

ZENOTECH LABORATORIES LIMITED
8-2-120/112/88-89/P/2, 4th Floor, Park View Estate, Road No.2, Banjara Hills
Hyderabad - 500 034

Unaudited financial results for the quarter ended June 30, 2008

(Rs. lakhs)

		Quarter ended		Year ended
		30-Jun-08	30-Jun-07	31-Mar-08
		Unaudited	Audited	Audited
1	Income from sales and operations	298.71	367.57	857.03
	Less: Excise duty	21.66	12.15	33.48
	Net sales	277.05	355.42	823.55
2	Other income	131.37	16.75	216.90
3	Total income	408.42	372.17	1,040.45
4	Expenditure			
	a. (Increase) / decrease in stock	6.01	8.28	13.06
	b. Material cost etc.	176.22	72.15	323.11
	c. Other manufacturing expenses	85.02	90.59	367.23
	d. Staff cost	126.78	124.64	499.69
	e. Administration, selling and distribution and other expenses	73.64	59.48	246.10
	f. Product development expenses	60.94	24.13	131.69
	g. Depreciation	71.36	69.18	290.45
	h. Amortisation of miscellaneous expenditure including product development expenditure	29.86	33.29	133.41
	i. Total	629.83	481.74	2,004.74
5	Interest	44.60	67.25	270.91
6	Profit (+) / loss (-) from Ordinary Activities before tax (4)-(5+6)	(266.01)	(176.82)	(1,235.20)
7	Tax expense			
	- Current tax	-	-	0.15
	- Fringe Benefit tax	0.82	1.40	5.85
	- Deferred tax - (Credit)	-	-	229.06
8	Net Profit (+) / loss (-) for the period (6 - 7)	(266.83)	(178.22)	(1,470.26)
9	Paid-up equity share capital (Face value of Rs.10/- per equity share)	3,442.50	2,881.05	3,435.00
10	Reserves excluding revaluation reserves as per balance sheet of previous accounting year			11,596.98
11	Earnings per share (not annualized) (Rs.)			
	- Basic	(0.78)	(0.62)	(4.78)
	- Diluted	(0.78)	(0.62)	(4.78)
12	Public shareholding			
	- Number of shares	9,430,711	12,356,558	9,505,854
	- Percentage of shareholding	27.39%	42.89%	27.67%

Notes:

- 1 The above results were approved by the Board of Directors at its meeting held on July 30, 2008.
- 2 The Company operated in one segment only - Pharmaceuticals.
- 3 The Company's subsidiary in Brazil is yet to start its commercial operations.
4. a In the previous year, in terms of its shareholders resolution dated 8th November, 2007 the Company has issued 54,89,536 equity shares of Rs.10/- each to M/s. Ranbaxy Laboratories Limited at a premium of Rs. 150/- per share on preferential allotment basis on 23rd November, 2007. Out of the proceeds of Rs.8783.25 lakhs from the aforesaid issue, the Company utilised the funds for repayment of secured and unsecured loans and to meet the working capital needs of the company etc., Balance unutilised amount of Rs.4996.18 lakhs has been invested in Fixed Deposits with Banks.
- b During the quarter 75,000 equity shares of Rs.10/- each were allotted at an exercisable price of Rs.69.70 per share against the 75,000 options granted under Zenotech Employee Stock Option Scheme, 2005 and consequently the issued and paid up capital of the Company stand increased to Rs.3,442.50 lakhs from Rs.3,435.00 lakhs.
- 5 During the quarter under review, the following is the status of investor compliants : opening balance : nil: received during the quarter : nil: resolved during the quarter: nil; closing balance: nil.
- 6 The public shareholding as mentioned at point no.12 above includes only general public. Ranbaxy Laboratories Limited's shareholding in the Company, constituting 46.95% has not been included in the above, as opinion regarding status of shareholder is awaited.
- 7 Figures have been regrouped/reclassified and recast wherever necessary.

By order of the Board



Dr. Jayaram Chigurupati
Managing Director

Place: Hyderabad

Date: 30-07-2008