



zenotech

CIN: L27100TG1989PLC010122

ZENOTECH LABORATORIES LIMITED

Survey No.250 -252

Turkapally Village

Shamirpet Mandal

Hyderabad - 500 078 T.S., India.

Tel: +91 90320 44584/ 585

Email: info@zenotech.co.in

www.zenotechlab.com

Date: October 31, 2020

BSE Limited

Market Operations Dept.,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 532039

Dear Sir,

Sub: Outcome of the Board Meeting of Zenotech Laboratories Limited (the Company) held today - Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2020

Pursuant to Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today, i.e. Saturday, October 31, 2020, have approved and took on record the limited review Unaudited Standalone Financial Results of the Company for the quarter and half year ended September 30, 2020, which are enclosed herewith along with the Limited Review Report of the Statutory Auditors of the Company on Standalone Unaudited Financial Results.

The meeting of the Board of Directors of the Company commenced at 11:30 a.m. and concluded at 2:45 p.m.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For **Zenotech Laboratories Limited**


Abdul Gafoor Mohammad
Company Secretary & Compliance Officer



Encl: as above

ZENOTECH LABORATORIES LIMITED

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Survey No.250-252, Turkapally (V), Shamceerpet (M), Hyderabad - 500078

Phone: +91 90320 44584/585/586 Website: www.zenotechlab.com

Statement of Unaudited Standalone Financial Results for the quarter and half year ended 30 September 2020

		(Rs in lakhs, except share and per equity share data)					
Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue From Operations	293.74	495.95	713.80	789.69	1,411.27	2,593.83
II	Other Income	102.30	6.56	39.42	108.86	67.92	125.25
III	Total Income (I+II)	396.04	502.51	753.22	898.55	1,479.19	2,719.08
IV	Expenses						
	a) Cost of materials consumed	1.50	0.02	0.03	1.52	11.26	50.45
	b) Purchase of Stock-in-Trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
	d) Employee benefit expenses	158.49	156.01	148.63	314.50	288.47	576.40
	e) Finance costs	46.38	15.67	31.62	62.05	57.28	89.25
	f) Depreciation and amortization expense	170.23	130.30	112.79	300.53	221.45	484.96
	g) Other Expenses	226.67	239.96	250.20	466.63	505.12	1,077.23
	Total expenses	603.27	541.96	543.27	1,145.23	1,083.58	2,278.29
V	Profit/(Loss) before exceptional items and tax (III-IV)	(207.23)	(39.45)	209.95	(246.68)	395.61	440.79
VI	Exceptional items	-	-	-	-	-	636.96
VII	Profit/(Loss) before tax (V-VI)	(207.23)	(39.45)	209.95	(246.68)	395.61	1,077.75
VIII	Tax expense						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-	-
	Total Tax Expense (VIII)	-	-	-	-	-	-
IX	Profit/(Loss) for the period (VII-VIII)	(207.23)	(39.45)	209.95	(246.68)	395.61	1,077.75
X	Other Comprehensive Income						
	a) Items that will not be reclassified to Profit or Loss Re - measurement of the defined benefit obligations	(1.17)	(1.17)	0.19	(2.34)	0.38	(4.68)
	b) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X)	(208.40)	(40.62)	210.14	(249.02)	395.99	1,073.07
XII	Paid-up equity share capital (Face value of ₹ 10/- per share)	6,103.06	6,103.06	6,103.06	6,103.06	6,103.06	6,103.06
XIII	Reserves i.e Other equity						(1,140.16)
XIV	Earnings/ (loss) per share (of ₹ 10/- each) (not annualised)						
	a) Basic	(0.34)	(0.06)	0.34	(0.40)	0.65	1.77
	a) Diluted	(0.34)	(0.06)	0.34	(0.40)	0.65	1.77

See accompanying notes to the financial results

ZENOTECH LABORATORIES LIMITED

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Unaudited Standalone Statement of Assets and Liabilities

Rs in Lakhs

Particulars	As at 30 September 2020 Unaudited	As at 31 March 2020 Audited
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	7,605.04	4,872.78
(b) Capital Work-In-Progress	234.53	2,908.36
(c) Financial Assets		
(i) Investments	-	-
(ii) Others	78.25	72.61
(d) Income Tax Assets (net)	86.80	107.65
(e) Other Non-current Assets	16.86	25.61
Total Non - Current Assets	8,021.48	7,987.01
(2) Current Assets		
(a) Inventories	7.89	9.41
(b) Financial Assets		
(i) Trade Receivables	258.46	185.71
(ii) Cash and Cash Equivalents	78.73	108.20
(iii) Bank balances other than above	3.90	3.90
(iv) Other financial asset	25.99	16.03
(c) Other Current Assets	190.04	245.14
Total Current Assets	565.01	568.39
TOTAL ASSETS	8,586.49	8,555.40
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	6,103.06	6,103.06
(b) Other Equity	(1,389.18)	(1,140.16)
Total Equity	4,713.88	4,962.90
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
Other financial liabilities	100.84	-
(b) Provisions	57.45	48.90
Total Non - Current Liabilities	158.29	48.90
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,065.62	1,865.62
(ii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises	7.21	20.69
(b) Total outstanding dues other than above	264.23	439.54
(iii) Other financial liabilities	345.33	329.82
(b) Other Current Liabilities	182.13	38.13
(c) Provisions	849.80	849.80
Total Current Liabilities	3,714.32	3,543.60
TOTAL EQUITY AND LIABILITIES	8,586.49	8,555.40

Zenotech Laboratories Limited
 Standalone Cash flow statement for the Period ended September 30, 2020
 (All amounts in thousands of Indian Rupees except share data and where otherwise stated)

	For the Period ended 30 September 2020	For the Year ended 31 March 2020
A. Cash flows from operating activities		
Loss before taxation	(246.68)	1,077.75
Adjustments for:		
Depreciation and amortisation	300.53	484.96
Amounts written back	-	(11.39)
Unrealised foreign exchange loss, net	-	(0.01)
Interest expenses	62.05	89.25
Interest income	(3.74)	(93.69)
Exceptional items	-	(636.96)
Operating cash flows before working capital changes	112.16	909.90
Changes in Working Capital:		
(Increase)/ decrease in trade receivables	(72.75)	50.11
(Increase)/ decrease in inventories	1.52	49.01
(Decrease)/ increase in trade payables	(188.79)	60.09
(Increase)/ decrease in other financial assets	(9.96)	15.77
(Increase)/ decrease in current non financial assets	-	-
(Increase)/ decrease in non-current financial assets	(5.64)	(8.93)
(Increase)/ decrease in non-current assets	0.00	74.45
(Increase)/ decrease in other current assets	55.10	20.75
(Decrease)/ increase in provisions for non current liabilities	107.05	10.50
(Decrease)/ increase in provisions for current liabilities	-	(26.40)
(Decrease)/ increase in other financial liabilities	15.51	17.97
(Decrease)/ increase in other current liabilities	144.00	(6.93)
Cash used in operations	168.20	1,166.29
Income taxes paid/ TDS (net)	20.85	(28.35)
Net cash used in operating activities (A)	179.05	1,137.94
B. Cash flows from investing activities		
Payment for Purchase of property plant equipment (Including Capital advance & Work in Progress)	(350.21)	(2,174.70)
Deposits towards margin money	-	1.70
Interest income received	3.74	93.69
Net cash provided by/ (used in) Investing activities	(346.47)	(2,079.31)
C. Cash flows from financing activities		
Proceeds from short-term borrowings, net	200.00	1,000.00
Repayment of long-term borrowings	-	(1,158.38)
Interest paid	(62.05)	(111.67)
Net cash provided by financing activities (C)	137.95	(270.05)
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)	(29.47)	(1,211.43)
Cash and cash equivalents at the beginning of the year	108.20	1,319.63
Cash and cash equivalents at the end of the year (refer Note 7 (b))	78.73	108.20



Notes:

- 1 The above financial results for the quarter and period ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 31st October, 2020 and have undergone a 'limited review' by the Statutory Auditors of the Company.
- 2 These financial results have been prepared in accordance with the Indian Accounting Standards ("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 impact of the matters relating to several financial and non-financial irregularities pertaining to period prior to November 12, 2011 and of the various legal proceedings which are currently sub-judice 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.
- 4 The Books of accounts and other related records/documents of the overseas subsidiaries of the Company were missing and due to non-availability of those records/information, complaint before the Hon'ble Economic Offences Court, Nampally, Hyderabad, under the provisions of Section 630 of erstwhile Companies Act, 1956 was filed against the former Managing Director, Late Dr. Jayaram Chigurupati, who was in complete "control over the Company's affairs during the period of those events", which is abated by the court due to demise of the accused. The Company has evaluated and concluded that it is not controlling the US Subsidiary as per Ind AS 110 Consolidated Financial Statements basis its inability to exercise power over the investee. The Company has engaged a consultant in Brazil to file the winding-up applications in adherence to the laws of the country. The Company vide its Board Resolution dated July 25, 2020, has initiated the process of winding-up of its defunct US Subsidiary. Accordingly, the Company is of the view that it does not have subsidiaries within the definition of Ind AS 110 and hence is not required to prepare and present a Consolidated Financial Results.
- 5 The financial results have been prepared on a going concern basis, considering that the Company 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.
- 6 The Company has evaluated the impact of COVID-19 pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions there is no material impact on its financial results as at September 30, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.
- 7 Other income includes rentals for the Biotech facility and equipments leased to Sun Pharmaceutical Industries Limited for R&D activities.
- 8 The Company has only one reportable segment, i.e. Pharmaceuticals.
- 9 Figures for previous period/ year have been regrouped wherever required to conform to the current period presentation.

By Order of the Board


Chairman
DIN: 01219312

Date: October 31, 2020



Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report to the Board of Directors of Zenotech Laboratories Limited

We have reviewed the unaudited financial results ("the Statement") of Zenotech Laboratories Limited ("the Company") for the quarter ended and half year ended 30th September 2020, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), which has been initialed by us for identification.

Attention is drawn to note 4 of the Statement which states the reason for non-preparation of consolidated financial results.

This Statement, which is the responsibility of the Company's Management and has been 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 express a conclusion on this Statement based on our review.

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



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 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 Listing Regulations, 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 wherein it is stated that the impact of matters relating to several financial and non-financial irregularities pertaining to period prior to 12th November 2011 and of the various legal proceedings which are currently sub-judice 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 report is not modified in respect of this matter.

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

S. Prasana Kumar

S Prasana Kumar
Partner
Membership No. 212354
Place: Hyderabad
Date: 31st Oct 2020
UDIN: 20212354 AAAADF9991