

**Quarterly Compliance Report on Corporate Governance**

Name of the Company: Zenotech Laboratories Ltd.

Quarter ended on March 31, 2015

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>II Board of Directors</b>	49(II)		
(A) Composition of Board	49(IIA)	YES	Mr. K. L. Khurana, Independent Director, resigned from the Board of the Company effective from March 26, 2015. The Board of directors ("Board") has appointed two Additional Directors effective from April 01, 2015, who possess the requisite qualifications and experience to be Independent Directors as required under listing agreement.
(B) Independent Directors	49 (IIB)	YES	Consequent to the resignation of Mr. K. L. Khurana on March 26, 2015 the number of Independent Directors on Board reduced to one, which was below the number required under Clause 49 of listing agreement. The Board appointed two Additional Directors, namely, Ms. Kavita Rakesh Shah and Mr. Vijay Agarwal, effective from April 01, 2015, who possess the requisite qualifications and experience as required under listing being Independent Directors. Provisions relating to disclosures in the annual report will be done in the next Annual Report. Compliance with provisions relating to laying down the evaluation criteria for performance evaluation of ID by the Nomination Committee is under process. Provisions pertaining to disclosing on the Company's website the terms and conditions of the appointment of Independent Directors (ID) will be done in due course.
(C) Non-executive Directors' Compensation & Disclosures	49 (IIC)	YES	
(D) Other Provisions as to Board and Committees	49 (IID)	YES	Mr. K. L. Khurana, who was member of the Audit Committee, Nomination and Remuneration Committee of the Board has resigned effective from March 26, 2015.
(E) Code of Conduct	49 (IIE)	YES	Posting of the Code of Conduct on the website of the Company will be done in due course.
(F) Whistle Blower Policy		YES	Disclosure on the details of the establishment of the mechanism on website will be done in due course.
<b>III. Audit Committee</b>	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	YES	Mr. K. L. Khurana, Chairman of the Committee & Independent Director, resigned from three membered Audit Committee effective March 26, 2015.
(B) Meeting of Audit Committee	49 (IIIB)	YES	
(C) Powers of Audit Committee 49 (IIC)	49 (IIIC)	YES	
(D) Role of Audit Committee	49 (IIID)	YES	



(E) Review of Information by Audit Committee	49 (III E)	YES	
<b>IV. Nomination and Remuneration Committee</b>	49 (IV)	YES	Mr. K. L. Khurana, member of the Committee, resigned from three membered Committee effective March 26, 2015. Compliance with regard to the provisions relating to formulating criteria for determining qualifications, attributes and independence of a Director and to recommend to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel and other employees are under process.
<b>V. Subsidiary Companies</b>	49 (V)	NO	The matter has been elaborately explained and disclosed in the Annual Report for financial years 2012 - 13 & 2013 -14 and also explained vide letters dated June 20, September 21 & December 17, 2013 about the missing records of the Company's subsidiaries and actions initiated against the former Managing Director of the Company for their recovery.
<b>VI. Risk Management</b>	49 (VI)	YES	
<b>VII. Related Party Transactions</b>	49 (VII)	YES	
<b>VIII. Disclosures</b>	49 (VIII)		
(A) Related Party Transactions	49 (VIII A)	YES	Compliance with the provisions relating to annual disclosures will be made in the next Annual Report. (Report on material transactions with Related Party appended as annexure - 1)
(B) Disclosure of Accounting Treatment	49 (VIII B)	YES	
(C) Remuneration of Directors	49 (VIII C)	YES	Compliance with the provisions relating to annual disclosures will be made in the next Annual Report.
(D) Management	49 (VIII D)	YES	Compliance with the provisions relating to annual disclosures will be made in the next Annual Report. Provisions relating to disclosure of Company's Code of Conduct for the Board members and the senior management on Company's website will be done in due course.
(E) Shareholders	49 (VIII E)	YES	
(F) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (VIII I)	N.A.	
<b>IX. CEO/CFO Certification</b>	49 (IX)	YES	
<b>X. Report on Corporate Governance</b>	49 (X)	YES	Compliance with the provisions relating to annual disclosures will be made in the next Annual Report.
<b>XI. Compliance</b>	49 (XI)	YES	Qualified report issued for FY 2013 -2014 by Company Secretary in Practice.

FOR ZENOTECH LABORATORIES LIMITED



*Chinmoy Patnaik*

Chinmoy Patnaik  
Company Secretary

The details of material transactions with Related Party undertaken during the quarter:

Sl.No	Name of the Related Party	Nature of transaction	Total Transaction value for the quarter ended 31.03.2015
1	Ranbaxy Laboratories Limited	Sales	53,98,049
2	Ranbaxy Laboratories Limited	Term Loan	2,85,00,000
3	Ranbaxy Laboratories Limited	Term Loan Interest	1,64,71,376

