

August 30, 2018

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

Dear Sir/Madam,

Trading Symbol: ZOTA

Sub: Intimation for Investor Presentation

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

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the investor presentation August, 2018. This investor presentation shall be made available to Institutional Investors during Institutional Investors Conference which shall be organised by Karvy Stock Broking on Friday, August 31, 2018 at Mumbai.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For **Zota Health Care Limited**



Ashvin Variya
Company Secretary & Compliance Officer

Place: Surat

Encl: a/a



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Zota Health Care Limited Investor Presentation

August, 2018

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GENERIC PHARMACY

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Company Overview

Zota group is the fastest growing Indian Pharmaceutical group with a portfolio comprising wide range of Pharmaceutical, Nutraceutical as well as Ayurvedic products since 1995.

Zota group is wholly developed and managed by Zota and its family. The business began with a single pharmaceutical outlet in Surat, Gujarat. The group entered in the Indian pharmaceutical market with a unique business model called Franchisee Brand Marketing in pharma formulations. Today, Zota has 1000 direct distributors for its franchisee marketing on PAN India basis. Zota has a total of 3000 brand products.

Franchisee Brand marketing: In franchisee marketing business model Zota outsource manufactured products from top manufacturers of India. The random quality checks of products are done by its own scientists, 1 Sr. Scientist and 3 Scientist. Zota deal's with 30-35 manufacturer all over India; where, Akums Pharma, Theon Pharma, Synochem, Curetech Skin Care etc. are major Pharma manufacturer in India.

Zota manufacture's its product with MRP, with margin for self and for its distributors. Then they provide offer to franchisee on cash basis with zero liability.

Zota Healthcare Ltd. has three verticals of pharmaceutical [Franchisee business model]

- Domestic
- Export
- Retail Pharmacy Chain - Generic (Newly initiated, since October 2017)

Domestic vertical

100% outsource business. Zota has 1000 direct distributors for franchisee marketing and also adds 30-40 distributors on YoY basis. Gross Margin = 30% -40%, EBITDA Margin = 16%. For FY18, 83% of total revenue generated from domestic business i.e. Rs. 67.41 crs. out of Rs. 79.37 crs.

In domestic market the company has its minimum target of sales of INR 3 lakhs p.a. from per distributor for per district. Zota has wide range of 3000 products under different names and network of sales through 21 marketing division with strong supply chain. Top 10 distributors contribute only 15% of total revenue and are mainly from Patna, Gorakhpur, Orrisa, Rajasthan, Kerala and Guwahati. Approximately 1-2 lakh doctors reach in Indian market are through distributors.

Zota having 7 unique product patent approvals & 12 more under consideration at India Patent Office. Top selling molecule is one patent product specifically for liver (RTFit, GMFit).

Major revenues are generated from Antibiotic products i.e. 15% - 20%, balance revenue are scattered in other products are, Cardiac, Diabetic, Nutraceuticals, Liquid, Injection, Eye-drop, Ointments Derma Products, Dental Range, Nutraceuticals etc. Zota is the leading company in India operating the franchisee business model. There are few players like Intra Lab, Zee Lab and are non-listed but; no major competitor on Pan India basis.

Export vertical

Company has its plant at Surat SEZ, in 2011 - Plant cost Rs. 9 crs, registration cost Rs. 2 crs. Total Plant capacity to cater Rs. 60-70 Crs Revenues, Management estimates - Gross margin = 55%, EBITDA margin = 30%

In export vertical Zota will follow same business model i.e. franchisee for foreign market.

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Export targeted in 18 countries from Africa, Asia, Latin America and CIS region with 215 total product approvals. Rs 3 crs - Rs 3.5 crs orders in hand. For majority countries plant approval has been done, Zota currently applied for registration and also expecting to receive all approvals within 6 months period. These approvals will impact topline from export contribution, drastically.
FY17 = Rs 4.93 crs, FY18 = Rs 11.95 crs

Davaindia Generic Pharmacy Purely Generic Retail Chain

In October 2017, company entered in generics market with Davaindia Generic Pharmacy Retail Chain, with same franchisee business model. Zota started with 4 generics, Davaindia Generic Pharmacy - 3 in Surat and 1 in Navsari. The franchisee at Navsari & Surat already started business of Rs.12000-20000.

Company has 1050 molecules at present and targeting to reach around 1500 molecules in next 6 months. In Indian Generic Market Average 400 to 500 molecules are available.

Zota healthcare targeted to run 3000 Davaindia Generic Pharmacy in next 4 years all over India and to open 350 stores by FY19. At present company is planning to cover Tier-I, Tier-II and Tier-III cities. Company engaged in to setting up Davaindia Generic Store in states of Madhya Pradesh, Maharashtra and Gujarat, focusing on Mumbai to begin with. As on date 45 stores have already been opened and agreement for 55 stores have been done.

In Generic vertical company will concentrate on therapy medicines of which large part will be of all Chronic like Cardiac, Diabetic, Thyroid, Neuro-psychiatrist as well. In generic business 75% portion consist medicines and 25% portion consist of Cosmetics, OTC, Nutraceuticals, Ayurvedic etc., mainly to build the trust amongst buyers.

Investment Rationale

- Earnings = EBITDA, as no major expenses in-between. Debt - till date Zero debt company, Surplus Rs.25 crs.
- Capex - Zero Capex as it is a franchisee business all cost will be taken care by distributor himself. The overall spending incurred by company will be for inventory.
- Promotions and advt. expenses - till date no major promotion expenses incurred. Going forward management will invest in this expenses majorly for Davaindia Generics Business. All promotional ideas and mediums are ready to be executed in the form of Print Media, Radio, TV and social media.

Risks

Government policy change (loan License)

(Management is confident that this risk will not be practically implementable and in under any circumstances if it is proposed then the scenario will not change immediately as there will be product shortage in Indian market.)

Government has problems for procurement in Generics business, they have only 100 molecules available at present and there is no planned/ strong supply chain management as well.)

Game Changer

Davaindia is Game Changer. Government helps to promote Generic. If Government policy are made compulsorily to doctor for Generic Prescription then it will be a game changer for company.

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ZOTA HEALTHCARE TO THRIVE ON INDIAN GENERIC MARKET, ROLLS OUT RETAIL OUTLETS

Zota Healthcare is gearing up to cash in on the US\$15 Bn Indian generic market which is growing at a CAGR of 16% and is expected to touch US\$ 30 Bn by 2020.

Towards this end, its business vertical Davaindia Generic Retail Stores has rolled out 45 Retail Stores and plans are as many as 100-odd stores by the end of September, 2018. The Retail outlets will be spread over in Gujarat, Maharashtra, and M.P. A beginning has been made by opening 3 Retail outlets in its home town Surat and 1 in Navsari.

"We provide generic alternatives to branded medicines at approximately 1/4th of the cost without compromising on the quality of the product or packaging," Mr. Himanshu Zota, Director, Zota Healthcare, said. The generic drugs are considered safe due to the testing process used by the Food and Drug Administration (FDA) and Zota maintains strict quality control standards, in compliance with WHO international guidelines.

Zota Healthcare has also launch its portal www.davaindia.com. On entering the drug type in the search option of the portal, the generic alternatives will be presented. Interestingly, the entire list of medicines available for a specific drug type will be generated along with the Name of the medicine, the manufacturing company and its price. In fact if a person decides to buy Zota's Davaindia medicines, he can easily locate a nearby store by entering the area pin code.

According to a joint study by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) and RNCOS, Generics would account for 85% share in domestic market by 2020 which is essentially fueled by cheap labor, patent cliff of blockbuster drugs and prevalence of lifestyle disease.

Till recently the consumption of generics in the domestic market had its own limitations owing to the influence of physicians in terms of prescribing branded medicines and lack of drug pricing control laws. However, the generics market is now looking up owing to some of the key initiatives announced by Modi Government to include price control policies and revision of Jan Aushadhi campaign.

Among these Retail Outlets, Zota Healthcare plans to stock its own stock

Financial Position (Rs. In Lakhs)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Share Capital	1,196.95	1,196.95	1,436.34	1,436.34	1,436.34	1,754.34
Reserves & Surplus	212.02	384.18	395.66	707.85	1,261.96	5,223.43
Non-Current Liabilities (Includes Long term Borrowings)	452.36	418.75	246.25	272.69	466.82	64.67
Current Liabilities	1,207.69	1,484.26	1,960.12	1,988.27	2,215.37	2,136.99
Non-Current Assets (Includes Fixed Assets)	936.91	926.34	842.40	855.64	932.54	3,605.36
Current Assets	2,132.11	2,557.79	3,195.96	3,549.51	4,447.94	5,574.07

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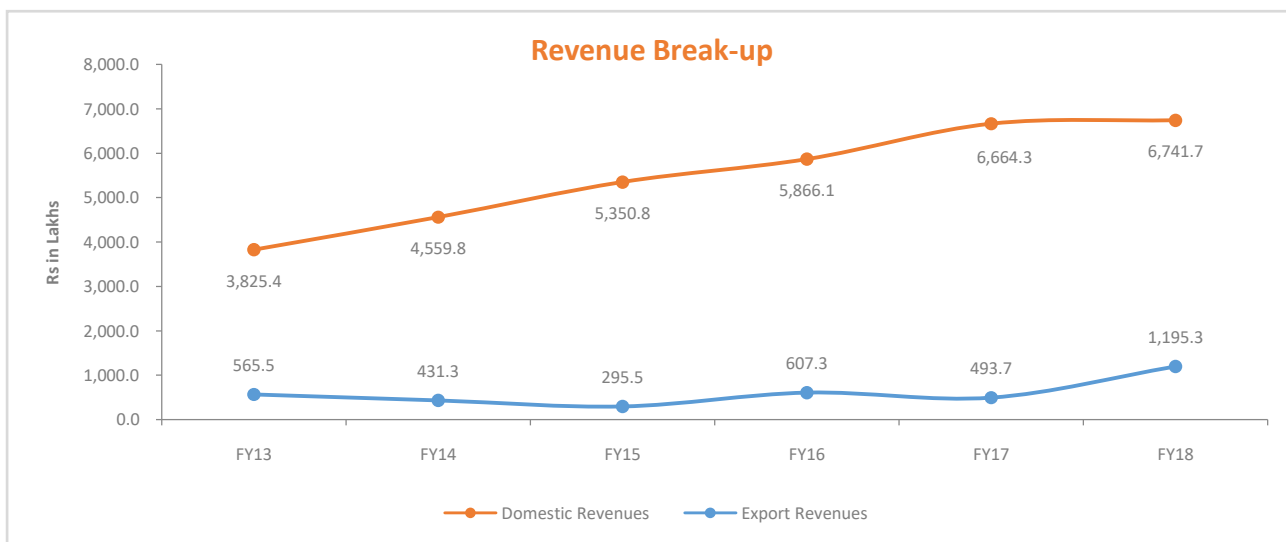
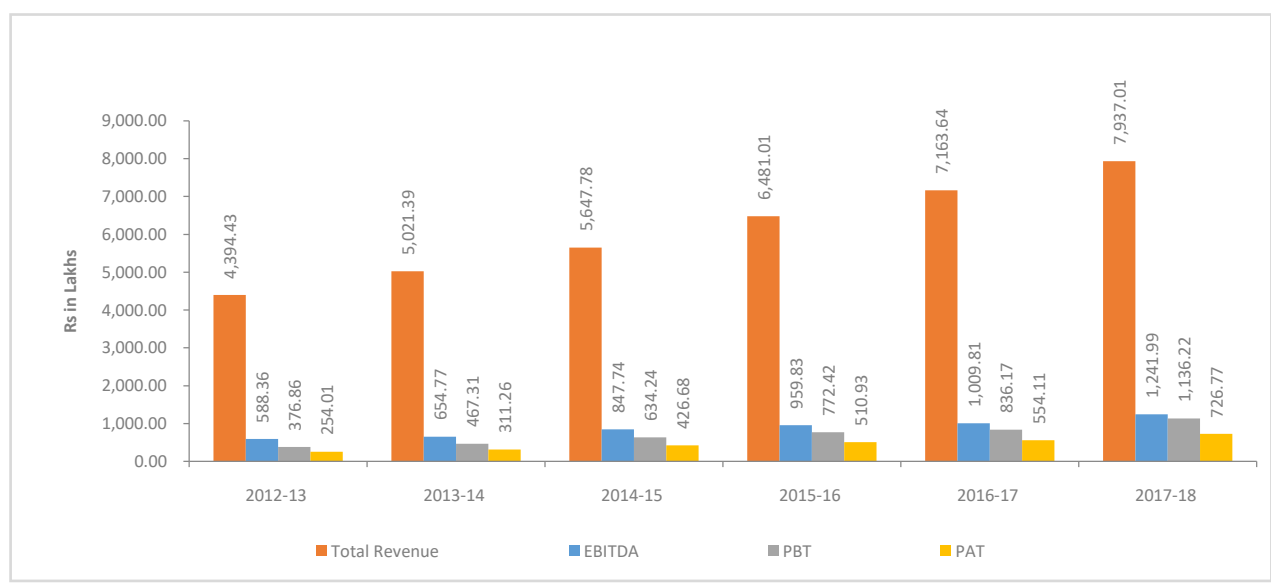
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Profit & Loss Statement (Rs. In Lakhs)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue	4,394.43	5,021.39	5,647.78	6,481.01	7,163.64	7,937.01
EBITDA	588.36	654.77	847.74	959.83	1,009.81	1,241.99
PBT	376.86	467.31	634.24	772.42	836.17	1,136.22
PAT	254.01	311.26	426.68	510.93	554.11	726.77



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