

For Jayesh R. Mor & Co.

Chartered Accountants

Firm No. 122056 W

[Jayesh R. Mor]

Proprietor

Membership No. 37941

AUDITORS' REPORT

**TO
THE MEMBERS OF ZENITH HEALTHCARE LIMITED**

We have audited the attached Balance Sheet of Zenith Healthcare Limited as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-Section 4(A) of Section 227 of the Companies Act, 1956 of India and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

Further to our comments in the Annexure referred to in paragraph above, we report that;

- a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts;
- e) On the basis of the written confirmations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in Sub-section (3C) of Section 211 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In so far as it relates to the Cash Flow statement, of the cash flows for the year ended on that date.

PLACE : AHMEDABAD
DATE : 13.08.2012

For Jayesh R. Mor & Co.
Chartered Accountants
Firm No. 122056 W
[Jayesh R. Mor]
Proprietor
Membership No. 37941

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditor's report of even date to the members of Zenith Healthcare Limited on the financial statements as of and for the year ended March 31,2012.

1. In respect of its fixed assets;
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information;
 - b. Physical verification of major assets was conducted by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with the books of record
 - c. In our opinion, the Company has not disposed off substantial fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories;
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed physical verification of inventory as compared with the books of record.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a. The Company has not granted loans and not taken any loan by the Company.
 - b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of loan given are not prima facie prejudicial to the interest of the Company.
 - c. In respect of loans granted by the Company, the interest and principal amount are repayable on demand.
4. In our opinion, there are an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in internal controls.
5. In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act,1956. The Company has not made any transaction to be entered in to a registered in pursuance of Section 301 of the Companies Act, 1956.
6. As informed, the Company has not accepted any deposits from the public.
7. In our opinion, the Company has an adequate internal audit system, which was conducted by an independent firm of Chartered Accountants, which in our opinion is commensurate with its size and nature of its business.
8. According to the information and explanation given to us, proper records have been maintained as prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a. According to the records of the Company, the Company is generally regular in depositing with appropriate

- authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, E.S.I.C., excise, cess and any other material statutory dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth-tax, custom duty, excise, cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of income-tax, sales-tax, wealth-tax, custom duty, excise, cess etc. which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year immediately preceding such financial year.
11. Based on our examination and explanation given by the management, the Company has no dues to financial institutions, banks or debentureholders.
12. Based on our examination and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion and based on our examination of the records, the Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All shares and other investments have been held by the Company in its own name.
15. On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans.
17. On the basis of our examination of the books of accounts and the information and explanations given to us, no funds have been raised on short-term basis that have been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Jayesh R. Mor & Co.
Chartered Accountants
Firm No. 122056W**

**PLACE : AHMEDABAD
DATE : 13.08.2012**

**[Jayesh R. Mor]
Proprietor
Membership No. 37941**

BALANCE SHEET AS AT 31st MARCH 2012		(Amount in Rs.)	
PARTICULARS	NOTE NO	AS AT 31-03-2012	AS AT 31-03-2011
I EQUITY AND LIABILITIES			
1. Shareholders' Funds :			
(a) Share Capital	1	53,739,000	53,739,000
(b) Reserves & Surplus	2	<u>9,400,274</u>	9,288,095
		63,139,274	63,027,095
2. Non-current liabilities			
(a) Long-term borrowings		-	
(b) Deferred Tax liabilities (Net)	3	266,513	300,477
(C) Other long-term liabilities		-	-
(d) Long-term provisions		-	
		266,513	300,477
3. Current Liabilities			
(a) Short-term borrowing	4	-	382,415
(b) Trade payables		5,998,457	3,968,716
(c) Other current liabilities		-	-
(d) Short-term provision		<u>707,017</u>	1,807,217
		6,705,474	6,158,348
TOTAL		<u>70,111,261</u>	<u>69,485,920</u>
II ASSETS			
1. Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	5	11,078,907	11,301,394
(ii) Intangible assets		143,000	-
(b) Non-current investments	6	1,971,693	1,970,487
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	7	<u>10,119,688</u>	11,379,851
		23,313,288	24,651,732
2. Current Assets			
(a) Inventories	8	10,407,838	9,873,689
(b) Trade receivables	9	22,572,400	23,990,111
(c) Cash and bank balance	10	10,236,215	7,465,537
(d) Short-term loans and advances	11	3,231,990	3,317,193
(e) Other current assets	12	<u>349,530</u>	187,659
		46,797,973	44,834,189
TOTAL		<u>70,111,261</u>	<u>69,485,920</u>
Significant Accounting policies and Notes on Accounts	21		
As per our report of even date for JAYESH R. MOR & CO. Chartered Accountants Firm No.122056W Jayesh R. Mor Proprietor Membership No.37941		For and on behalf of the Board of Director MAHENDRARAYCHA Chairman & Managing Director AKSHIT RAYCHA Joint Managing Director	
PLACE : AHMEDABAD DATE : 13.08.2012		PLACE : AHMEDABAD DATE : 13.08.2012	

Statement of PROFIT & LOSS for the year ended 31ST MARCH 2012

PARTICULARS	NOTE NO	(Amount in Rs.)	
		For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
I. Revenue from operations (Net of Excise Duty)	13	38,029,000	43,905,805
II. Other income	14	1,310,176	804,851
III. Total revenue		39,339,176	44,710,656
IV. Expenses			
(a) Cost of raw and packing materials consumed	15	17,189,271	17,234,807
(b) Purchase of Stock-in-trade	16	4,449,497	5,838,173
(c) Change in inventories	17	(6,36,450)	90,492
(d) Employees benefit expense	18	6,204,814	6,018,742
(e) Finance Cost	19	12,563	153,487
(f) Depreciation and amortisation expense	5	1,525,570	1,606,898
(g) Other Expenses	20	1,03,78,527	9,854,225
Total Expenses		39,123,792	40,796,824
V. Profit Before Exceptional items and Tax		215,384	3,913,832
VI. Exceptional items		-	-
VII. Profit before Tax		215,384	3,913,832
VIII. Tax Expense:			
(i) Current Tax/Provision for Tax		105,000	1,285,000
(ii) Deferred Tax		(33,964)	(36,608)
(iii) Short/(Excess) Provision of I.T.		32,169	34,439
Total Tax Expense		103,205	1,282,831
IX. Profit for the year from Continuing Operations		112,179	2,631,001
X. Earning Per Share (Basic/Diluted) (Rs.) (Face value of Re. 1/- each)		0.002	0.049

Significant Accounting policies and Notes on Accounts 21

As per our report of even date

for JAYESH R. MOR & CO.
Chartered Accountants
Firm No.122056W

Jayesh R. Mor
Proprietor
Membership No.37941

PLACE : AHMEDABAD
DATE : 13.08.2012

For and on behalf of the Board of Directors

MAHENDRA RAYCHA
Chairman & Managing Director

AKSHIT RAYCHA
Joint Managing Director

PLACE : AHMEDABAD
DATE : 13.08.2012

CASH FLOW STATEMENT
for the Year Ended March 31, 2012

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from Continuing Operations	215384	3913832
Adjustments		
Depreciation and amortisation expense	1,525,570	1,606,898
Finance Cost	12,563	153,487
Interest Income on Non Current Investments	(693,002)	(559,318)
Interest Income on Current Investments	-	-
Interest Income on Current Assets	(164,995)	(216,987)
Dividend on Non Current Investments	(9,686)	(5,754)
Other Operating Income	(442,493)	(22,792)
Operating Profit Before Working Capital Changes from Continuing Operation	443,341	4,869,366
Adjustments For Changes In Working Capital from Continuing Operations:		
- (INCREASE)/DECREASE in Inventories	(534,149)	263,093
- (INCREASE)/DECREASE in Trade receivables	1,417,711	(1,388,884)
- (INCREASE)/DECREASE in Short-term Loans and Advances	85,203	(124,208)
- (INCREASE)/DECREASE in Other Current Assets	(161,871)	422,045
- INCREASE/(DECREASE) in Trade Payables	2,029,741	(1,656,633)
- INCREASE/(DECREASE) in DTA	(33,964)	(36,608)
- INCREASE/(DECREASE) in Other long-term liabilities	-	-
- INCREASE/(DECREASE) in Short-term provisions	(1,100,200)	244,490
Cash (Used in) Continuing Operations		
- Taxes Paid (Net of Refunds) - Continuing Operation	-	-
Net Cash Flow from Operating Activities from Continuing Operations (A)	2,145,812	2592661
Net Cash from Operating Activities from Discontinuing Operations (B)	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments for changes in :		
Purchase of Tangible/Intangible Fixed Assets	(1,446,084)	(516,248)
Capital Work in Progress	-	-
Purchase of Non Current Investment:	(1,206)	(1,924,025)
Purchase of Current Investment:	-	-
Long Term Loans & Advances	1,260,163	2,313,065
Interest Received from Term Deposit Bank	693,002	559,318
Interest Income from Current Assets	164,995	216,987
Other Income	442,493	22,792
Dividend Income	9,686	5,754
Net Cash Flow From Investing Activities from Continuing Operations (C)	1,123,049	677,743
Net Cash Flow Investing Activities from Discontinuing Operations (D)	-	-

C. CASH FLOW FROM FINACING ACTIVITIES

Repaid Bank Over Draft	(382,415)	(1,129,408)
Finance Costs	(12,563)	(153,487)
Provision for Income Tax	(105,000)	(1,285,000)
Adjustments	1,794	(145,623)
Net Cash (used in)/From Finacing Activities from Continuing Operation (E)	<u>(498,184)</u>	<u>(2,713,518)</u>
Net Cash (used in)/From Finacing Activities from Discontinuing Operations (F)	-	-
Net Increase /(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)+(E)+(F)	2,770,677	556,886
Cash and Cash Equivalents As At 31.03.2011	7,465,537	6,908,651
Cash & Cash Equivalents As At. 31.03.2012	10,236,214	7,465,537
Cash on Hand	385,393	394,591
Balances with banks on:		
Current account	944,923	270,946
deposit account	<u>8,905,898</u>	<u>6,800,000</u>
Cash and bank balance as reported in balance sheet	<u>10,236,214</u>	<u>7,465,537</u>

As per our report of even date

for JAYESH R. MOR & CO.

 Chartered Accountants
 Firm No.122056W

Jayesh R. Mor

 Proprietor
 Membership No.37941

PLACE : AHMEDABAD
DATE : 13.08.2012

For and on behalf of the Board of Directors

MAHENDRA RAYCHA

Chairman & Managing Director

AKSHIT RAYCHA

Joint Managing Director

PLACE : AHMEDABAD
DATE : 13.08.2012

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
NOTE NO : 1 SHARE CAPITAL :		
(a) Authorised		
110000000 Equity shares of Re. 1/- each	110,000,000	110,000,000
(b) Issued, Subscribed & Paid up capital :		
53739000 Equity shares of Re. 1/- each (Previous year 53739000 Equity shares of Re. 1/- each)	53,739,000	53,739,000
TOTAL	53,739,000	53,739,000
NOTE NO : 2 RESERVES & SURPLUS :		
(a) Capital Reserve	137,089	137,089
(b) General Reserve	10,215	10,215
(c) Amalgamation Reserve	16,237	16,237
(d) Surplus in statement of Profit and Loss		
(i) As per Last Balance Sheet	9,124,554	6,493,554
(ii) Profit for the Year	112,179	2,631,001
TOTAL	<u>9,236,733</u> 9,400,274	<u>9,124,554</u> 9,288,095
NOTE NO : 3 NON CURRENT LIABILITIES		
(a) Deferred Tax Liabilities (Net)		
(i) Depreciation	266,513	300,477
TOTAL	<u>266,513</u>	<u>300,477</u>
NOTE NO : 4 CURRENT LIABILITIES		
(a) Short Term Borrowings		
(i) Secured - State Bank of India Overdraft facility against Fixed Deposit	-	382,415
(b) Trade Payables		
(i) Trade Payable for Goods	3315557	2,426,316
(ii) Trade Payable for Expenses	2682900	1,542,400
TOTAL	<u>5,998,457</u>	<u>39,68,716</u>
(c) Short Term Provision		
(i) Provision for Salary	108,518	-
(ii) Provision for Bonus	277,800	315,000
(iii) Provision for Professional Tax	15,900	2,270
(iv) Provision for E.S.I.	7,581	-
(v) CST Payable	17,290	6,690
(vi) TDS Payable	102,598	103,104
(vii) Provision For Income Tax 2010 - 2011 Payable	22,602	1,285,000
(viii) Provision For Income Tax 2011 - 2012 Payable	105,000	-
(ix) Provision for Expense	49,728	62,953
(x) Vat Payable at Branch	-	32,200
TOTAL	<u>707,017</u>	<u>1,807,217</u>
NON CURRENT ASSETS		
NOTE NO : 5 Fixed Assets		

SR. NO.	TENGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2011	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2012	As at 01-04-2011	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
1	Land	800,900	-	800,900	-	-	-	800,900	800,900	-	-
2	Building	12,533,149	105,000	-	12,638,149	7,943,680	463,003	-	8,406,683	4,231,466	3,712,214
3	Plant & Machinery	13,924,162	1,050,787	14,974,949	10,347,215	610,785	-	10,958,000	4,016,949	6,330,266	
4	Electrification	2,142,713	-	2,142,713	1,769,998	51,845	-	1,821,843	320,870	1,449,128	
5	R & D Equipment	1,002,038	-	1,002,038	423,465	80,479	-	503,944	498,094	(74,629)	
6	Furniture & Dead Stock	-	1,230,203	-	1,230,203	1,057,482	31,262	-	1,088,744	141,459	916,023
7	Vehicles	2,609,488	61,547	-	2,671,035	1,832,707	204,393	-	2,037,100	633,935	1,198,772
8	Office Equipments	1,008,203	71,250	-	1,079,453	799,636	58,068	-	857,704	221,749	577,887
9	Office Premises	356,505	-	-	356,505	131,784	11,236	-	143,020	213,485	(81,701)
	Total	35,607,361	1,288,584	-	36,895,945	24,305,967	1,511,071	-	25,817,038	11,078,907	14,828,860
	Previous Year	35,091,213	516,148	-	35,607,361	22,699,069	1,606,898	-	24,305,967	11,301,394	12,392,144

SR. NO.	INTANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01-04-2011	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2012	As at 01-04-2011	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
1	Computer Software	-	157,500	-	157,500	-	14,500	-	14,500	143,000	-
Total		-	-	157,500	-	14,500	-	14,500	143,000	-	-

NOTE NO : 6 Non Current Investments
(a) Equity Shares (Quoted)

	No. of Shares	Face Value		
(i) HDFC Bank Ltd.	35	2	576	576
(ii) GIC Housing Ltd.	300	10	2,700	2,700
(iii) IDBI Bank Ltd.	1440	10	16,500	16,500
(iv) Devika Proteins Ltd.	1200	10		

(b) Unquoted Investments

(i) Mehta Cad Cam Systems Pvt. Ltd.	3845	10	1,922,500	1,922,500
(ii) NSC			29,417	28,211

(Market Value of Quoted

Investments is Rs. 198,895/-)

TOTAL	<u>1,971,693</u>	<u>1,970,487</u>
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NOTE NO : 7 Long-Term Loans & Advances

(a) Unsecured considered Good	-	-
(b) Inter Corporate Deposit	826,900	1,875,700
(d) Advances recoverable in Cash or in Kind	9,292,788	9,504,151
TOTAL	<u>10,119,688</u>	<u>11,379,85</u>

NOTE NO : 8 Inventories

(As certified by the Management)

(a) Raw materials	2643840	2834556
(b) Packing materials	1794823	1,385,010
(c) Finished Goods	2560242	2692378
(d) Stock in Trade (Trading/Transit/Branch Stock)	2559631	2548218
(e) Work in process	824302	388,527
(f) Laboratory Chemicals	25000	25,000
TOTAL	<u>10,407,838</u>	<u>9,873,689</u>

SCHEDULE : 9 Trade Receivables

(a) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Unsecured considered good	6,834,721	5,646,587
(ii) Considered doubtful	2,073,995	2,071,219
(b) Others		
(i) Unsecured considered good	13,639,642	16,210,055
(ii) Considered doubtful	24,042	62,250
TOTAL	<u>22,572,400</u>	<u>23,990,111</u>

SCHEDULE : 10 Cash and Cash equivalents
1. Balance with Banks
(a) Deposits

(i) Fixed Deposits with State Bank of India	5,345,784	6,800,000
Corporation Bank	3,560,784	-

(b) Current Account

(i) Allahabad Bank	263,606	9,807
(ii) Punjab National Bank	71,169	70,643
(iii) Punjab National Bank	10331	10,331
(iv) Union Bank of India	289,066	175,165
(v) PNB Allotment Money collection A/c.	5,000	5,000
(vi) State Bank of India	305,752	-

2. Cash on Hand

(a) Branch /H.O.	385,077	392,440
(b) Petty Cash	316	2,151

TOTAL	<u>10,236,215</u>	<u>7,465,537</u>
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NOTE NO : 11 Short Term Loans and Advances

(a) Advances to related parties	259,144	240,288
(b) Non Corporate Advances	1,150,000	650,000
(c) Loans & Advances to Employees	158,026	142,073
(d) Security Deposits	376,376	462,609
(e) Advance Income Tax	1,140,496	1667076
(f) TDS on Interest Income	147,948	155147
TOTAL	<u>3,231,990</u>	<u>3,317,193</u>

SCHEDULE : 12 Other Current Assets

Excise PLA/Cenvat/Prepaid Expenses/ Misc. Account	349,530	187,659
TOTAL	<u>349,530</u>	<u>187,659</u>

NOTE NO FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011

NOTE NO : 13 Revenue From Operations

(a) Sale of products	38344595	40903336
(b) Sale of Services	1748951	4453455
(c) Other operating revenues	10994	9664
TOTAL	<u>40104540</u>	<u>45366455</u>

Less : Excise Duty

TOTAL	<u>2075540</u>	<u>1460650</u>
TOTAL	<u>38,029,000</u>	<u>43,905,805</u>

NOTE NO : 14 Other Income

(a) Interest Income		
(i) On Term Deposit with Bank Deposits	693002	559318
(ii) On Current Assets	164995	216987
(iii) On Others	4973	4792

(b) Dividend Income

(i) On Non-current Investments	-	-
(ii) On current Investments	9686	5754

(c) Adjustment to the Carrying Amount Kasar Income

(e) Rental Income From Investment in Properties	419520	-
TOTAL	<u>18000</u>	<u>18000</u>
TOTAL	<u>1,310,176</u>	<u>804,851</u>

NOTE NO : 15 Cost of Raw And Packing Materials
(a) Consumed

Opening Stock	4244566	4369351
Add: Purchase (Net)	17408368	17110022
Less: Closing Stock	4463663	4244566
TOTAL	<u>17,189,271</u>	<u>17,234,807</u>

NOTE NO : 16 Purchase of Stock-in-trade

(a) Traded Goods	TOTAL	<u>4449497</u>	<u>5838173</u>
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NOTE NO : 17 Change in Inventories of Finished Goods,
(a) CLOSING STOCK:

Work-in-Progress	824302	388527
Finished Goods	2560242	2692378
Stock-in-trade	<u>2518772</u>	<u>2185961</u>
	<u>5,903,316</u>	<u>5,266,866</u>

(b) OPENING STOCK :

Work-in-Progress	388527	217886
Finished Goods	2692378	3189825
Stock-in-trade	<u>2185961</u>	<u>1949647</u>
	<u>5,266,866</u>	<u>5,357,358</u>

Increase/(Decrease) in Stock

TOTAL	<u>5,266,866</u>	<u>5,357,358</u>
TOTAL	<u>(636,450)</u>	<u>90,492</u>

NOTE NO : 18 Employee Benefits Expenses

(a) Salaries and Wages/Including remuneration paid to Director	5531642	5598509
(b) Contribution on Provident and Other Funds	404079	323246
(c) Contribution to Gratuity Fund	75822	9519
(d) Contribution to E.S.I.	97515	7248
(e) E.P.F Admin Charges	36259	28703
(f) Staff Welfare	58822	50707
(g) Gujarat Labour Welfare Fund	<u>675</u>	<u>810</u>
TOTAL	<u>6,204,814</u>	<u>6,018,742</u>

NOTE NO : 19 Finance Cost

(a) Interest on Borrowing from Bank	3149	144618
(d) Bank Commission & Charges	<u>9414</u>	<u>8869</u>
TOTAL	<u>12,563</u>	<u>153,487</u>

NOTE NO : 20 Other Expenses

(a) packing material	9,365	28,403
(b) Power and fuel	504,479	507,244
(c) Manufacturing Expenses	886,406	688,046
(d) Water	24,777	46,980
(e) Rent including lease rentals	300,000	300,000
(f) Repairs and maintenance - Buildings	-	13,250
(g) Repairs and maintenance - Machinery	161,490	156,096
(h) Repairs and maintenance - Others	106,918	71,379
(I) Insurance	134793	129891
(J) Rates & Taxes	456,133	454,499
(k) Communication Expenses	101,140	96,364
(l) Travelling and conveyance	249,871	281,804
(m) Printing and stationery	87,698	110,040
(n) Freight and forwarding	786,288	774,906
(o) Sales commission	3,011,381	3,181,545
(p) Breakage & Expiry	1,694,288	1,319,075
(q) Business promotion	861,877	808,811
(r) Donations and contributions	2,400	-
(s) Legal and professional	193,888	75,162
(t) Payments to auditors	44,120	44,120
(u) Prior Period	-	12,243
(v) Miscellaneous	<u>761,215</u>	<u>7,54,367</u>
TOTAL	<u>10,378,527</u>	<u>9,854,225</u>

NOTES : 21**TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012****1 SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts :-****I) SYSTEMS OF ACCOUNTING**

- a) The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the the Companies Act,1956.
- b) Accounting policies not specifically referred to otherwise are consistant with the generally accepted accounting priciples. The Company follows the mercantile systems of accounting and recognises income and expenditure on accrual basis.

II) FIXED ASSETS

- a) Fixed Assets are stated as cost less accumulated depreciation. All cost relating to acquisition and installation of Fixed Assets.

III) DEPRECIATION

- a) Depreciation on Fixed Assets is provided on Written down value method at rates and in the manner specified under Schedule XIV to the Companies Act,1956 read with the relevant circulars issued by the Department of Company Affairs.
- b) Depreciation on Assets acquired during the period is provided on pro-rata basis with reference to the date of addition/disposal.

IV) INVESTMENTS

Long term investments are carried at cost. Provision for demutation in the value of investments is made only, if, such a decline is other than temporary in the opinion of the management.

V) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of transactions. The resulting gain/loss is recognised in the profit and loss account.

VI) INVENTORIES

Stocks of Raw materials,Packing materials and Work-in-process are valued at Cost while Finished Goods is valued at lower of cost or market value.

VII)REVENUE RECOGNITION

- a) Sales- sales is accounted net of VAT,CST & Excise duty paid on PLA.Sales is recognised at the point of despatch of finished goods. Job Charges income is accounted at end of each quarter on the basis of work done for the parties.
- b) Unutilised CENVAT credit accounted at the end of year.
- c) Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim.
- d) Interest on loans & advances accounts are provided at the rate mutually decided orally between the parties. If there are no certainty of recoverable of loans & advances, the interest is not provided.
- e) The amount of Bad & Doubtfuls written off from Sundry Debtors, loans & advances, accounts on the basis of parties capacity for payment or tentative decision is possible of court cases.

VIII) CASH FLOW

The cash flow statement is prepared as per method prescribed in accounting Standard-(AS)-3.

IX) CONTINGENT LIABILITIES

Contingent liabilities are defined in acocunting Standard (AS)-29 are disclosed by way of notes to the accounts, if required.

X) EARNING PER SHARE

Earning per Share on the basis of diluted earnings per share (EPS) in accordance with Accounting Standard-20 issued by the Institure of Chartered Accountants of India. The Basis EPS has been computed by dividing the net profit available to equity shareholders by the weighted average number of equity shares outstanding during the accounting period.

XI) SEGMENT REPORTING

The Company's main business is manufacturing of H.L. Medicine. All other activities of the Company revolve around this main business. There are no separate segments within the Company as defined by AS 17 (Segment Reporting) issued by The Institute of Chartered Accountants of India.

XII) DEFERRED TAX :

Deferred Tax assets or liabilities is recognised for timing difference between the profit as per financial statements and the profit offered to income tax, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. The Deferred Tax assets are recognised only, if, there is reasonable certainty that sufficient future taxable income will be available, against which that can be realise.

XIII) IMPAIRMENT LOSS OF ASSETS :

Considering absence of indication of impairment from external and internal sources of information as laid down under AS-28 issued by ICAI and considering the nature of business, no exercise for impairment of fixed assets has been deemed necessary in terms of para 6 of relevant standard.

B. NOTES ON ACCOUNTS :

1. Contingent Liabilities not provided for :	Nil	Nil		
2. Auditors' Remuneration :	<u>2011-2012</u>	<u>2010-2011</u>		
Audit Fee	27,575	27,575		
Tax Audit Fee	8,272	8,272		
Fees for Certification work & S.Tax	8,273	8,273		
	<u>44,120</u>	<u>44,120</u>		
3. Managerial Remuneration :				
a Remuneration to Chairman & Managing Director/Executive Director	1,800,000	1,800,000		
4. Foreign Exchange outgo :	Nil	83,936		
5. Earnings in Foreign Exchange on account of export :	Nil	Nil		
6. Raw Material Consumption is after taking excise CENVAT/Edu.Cess/Sec.& High.Sec.Edu.Cess credit of Rs. 2807.00				
7. Licensed Capacity, Installed Capacity and Production :				
(A) Licensed Capacity : Delicensed				
(B) Installed Capacity per Annum :				
Tablets Nos. 168000000 *				
Capsules Nos. 37500000 *				
Liquid Mls. 90000000 *				
* As certified by the management and being a technical matter accepted by the Auditors as correct.				
(C) PRODUCTION	(2011-2012)	(2010 - 2011)		
	Qty.(Nos.)	Amount(Rs.)	Qty.(Nos.)	Amount(Rs.)
Tablets/Capsules (Nos.)	3,28,54,965	—	3,14,04,010	—
Liquid (Mls.)	2,93,25,000	—	3,59,45,000	—
Injectable (Nos.)	—	—	—	—
(D) Trading Purchase :				
Tablets/Capsules (Nos.)	11,09,000	44,49,497	20,21,420	58,38,173
Liquid (Mls.)	22,95,390		2,68,170	
Injectable (Nos.)	2,84,641		2,66,135	
Ointments (Nos.)	62,159		25,150	
(E) Sales :				
Tablets/Capsules (Nos.)	3,18,63,703	3,12,38,306	3,19,44,123	3,29,05,456
Liquid (Mls.)	2,84,81,680		3,60,59,040	
Injectable (Nos.)	—		—	
(F) Trading Sales :				
Tablets/Capsules (Nos.)	12,37,819	71,06,288	20,27,690	79,97,880
Liquid (Mls.)	14,90,108		10,23,295	
Injectable (Nos.)	3,35,185		2,74,420	
Ointments (Nos.)	54,165		23,158	
(G) Opening Stock				
Tablets/Capsules (Nos.)	49,10,443	29,47,860	58,17,998	34,07,711
Liquid (Mls.)	47,41,060		56,65,390	
W.I.P. Tab/Cap (Nos.)	6,01,330		6,07,650	
W.I.P. Injectable (Nos.)	-		2,48,780	
Trading - Tablets/ Capsules (Nos.)	7,18,519	19,30,479	7,30,234	19,49,646
Injectable	1,67,038		1,75,323	
Liquid	4,18,480		8,66,005	

Ointments	9,999		8,022	
Branch		3,62,257		4,10,073
(H) Closing Stock/W.I.P. etc. :				
Tablets/Capsules (Nos.)	45,16,296		49,10,443	
Liquid (Mls.)	41,78,660		47,41,060	
Stock in Transit	—	38,49,644	—	29,47,860
W.I.P. Tab/Cap (Nos.)	13,63,950		6,01,330	
W.I.P. Liquid (Mls.)	12,31,760		-	
Trading - Tablets/Capsules Nos.	5,89,700		7,18,519	
Liquid (Mls.)	12,23,770		1,10,880	
Injectable (Nos.)	1,15,494	20,53,672	1,67,038	19,30,479
Ointments (Nos.)	17,993		9,999	
Branch Stock	—	40,859	—	3,62,257
(I) Raw Materials Consumed :				
Active, Inactive & Solvent Kgs.	39,841		43,185	
Capsules Nos.	44,32,275	1,71,89,271	32,52,839	1,72,34,807
(J) Production Loss / Q.C. Samples				
Tablets/Capsules (Nos.)	6,22,789	—	3,73,762	—
Liquid (Mls.)	1,73,960	—	10,59,070	—

8. CALCULATION OF DEFERRED TAX ASSET / (LIABILITY) AS ON 31st MARCH, 2012
SCHEDULE - 4

Sr. No.	Description	As Per Companies Act	As Per Income Tax Act	Difference	Remarks	Applicable Tax Rate	Deferred Tax Asset/ (Liability)
	Depreciable Assets Excluding Land	10421006	9558503	862503	As a result of accelerated depreciation claimed under Tax Act on own assets WDA as per IT and books is different. Tax saved on account of Accelerated depreciation is now to be provided as Deferred Tax Liability	30.90%	266513
Net Deferred Tax Assets (Liabilities) as at 31st March, 2012							(266513)
Net Deferred Tax Assets (Liabilities) as at 31st March, 2011							(300477)
Deferred Tax Asset							33964
Net Deferred Tax Asset / (Liability)							(266513)

9.As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the Disclosures of Transactions with related parties,are given below :

I. List of related parties with whom transactions have been taken place and relationships :

Sr. No.	Name of Related Party	Relationship
1.	Mahendra C. Raycha	Key Management Personnel
2.	Akshit M. Raycha	Joint Managing Director & Relative of Key Management Personnel
3.	Neela Raycha	Director & Relative of Key Management Personnel
4.	Ray Remedies Pvt. Ltd.	Associate Company
5.	M/s Raxin Healthcare	Associate Firm

ii Amount paid (received) during the year to related parties transaction :

Sr. No.	Nature of Payments	Key Management Personnel	Relatives of key Management Personnel	Associates
1.	Remuneration	1,20,000	6,00,000	—
2.	Office Rent	1,80,000	—	(18,000)
3.	Material Purchase	—	—	1,85,898
4.	Material Sales	—	—	(9,92,013)
5.	Job Charges	—	—	(1,31,706)
6.	Freight/Exps.	—	—	(32,661)
7.	Godown Rent	—	—	1,20,000

iii Loans & Advances in the nature of loans given to relatives of Key Management Personnel

Sr. No.	Name of Relatives	Balance as on 31st March 2012	Maximum Balance during the year
1.	Thakker Chatrabhuj D.	2,59,144	2,59,144

10.	Earning per share (EPS)	<u>2011-2012</u>	<u>2010-2011</u>
	Profit after Tax	1,12,179	26,31,001
	No. of Equity Shares	5,37,39,000	5,37,39,000
	Earning per share (EPS)	0.002	0.049

11. In the opinion of the Management, the Current Asset have a value on realisation in the ordinary course of business or equal to the amount at which are stated in the Balance Sheet except those recovery are doubtful nature to the extent of Rs. 2098037/-

12. Parties balances whether debit, credit or on whatever account are subject to confirmation by the parties concerned.

13. Previous year's figures regrouped, wherever necessary.

14. Shares of GIC housing Finance Ltd, which is held as investment are not in dematerialised form.

15. Managerial Remuneration paid to Directors as per provisions of Schedule XIII of the Companies Act, 1956.

As per our report of even date

For and on behalf of the Board of Directors

FOR JAYESH R. MOR & CO.
Chartered Accountants
Firm No.122056W

MAHENDRA RAYCHA
Chairman & Managing Director

JAYESH R. MOR
Proprietor

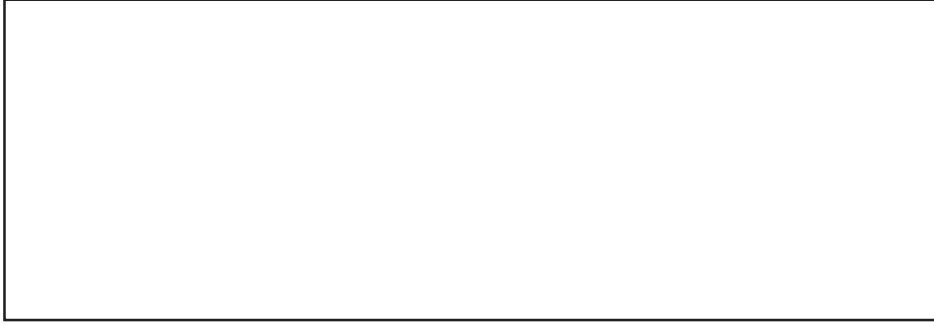
AKSHIT RAYCHA
Joint Managing Director

PLACE : AHMEDABAD
DATE : 13.08.2012

PLACE : AHMEDABAD
DATE : 13.08.2012

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Zenith Healthcare Limited

201, Labh Complex, 12-B, Sattar Taluka Society,
P.O. Navjivan, AHMEDABAD - 380 014

Zenith Healthcare Limited

201, Labh Complex, 12-B, Sattar Taluka Society, P.O. Navjivan, Ahmedabad - 380 014

ATTENDANCE SLIP

DP ID No.* _____

Beneficiary A/c No.* _____

Folio No. _____

I, Shri/Smt. _____
_____ of _____ member/

proxy of Zenith Healthcare Limited do hereby record my presence at the 18th Annual General Meeting of the members of the Company to be held on Tuesday, the 25th September, 2012 at 10.00 A.M. at ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.

Date : _____

Place : _____
**(Signature of the Member/
Proxy attending the meeting)**

* Applicable for investors holding Shares in electronic form.

Zenith Healthcare Limited

201, Labh Complex, 12-B, Sattar Taluka Society, P.O. Navjivan, Ahmedabad - 380 014

FORM OF PROXY

DP ID No.* _____

Beneficiary A/c No.* _____

Folio No. _____

I, Shri/Smt. _____ being a member of
Zenith Healthcare Limited, holding _____ Shares in the Company do hereby appoint

Shri/Smt. _____ of _____

or failing him/her Shri/Smt. _____ of _____

or failing him/her Shri/Smt. _____ of _____

to remain present at the 18th Annual General Meeting of the Company to be held on Tuesday, the day of 25th September, 2012 at 10.00 A.M. at ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009 or at any adjournment thereof and to vote for and on my behalf, if poll is granted.

Date : _____

Place : _____
**(Signature of the Member/
Proxy attending the meeting)**

Affix
Rupee 1
Revenue
Stamp

* Applicable for investors holding Shares in electronic form.