



zenotech

CIN: L27100AP1989PLC010122

ZENOTECH LABORATORIES LTD.

Survey No.250 -252

Turkapally Village

Shamirpet Mandal

Hyderabad - 500 078 T.S., India.

Tel: +91 90320 44584/ 585

Email: info@zenotech.co.in

www.zenotechlab.com

Date: August 3, 2019

The Manager
BSE Limited (DCS- CRD)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 532039

Dear Sir,

Sub: Zenotech Laboratories Limited – Outcome of the Board Meeting of the Company held today - Unaudited Financial Results for the quarter ended June 30, 2019

Pursuant to the provisions of Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today, i.e. Saturday, August 3, 2019, have duly approved and took on record the limited review Unaudited Standalone Financial Results for the quarter ended June 30, 2019, which are enclosed herewith along with the Limited Review Report of the Statutory Auditors of the Company on Standalone Unaudited Financial Results.

The meeting of the Board of Directors of the Company commenced at 11:30 a.m. and concluded at 3:30 p.m.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For Zenotech Laboratories Limited

Abdul Gafoor Mohammad
Company Secretary & Compliance Officer



Encl: as above

ZENOTECH LABORATORIES LIMITED

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Survey No.250-252, Turkapally (V), Shameerpet (M), Hyderabad - 500078

Phone:+91 90320 44584/585/586 Website: www.zenotechlab.com

Statement of Standalone Unaudited Financial Results for the Quarter ended 30 June 2019

(Rs in lakhs, except share and per equity share data)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited	Audited*	Unaudited	Audited
	Income				
I	Revenue From Operations	697.47	466.36	212.76	1,302.91
II	Other Income	28.50	355.24	50.24	470.96
III	Total Income (I+II)	725.97	821.60	263.00	1,773.87
IV	Expenses				
	a). Cost of materials consumed	11.23	27.90	15.38	70.55
	b). Purchase of Stock-in-Trade	-	-	-	-
	c). Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	1.19	-	1.19
	d). Employee benefit expenses	139.83	127.98	128.13	498.04
	e). Finance costs	25.66	9.76	0.06	11.77
	f). Depreciation and amortization expense	108.66	110.26	102.38	420.20
	g). Other Expenses	254.93	288.29	262.95	1,084.83
	Total expenses	540.31	565.38	508.90	2,086.58
V	Profit/(Loss) before exceptional items and tax (III-IV)	185.66	256.22	(245.90)	(312.71)
VI	Exceptional items [credit/ (charge)] net	-	-	-	-
VII	Profit/(Loss) before tax (V+VI)	185.66	256.22	(245.90)	(312.71)
VIII	Tax expense				
	a). Current Tax	-	-	-	-
	b). Deferred Tax	-	-	-	-
	Total Tax Expense (VIII)	-	-	-	-
IX	Profit/(Loss) for the period/ Year (VII-VIII)	185.66	256.22	(245.90)	(312.71)
X	Other Comprehensive Income				
	a). Items that will not be reclassified to Profit or Loss Re - measurement of the defined benefit obligations	0.19	(3.83)	1.53	0.77
	b). Items that will be reclassified to Profit or Loss	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X)	185.85	252.39	(244.37)	(311.94)
XII	Paid-up equity share capital (Face value of ₹ 10/- per share)	6,103.06	6,103.06	6,103.06	6,103.06
XIII	Reserves i.e. Other equity				(2,213.23)
XIV	Earnings/ (loss) per share (of ₹ 10/- each) (not annualised)				
	a). Basic	0.30	0.42	(0.46)	(0.51)
	b). Diluted	0.30	0.42	(0.46)	(0.51)

* The figures for the quarter ended March 31, 2019 are the balancing figure between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the Statutory Auditor of the Company.

See accompanying notes to the financial results



Notes:

- 1 The above financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 3rd August 2019 and have undergone a 'limited review' by the Statutory Auditors of the Company.
- 2 The Company adopted India Accounting Standards ("Ind AS") from April 01, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The Company had reconstructed the financial statements for the years ended March 31, 2011 and 2012 based on the available limited records, statutory returns filed, supplementary documents, invoices, external corroborative evidence post 12th November 2011 and after considering the various non-compliances under the Companies Act, 1956, listing agreement and Foreign Exchange Management Act etc.
- 4 The matters relating to several financial and non-financial irregularities pertaining to period prior to November 12, 2011 are currently sub-judice and the impact of the various legal proceedings would be made in the financial results of the Company as and when the outcome of the above uncertainties becomes known and the consequential adjustments / disclosures are identifiable / determinable. Accordingly, based on the steps taken by the Company and evidence available so far, any financial impact on the results of the Company is likely to be significantly low.
- 5 The Books of accounts and other related records/documents of the overseas subsidiaries of the Company were missing and due to non-availability of those records/information, complaint before the Hon'ble Economic Offences Court, Nampally, Hyderabad, under the provisions of Section 630 of erstwhile Companies Act, 1956 was filed against the former Managing Director, Late Dr. Jayaram Chigurupati, who was in complete "control over the Company's affairs during the period of those events". The Company has evaluated and concluded that it is not controlling US subsidiary as per Ind AS 110 Consolidated Financial Statements basis, its inability to exercise power over the investee. Further, the winding-up process for its subsidiary at Nigeria is concluded and the Company's Board has initiated the winding-up process for the defunct subsidiary in Brazil. The Company is in contact with consultants in Brazil to file the winding-up applications and adhere to the laws of the country. Accordingly, the Company is of the view that it does not have subsidiaries within the definition of Ind AS 110 and hence is not required to prepare and present Consolidated Financial Results.
- 6 The financial results have been prepared on a going concern basis, considering that the Company is well placed to meet the cash burn requirements in the coming periods for it to develop and build the business to a profitable level as per the projections prepared by the Company.
- 7 Pursuant to the Rights offer, the Company had allotted 266,03,068 equity shares of face value of Rs 10/- each at a premium of Rs 35 per equity share to the shareholders for a total consideration of Rs. 1,197,138,060. These equity shares of the Company were listed in Bombay Stock Exchange (BSE) w.e.f. Friday, July 28, 2017.



8 Use of Rights Issue Proceeds is summarized as below:

(Rupees Lakhs, unless otherwise stated)

Sl. No	Particulars	Planned as per Letter of Offer	Utilisation upto June 30, 2019	Balance as at June 30, 2019
1	Funding capital expenditure requirement for expansion and up gradation of our existing manufacturing units	2,002.45	775.47	1,226.98
2	Repayment in full or part, of certain borrowings availed by our Company	6,988.04	6,988.04	
3	General corporate purposes	2,980.89	2,980.89	
	Total	11,971.38	10,744.40	1,226.98

9 Rights Issue proceeds which remain unutilized as at June 30, 2019 were invested in fixed deposits with scheduled commercial banks.

10 The Company has only one reportable segment, i.e. Pharmaceuticals.

11 Figures for previous period/ year have been regrouped wherever required to conform to the current period presentation.

By Order of the Board



Chairman



DIN: 01219312

Date: 03rd August 2019

Place: Mumbai

Review report to the Board of Directors of Zenotech Laboratories Limited

We have reviewed the accompanying statement of unaudited financial results of **Zenotech Laboratories Limited** ("the Company") for the quarter ended 30th June 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter:

We draw attention to Note 3 & 4 to the Financial results which describe the reconstruction of financial records and various legal proceedings as follows: -

- (a) Based on the information provided to us by the Management, the books of accounts for the financial years ended 31st March 2011 & 31st March 2012 were reconstructed by the Management post 12th November 2011.



(b) The matters relating to several financial and non-financial irregularities pertaining to period prior to 12th November 2011 are currently sub-judice and the impact of the various legal proceedings would be made in the financial results of the Company as and when the outcome of the above uncertainties becomes known and the consequential adjustments / disclosures are identifiable / determinable. The Company has represented to us that based on the steps taken by the Management and evidence available so far, any financial impact on the results of the Company is likely to be significantly low.

Our report is not modified in respect of these matters.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

S. Prasana Kumar

S. Prasana Kumar

Partner

Membership No. 212354

Place: Mumbai

Date: 3rd August 2019

UDIN: 19212354AAAAAD4748

