

Zenith Healthcare Limited

20th

Annual Report

2013-2014



 **Zenith Healthcare Limited****TWENTY ANNUAL GENERAL
MEETING PROGRAMME**

DATE : 26th SEPTEMBER, 2014
DAY : Friday
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.

C O N T E N T S:

- (1) Board of Directors and Other Information
- (2) Notice
- (3) Directors' Report
- (4) Management Discussion & Analysis
- (5) Report on Corporate Governance
- (6) Auditors' Report
- (7) Balance Sheet
- (8) Profit & Loss Account
- (9) Cash Flow Statement pursuant to Clause 32 of the Listing Agreement
- (10) Notes forming part of the Financial Statement
- (11) Schedules to the Balance Sheet & Profit and Loss Account with others Disclosers.
- (12) Attendance Slip & Proxy Form

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	Independent Director
Shri Tejas Thakker	Independent Director
Shri Ashwin Thakker	Director
Shri Rajesh Thakker	Independent Director

COMPANY SECRETARY COMPANY LAW CONSULTANT

Shri Vishal N. Mehta	M/s. Kamlesh M. Shah & Co.,
B-102, Shree Hari Arjun, Nr. Shivanagar Society, Ghatlodia, Ahmedabad- 380061.	Practicing Company, Secretaries, 6, Avanika Park, Khanpur, Ahmedabad- 380 001

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

504, Iscon Elegance, Near Ananddham Jain Derasar,
Prahladnagar Cross Road, S. G. Road, Ahmedabad-380051.

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 20th Annual General Meeting of the Members of the Company will be held on Friday, the 26th September, 2014 at 10.00 A.M. 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 Financial Statement of Accounts including Audited Balance Sheet as at 31/3/2014 and the statement of Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mrs. Neela Raycha (DIN: 01258479), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment. .
- (3) To appoint Statutory 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 to authorise the Board of Directors to fix there remuneration.

SPECIAL BUSINESS:

- (4) To appoint Shri Gaurang Vora (DIN: 01157447) as an Independent Director and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 149,152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Gaurang Vora (DIN: 01157447), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the calendar year 2019”.

- (5) To appoint Shri Rajesh Thakker (DIN: 01597404) as an Independent Director and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 149,152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rajesh Thakker (DIN: 01597404), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the calendar year 2019”.

- (6) To appoint Shri Tejas D. Thakker (DIN: 01157506) as an Independent Director and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 149,152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of

Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Tejas D. Thakker (DIN: 01157506), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the calendar year 2019”.

- (7) To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to Section 148 and all other applicable provision, if any, of the Company Act, 2013 and the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members, be and is hereby accorded to ratify the remuneration decided by the Board of Director, based on the recommendation of the Audit Committee, of Rs. 20,000/- (Rupees Twenty Thousand) plus pocket expenses to M/s. Babulal Parihar & Co., Cost Accountants, Ahmedabad (ICWA Registration No. 32049), the Cost Accountants appointed by the Board to conduct the audit of cost records pertaining to Pharmaceuticals products manufactured by the Company for the financial year ending on March 31, 2015.

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

- (8) To adopt new Articles of Association of the Company containing regulation in conformity with the Companies Act, 2013 and this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provision of Section 14 and all other applicable provision of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulation contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusive, of the regulation contained in the existing Articles of Association of the Company.

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

- (9) Borrowings/Financial Assistance

To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provision of Section 179 (3) /180(1)(c) of the Companies Act, 2013 and any other applicable Section and Rules made there under, Board of Directors to borrow sum or sums of money from time to time as may be require for the purpose of the business of the Company on such terms and condition as the Board may consider necessary and expedient in the best interest of the Company.”

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 16.09.2014 To 26.09.2014 (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 mahendrazenith@hotmail.com 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 submitting 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 receive such communication by email, upon request.

(10) Voting through electronic means :

Pursuant to Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (i) Long on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, Select the Electronic Voting Sequence Number- "**EVS**N" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"

- (iv) Now Enter your User ID;
- For CDSL: 16 digits beneficiary ID;
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - For Members holding shares in Physical Form: Please enter Folio Number Registered with the Company and then enter the Captcha Code as displayed on the screen;
- Then Click on Login
- (v) If you are holding shares in Demat Form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing password is to be used. In case you have forgotten your password then enter the User ID and Captcha Code as displayed on the screen and click on Forgot Password and then enter the details as prompted by the system.
- (vi) Otherwise, if you are a first time user or if you are holding shares in physical form, please follow the steps given below:
- (a) Please fill the following details in the appropriate boxes (this is applicable to members holding shares in demat form or physical form):
1. Primary Level
Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Please enter in CAPITAL LETTERS. This must tally with the PAN registered by you with the Company/Depository Participant. Please note that Members who have not registered their PAN with the Company/Depository Participant, will have to use the default value AAACZ0715E in the PAN field.
 2. Secondary Level
Enter the Data of Birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.
OR
Enter the Bank Account Number as registered by you in your demat account or in the Company's records in respect of your shares in the said demat account or folio.
OR
In case neither your Date of Birth nor Bank Account details are recorded in your demat account in the Company's records, as aforesaid, then please enter your demat account number (client id) or your folio number in the Bank Account field.
- (b) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (ix) Click on the COMPANY on which you chose to vote.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xi) Click on the "Resolution File Link" if you wish to view the entire Resolution.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to change your vote subsequently.

- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the Systems for the scrutinizer to verify the same.

Please note that:

1. The voting period begins on September 18, 2014 at 10.00 a.m. and ends September 20, 2014 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is September 16, 2014, may cast their electronically. The voting rights of Shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disable by CDSL for voting after 5.00 p.m. on September 20, 2014.
2. In case you have any queries or issue regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
3. Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
5. The Result shall be declared on or after the Annual General Meeting (AGM). The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.zenithhealthcare.com and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Dated : May 27, 2014

Registered Office :

504, Iscon Elegance,
Nr. Ananddham Jain Derasar,
Pralhadnagar Cross Road,
S.G. Road,
Ahmedabad – 380 015
CIN No. : L2431GJ1994PLC023574
Tel. No. : (91 079) 66168889/90
Fax No. : (91 079) 66168891
Email : mahendrazenith@hotmail.com
Website : www.zenithhealthcare.com

BY ORDER OF THE BOARD OF DIRECTORS

**VISHAL NAVINCHANDRA MEHTA
COMPANY SECRETARY**

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**Item No. 2**

Name of Director :	Mrs. Neela Mahendra Raycha
Date of Birth :	28.12.1962
Date of reappointment :	As on the Date of Annual General Meeting
Expertise in specific functional area:	She is Science Graduate and having expertise in quality control and product development.
Qualification :	B.Sc. L.L.B.
No. of Equity Shares held :	971321
List of Outside Company Directorship held :	Ray Remedies Pvt. Ltd.
Member of Committees of Board of Directors of the Company :	NIL

Item No. 4, 5 & 6

Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker are Independent Directors of the Company and have held the position as such for more than (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company.

It is proposed to appoint Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to conclusion of the 25th Annual General Meeting of the Company in the Calendar year 2019.

Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has also received declaration from Shri Gaurang Vora, Shri Rajesh Thakker and Tejas D. Thakker that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas Thakker fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker are independent of the management.

Brief resume of Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/ chairmanship of Board Committees, shareholding and relationships between directors inter-seas stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas D. Thakker are interested in the resolutions set out respectively at Items Nos. 4,5 and 6 of the Notice with regard to their respective appointment.

The relatives of Shri Gaurang Vora, Shri Rajesh Thakker and Shri Tejas Thakker may be deemed to be interested in the resolution set out respectively at Items Nos. 4,5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personal of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the Ordinary Resolutions set out at Items Nos. 4,5 and 6 of the Notice for approval by the Shareholders.

Item No. 7

The Board of Directors after considering the recommendation of Audit Committee M/s. Babulal Parihar & Co., Cost Accountant as the Cost Auditors to carry out the audit of cost records of the Company for the year ending on March 31, 2015 and decided the remuneration of Rs. 20,000/- plus out of pocket expenses.

As per the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration to the cost auditors fixed by the Board of Directors shall be ratified by the members by passing a resolution.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending on March 31, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. Your Directors recommend the passing of resolution as set out at item No. 7 of the Notice for approval by the shareholders.

Item No. 8

The Articles of Association (hereinafter referred to as "AOA") of the Company as presently in force are based on the Companies Act, 1956 and several regulation in the existing AOA contain reference to specific section of the Companies Act, 1956. The Companies Act, 1956 is no longer in force.

Consequent upon coming into force of the Companies Act, 2013 several regulation of the existing AOA of the Company require alteration or deletion in several articles. It is expedient replace the existing AOA a new set of Articles.

The Company cannot alter its Articles of Association without the approval of members by passing a Special Resolution. The new set of Articles of Association is available for inspection at the Register Office of the Company on any working day during business hours.

None of the Directors of the Company or Key Managerial Personnel and their relatives have any interested, financially or otherwise, in the proposed resolution. Your Directors recommend the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 9

In order to secure the borrowings/financial assistance referred to in the resolution at item no. 9 of the accompanying Notice, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. It is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future. Hence the resolution at item no. 9 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at Item No. 9 of the Notice accompanying.

Dated : May 27, 2014

Registered Office :

504, Iscon Elegance,
Nr. Ananddham Jain Derasar,
Prahlanagar Cross Road,
S.G. Road,
Ahmedabad – 380 015
CIN No. : L2431GJ1994PLC023574
Tel. No. : (91 079) 66168889/90
Fax No. : (91 079) 66168891
Email : mahendrazenith@hotmail.com
Website : www.zenithhealthcare.com

BY ORDER OF THE BOARD OF DIRECTORS**VISHAL NAVINCHANDRA MEHTA
COMPANY SECRETARY**

DIRECTORS' REPORT

To,
The Members,
ZENITH HEALTHCARE LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 20th Audited Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2014.

FINANCIAL HIGHLIGHTS

During the financial year 2013-2014 the financial operational results of the Company is as under :

(Amount in Rs.)

Particulars	Year ended on 31st March 2014	Year ended on 31st March 2013
Total Revenue	33678762	43311181
Profit/(Loss) Before Depreciation	(1715727)	(143226)
Provision for Depreciation	2369974	1717456
Exceptional Items	55554	1973328
Profit/(Loss) Before Tax	(4030147)	112646
Provision for Tax	-	58000
Net Profit/(Loss) after Tax	(4030147)	54646
Add: Balance as per last Balance Sheet	9323637	9236733
Short Provision for Previous year	-	-
Deffered Tax Assets / (Liability)	1326782	(32258)
Net Profit/(Loss) carried to Balance Sheet	6620272	9323637

(1) YEAR UNDER REVIEW :

During the year under review, due to Government Price control order Company's sales drastically down and achieved revenue from operations to the tune of Rs. 33678762 against Rs. 43311181 in the previous year. The Profit/(Loss) before depreciation is Rs. (1715727) for the current year against Rs. (143,246) of the previous year.

To fight with this situation management has started to get outsourcing productions of domestic Companies and already applied for WHO cGMP Certification-General Section, so near future Company can enter export market also.

(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 judgments 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 loss 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 assests 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 amount of loss your Directors do not recommend any dividend for the year ended on 31st March,2014.

(6) DIRECTORS :

Mrs. Neela Raycha, Director of the Company retires by rotation as per provisions of the Act at this Annual General Meeting. However, being eligible offers herself for re-appointment, your Directors recommend to appoint them by passing resolutions. The Notice convening the Annual General Meeting includes the proposals for the re-appointment of the Directors and regularization of Independent Directors,

And also pursuant to provisions of Section 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement Mr. Gaurang Vora DIN No. 01157447, Mr. Rajesh Thakker DIN No. 01597404 and Mr. Tejas Thakker DIN No. 01157506 as on Independent Director of the Company be and is hereby appointed to hold office for 5 (five) years.

Brief resumes of the Directors proposed to be reappointed and regularized, 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) COST AUDITOR :

In terms of Cost Audit Order No. 52/26/CAB/2010 dated 06th November, 2012 issued by Ministry of Corporate Affairs (MCA), the Company is required to get its Cost Accounting Records audited by a Cost Accountant, as applicable to cost Accounting Records (Pharmaceutical Industry). Accordingly, the Board of Directors of the Company has appointed M/s. Babulal M. Parihar & Co. (Registration Number 32049) as Cost Auditors of the Company to conduct the Cost Audit for the Financial Year 2014 - 2015.

Particulars of Cost Audit Report will be Submitted by the Company is as follows.

Financial Year : 2013 - 2014

Due Date of Filing Cost Audit Report : 30th September, 2014

(10) 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.

(11) 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.

(12) 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 are required in the books of accounts. However, notes to be Accounts to itself are clarificatory and self-explanatory in nature.

(13) 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 31.03.2015. The Equity Shares of the Company are freely tradeable on both the Stock Exchanges and trading their of 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.

(14) 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.

(15) INSURANCE :

The Assets of your Company have been adequately insured.

(16) 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**

PLACE : AHMEDABAD

DATE : 27.05.2014

**(Mahendra C. Raycha)
Chairman & Managing Director**

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 2013-2014	PREVIOUS 2012-2013
[A] ELECTRICITY		
Purchased		
Total Units	46880	50450
Total Amount Rs.	410242	389105
Rate per Unit Rs.	8.75	7.71
Through Diesel Generation		
Total Units	1120	1092
Total Amount Rs.	32409	21927
Rate per Unit Rs.	28.94	20.10
[B] Technology Absorption, Adaption & Innovation	Nil	Nil
[C] Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Expenditure	Nil	Nil

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	Managing Director	00577647	Promoter	Executive
Shri Akshit Raycha	Joint Managing Director	03039859	Executive Director	Executive
Smt. Neela Raycha	Director	01258479	Promoter	Non - Executive
Shri Atul Thakker	Director	01157384	Non-Executive 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	Non-Executive 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	3	—	—
4. Shri Gaurang Vora	5	4	2	1
5. Shri Tejas Thakker	7	—	2	1
6. Shri Ashwin Thakker	4	—	—	1
7. Shri Rajesh Thakker	3	—	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 and 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 Auditors for the Company. Shri Gaurang Vora is also a Chartered Accountant, Independent Director 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 in to account the legal provision of the listing.

FUNCTION OF INVESTORS SERVICES 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 thereto 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 process of fixing up of the retirement package to be offered to the employees of the Company.

CODE OF CONDUCT:

The Company has adopted a code of conduct for its directors and for its senior executives. All the Board members have agreed to follow the compliance of code of conduct.

CEO/CFO Certification

A certificate from the Managing Director of the Company in terms of clause 49(V) of the Listing agreement was placed before the Board.

Whistle Blower Policy

As a responsible Corporate Citizen, the Company has always endeavoured to conduct its business in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture where it is safe for all the employees to voice concerns about any misconduct, illegal activity, fraud or abuse of company assets. The Company had adopted a "Whistle Blower Policy" from 1st October, 2011, through which the Company has institutionalized a mechanism for the employees to disclose any unethical behaviour, improper practice and wrongful conduct taking place in the Company for suitable action. The Policy, by design, provides access to the Chairman of the Audit Committee, if the Whistle Blower is not satisfied with the outcome of investigation by the CEO/CFO and the same is ensured. Confidentiality of Whistle Blowers is maintained without any discrimination.

Directors present at the last Annual General Meeting dated September 24, 2013

1. Shri Mahendra C. Raycha	Chairman & Managing Director
2. Shri Akshit Raycha	Joint Managing Director
3. Smt. Neela Raycha	Non Executive Director
4. Shri Atul Thakker	Director
5. Shri Tejas Thakker	Independent Director
6. Shri Ashwin Thakker	Director
7. Shri Gaurang Vora	Independent 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 associates 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 at :
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 mahendrazenith@hotmail.com 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, 2013	0.78	0.48	
May, 2013	0.79	0.58	
June, 2013	0.78	0.67	
July, 2013	0.79	0.60	
August, 2013	0.75	0.58	
September, 2013	0.77	0.65	
October, 2013	0.70	0.56	
November, 2012	0.64	0.43	
December, 2013	0.68	0.49	
January, 2014	0.59	0.49	
February, 2014	0.71	0.56	
March, 2014	0.67	0.58	

Annual General Meeting:

Date	Venue
1. September 24, 2011	: ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.
2. September 25, 2012	: ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009.
3. September 24, 2013	: 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	: 26th September, 2014 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, 2014	: Latest by end of 15 th August 2014
Half Year ending 30th September, 2014	: Latest by end of 15 th November, 2014
Quarter ending 31st December, 2014 :	: Latest by end of 15 th February, 2015
Year ending 31st March, 2015	: Latest by end of 31 st May, 2015
Date of Book Closure	: 16.09.2014 to 26.09.2014 (both days inclusive)
Listing on Stock Exchange	: Ahmedabad Stock Exchange Ltd., Bombay Stock Exchange Ltd.
Distribution of Shareholding Registrar & Share Transfer Agent	: Please refer Annexure - C : 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	: 41246850 Equity Shares representing 76.75% of the total Equity Share Capital has been dematerialised as on 31st March, 2014.

Distribution of Shareholding* as on 31.03.2014

Holdings	Number of Shareholders	Total Amt. Of Shares Face Value	% to Total
Upto 5000	7574	11932570	22.20%
5001-10000	557	4532096	8.43%
10001-20000	211	3076735	5.73%
20001-30000	85	2151411	4.00%
30001-40000	21	756023	1.41%
40001-50000	25	1150174	2.14%
50001-100000	29	2221827	4.14%
100001 & Above	45	27918164	51.95%

* Both in Physical and Dematerialised Form.

Shareholding Pattern as on 31.03.2014

Category	No. of Shareholders	% of holding to total
Promoters, Director & Associates	16465188	30.64%
Foreign Holding	332468	0.62%
Corporates	5481024	10.20%
Mutual Fund	211000	0.39%
Public	31249320	58.15%
Total	53739000	100.00%

Compliance Officer : Mr. Prashant Gupta
504, Iscon Elegance, Near Ananddham Jain Derasar, Prahladnagar
Cross Road, S. G. Road, Ahmedabad - 380 051. Tel. (079) 66168889 / 90

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

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

(B) OPPORTUNITIES, THREATS, RISKS & CONCERNS :

Very high competition from large and small and new comers in the Pharma field it is very difficult to stand in stable position. As Government introduced new DPCO and control the Prices of 348 products, few products our Company are unders New DPCO so may be affect the working of the Company. The management has added some products in the products mix, and Company has implemented action plan to get WHO Certificate and procure outsourcing production of domestic Company for many products, hence management is hopeful that in near future Company , may achieve results of revenue and net profit.

(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 :

The management is very much hopeful for bright future of the company as the products of the company enjoys very good reputaion in the market as well as with the doctors. The sales team of the company always update the management and accordingly the management change the products mix as per trend of the market. Here, management would like to inform that due to heavy competition from the large phrama companies as well as new companies entry in the market, the sales and margin has been decreased substainally.

(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 securites laws & regulations. Actual results could differ materially from those expressed or implied. Important 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.

PLACE : AHMEDABAD**DATE : 25.07.2014**

**On Behalf of Board of Directors
of Zenith Healthcare Limited
(Mahendra Raycha)
Chairman & Managing Director**

Certificate of Compliance with the Code of Business Conduct

To,
The Shareholders,
Zenith Healthcare Limited

Zenith Healthcare Limited has in place a Code of Business Conduct (the "Code") for its Board of Directors and senior management personnel. I report that the Board of Directors has received affirmation on compliance with the Code from the members of the Board and senior management of the Company for the year under review.

Ahmedabad
27 May, 2014

Mahendra Raycha
Chairman & Managing Director

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, 2014, 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 proceducers 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 : 27.05.2014**

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

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF ZENITH HEALTHCARE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Zenith Healthcare Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

"An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements".

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**PLACE : AHMEDABAD
DATE : 27.05.2014**

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Independent 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, 2014.

1.
 - 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 book 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.
 - a. The inventory excluding stocks in transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of 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. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
3.
 - a. The Company has granted unsecured loans, to firm covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and year-end balance of such loans aggregated to Rs. 3.05 Lakhs and 3.05 Lakhs, respectively. The Company has not granted any secured/unsecured loans to Companies covered in the register maintained under Section 301 of the Act.
 - b. In our opinion, and explanation given to us the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - c. In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - d. In respect of the aforesaid loans, there is no overdue amount.
 - e. According to information and explanation given to us and record produced to us for verification the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provision of Clause (iii)(e) and (g) of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major major weakness in the aforesaid internal controls.
5.
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangement that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
 - (b) In our opinion, according to the information and explanations given to us, the transactions made in of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any during the year have been made at prices which having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA of the Companies Act rules framed there under.
7. In our opinion the Company has an internal audit system, with its size and nature of its business.

8. We have broadly reviewed, the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9.
- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of profession tax, services tax, TDS, excise duty, provident fund, custom duty investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, purchase tax, entry tax, municipal tax and other material statutory dues applicable, with the appropriate authorities.
- b. According to the information and explanation to us, and the records of the Company examined by us, there is no disputed tax or statutory dues as on 31.03.2014.
10. The Company has no accumulated losses at the ended of the financial year and it has incurred cash losses of Rs. 16.60 Lakhs in the financial year ended on that date and in the immediately preceding financial year there is no cash loss.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has no dues to financial institution or banks or debenture holders as at balance sheet date.
12. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the provisions of any statute applicable to chit fund /nidhi/mutual benefit fund/societies are not applicable to the Company the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanation 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 taken any term loan from any Bank or financial institution.
17. According to the information and informations and explanations given to us on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long-term investment.
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 Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed any such case by the Management.

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

PLACE : AHMEDABAD
DATE : 27.05.2014

[Jayesh R. Mor]
Proprietor
Membership No. 37941

BALANCE SHEET AS AT 31st MARCH 2014
(Amount in Rupees)

PARTICULARS	NOTE NO	AS AT 31-03-2014		AS AT 31-03-2013	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds :					
(a) Share Capital	3	53739000		53739000	
(b) Reserves & Surplus	4	6783813		9487178	
			60522813		63226178
2. Current Liabilities					
(a) Trade payables	5	6995077		6,952,550	
(b) Short term provisions	6	824557		869,777	
			7,819,634		7,822,327
TOTAL			68342447		71048505
II ASSETS					
1. Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	7	13595639		16053349	
(ii) Intangible assets	8	143880		189750	
(iii) Capital Work In progress	9	7861583		-	
		21601102		16243099	
(b) Non-current investments	10	24776		1956836	
(c) Deferred tax assets (liabilities)	11	1092527		(234255)	
(d) Long-term loans and advances	12	6858876		7368462	
			29577281		25334142
2. Current Assets					
(a) Inventories	13	10163194		9655900	
(b) Trade receivables	14	19558603		23283135	
(c) Cash and bank balance	15	4410636		9538300	
(d) Short-term loans and advances	16	2742620		1581283	
(e) Other current assets	17	1890113		1655745	
Summary of significant accounting policies 2			38765166		45714363
TOTAL			68342447		71048505

Refer Notes forming part of the Financial Statements in terms of our report attached.

For JAYESH R. MOR & CO.

 Chartered Accountants
 Firm No.122056W

Jayesh R. Mor

Proprietor

Membership No.37941

PLACE : AHMEDABAD
DATE : 27.05.2014

For and on behalf of the Board of Director

MAHENDRA RAYCHA

Chairman & Managing Director

AKSHIT RAYCHA

Joint Managing Director

PLACE : AHMEDABAD
DATE : 27.05.2014

Statement of PROFIT & LOSS for the year ended 31ST MARCH 2014 (Amount in Rupees)

PARTICULARS	NOTE NO	AS AT 31-03-2014	AS AT 31-03-2013
I. Revenue from operations	18	32705004	40114008
II. Other income	19	918204	1223845
III. Total revenue (I + II)		33623208	41337853
IV. Expenses			
(a) Cost of raw and packing materials consumed	20	15593636	18136113
(b) Purchase of Stock-in-trade	21	3956840	4625973
(c) Change in Inventories	22	(306454)	1356925
(d) Employees benefit expense	23	6685409	6289996
(e) Finance Cost	24	21908	6348
(f) Depreciation and amortisation expense		2369974	1717456
(g) Other Expenses	25	9387596	11065724
Total Expenses		37708909	43198535
V. Profit/(Loss) for the year before Exceptional items and tax		(4085701)	(1860682)
VI. Exceptional items		55554	1973328
VII. Profit for the year before extraordinary terms and tax (V-VI)		(4030147)	112646
VIII. Less : Prior Period expenses		-	-
IX Profit for the year before taxation (VII-VIII)		(4030147)	112646
X Tax Expense			
(i) Current Tax / Provision for tax		-	58000
(ii) Deferred Tax Assets/(liabilities)		1326782	(32258)
XI Profit (Loss) from continuing operations (IX-X)		(2703365)	86904
XVI. Earning per Equity Share :	26		
Basic		(0.050)	0.001
Diluted		(0.050)	0.001

Refer Notes forming part of the Financial Statements in terms of our report attached.

For JAYESH R. MOR & CO.

Chartered Accountants

Firm No.122056W

Jayesh R. Mor

Proprietor

Membership No.37941

PLACE : AHMEDABAD

DATE : 27.05.2014

For and on behalf of the Board of Director

MAHENDRA RAYCHA

Chairman & Managing Director

AKSHIT

RAYCHA

Joint Managing Director

PLACE : AHMEDABAD

DATE : 27.05.2014

CASH FLOW STATEMENT
for the Year Ended March 31, 2014

(Amount in Rs.)

PARTICULARS	2013-2014	2012-2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax from Continuing Operations	(4030147)	112644
Adjustments		
Depreciation and amortisation expense	2369974	1717456
Other Operating Income	(918204)	(1223845)
Profit on Sales of Assets	(55554)	(1973328)
A. Operating Profit/(Loss) Before Working Capital Changes		
Adjustments For Changes In Working Capital from	(2633931)	(1367073)
I. Adjustments for (increase)/decrease in operating assets :		
Inventory	(507294)	751938
Trade receivables	3724530	(710734)
Short-term Loans and Advances	(1161337)	198837
Other Current Assets	(234368)	(49603)
II. Adjustment for increase/(decrease) in operating liabilities :		
Trade Payables	42527	980101
Other Current liabilities		
Short-term provisions	(45220)	325760
B. Cash (Used in) Continuing Operations	1818838	1496299
Net Cash Flow from Operating Activities Before Exceptional Items (A+B)	(815093)	129226
Exceptional Items	55554	-
Net Cash from Operating Activities (A)	(759539)	129226
B. CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments for changes in :		
Purchase of Tangible/Intangible Fixed Assets	(7978973)	(6946370)
Sales of Assets	250938	2205000
Purchase of Non Current Investment:	1932060	14857
Long Term Loans & Advances	509586	2751226
Other Operating Income	918204	1223845
Net Cash Generated from/(Used In) Investing Activities (B)	(4368185)	(751442)
C. CASH FLOW FROM FINACING ACTIVITIES		
Provision for Income Tax	-	(58000)
Adjustments	60	(17698)
Net Cash From Financing Activities (C)	60	(75698)
Net Increase /(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(5127664)	(697914)
Net Cash Flow as per Balance Sheet		
Cash and Cash Equivalents As At 31.03.2013	9538300	10236214
Cash & Cash Equivalents As At. 31.03.2014	4410636	9538300

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' Set out in Accounting Standard – 3.
2. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

Jayesh R. Mor

Proprietor
Membership No.37941

PLACE : AHMEDABAD

DATE : 27.05.2014

MAHENDRA RAYCHA

Chairman & Managing Director

AKSHIT RAYCHA

Joint Managing Director

PLACE : AHMEDABAD

DATE : 27.05.2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2014**Note 1 COMPANY INFORMATION**

The company is based in Ahmedabad and is primarily involved in trading and manufacturing of pharmaceutical products.

Note 2 SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts: -**(a) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

(c) INVENTORIES

- i) Inventories are valued at lower of cost (FIFO Basis) or Net Realisable value.
- ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(d) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(f) PRIOR PERIOD AND EXCEPTIONAL ITEMS

- (i) All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Expenses Account".
- (ii) Exceptional items are generally non-recurring items of income/profit and expenses/loss within profit and loss from ordinary activities, which are of such nature or incident at there disclosures is relevant to explain the performance of the Company for the year.

(g) DEPRECIATION

- i) Depreciation on Fixed Assets is provided on Written down method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs.
- ii) Depreciation on Assets acquired during the year is provided on pro-rata basis with reference to the date of addition.
- iii) Individual assets costing less than Rs.5000 are fully depreciated in the year of purchase.
- iv) Intangible assets are amortised in spnn of 10 years.

(h) REVENUE RECOGNITION

- i) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales inclusive of Excise duty but exclude Vat and CST.
- ii) Income from services rendered is accounted for when the work is performed.
- iii) Interest revenues are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

(i) FIXED ASSETS

- i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.
- ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.

(j) FOREIGN CURRENCY TRANSACTIONS

- i) There is no Foreign Currency Transaction during the year.

(k) INVESTMENTS

- i) Long-term Investments are stated at cost. Provision for diminution in the value of long-term Investments is made only if such a decline is other than temporary in the opinion of the management.
- ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.

(l) EMPLOYEE BENEFITS

- i) **Provident Fund and Pension Fund:** Contribution to provident and pension fund maintained with the Provident fund authorities is charged to Profit & Loss account on accrual basis.
- ii) **Gratuity:** Gratuity liability as on 31st March, 2014 has not been determined by the actuarial valuation and so that such liability has not been provided for in these accounts the gratuity expenses debited to profit & loss account as and when paid to employees at the time of resignation.
- iii) **Leave Encashment:** The Company have policy to make payment of unutilised leaves every year as per rules of the applicable Act.
- iv) **Other Employee Benefits:** Other Employee Benefits such as bonus etc. are accounted for on accrual basis.

(m) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(n) SEGMENT ACCOUNTING

Accounting Standard Interpretation (ASI) 20 Dated 14th February, 2004 issued by the Accounting Standards Board of the Institute Chartered Accountants of India, on AS 17, Segment Reporting clarifies that in case, by applying the definitions of "business segment" and "geographical segment" given in AS 17, it is concluded that there is neither more than one business segment nor more than one geographical segment. Segment information as per AS 17 is not required to be disclosed.

(o) RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party disclosures" has been set out in a separate note forming part of this schedule. Related Parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the Company.

(p) LEASES

The Company's significant leasing arrangements are in respect of operating leases for office premises, stores & godown. The leasing arrangements ranging between 11 months and five years are generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

(q) EARNING PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 prescribed under The Companies Accounting Standards Rules, 2006. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

(r) TAXES ON INCOME
i) Deferred Taxation

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, prescribed under The Companies Accounting Standards Rules, 2006, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) Current Taxation

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

(s) IMPAIRMENT OF FIXED ASSETS

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognized whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses, which is determined, based on the estimated future cash flow discounted to their present values. All impairment losses are recognized in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognized in the profit and loss account.

(t) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(u) ACCOUNTING OF CLAIMS

i) Claims received are accounted at the time of received return goods and damaged and expiry goods.

ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

(v) EXPORT INCENTIVES

Though other Accounting Standards also apply to the Company by virtue of the Companies Accounting Standards Rules, 2006, no disclosure for the same is being made as the Company has not done any transaction to which the said accounting standards apply.

NOTE NO. : 3 SHARE CAPITAL
(Amount in Rs.)

PARTICULARS	AS AT 31-03-2014		AS AT 31-03-2013	
	Number of Shares		Number of Shares	
AUTHORISED SHARES				
110000000 Equity Shares of Re. 1/- each	110000000	110000000	110000000	110000000
	110000000	110000000	110000000	110000000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
53739000 Equity Share of Rs. 1/- each Fully paid	53739000	53739000	53739000	53739000
unpaid by directors and officers)				
Total	53739000	53739000	53739000	53739000

(b) Terms/ Rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.

(C) Shares held by associates Companies Rs. 2252550
(d) Details of shareholders holding more than 5% shares in the company

Particulars	AS AT 31-03-2014		AS AT 31-03-2013	
	Number of Shares	% holding	Number of Shares	% holding
Mahendra Chatrabhuj Raycha	6604000	12.29	6604000	12.29
Mahendra Chatrabhuj Raycha H.U.F.	5129500	9.55	5129500	9.55

Note 4 RESERVES & SURPLUS

Name of Shareholder	AS AT 31-03-2014		AS AT 31-03-2013	
1 (a) Capital Reserve	137089	163541	137089	163541
(b) General Reserve	10215		10215	
(c) Amalgamation Reserve	16237		16237	
2 SURPLUS IN STATEMENT OF PROFIT AND LOSS				
As per last balance sheet	9323637		9236733	
Add : (Loss)/Profit for the Year	(2703365)		86904	
		6620272		9323637
TOTAL		6783813		9487178

NOTE NO : 5 CURRENT LIABILITIES

(a) Trade Payables				
(i) Trade Payable for Goods	2790724		3541936	
(ii) Trade Payable for Expenses	3884353	6995077	3410614	6952550
(iii) Trade payable for Capital Goods	320000	6995077	–	6952550

The Company has circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Act, 2006 ('MSMED'). However from the majority of the suppliers these confirmations are still awaited. Hence disclosure relating to amount unpaid as at the year end together with interest paid/payable as required under the said act has not been made.

NOTE NO : 6 CURRENT LIABILITIES
(Amount in Rs.)

(b) Short terms provisions				
(i) Provision for Salary	261248		240928	
(ii) Provision for Bonus	318831		270771	
(iii) Provision for Professional Tax	22447		23230	
(iv) Provision for E.S.I. & P.F.	86404		85909	
(v) CST Payable	–		46172	
(vi) TDS Payable	107561		117436	
(vii) Provision for Expense	11916		62729	
(viii) Provision For Income Tax 2010 - 2011	16150	824557	22602	869777
TOTAL		824557		869777

NOTE NO : 7 Fixed Assets

SR. No	(i) TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
1	Land	800900	-	-	800900	-	-	-	-	800900	800900
2	Building	13189339	-	-	013189339	8857314	433203	-	9290517	3898822	4332025
3	Plant & Machinery	15084349	-	-	15084349	11528708	494590	-	12023298	3061051	3555641
4	Electrification	2668273	-	-	2668273	1874488	110415	-	1984903	683370	793785
5	R & D Equipment	1024768	-	-	1024768	575940	62432	-	638372	386396	448828
6	Furniture & Dead Stock	4120548	44940	-	4165488	1173663	539492	-	1713155	2452333	2946885
7	Vehicles	4726035	-	1096077	3629958	2369901	553189	876631	2046459	1583499	2356134
8	Office Equipments	1756098	52450	-	1808548	936947	142333	-	1079280	729268	819151
	Total	43370310	97390	1096077	42371623	27316961	2335654	876631	28775984	13595639	16053349
	Previous Year	36895945	6830870	356505	43370310	25817038	1660256	160333	27316961	16053349	11078907

NOTE NO : 8

SR. NO.	(ii) INTANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
1	Computer Software	85800	-	-	85800	71700	34320	-	106020	51480	85800
2	Amortised Expense (Trademark Exp.)	103950	-	-	103950	-	11550	-	11550	92400	103950
	Total	189750	-	-	189750	71700	34320	-	106020	143880	189750

NOTE NO : 9 Capital Work in Progress

SR. NO.		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 01-04-2013	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
1	Building	-	2641497	-	2641497	-	-	-	-	2641497	-
2	Electrification	-	367021	-	367021	-	-	-	-	367021	-
3	Plant & Machinery	-	4853065	-	4853065	-	-	-	-	4853065	-
	Total	-	7861583	-	7861583	-	-	-	-	7861583	-

NOTE 10 NON CUREENT INVESTMENTS
(Amount in Rupees)

PARTICULARS				AS AT 31-03-2014		AS AT 31-03-2013	
(a) Quoted Investment							
	No. of Shares	Face Value					
(i)	HDFC Bank Ltd.	35	2	576		576	
(ii)	GIC Housing Ltd.	300	10	2700		2700	
(iii)	IDBI Bank Ltd.	1440	10	16500		16500	
(iv)	Devika Proteins Ltd.	1200	10	5000	24776	-	19776
(b) Unquoted Investments							
(i)	Mehta Cad Cam Systems Pvt. Ltd.	Nil	Nil	Nil		1922500	
(ii)	NSC			Nil	-	14560	1937060
Market Value of Quoted Shares Rs. 161,573/-				TOTAL	24776	1956836	

NOTE 11 DEFERRED TAX

Sr. No.	Description	As Per Companies Act	As Per Income Tax Act	Difference	Remarks	Applicable Tax Rate	DTA (DTL) Rs.	
A.	Depreciable Assets Excluding Land	2369974	1552139	817835	As a result of accelerated depreciation claimed under Tax Act on own assets WDV as per IT and books is different. Tax saved on account of Accelerated depreciation is now to be provided as Deferred Tax Assets	30.90%	(252711)	
B.	Carryforward Loss	-	1843760	1843760		30.90%	569722	
C.	Current Year Loss/Dep.	-	3267866	3267866		30.90%	1009771	
Net Deferred Tax Assets (Liabilities) as at 31st March, 2013								(234255)
DTA								1326782
Net Deferred Tax Asset / (Liability)								1092527

- (a) Some taxes related assessments are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the management does not estimate any incremental liability in respect of the legal proceedings.
- (b) In accordance with "Accounting Standard 22", the Deferred Tax Assets of Rs.1092527/- (Previous year deferred tax Liability Rs. 234255/-) for the year has been recognised in the Profit & Loss Account.

NOTE 12 LONG-TERM LOANS & ADVANCES

(a) Advances recoverable in Cash or in Kind	-	6858476	-	7368462
TOTAL		6858876		7368462

NOTE 13 INVENTORIES (Valued at lower of cost or net realizable value)

(As certified by the Management)				
(a) Raw materials	2927387		2971926	
(b) Packing materials	2028475		1915587	
(c) Finished Goods	2876351		1897947	
(d) Stock in Trade (Trading/Transit/Branch Stock)	1906593		1822462	
(e) Work in process	399388		1022978	
(f) Laboratory Chemicals	25000	10163194	25000	9655900
TOTAL		10163194		9655900

NOTE 14 TRADE RECEIVABLES

(a) Outstanding for a period exceeding six months from the date they are due for payment				
(i) Unsecured considered good	6790280		7366727	
(ii) Unsecured Considered doubtful	887530	7677810	1406407	8773134
(b) Others				
(i) Unsecured considered good	11880793		14510001	
(ii)) Unsecured Considered doubtful	-	11880793	-	14510001
TOTAL		19558603		23283135

NOTE 15 CASH AND CASH EQUIVALENTS
(Amount in Rupees)

PARTICULARS	AS AT 31-03-2014		AS AT 31-03-2013	
1. Balance with Banks				
(i) In Current accounts	611154		968221	
(ii) Fixed Deposits with Maturing Less than 3 months	3694357	4305511	8455389	9423610
2. Cash on Hand				
(a) Cash on hand	91925		67858	
(b) Petty Cash	13200	105125	46832	114690
TOTAL		4410636		9538300

NOTE 16 SHORT TERM LOANS AND ADVANCES

(a) Advance to related parties	305065		279876	
(b) Non Corporate Advances	650000		650000	
(c) Loans & Advances to Employees	279016		205814	
(d) Security Deposits	291132		345593	
(e) Advance against Capital Goods	1217407	2742620	100000	1581283
TOTAL		2742620		1581283

NOTE 17 OTHER CURRENT ASSETS

Excise PLA/Cenvat Balance	268273		266875	
Income Tax Refund Receivable	1443811		1388870	
VAT Receivable	178029	1890113	-	1655745
TOTAL		1890113		1655745

NOTE 18 REVENUE FROM OPERATIONS

(a) Sale of products	34804037		42630439	
(b) Sale of Services	225227		254649	
(c) Other operating revenues	-		-	
		35029264		42885088
Less : Excise Duty		2324260		2771080
TOTAL		32705004		40114008

NOTE 19 OTHER INCOME

(a) Interest Income				
(i) On Term Deposits with Bank		565913		809177
(ii) On Loans & Investment		32023		69165
(iii) Kasar & Discount		296184		323993
(iv) Dividend Income		6084		3510
(vi) Rent		18000		18000
TOTAL		918204		1223845

NOTE 20 COST OF RAW AND PACKING MATERIALS
(Amount in Rupees)

PARTICULARS	AS AT 31-03-2014		AS AT 31-03-2013	
(a) Consumed				
Opening Stock	5109509		4463663	
Add: Purchase	15794476		18781959	
Less: Closing Stock	5310349	15593636	5109509	18136113
TOTAL		15593636		18136113

NOTE 21 PURCHASE OF STOCK-IN-TRADE

Traded Goods		3956840		4625973
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NOTE 22 CHANGES IN INVENTORIES

(a) CLOSING STOCK				
Work-in-Process	399388		1022978	
Finished Goods	2876351		1897947	
Stock-in-trade	1577106	4852845	1625466	4546391
(b) OPENING STOCKS :				
Work-in-Process	1022978		824302	
Finished Goods	1897947		2560242	
Stock-in-trade	1625466	4546391	2518772	5903316
(Increase)/ Decrease in Stock				
TOTAL		(306454)		1356925

NOTE 23 EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages/Including remuneration paid to Directors	5974817		5429427	
(b) Contribution on Provident and Other Funds	430373		414627	
(c) Payment for Gratuity	40168		206812	
(d) Contribution to E.S.I.	125134		119054	
(e) E.P.F Admin Charges	38938		37488	
(f) Staff Welfare	75241		81868	
(g) Gujarat Labour Welfare Fund	738	6685409	720	6289996
TOTAL		6685409		6289996

NOTE 24 FINANCE COST

(a) Interest on Borrowing from Bank (against FDR)	18,579		288	
(d) Bank Commission & Charges	3,329	21,908	6,060	6,348
TOTAL		21,908		6,348

NOTE 25 OTHER EXPENSES

(a) Miscellaneous packing material	19229		20487	
(b) Power and fuel	455986		531919	
(c) Manufacturing Expenses	805737		754924	
(d) Water	49912		44600	
(e) Rent including lease rentals	720000		770000	
(f) Repairs and maintenance - Machinery	174300		170404	
(g) Repairs and maintenance - Others	188827		276391	
(h) Insurance	139702		121822	
(i) Rates and taxes	492190		508125	
(j) Communication Expenses	90597		118561	
(k) Travelling and conveyance	154140		196452	
(l) Printing and stationery	165585		131018	
(m) Freight and forwarding(n) Sales commission	616573		790286	
(o) Breakage & Expiry	2483560		3616311	
(p) Business promotion	928406		1135829	
(r) Legal and professional	782952		831829	
(s) Payments to auditors	148776		173827	
(t) Miscellaneous	44944		44120	
	926180	9387596	828819	11065724
TOTAL		9387596		11065724

NOTE 26 EARNINGS PER SHARE (EPS)

(a) Pursuant to the Accounting Standard (As-20) Earning Per Share is disclosed as under :

PARTICULARS	31.03.2014	31.03.2013
Profit/(loss) for calculation of basic and diluted EPS	(2703365)	86904
Weighted average number of equity shares in calculating basic EPS	53739000	53739000
Face value of equity shares	1	1
Basic Earning per share (In Rupees)	(0.050)	0.001
Diluted Earning per share (In Rupees)	(0.050)	0.001

(b) The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

NOTE 27 RELATED PARTY DISCLOSURES

(a) Related Parties with whom transactions have taken place during the year:

1. Associate Entities	Ray Remedies Pvt. Ltd.,
2. Entities in which Key Management Personnel have a significant influence	Raxin Healthcare
3. Key Management Personnel and their relatives	1. Mahendra C. Raycha 2. Akshit M. Raycha 3. Neela M. Raycha 4. Thakker Chatrabhuj Diyaljibhai

(b) Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sr. No.	Nature of Payments	Key Management Personnel	Relative of Key Management Personnel	Entities Key Management Personnel have influence
1.	Remuneration	1800000		-
2.	Office Rent	-	600000	-
3.	Material Purchase	-	-	325229
4.	Material Sales/Expenses	-	-	1052495
5.	Job Charges Received	-	-	129132
6.	Godown Rent Paid	-	-	102000

NOTE 28 OTHER DISCLOSURES

(a) Sundry Creditors, Receivables, Loans and Advances and liabilities etc. for which confirmations are yet to be received. Provision for doubtful debts, if any, in respect of above and the consequential adjustments, arising out of reconciliation will be made at the appropriate time.

(b) In the opinion of the Management and to the best of their knowledge and belief the value under the head of Current and Non Current Assets (other than fixed assets and non current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

(c) Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

(d) The Company's significant leasing arrangements are in respect of office and factory premises. The aggregate lease rental payable is charged to Profit and Loss Account as Rent in Schedule 5.

(e) The Leasing arrangements, which are cancelable at any time between 11 months to 5 years and usually renewable by mutual consent on mutually agreeable terms.

(f) Prior period adjustments include: Nil

(g) Balance Confirmations/ Statements for some of the inactive Bank Accounts have not been received. Request of the same have been placed with the bank and consequential adjustment if any on account of the same will be made as and when the statements are received.

(h) Provision for likely sales returns, date expiry and damaged products are debited to profit & loss account as and when actual returns/claims received by the Company.

(i) Previous years figures regrouped, rearranged whenever it necessary.

Zenith Healthcare Limited

(CIN No. L2431GJ1994PLC023574)

Regd. Office: 504, Iscon Elegance, Near Ananddham Jain Darasar,
Prahlanagar Cross Road, S. G. Road, Ahmedabad – 380 015.Email : mahendrazenith@hotmail.com Website: www.zenithhealthcare.com

Phone: +91 079 66168889/90 Fax: +91 079 66168891

Name of the member(s) :

Registered address:

E-mail id:

Folio/DP ID-Client ID No.

I/We being the member(s) holding.....shares of the above named Company hereby appoint:

(1) Name:.....Address:.....

E-mail ID:.....Signature:.....or failing him/her;

(2) Name:.....Address:.....

E-mail:.....Signature:.....or failing him/her;

(3) Name:.....Address:.....

E-mail:.....Signature:.....or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Annual General Meeting of the Company, to be held on 26th September, 2014 at 10:00 a.m. at ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional	
		FOR	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements for the year ended on 31 st March, 2014.		
2.	Reappointment of Mrs. Neela M. Raycha, Director retiring by rotation.		
3.	Appointment of Statutory Auditors.		
Special Business			
4.	Appointment of Mr. Gaurang Vora as an Independent Director.		
5.	Appointment of Mr. Rajesh Thakker as an Independent Director.		
6.	Appointment of Mr. Tejas D. Thakker as an Independent Director.		
7.	Ratification of remuneration to Cost Auditors.		
8.	Alteration in Articles of Association		
9.	Authority to Board of Directors to borrow funds.		

Signed this.....day of2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
Rupee 1
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

*Applicable for investors holding Shares in electronic form.

ATTENDANCE SLIP

Zenith Healthcare Limited

(CIN No. L2431GJ1994PLC023574)

Regd. Office: 504, Iscon Elegance, Near Ananddham Jain Darasar,
Prahlanagar Cross Road, S. G. Road, Ahmedabad – 380 015.

Email : mahendrazenith@hotmail.com Website: www.zenithhealthcare.com

Phone: +91 079 66168889/90 Fax: +91 079 66168891

Twenty Annual General Meeting

2014

I/We hereby record my/our presence at the Twenty Annual General Meeting of the Company at ATMA Conference Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad-380 009 on 26th September, 2014 at 10:00 a.m.

.....
Member Folio/DP ID-Client ID No. Member's/Proxy's name in Block Member's/Proxy's Signature

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE THE MEETING HALL.
2. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

Physical copy of the Annual General Report for 2014 and Notice of the Annual general Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email address is not registered or have requested for a hard copy.

Book-Post

TO,

If undelivered, please return to :

Zenith Healthcare Limited

CIN No. : L2431GJ1994PLC023574

REGISTERED AND CORPORATE OFFICE

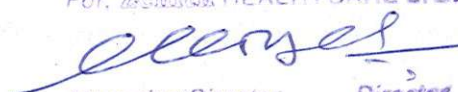



504, Iscon Elegance, Near Ananddham Jain Derasar,

Prahladnagar Cross Road, S. G. Road, Ahmedabad-380 015

Registered Office :

504, Iscon Elegance, Near Ananddham Jain Derasar,
Prahladnagar Cross Road, S. G. Road,
Ahmedabad - 380 051.
Tele : (079) - 66168889 / 66168890
Fax : (91)079 - 66168891
Website : www.zenithhealthcare.com
Email : mahendrazenith@hotmail.com

FORM A

1.	Name of the Company	ZENITH HEALTHCARE LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis
4.	Frequency of observation	-----
5.	To be signed by- <ul style="list-style-type: none"> • Managing Director • CFO • Auditor of the company • Audit committee chairman 	<p>For, Zenith HEALTH CARE LTD.</p>  Managing Director Director Mr. Mahendra Raycha DIN No.: 00577647  Mr. Mital Shah  Mr. Jayesh R. Mor  Mr. Gaurang Vora DIN No.: 01157447