



zenotech

CIN: L27100AP1989PLC010122

ZENOTECH LABORATORIES LTD.  
Survey No. 250 - 252,  
Turkapally Village  
Shameerpet Mandal  
R R District 500 078, A.P., India.  
Tel: +91 40 2348 0430 / 35  
Fax: +91 40 2348 0429

Date: 06 11 2015

Department of Corporate Services,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir,

**Ref: Scrip no. 532039 / Zenotech Laboratories Limited / Clause 41.**

**Sub: Unaudited financial results for quarter and half year ended September 30, 2015.**

In terms of clause 41 of the listing agreement, the Board of Directors today approved and took on record the standalone unaudited financial results of the Company for the quarter and half year ended September 30, 2015. The results signed by the Chairman of the Company, along with the Limited Review Report of the statutory auditors are enclosed.

Please find the same in order for dissemination.

Thanking you

Yours faithfully,

For **Zenotech Laboratories Limited**

Chinmoy Patnaik

**Company Secretary & Head, Legal**

Encl; a/a

**ZENOTECH LABORATORIES LIMITED**

Survey No.250-252, Turkapally (V), Shameerpet (M), Ranga Reddy (Dt)

Hyderabad - 500078

Unaudited Standalone Financial Results for the Quarter ended September 30, 2015

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

| Part I: Statement of Standalone Financial Results |  | Standalone                |                           |                           |                           |                           | Year ended<br>31-03-2015<br>(Audited) |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
|   |  | Quarter ended             |                           |                           | Period ended              |                           |                                       |
| Particulars                                       |  | 30-09-2015<br>(Unaudited) | 30-06-2015<br>(Unaudited) | 30-09-2014<br>(Unaudited) | 30-09-2015<br>(Unaudited) | 30-09-2014<br>(Unaudited) |                                       |
| [1]   | <b>Income from operations</b>  |                           |                           |                           |                           |                           |                                       |
|   | a) Net sales / income from operations (Net of excise duty)   | 94.23                     | 69.09                     | 111.45                    | 163.32                    | 259.71                    | 407.67                                |
|   | b) Other operating income  | -                         | -                         | -                         | -                         | -                         | -                                     |
|   | <b>Total income from operations(net)</b>   | <b>94.23</b>              | <b>69.09</b>              | <b>111.45</b>             | <b>163.32</b>             | <b>259.71</b>             | <b>407.67</b>                         |
| [2]   | <b>Expenses</b>  |                           |                           |                           |                           |                           |                                       |
|   | a) Cost of materials consumed  | 79.30                     | 95.28                     | 72.25                     | 174.58                    | 185.59                    | 316.77                                |
|   | b) Changes in inventories of finished goods, work-in-progress and stock-in-trade                             | 1.70                      | (7.40)                    | 4.38                      | (5.70)                    | (25.32)                   | 2.60                                  |
|   | c) Employee benefit expense  | 67.90                     | 68.63                     | 67.91                     | 136.53                    | 205.23                    | 327.45                                |
|   | d) Depreciation and amortisation expense   | 99.07                     | 99.04                     | 101.54                    | 198.11                    | 203.07                    | 405.63                                |
|   | e) Other expenses  | 150.17                    | 151.91                    | 137.95                    | 302.08                    | 286.48                    | 1,765.92                              |
|   | <b>Total expenses</b>  | <b>398.14</b>             | <b>407.46</b>             | <b>384.03</b>             | <b>805.60</b>             | <b>855.05</b>             | <b>2,818.37</b>                       |
| [3]   | <b>Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)</b>          | <b>(303.91)</b>           | <b>(338.37)</b>           | <b>(272.58)</b>           | <b>(642.28)</b>           | <b>(595.34)</b>           | <b>(2,410.70)</b>                     |
| [4]   | Other income   | 3.60                      | 11.35                     | 3.41                      | 14.95                     | 5.93                      | 34.52                                 |
| [5]   | Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)                      | (300.31)                  | (327.02)                  | (269.17)                  | (627.33)                  | (589.41)                  | (2,376.18)                            |
| [6]   | Finance costs  | 186.68                    | 185.03                    | 161.53                    | 371.71                    | 319.51                    | 665.25                                |
| [7]   | Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5+6)                | (486.99)                  | (512.05)                  | (430.70)                  | (999.04)                  | (908.92)                  | (3,041.43)                            |
| [8]   | Exceptional items  | -                         | -                         | -                         | -                         | -                         | -                                     |
| [9]   | Profit/(Loss) from ordinary activities before tax (7+8)  | (486.99)                  | (512.05)                  | (430.70)                  | (999.04)                  | (908.92)                  | (3,041.43)                            |
| [10]  | Tax expense  |                           |                           |                           |                           |                           |                                       |
|   | a) Current   | -                         | -                         | -                         | -                         | -                         | -                                     |
|   | b) Deferred tax expense / (benefit)  | -                         | -                         | -                         | -                         | -                         | -                                     |
| [11]  | Net Profit/(Loss) from ordinary activities after tax (9+10)  | (486.99)                  | (512.05)                  | (430.70)                  | (999.04)                  | (908.92)                  | (3,041.43)                            |
| [12]  | Extraordinary item (net of tax expense Rs. Nil)  | -                         | -                         | -                         | -                         | -                         | -                                     |
| [13]  | <b>Net Profit/(Loss) for the period (11+12)</b>  | <b>(486.99)</b>           | <b>(512.05)</b>           | <b>(430.70)</b>           | <b>(999.04)</b>           | <b>(908.92)</b>           | <b>(3,041.43)</b>                     |
| [14]  | Share of profit / (loss) of associates   | -                         | -                         | -                         | -                         | -                         | -                                     |
| [15]  | Minority interest  | -                         | -                         | -                         | -                         | -                         | -                                     |
| [16]  | Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) | (486.99)                  | (512.05)                  | (430.70)                  | (999.04)                  | (908.92)                  | (3,041.43)                            |
| [17]  | Paid-up equity share capital (Face value of Rs. 10/- per share)  | 3,442.75                  | 3,442.75                  | 3,442.75                  | 3,442.75                  | 3,442.75                  | 3,442.75                              |
| [18]  | Reserves excluding revaluation reserves as per balance sheet of previous accounting year                     | -                         | -                         | -                         | -                         | -                         | (6,168.54)                            |
| [19]  | Earnings/ (loss) per share (before extraordinary items)<br>(of Rs. 10/- each)                                |                           |                           |                           |                           |                           |                                       |
|   | a) Basic and Diluted   | (1.41)                    | (1.49)                    | (1.25)                    | (2.90)                    | (2.64)                    | (8.83)                                |
|   | Earnings/ (loss) per share (after extraordinary items)<br>(of Rs. 10/- each)                                 |                           |                           |                           |                           |                           |                                       |
|   | a) Basic and Diluted   | (1.41)                    | (1.49)                    | (1.25)                    | (2.90)                    | (2.64)                    | (8.83)                                |

See accompanying notes to the financial results

**Part - II: Select information for the quarter ended 30 September 2015**

| Particulars                          |   | Quarter ended |            |            | Period ended |            | Year ended |
|--------------------------------------|---|---------------|------------|------------|--------------|------------|------------|
|                                      |   | 30-09-2015    | 30-06-2015 | 30-09-2014 | 30-09-2015   | 30-09-2014 | 31-03-2015 |
| <b>A PARTICULARS OF SHAREHOLDING</b> |   |               |            |            |              |            |            |
| [1]                                  | Public shareholding   |               |            |            |              |            |            |
|                                      | -Number of shares   | 11,413,707    | 11,413,707 | 11,413,707 | 11,413,707   | 11,413,707 | 11,413,707 |
|                                      | -Percentage of shareholding   | 33.15%        | 33.15%     | 33.15%     | 33.15%       | 33.15%     | 33.15%     |
| [2]                                  | Promoters and promoter group shareholding   |               |            |            |              |            |            |
|                                      | a) Pledged /Encumbered  |               |            |            |              |            |            |
|                                      | -Number of shares   | -             | -          | -          | -            | -          | -          |
|                                      | -Percentage of shares (as % of the total shareholding of promoter and promoter group) | -             | -          | -          | -            | -          | -          |
|                                      | -Percentage of shares (as % of the total share capital of the Company)                | -             | -          | -          | -            | -          | -          |
|                                      | b) Non-encumbered   |               |            |            |              |            |            |
|                                      | -Number of shares   | 23,013,793    | 23,013,793 | 23,013,793 | 23,013,793   | 23,013,793 | 23,013,793 |
|                                      | -Percentage of shares (as % of the total shareholding of promoter and promoter group) | 100.00%       | 100.00%    | 100.00%    | 100.00%      | 100.00%    | 100.00%    |
|                                      | -Percentage of shares (as % of the total share capital of the Company)                | 66.85%        | 66.85%     | 66.85%     | 66.85%       | 66.85%     | 66.85%     |

| Particulars                                    |  | Quarter ended<br>30-09-2015 |
|--|--|-----------------------------|
| <b>B INVESTOR COMPLAINTS</b>                   |  |                             |
| Pending at the beginning of the quarter        |  | -                           |
| Received during the quarter                    |  | -                           |
| Disposed of during the quarter                 |  | -                           |
| Remaining unresolved at the end of the quarter |  | -                           |



| Statement of assets and liabilities as at 30 September 2015 |                                    |                                  |
|---|------------------------------------|----------------------------------|
| Particulars   | Standalone                         |                                  |
|   | As at<br>30-09-2015<br>(Unaudited) | As at<br>31-03-2015<br>(Audited) |
| <b>A EQUITY AND LIABILITIES</b>                             |                                    |                                  |
| <b>1 Shareholders' Funds</b>                                |                                    |                                  |
| Share capital   | 3,442.75                           | 3,442.75                         |
| Reserves and surplus  | (7,167.58)                         | (6,168.54)                       |
| <b>Sub-total-Shareholders' funds</b>                        | <b>(3,724.83)</b>                  | <b>(2,725.79)</b>                |
| <b>2 Share application money pending allotment</b>          | -                                  | 1.22                             |
| <b>3 Non-current liabilities</b>                            |                                    |                                  |
| Long-term borrowings  | 3.26                               | 4.30                             |
| Long-term provisions  | 21.02                              | 19.29                            |
| <b>Sub-total-Non-current liabilities</b>                    | <b>24.28</b>                       | <b>23.59</b>                     |
| <b>4 Current liabilities</b>                                |                                    |                                  |
| Short-term borrowings                                       | 5,120.00                           | 5,120.00                         |
| Trade payables  | 240.23                             | 195.11                           |
| Other current liabilities                                   | 2,510.81                           | 2,129.08                         |
| Short-term provisions                                       | 1,626.68                           | 1,628.13                         |
| <b>Sub-total-Current liabilities</b>                        | <b>9,497.72</b>                    | <b>9,072.32</b>                  |
| <b>TOTAL-EQUITY AND LIABILITIES</b>                         | <b>5,797.17</b>                    | <b>6,371.34</b>                  |

|                                     | Standalone                         |                                  |
|-------------------------------------|------------------------------------|----------------------------------|
|                                     | As at<br>30-09-2015<br>(Unaudited) | As at<br>31-03-2015<br>(Audited) |
| <b>B ASSETS</b>                     |                                    |                                  |
| <b>1 Non-current assets</b>         |                                    |                                  |
| Fixed assets                        | 5,014.59                           | 5,212.67                         |
| Non-current investments             | -                                  | -                                |
| Long-term loans and advances        | 320.89                             | 310.23                           |
| <b>Sub-total-Non-current assets</b> | <b>5,335.48</b>                    | <b>5,522.90</b>                  |
| <b>2 Current assets</b>             |                                    |                                  |
| Current investments                 |                                    |                                  |
| Inventories                         | 171.37                             | 203.95                           |
| Trade receivables                   | 116.52                             | 39.53                            |
| Cash and cash equivalents           | 150.27                             | 579.03                           |
| Short-term loans and advances       | 15.51                              | 5.85                             |
| Other current assets                | 8.02                               | 20.08                            |
| <b>Sub-total-Current assets</b>     | <b>461.69</b>                      | <b>848.44</b>                    |
| <b>TOTAL-ASSETS</b>                 | <b>5,797.17</b>                    | <b>6,371.34</b>                  |



**Notes:**

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 06, 2015 and have undergone a 'limited review' by the Statutory Auditors of the Company.
2. Books and records, supplementary documents and statutory registers up till the period November 12, 2011 and information related to subsidiary are still not in the possession of the Company though the Honorable Company Law Board vide its order dated 8 October 2012 has directed Dr. Jayaram Chigurupati, the erstwhile Managing Director and Promoter, to return all the documents and provide written details of all missing documents/ assets/ statutory records/ equipment of the Company. Therefore, as reported earlier, it is further informed that 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 and after considering the various non compliances under the Companies Act, 1956, listing agreement and Foreign Exchange Management Act etc.

The matters relating to several financial and non financial irregularities 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

3. With regard to the Auditors Qualifications at Point number 3 to 5 of their Review's Report on the unaudited financial results of the Company for the quarter ended September 30, 2015, it is hereby clarified that the said qualifications relate to the earlier financial years ended March 31, 2011 and 2012, which have already been fully explained by way of notes and responded in the Annual Reports of the Company for the respective financial years. The same will be adjusted in the results as and when the outcome of the uncertainties during those years, become known and, therefore, no adjustments have been made in these results.
4. The entire operations relate to only the pharmaceuticals segment. Therefore, there is no reportable segment to be disclosed as required by Accounting Standard 17 'Segment reporting'.
5. Figures for previous period/ year have been regrouped to conform to the current period/ year's presentation.

Place: Mumbai  
Date: 06 November 2015



**By Order of the Board**

*[Handwritten Signature]*  
**Chairman**  
DIN: 07229899

**Review Report**

To

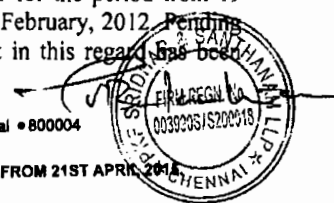
The Board of Directors of  
Zenotech Laboratories Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of **M/s Zenotech Laboratories Limited** for the quarter and 6 months period ended 30 September, 2015 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on November 06, 2015. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As fully explained in note 2 to the financial results, based on the available information the books of accounts for the financial years ended 31 March 2011 and 2012 were reconstructed by the Management post 12 November 2011. Certain matters relating to the differences between the current management and the then Co- Managing Director are currently sub-judice and still unresolved. These related to obtaining audit evidence on the related financial results and consequential impact of the adjustments if any relating to the unresolved matters pertaining to non-compliance with applicable laws and regulations and any consequential adjustment/ disclosures arising out of the outcome of ongoing legal proceedings.

The Company has represented to us that based on the steps taken by the management and evidence available so far, in its assessment the risk that the financial results may be materially misstated is low.

In view of the non-resolution of these, our review opinion on the accompanying unaudited financial results is qualified, as we are unable to determine the adjustments/ disclosures which may become necessary depending upon the outcome and possible effects of the matters mentioned above.

4. The Company has filed a legal case against Dr.Jayaram Chigurupati, the erstwhile Co-Managing Director for recovering the managerial remuneration paid amounting to INR 7,980 thousands during the period from 1 October 2007 to 31 March 2011, including an amount of INR 2,280 thousands which was in excess of the prescribed limits for the year ended 31 March 2011 without obtaining the necessary prior approval from the Central Government of India which is in contravention of the provisions of the Companies Act, 1956. Since the current management has filed a claim for the entire amount, there is continuing default in relation to excess remuneration paid.
5. The Company's application under the Companies Act, 1956, to the Ministry of Corporate Affairs (MCA), Government of India for approval of managerial remuneration of Rs 3,000 thousands payable to Late Mr.B.K.Raizada, another erstwhile Co- Managing Director for the period from 19 March 2011 to 18 March 2013 was conditionally approved by MCA on 27 February, 2012. Pending compliance with the conditional approval by the Company, no adjustment in this regard has been made in the accompanying financial results.

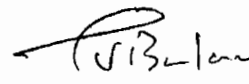


6. Based on our review conducted as above, subject to the effect of matters included in the paragraphs 3, 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared, in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Regn. No. 03990S/S200018

  
T.V. Balasubramanian  
Partner  
Membership No. 2725



Place: Chennai

Date: November 06, 2015