

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: October 22, 2021

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, 2021

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. Friday, October 22, 2021, 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, 2021, 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 4:00 p.m. and concluded at 6:30 p.m.

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

Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended 30 September 2021

See accompanying notes to the financial results

ZENOTECH LABORATORIES LIMITED

CIN: L27100TG1989PLC010122

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

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

Standalone Balance Sheet as at September 30, 2021

Rs in Lakhs

Particulars	As at 30 September 2021 Unaudited	As at 31 March 2021 Audited
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	7,302.53	7,423.14
(b) Capital Work-In-Progress	8.13	218.25
(c) Financial Assets		
(i) Investments	-	-
(ii) Others	78.21	78.21
(d) Income Tax Assets (net)	170.48	119.30
(e) Other Non-current Assets	11.08	10.92
Total Non - Current Assets	7,570.43	7,849.82
(2) Current Assets		
(a) Inventories	6.15	6.19
(b) Financial Assets		
(i) Trade Receivables	270.55	380.32
(ii) Cash and Cash Equivalents	314.07	245.77
(iii) Bank balances other than above	-	-
(iv) Other financial asset	15.04	14.14
(c) Other Current Assets	44.71	88.17
Total Current Assets	650.52	734.59
TOTAL ASSETS	8,220.95	8,584.41
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	6,103.06	6,103.06
(b) Other Equity	(817.67)	(1,262.24)
Total Equity	5,285.39	4,840.82
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,200.00	2,065.62
(ii) Other financial liabilities	63.09	60.16
(b) Other Non Current Liabilities	35.91	39.70
(c) Provisions	94.60	83.39
Total Non - Current Liabilities	1,393.60	2,248.87
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises	4.91	10.12
(b) Total outstanding dues other than above	124.42	182.07
(iii) Other financial liabilities	378.93	348.38
(b) Other Current Liabilities	190.01	110.46
(c) Provisions	843.69	843.69
Total Current Liabilities	1,541.96	1,494.72
TOTAL EQUITY AND LIABILITIES	8,220.95	8,584.41

Zenotech Laboratories Limited
Standalone Cash flow statement for the Period ended September 30, 2021

Rs in Lakhs

	For the Period ended 30 September 2021	For the Year ended 31 March 2021
A. Cash flows from operating activities		
Loss before taxation	444.29	(121.51)
Adjustments for:		
Depreciation and amortisation	352.80	645.60
Amounts written back	-	(29.07)
Unrealised foreign exchange loss, net	-	-
Interest expenses	79.75	154.75
Interest income	(7.25)	(5.47)
Exceptional items	-	-
Operating cash flows before working capital changes	869.59	644.30
Changes in Working Capital:		
(Increase)/ decrease in trade receivables	109.77	(194.61)
(Increase)/ decrease in inventories	0.04	3.22
(Decrease)/ increase in trade payables	(62.86)	(238.97)
(Increase)/ decrease in other financial assets	(0.90)	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	43.46	159.25
(Decrease)/ increase in provisions for non current liabilities	10.64	73.62
(Decrease)/ increase in provisions for current liabilities	-	(6.11)
(Decrease)/ increase in other financial liabilities	30.55	78.72
(Decrease)/ increase in other current liabilities	79.55	72.33
Cash used in operations	1,079.82	585.75
Income taxes paid/ TDS (net)	(51.18)	(11.65)
Net cash used in operating activities (A)	1,028.64	574.10
B. Cash flows from investing activities		
Payment for Purchase of property plant equipment (Including Capital advance & Work in Progress)	(22.24)	(491.15)
Deposits towards margin money	-	3.90
Interest income received	7.25	5.47
Net cash provided by/ (used in) investing activities	(14.99)	(481.78)
C. Cash flows from financing activities		
Proceeds from borrowings, net	-	200.00
Repayment of borrowings	(865.62)	-
Interest paid	(79.75)	(154.75)
Net cash provided by financing activities (C)	(945.36)	45.25
Net increase/ (decrease) in cash and cash equivalents during the year(A+B+C)	68.30	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	314.07	245.77

Notes:

- 1 The above financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 22nd October 2021 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.
- 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, 2021. 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 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.

Date: 22nd October 2021
Place: Hyderabad

By Order of the Board


Chairman
DIN: 01219312

Independent Auditor's Review Report on the Quarterly and half yearly Unaudited Financial Results of the Company

Review report to the **Board of Directors of Zenotech Laboratories Limited**

1. We have reviewed the unaudited financial results ("the Statement") of **Zenotech Laboratories Limited** ("the Company") for the quarter and half year ended 30th September 2021, 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.

2. **Management's Responsibility**

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.

3. **Auditor's Responsibility**

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.



4. 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 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.

5. 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 conclusion is not modified in respect of this matter.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 0039905/S200018

A handwritten signature in black ink, appearing to read 'S. Prasana Kumar', is written over a circular blue stamp. The stamp contains the text 'FIRM REG. NO. 0039905/S200018' and 'PKF SRIDHAR & SANTHANAM LLP'.

S Prasana Kumar
Partner
Membership No. 212354
Place: Hyderabad
Date: 22-October-2021
UDIN: 21212354 AAAACW4383