

Date: 27-01-2016

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 ended December 31, 2015.

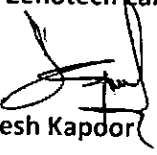
In terms of clause 41 of the listing agreement, the Board of Directors today approved and took on record the standalone unaudited financial results of the Company for the quarter ended December 31, 2015. The results signed by the Chairman of the Company, along with the Limited Review Report of the statutory auditors are enclosed.

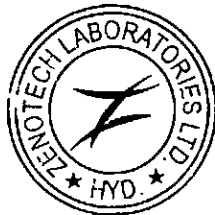
Please find the same in order for dissemination.

Thanking you

Yours faithfully,

For Zenotech Laboratories Limited


Dinesh Kapoor
Chief Executive Officer
Encl; a/a



ZENOTECH LABORATORIES LIMITED

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

Statement of Standalone Unaudited Financial Results for the Quarter and Nine months ended 31 December 2015

Part I		(Rs. in lakhs, except share and per equity share data)					
	Particulars	3 months ended 31/12/2015	Preceding 3 months ended 30/09/2015	Corresponding 3 months ended in the previous year 31/12/2014	Year to date figures for current period ended 31/12/2015	Year to date figures for the previous year ended 31/12/2014	Previous year ended 31/03/2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty)	30.50	94.23	58.84	193.82	318.55	407.67
	b) Other operating income	-	-	-	-	-	-
	Total income from operations(net)	30.50	94.23	58.84	193.82	318.55	407.67
2	Expenses						
	a) Cost of materials consumed	16.46	79.30	23.40	191.04	208.99	316.77
	b) Purchase of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1.31)	1.70	10.04	(7.01)	(15.28)	2.60
	d) Employee benefit expenses	65.37	67.90	57.65	201.90	262.88	327.45
	e) Depreciation expenses	99.04	99.07	101.48	297.15	304.55	405.63
	f) Power & Fuel expenses	22.13	25.90	18.65	74.06	116.35	141.93
	g) Rates & Taxes	53.02	36.29	447.64	128.06	482.44	1,068.13
	h) Professional Charges	23.77	31.17	290.96	79.29	323.80	352.75
	i) Other expenses	46.71	56.81	60.25	166.30	181.39	203.11
	Total expenses	325.19	398.14	1,010.07	1,130.79	1,865.12	2,818.37
3	Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	(294.69)	(303.91)	(951.23)	(936.97)	(1,546.57)	(2,410.70)
4	Other income	16.68	3.60	8.76	31.63	14.69	34.52
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(278.01)	(300.31)	(942.47)	(905.34)	(1,531.88)	(2,376.18)
6	Finance costs	196.30	186.68	169.68	568.01	489.19	665.25
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(474.31)	(486.99)	(1,112.15)	(1,473.35)	(2,021.07)	(3,041.43)
8	Exceptional items	-	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	(474.31)	(486.99)	(1,112.15)	(1,473.35)	(2,021.07)	(3,041.43)
10	Tax expense	-	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9+10)	(474.31)	(486.99)	(1,112.15)	(1,473.35)	(2,021.07)	(3,041.43)
12	Extraordinary item (net of tax expense Rs. Nil)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11+12)	(474.31)	(486.99)	(1,112.15)	(1,473.35)	(2,021.07)	(3,041.43)
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)*	(474.31)	(486.99)	(1,112.15)	(1,473.35)	(2,021.07)	(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)						
(i)	(of Rs. 10/- each)						
a)	Basic and Diluted	(1.38)	(1.41)	(3.23)	(4.28)	(5.87)	(8.83)
19	Earnings/ (loss) per share (after extraordinary items)						
(ii)	(of Rs. 10/- each)						
a)	Basic and Diluted	(1.38)	(1.41)	(3.23)	(4.28)	(5.87)	(8.83)

See accompanying notes to the financial results

* Applicable in the case of Consolidated Results



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 January 27, 2016 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 a to c of their Review Report on the unaudited financial results of the Company for the quarter ended December 31, 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.

Date: 27th January 2016
Place: Mumbai

By Order of the Board


Chairman
DIN:



Report on Review of Interim Financial Information

To

The Board of Directors of
Zenotech Laboratories Limited

Introduction

We have reviewed the accompanying statement of "Un-audited financial results" of **Zenotech Laboratories Limited** for the period ended December 31, 2015. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to express a conclusion on this interim financial information based on our review.

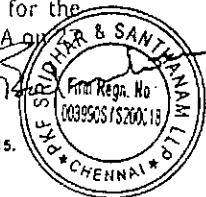
Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Based on information provided to us by management,

- a) 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.
- b) 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 79.80 lakhs during the period from 1 October 2007 to 31 March 2011, including an amount of INR 22.80 lakhs 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.
- c) 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 INR 30.00 lakhs 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



February, 2012. Pending compliance with the conditional approval by the Company, no adjustment in this regard has been made in the accompanying financial results.

Qualified Conclusion

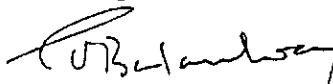
Based on our review, with the exception of the matters described in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects-in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Emphasis of matter

The Company has, notwithstanding its net worth being completely eroded due to accumulated losses, prepared the accounts on a going concern basis, as one of the significant shareholders (Ranbaxy Laboratories Limited, now merged with Sun Pharmaceuticals Industries Limited pursuant to a merger scheme) had undertaken to provide such financial support as necessary, to enable the Company to continue its operations and meet its liabilities as and when they fall due.

Our report is not qualified in this regard.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration Number 03990S / S 200018



T V Balasubramanian
Partner
Membership Number: 027251
Place of Signature: Chennai
Date: January 27, 2016

