



zenotech

CIN: L27100AP1989PLC010122

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

Date: November 13, 2017

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

Scrip Code: 532039

Dear Sir,

Sub: Unaudited Financial Results for the quarter and half year ended September 30, 2017

Pursuant to the provisions of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company, at its meeting held on today, i.e. November 13, 2017, has considered and approved the Unaudited Financial Results along with Limited Review Report issued by the Statutory Auditors for the quarter and half year ended September 30, 2017.

A copy of the same is enclosed herewith.

The Board Meeting commenced at 12:30 PM and concluded at 4:45 PM.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For Zenotech Laboratories Limited

Abdul Gafoor Mohammad

Abdul Gafoor Mohammad
Company Secretary & Compliance Officer



Encl: as above

ZENOTECH LABORATORIES LIMITED							
CIN: L27100AP1989PLC010122							
Survey No.250-252, Turkapally (V), Shameerpet (M), Ranga Reddy (Dt), Hyderabad - 500078							
Phone:+91 90320 44584/585/586 Website: www.zenotechlab.com							
Statement of Standalone Financial Results for the Period ended 30 September 2017							
(Rs in lakhs, except share and per equity share data)							
Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue From Operations	239.91	257.91	11.47	497.82	28.22	225.42
II	Other Income	45.24	3.32	0.72	48.56	4.25	5.52
III	Total Income (I+II)	285.15	261.23	12.19	546.38	32.47	230.94
IV	Expenses						
	a). Cost of materials consumed *	10.20	38.75	25.55	48.95	70.00	152.39
	b). Purchase of Stock-in-Trade	-	-	-	-	-	-
	c). Changes in inventories of finished goods, work-in-progress and stock-in-trade	15.16	(15.16)	(13.85)	-	(2.71)	14.49
	d). Employee benefit expenses	129.85	127.96	62.72	257.82	137.90	302.07
	e). Finance costs	71.14	190.15	188.65	261.29	375.59	751.39
	f). Depreciation and amortization expense	97.80	96.85	96.21	194.65	192.41	387.41
	g). Other Expenses	315.66	346.96	155.44	662.62	314.41	793.00
	Total expenses	639.81	785.51	514.72	1,425.33	1,087.60	2,400.75
V	Profit/(Loss) before exceptional items and tax (III-IV)	(354.66)	(524.28)	(502.53)	(878.95)	(1,055.13)	(2,169.81)
VI	Exceptional items	-	-	-	-	-	182.94
VII	Profit/(Loss) before tax (V-VI)	(354.66)	(524.28)	(502.53)	(878.95)	(1,055.13)	(1,986.87)
VIII	Tax expense						
	a). Current Tax	-	-	-	-	-	-
	b). Deferred Tax	-	-	-	-	-	-
	Total Tax Expense (VIII)	-	-	-	-	-	-
IX	Profit/(Loss) for the period (VII-VIII)	(354.66)	(524.28)	(502.53)	(878.95)	(1,055.13)	(1,986.87)
X	Other Comprehensive Income						
	a). Items that will not be reclassified to Profit or Loss Re - measurement of the defined benefit obligations	0.70	0.70	3.13	1.41	3.85	2.82
	b). Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X)	(353.96)	(523.58)	(499.40)	(877.54)	(1,051.28)	(1,984.05)
XII	Paid-up equity share capital (Face value of ₹ 10/- per share)	6,103.06	3,442.75	3,442.75	6,103.06	3,442.75	3,442.75
XIII	Reserves i.e. Other equity	-	-	-	-	-	(10,033.39)
XIV	Earnings/ (loss) per share (of ₹ 10/- each) (not annualised)						
	a). Basic	(0.58)	(1.52)	(1.46)	(1.44)	(3.06)	(5.77)
	a) Diluted	(0.58)	(1.52)	(1.46)	(1.44)	(3.06)	(5.77)

* includes cost of inventory write offs

See accompanying notes to the financial results



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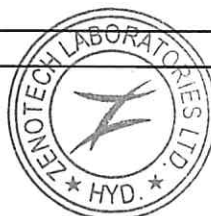
Survey No.250-252, Turkapally (V), Shameerpet (M), Ranga Reddy (Dt), Hyderabad - 500078

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Statement of Standalone Assets and Liabilities as at 30 September 2017

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

Statement of Assets and Liabilities		(Rs. in lakhs)	
	Particulars	As at	As at
		30.09.2017	31.03.2017
		(Unaudited)	(Audited)
A	ASSETS		
1	Non-Current Assets		
	Property, Plant and Equipment	4,507.02	4,683.34
	Other non-current assets	286.41	209.55
	Total -Non-Current Assets	4,793.43	4,892.89
2	Current Assets		
	Inventories	87.60	92.40
	Financial Assets		
	Trade receivables	0.50	0.11
	Cash and Bank Balances	4,606.04	48.10
	Bank balances other than above	79.60	19.60
	Other Financial Assets	46.33	10.98
	Other Current assets	44.21	10.65
	Total-Current Assets	4,864.28	181.84
	TOTAL-ASSETS	9,657.71	5,074.73
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share capital	6,103.06	3,442.75
	Other Equity	(1,599.87)	(10,033.40)
	Total -Equity	4,503.19	(6,590.65)
2	Liabilities		
	Non-Current Liabilities		
	Financial Liabilities		
	Borrowings	-	-
	Provisions	27.57	23.88
	Total-Non-Current Liabilities	27.57	23.88
3	Current Liabilities		
	Financial Liabilities		
	Borrowings	-	5,120.00
	Trade Payables	447.54	513.42
	Other financial liabilities	1,160.41	2,732.63
	Other Current Liabilities	1,613.42	1,439.56
	Provisions	1,905.58	1,835.89
	Total-Current Liabilities	5,126.95	11,641.50
	TOTAL-EQUITY AND LIABILITIES	9,657.71	5,074.73



Notes:

- 1 The above financial results for the quarter and half year ended September 30, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 13, 2017 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 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 As per Legal opinion and the current status, matters related to C.P. No 51 of 2009 and C.P. No. 83 of 2009 on differences between the current management and the erstwhile Co-Managing Director have been disposed off without any adverse finding impacting the Company's Financials on the grounds of compromise settlement filed before NCLT and final order awaited.

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 financial statements have been prepared on a going concern basis, considering that the company has raised funds through the rights issue with which it will be able to meet its business operations for growth and revival.
- 6 Pursuant to the Rights offer, the Company has 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. The equity shares of the Company were listed on BSE Limited (BSE) w.e.f. Friday, July 28, 2017.

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 September 30, 2017	Balance as at September 30, 2017
1	Funding capital expenditure requirement for expansion and up gradation of our existing manufacturing units	2,002.45	4.22	1,998.23
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	620.12	2,360.77
	Total	11,971.38	7,612.38	4,359.00

- 7 Rights Issue proceeds which remain unutilized as at September 30, 2017 were invested in deposits with scheduled commercial banks and in monitoring agency accounts.
- 8 The Company has only one segment, i.e Pharmaceuticals.
- 9 Figures for previous period/ year have been regrouped to conform to the current period/ year's presentation.

Date: 13 November 2017
Place: Mumbai

By Order of the Board



Chairman
DIN: 01219312



Independent Auditor's Review Report on review of interim standalone financial results

To the Board of Directors of Zenotech Laboratories Limited

We have reviewed the Standalone Unaudited financial results of **Zenotech Laboratories Limited** ("the Company") for the quarter and half year ended 30th September 2017 which are included in the accompanying 'Standalone Financial Results for the quarter and half year ended 30th September 2017' ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, which has been initialed by us for identification. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement 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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion:

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by 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:

We draw attention to Note 3 to the Financial results which describes the reconstruction of financial records, disputes before NCLT 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 & 2012 were reconstructed by the Management post 12th November, 2011.
- (b) As per Legal opinion and the current status, matters related to C.P. No 51 of 2009 and C.P. No. 83 of 2009 on differences between the current management and the erstwhile Co-Managing Director have been disposed off without any adverse finding impacting the Company's Financials on the grounds of compromise settlement filed before NCLT and final order awaited.



- (c) 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 opinion is not qualified in respect of these matters.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No. 003990S/S200018

S. Prasana Kumar

S. Prasana Kumar
Partner

Membership No. 212354

Place: Hyderabad

Date: 13th November 2017