

ZENOTECH LABORATORIES LIMITED

CIN: L27100AP1989PLC010122

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

Phone:+91 40 23480430 / 35 www.zenotechlab.com

Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2016

Part I		(Rs. in lakhs, except share and per equity share data)	
Particulars		Quarter ended	
		30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
1	Income from operations (Net of Excise Duty)	16.75	69.09
2	Expenses		
	a) Cost of materials consumed *	44.45	95.28
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	11.14	(7.40)
	c) Employee benefit expenses	75.18	69.35
	d) Depreciation and amortisation expenses	96.21	99.04
	e) Power & Fuel expenses	27.51	26.03
	f) Rates & Taxes	36.99	38.75
	g) Professional Charges	25.41	24.35
	h) Other expenses	69.06	62.78
	Total expenses	385.95	408.18
3	Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	(369.20)	(339.09)
4	Other income (NET)	3.53	11.35
5	Profit/(Loss) before finance costs and exceptional items (3+4)	(365.67)	(327.74)
6	Finance costs	186.94	185.03
7	Profit/(Loss) before exceptional items (5+6)	(552.61)	(512.77)
8	Exceptional items	-	-
9	Profit/(Loss) before tax (7+8)	(552.61)	(512.77)
10	Tax expense (Including Deferred Tax)	-	-
11	Net Profit/(Loss) for the period (9+10)	(552.61)	(512.77)
12	Other Comprehensive Income	0.72	0.72
13	Total Comprehensive Income (11+12)	(551.89)	(512.05)
14	Paid-up equity share capital (Face value of Rs. 10/- per share)	3,442.75	3,442.75
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-
16	Earnings/ (loss) per share (before extraordinary items) (of Rs. 10/- each)		
	a) Basic and Diluted	(1.61)	(1.49)
17	Earnings/ (loss) per share (after extraordinary items) (of Rs. 10/- each)		
	a) Basic and Diluted	(1.61)	(1.49)

* includes Rs.43.42 lakhs (previous year Rs. 43.60 lakhs) towards inventory written off.

See accompanying notes to the financial results

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Notes:

- 1 The above financial results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on August 06, 2016 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 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- 3 The financial result for the comparative periods have not been audited or reviewed and has been prepared on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 4 Reconciliation of India GAAP as previously reported and Ind AS is as follows:

(Rs in lakhs)

S.No	Particulars	Quarter ended 30.06.2015
1	Net Profit as per erstwhile Indian GAAP	(512.05)
2	Adjustments on account of actuarial gains considered in Other Comprehensive Income	(0.72)
3	Net profit as per Ind AS (1+2)	(512.77)
4	Add: Other Comprehensive Income	0.72
5	Total Comprehensive Income as per Ind AS (3+4)	(512.05)

- 5 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.

With regard to the Auditors Qualifications in the Review Report on the unaudited financial results of the Company for the quarter ended June 30, 2016, 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.



With regard to Emphasis of matter in the Auditors report for the result purpose, it is hereby clarified that the financial statements have been prepared on a going concern basis, as the company is confident of raising further funds, with which it will be able to meet its business operations for growth and revival.

- 6 The entire operations relate to only the pharmaceuticals segment. Therefore, there is no reportable segment to be disclosed as required by the Indian Accounting Standard 108.
- 7 Figures for previous period/ year have been regrouped to conform to the current period/ year's presentation.

Date: 06 August 2016
Place: Mumbai

By Order of the Board


Chairman
DIN: 01219312



PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants

Limited Review Report

To

Review Report to,
The Board of Directors
Zenotech Laboratories Limited

We have reviewed the accompanying statement of Unaudited financial results of **Zenotech Laboratories Limited** ("the company") for the quarter ended June 30, 2016 (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 the Statement based on our 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 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 Statement is 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.

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.



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- 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 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.

Qualified Conclusion

Based on our review conducted as above, 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 Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable India Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other recognised 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) Regulation, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

The Company has, notwithstanding accumulated losses and its net worth being completely eroded, prepared the accounts on a going concern basis, as it is working on plans to raise further funds with which it will be able to meet its business operations for growth and revival..

Our report is not qualified in this regard.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration Number 003990S / S200018



T V Balasubramanian
Partner
Membership Number: 027251
Place of Signature: Mumbai
Date: August 06, 2016

