



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 3, 2018

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

Scrip Code: 532039

Dear Sir,

**Sub: Zenotech Laboratories Limited - Unaudited Financial Results for the quarter and half year ended September 30, 2018**

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 3, 2018, has considered and approved the Unaudited Financial Results of the Company along with Limited Review Report issued by the Statutory Auditors for the quarter and half year ended September 30, 2018.

A copy of the same is enclosed herewith.

The Board Meeting commenced at 11:30 AM and concluded at 2:00 PM.

We request you to take the above on record.

Thanking you,

Yours faithfully,  
For Zenotech Laboratories Limited

*Li. Abdul Gafoor*

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 2018

		(Rs in lakhs, except share and per equity share data)					
Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue From Operations	264.18	212.76	239.91	476.94	497.82	1,114.42
II	Other Income	38.06	50.24	45.24	88.30	48.56	236.91
III	<b>Total Income (I+II)</b>	<b>302.24</b>	<b>263.00</b>	<b>285.15</b>	<b>565.24</b>	<b>546.38</b>	<b>1,351.33</b>
IV	<b>Expenses</b>						
	a). Cost of materials consumed	19.88	15.38	10.20	35.26	48.95	81.06
	b). Purchase of Stock-in-Trade	-	-	-	-	-	-
	c). Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	15.16	-	-	(1.19)
	d). Employee benefit expenses	123.82	128.13	129.85	251.96	257.82	506.57
	e). Finance costs	0.53	0.06	71.14	0.59	261.29	244.94
	f). Depreciation and amortization expense	103.86	102.38	97.80	206.24	194.65	390.31
	g). Other Expenses	284.99	262.95	315.66	547.94	662.62	1,314.74
	<b>Total expenses</b>	<b>533.08</b>	<b>508.90</b>	<b>639.81</b>	<b>1,041.99</b>	<b>1,425.33</b>	<b>2,536.43</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(230.84)</b>	<b>(245.90)</b>	<b>(354.66)</b>	<b>(476.75)</b>	<b>(878.95)</b>	<b>(1,185.10)</b>
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(230.84)</b>	<b>(245.90)</b>	<b>(354.66)</b>	<b>(476.75)</b>	<b>(878.95)</b>	<b>(1,185.10)</b>
VIII	Tax expense						
	a). Current Tax	-	-	-	-	-	-
	b). Deferred Tax	-	-	-	-	-	-
	<b>Total Tax Expense (VIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>(230.84)</b>	<b>(245.90)</b>	<b>(354.66)</b>	<b>(476.75)</b>	<b>(878.95)</b>	<b>(1,185.10)</b>
X	<b>Other Comprehensive Income</b>						
	a). Items that will not be reclassified to Profit or Loss						
	Re - measurement of the defined benefit obligations	1.53	1.53	0.70	3.07	1.41	6.13
	b). Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
XI	<b>Total Comprehensive Income/ (loss) for the period (IX+X)</b>	<b>(229.31)</b>	<b>(244.37)</b>	<b>(353.96)</b>	<b>(473.69)</b>	<b>(877.54)</b>	<b>(1,178.97)</b>
XII	<b>Paid-up equity share capital (Face value of ₹ 10/- per share)</b>	<b>6,103.06</b>	<b>6,103.06</b>	<b>6,103.06</b>	<b>6,103.06</b>	<b>6,103.06</b>	<b>6,103.06</b>
XIII	<b>Reserves i.e. Other equity</b>						<b>(1,901.30)</b>
XIV	<b>Earnings/ (loss) per share (of ₹ 10/- each) (not annualised)</b>						
	a). Basic	(0.44)	(0.46)	(0.58)	(0.90)	(1.44)	(2.24)
	b). Diluted	(0.44)	(0.46)	(0.58)	(0.90)	(1.44)	(2.24)

See accompanying notes to the financial results

Jpu



**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

**Unaudited Standalone Statement of Assets of Assets and Liabilities**

**Rs in Lakhs**

Particulars	As at 30 September 2018 Unaudited	As at 31 March 2018 Audited
<b>ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	4,274.21	4,443.09
(b) Capital Work-In-Progress	710.01	232.39
(j) Other Non-current Assets	311.56	305.90
<b>Total Non - Current Assets</b>	<b>5,295.78</b>	<b>4,981.38</b>
<b>(2) Current Assets</b>		
(a) Inventories	73.21	82.08
(b) Financial Assets		
Investments	-	-
Trade Receivables	0.63	0.39
Cash and Cash Equivalents	1,611.24	2,840.48
Bank balances other than above	15.60	75.60
Other financial asset	37.94	42.52
(d) Other Current Assets	224.30	151.68
<b>Total Current Assets</b>	<b>1,962.92</b>	<b>3,192.75</b>
<b>TOTAL ASSETS</b>	<b>7,258.70</b>	<b>8,174.13</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	6,103.06	6,103.06
(b) Other Equity	(2,374.98)	(1,901.30)
<b>Total Equity</b>	<b>3,728.08</b>	<b>4,201.76</b>
<b>LIABILITIES</b>		
<b>(1) Non-current Liabilities</b>		
(a) Financial Liabilities		
Other financial liabilities	-	-
(b) Provisions	30.85	27.70
<b>Total Non - Current Liabilities</b>	<b>30.85</b>	<b>27.70</b>
<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
Borrowings	-	-
Trade payables	580.03	541.32
Other financial liabilities	809.07	809.07
(b) Other Current Liabilities	397.31	917.26
(c) Provisions	1,713.36	1,677.02
<b>Total Current Liabilities</b>	<b>3,499.77</b>	<b>3,944.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,258.70</b>	<b>8,174.13</b>

*9/2/18*



**Notes:**

- 1 The above financial results for the quarter and half year ended Sep 30, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 3<sup>rd</sup> Nov 2018 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 prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- 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 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 Management has represented that it is well placed to meet the cash burn requirements in the coming periods for it to develop and build the business to a profitable level as per the projections prepared by the Company. Hence the company's financials have been prepared on a going concern basis. However, this position will be reviewed regularly until all the indicators for any likely going concern issue are fully addressed.
- 6 Pursuant to the Rights offer, the Company had 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. These equity shares of the Company were listed in Bombay Stock Exchange (BSE) w.e.f. Friday, July 28, 2017.
- 7 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 Sep 30, 2018	Balance as at Sep 30, 2018
1	Funding capital expenditure requirement for expansion and up gradation of our existing manufacturing units	2,002.45	466.74	1,555.71
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	2,980.89	-
	<b>Total</b>	<b>11,971.38</b>	<b>10,415.67</b>	<b>1,555.71</b>



- 8 Rights Issue proceeds which remain unutilized as at September 30, 2018 were invested in deposits with scheduled commercial banks and in current bank accounts of the Company including monitoring agency accounts.
- 9 The Company has only one segment, i.e. Pharmaceuticals.
- 10 Figures for previous period/ year have been regrouped to conform to the current period presentation.

  
By Order of the Board



Date: 03<sup>rd</sup> Nov, 2018

Place: Mumbai

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 Unaudited Standalone financial results of **Zenotech Laboratories Limited** ("the Company") for the quarter and half year ended September 30, 2018 which are included in the accompanying statement of 'Standalone Financial Results for the quarter and half year ended September 30, 2018 together with the notes thereon ("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 stated above, 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 aforesaid 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 & 4 to the Financial results which describe the reconstruction of financial records 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 & 31<sup>st</sup> March 2012 were reconstructed by the Management post 12th November 2011.
- (b) The matters relating to several financial and non-financial irregularities pertaining to period prior to 12<sup>th</sup> 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 modified in respect of these matters.

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



S. Prasanna Kumar  
Partner  
Membership No. 212354  
Place: Mumbai  
Date: 3rd November 2018