

**ZENOTECH LABORATORIES LIMITED**

8-2-120/112/88-89/P/2, 4<sup>th</sup> Floor, Park View Estate, Road No.2, Banjara Hills

Hyderabad - 500 034

Unaudited financial results for the quarter ended Sep 30, 2008

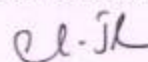
(Rs. lakhs)

	3 months ended		6 months ended		Year ended	
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	31-Mar-08	
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income from sales and operations	169.46	256.02	468.17	623.59	857.03
	Less: Excise duty	16.60	9.03	38.26	21.18	33.48
	<b>Net sales</b>	<b>152.86</b>	<b>246.99</b>	<b>429.91</b>	<b>602.41</b>	<b>823.55</b>
2	Other income	110.60	0.48	241.97	17.23	216.90
3	Total income	263.46	247.47	671.88	619.64	1,040.45
4	<b>Expenditure</b>					
	a. (Increase) / decrease in stock	11.75	(68.32)	17.76	(60.04)	13.06
	b. Material cost etc.	96.95	96.41	273.17	168.56	323.11
	c. Other manufacturing expenses	99.80	80.66	184.82	171.25	367.23
	d. Staff cost	140.75	124.53	267.53	249.17	499.69
	e. Administration, selling and distribution and other expenses	64.81	65.47	138.45	124.95	246.10
	f. Product development expenses	35.86	27.34	96.80	51.47	131.69
	g. Depreciation	74.51	70.66	145.87	139.84	290.45
	h. Amortisation of miscellaneous expenditure including product development expenditure	29.84	33.56	59.70	66.85	133.41
	i. Total	554.27	430.31	1,184.10	912.05	2,004.74
5	Interest	55.05	65.22	99.65	132.47	270.91
	<b>Profit (+) / loss (-) from Ordinary Activities before tax (3) - (4 + 5)</b>	<b>(345.86)</b>	<b>(248.06)</b>	<b>(611.87)</b>	<b>(424.88)</b>	<b>(1,235.20)</b>
7	Tax expense					
	- Current tax	-	-	-	-	0.15
	- Fringe Benefit tax	1.19	1.44	2.01	2.84	5.85
	- Deferred tax - (Credit)	-	-	-	-	229.06
8	<b>Net Profit (+) / loss (-) for the period (6 - 7)</b>	<b>(347.05)</b>	<b>(249.50)</b>	<b>(613.88)</b>	<b>(427.72)</b>	<b>(1,470.26)</b>
9	Paid-up equity share capital (Face value of Rs.10/- per equity share)	3,442.50	2,881.05	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	(1.01)	(0.87)	(1.78)	(1.48)	(4.78)
	- Diluted	(1.01)	(0.87)	(1.78)	(1.48)	(4.78)
12	Public shareholding					
	- Number of shares	9,428,311	12,356,558	9,428,311	12,356,558	9,505,854
	- Percentage of shareholding	27.39%	42.89%	27.39%	42.89%	27.67%

Notes:

- The above results were approved by the Board of Directors at its meeting held on Oct 17, 2008. The results are subject to Limited Review by Statutory Auditors of the Company.
- The Company operated in one segment only - Pharmaceuticals.
- The Company's subsidiary in Brazil is yet to start its commercial operations.
- In the previous year, in terms of its shareholders resolution dated 8<sup>th</sup> 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, to meet Product development expenditure and the working capital needs of the company etc., Balance unutilised amount of Rs.4306.18 lakhs has been invested in Fixed Deposits with Banks.
- 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.
- The public shareholding as mentioned at point no.12 above includes only general public. Ranbaxy Laboratories Limited's shareholding in the Company, constituting 46.85% has not been included in the above, as opinion regarding status of shareholder is awaited.
- Figures have been regrouped/reclassified and recast wherever necessary.

By order of the Board



Dr. Jayaram Chigurupati  
Managing Director

Place: Gurgaon  
Date : 17.10.2008