



zenotech

CIN: L27100TG1989PLC010122

ZENOTECH LABORATORIES LIMITED

Registered Office & Factory:

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: April 29, 2022

BSE Limited

Corporate Relationship Dept.,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001

Scrip Code: 532039

Dear Sir,

Sub: Submission of Standalone Audited Financial Results of Zenotech Laboratories Limited (the Company) for the fourth quarter and financial year ended March 31, 2022

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we enclose herewith the following:

- 1) the Standalone Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2022 together with the Report of Auditors' on the said Results, duly approved and taken on record by the Board of Directors of the Company at their meeting held today, i.e., April 29, 2022; and
- 2) Declaration under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of the Board of Directors commenced at 5:50 PM and concluded at 8:30 PM.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For Zenotech Laboratories Limited

Abdul Gafoor Mohammad

Abdul Gafoor Mohammad

Company Secretary and Compliance Officer



Encl: as above

ZENOTECH LABORATORIES LIMITED

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

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

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2022

Sl. No.	Particulars	(Rs in lakhs, except share and per equity share data)				
		Quarter ended		Year ended		
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited*	Unaudited	Audited*	Audited	Audited
I	Revenue From Operations	739.97	925.94	683.39	3,249.37	1,937.33
II	Other Operating Income	101.75	101.80	101.73	407.14	307.19
III	Other Income	49.20	3.62	33.90	62.93	40.84
IV	Total Income (I+II+III)	890.92	1,031.36	819.02	3,719.44	2,285.36
V	Expenses					
	a). Cost of materials consumed	0.06	0.01	1.60	0.11	3.22
	b). Purchase of Stock-in-Trade	-	-	-	-	-
	c). Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
	d). Employee benefit expenses	185.81	175.10	179.14	709.52	649.23
	e). Finance costs	14.79	26.98	45.84	121.52	154.75
	f). Depreciation and amortization expense	172.79	171.75	173.80	697.35	645.60
	g). Other Expenses	332.89	296.25	300.70	1,200.81	954.07
	Total expenses	706.34	670.09	701.08	2,729.31	2,406.87
VI	Profit/(Loss) before exceptional items and tax (IV-V)	184.58	361.27	117.94	990.13	(121.51)
VII	Exceptional items	-	-	-	-	-
VIII	Profit/(Loss) before tax (VI-VII)	184.58	361.27	117.94	990.13	(121.51)
IX	Tax expense					
	a). Current Tax	-	-	-	-	-
	b). Deferred Tax	(1,227.46)	-	-	(1,227.46)	-
	Total Tax Expense (IX)	(1,227.46)	-	-	(1,227.46)	-
X	Profit/(Loss) for the period (VIII-IX)	1,412.05	361.27	117.94	2,217.59	(121.51)
XI	Other Comprehensive Income					
	a). Items that will not be reclassified to Profit or Loss	6.03	(0.14)	2.94	5.60	(0.57)
	Re - measurement of the defined benefit obligations	-	-	-	-	-
	b). Items that will be reclassified to Profit or Loss	-	-	-	-	-
XII	Total Comprehensive Income for the period (X+/-XI)	1,418.08	361.41	120.88	2,223.19	(122.08)
XIII	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
XIV	Reserves i.e. Other equity				960.95	(1,262.24)
XV	Earnings/ (loss) per share (of ₹ 10/- each) (not annualised)					
	a). Basic	2.31	0.59	0.19	3.63	(0.20)
	a) Diluted	2.31	0.59	0.19	3.63	(0.20)

* The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figure between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the Statutory Auditor of the Company.

See accompanying notes to the financial results

ZENOTECH LABORATORIES LIMITED

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Standalone Balance Sheet as at March 31, 2022

Rs in Lakhs

Particulars	As at 31 March 2022 Audited	As at 31 March 2021 Audited
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	7,090.91	7,423.14
(b) Capital Work-In-Progress	27.90	218.25
(c) Financial Assets		
(i) Investments	-	-
(ii) Others	78.21	78.21
(d) Deferred Tax Assets (net)	1,227.46	-
(e) Income Tax Assets (net)	219.70	119.30
(f) Other Non-current Assets	26.71	10.92
Total Non - Current Assets	8,670.89	7,849.82
(2) Current Assets		
(a) Inventories	6.08	6.19
(b) Financial Assets		
(i) Trade Receivables	392.82	380.32
(ii) Cash and Cash Equivalents	241.48	245.77
(c) Current Tax Assets (Net)	-	-
(iv) Other financial asset	15.75	14.14
(c) Other Current Assets	81.34	88.17
Total Current Assets	737.47	734.59
TOTAL ASSETS	9,408.36	8,584.41
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	6,103.06	6,103.06
(b) Other Equity	960.95	(1,262.24)
Total Equity	7,064.01	4,840.82
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	600.00	2,065.62
(ii) Other financial liabilities	66.15	60.16
(b) Other Non Current Liabilities	32.14	39.70
(c) Provisions	88.51	83.39
Total Non - Current Liabilities	786.80	2,248.87
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises	15.52	10.12
(b) Total outstanding dues other than above	191.10	182.07
(iii) Other financial liabilities	403.98	348.38
(b) Other Current Liabilities	118.17	110.46
(c) Provisions	828.78	843.69
Total Current Liabilities	1,557.55	1,494.72
TOTAL EQUITY AND LIABILITIES	9,408.36	8,584.41

Zenotech Laboratories Limited
Standalone Cash flow statement for the Year ended March 31, 2022

Rs in Lakhs

	For the Year ended 31 March 2022	For the Year ended 31 March 2021
A. Cash flows from operating activities		
Loss before taxation	990.13	(121.51)
Adjustments for:		
Depreciation and amortisation	697.35	645.60
Amounts written back	(7.79)	(29.07)
Unrealised foreign exchange loss, net	0.27	-
Interest expenses	121.52	154.75
Interest income	(9.86)	(5.47)
Exceptional items	-	-
Operating cash flows before working capital changes	1,791.62	644.30
Changes in Working Capital:		
(Increase)/ decrease in trade receivables	(12.50)	(194.61)
(Increase)/ decrease in inventories	0.11	3.22
(Decrease)/ increase in trade payables	22.22	(238.97)
(Increase)/ decrease in other financial assets	(1.61)	1.89
(Increase)/ decrease in current non financial assets	-	-
(Increase)/ decrease in non-current financial assets	-	(5.60)
(Increase)/ decrease in non-current assets	(0.00)	(2.28)
(Increase)/ decrease in other current assets	6.83	159.25
(Decrease)/ increase in provisions for non current liabilities	9.15	73.62
(Decrease)/ increase in provisions for current liabilities	(11.72)	(6.11)
(Decrease)/ increase in other financial liabilities	55.60	78.72
(Decrease)/ increase in other current liabilities	7.44	72.33
Cash used in operations	1,867.14	585.75
Income taxes paid/ TDS (net)	(100.40)	(11.65)
Net cash used in operating activities (A)	1,766.74	574.10
B. Cash flows from investing activities		
Payment for Purchase of property plant equipment (Including Capital advance & Work in Progress)	(193.75)	(491.15)
Deposits towards margin money	-	3.90
Interest income received	9.86	5.47
Net cash provided by/ (used in) investing activities	(183.89)	(481.78)
C. Cash flows from financing activities		
Proceeds from borrowings, net	-	200.00
Repayment of borrowings	(1,465.62)	-
Interest paid	(121.52)	(154.75)
Net cash provided by financing activities (C)	(1,587.14)	45.25
Net increase/ (decrease) in cash and cash equivalents during the year(A+B+C)	(4.29)	137.57
Cash and cash equivalents at the beginning of the year	245.77	108.20
Cash and cash equivalents at the end of the year	241.48	245.77

Notes:

1. The above financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 29th April, 2022 and have undergone an audit 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.
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 March 31, 2022. 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 operating income relates to rentals for the Biotech facility and equipments leased to Sun Pharmaceutical Industries Limited for R&D activities.
8. During the year, deferred tax asset of Rs.1227.46 lacs has been recognized basis reasonable certainty of making sufficient tax profit in coming years against which the tax losses can be fully set-off.
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



Chairman
DIN: 01219312

Place: New Delhi
Date: 29-April-2022

Independent Auditor's Report on the Standalone Financial Results
To the Board of Directors of Zenotech Laboratories Limited

Opinion

1. We have audited the accompanying Standalone Financial Results of **Zenotech Laboratories Limited** ("the Company") for the quarter and year ended 31 March 2022 ('the Statement'), being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
Attention is drawn to note 4 of the Statement which states the reason for non-preparation of consolidated financial results.
2. In our opinion and to the best of our information and according to the explanations given to us, the statement:
 - a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard;
 - b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net profit for the quarter ended and net profit for the year ended and other comprehensive income and other financial information of the company for the quarter and year ended 31st March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Emphasis of matter:

4. 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 opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Standalone Financial Results

5. This Statement has been prepared on the basis of the audited standalone financial statements for the year ended March 31, 2022.

The Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the net profit for the quarter ended and net profit for the year ended and other comprehensive income and other financial information in accordance with Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

6. In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatements of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Management and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

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PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. Attention is drawn to the fact that the figures for the quarter ended 31st March 2022 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audit figures in respect of full financial year and the published year to date unaudited figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us. Our opinion is not modified in respect of this matter.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No. 003990S/S200018

KVNSS Viswanadh
Viswanadh VNSS Kuchi
Partner

Membership No. 210789

Place: Hyderabad

Date: 29th April 2022

UDIN: 22210789AIDMBE6608



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Date: April 29, 2022

BSE Limited

Corporate Relationship Dept.,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001

Dear Sir,

Sub: Declaration under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

I, Poly K.V., Chief Financial Officer of Zenotech Laboratories Limited, having registered office at Survey No.250-252, Turkapally Village, Shameerpet Mandal, Hyderabad – 500 078, hereby declare that the Statutory Auditors of the Company, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No. 0039905/S200018) have issued an Audit Report with unmodified opinion on the Audited Standalone Financial Results of the Company for the financial year ended March 31, 2022.

Kindly take this declaration on your record.

Yours faithfully,

For **Zenotech Laboratories Limited**

Poly K.V.

Chief Financial Officer

