

**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

Audited financial results for the year ended 31<sup>st</sup> March, 2008

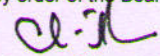
(Rs. lakhs)

S.No.	Particulars	Standalone financials				Consolidated financials		
		Nine months ended 31-Dec-07 (Unaudited)	Quarter ended		Year ended		Year ended	
			Audited 31-Mar-08	Audited 31-Mar-07	Audited 31-Mar-08	Audited 31-Mar-07	Audited 31-Mar-08	Audited 31-Mar-07
1	Income from sales and operations	784.89	72.14	278.67	857.03	1,364.64	857.03	1,345.59
	Less: Excise duty	27.99	5.49	7.44	33.48	62.66	33.48	62.66
	<b>Net sales</b>	<b>756.90</b>	<b>66.65</b>	<b>271.23</b>	<b>823.55</b>	<b>1,301.98</b>	<b>823.55</b>	<b>1,282.93</b>
2	License fee	-	-	900.00	-	900.00	-	900.00
3	Other income	71.21	145.69	(4.30)	216.90	29.49	216.90	30.61
4	<b>Total income</b>	<b>828.11</b>	<b>212.34</b>	<b>1,166.93</b>	<b>1,040.45</b>	<b>2,231.47</b>	<b>1,040.45</b>	<b>2,213.54</b>
5	<b>Expenditure</b>							
	a. (Increase) / decrease in stock	(65.95)	71.31	(82.05)	5.36	(213.67)	12.12	(213.67)
	b. Material cost etc.	244.46	86.35	170.90	330.81	768.09	342.41	758.51
	c. Other manufacturing expenses	263.51	103.72	98.16	367.23	164.16	367.23	164.16
	d. Staff cost	383.88	115.81	147.12	499.69	439.52	620.80	591.59
	e. Administration, selling and distribution and other expenses	179.29	66.81	73.79	246.10	385.67	314.15	479.00
	f. Product development expenses	108.78	22.91	60.38	131.69	114.38	21.72	18.46
	g. Depreciation	209.68	80.77	73.47	290.45	182.10	303.01	184.65
	h. Amortisation of miscellaneous expenditure including product development expenditure	100.44	32.97	30.99	133.41	91.26	133.41	91.26
	i. Total	1,424.09	580.65	572.76	2,004.74	1,931.51	2,114.85	2,073.96
6	Interest	204.68	66.23	73.22	270.91	211.14	279.98	229.15
7	<b>Profit (+)/ loss (-) from Ordinary Activities before tax (4)-(5+6)</b>	<b>(800.66)</b>	<b>(434.54)</b>	<b>520.95</b>	<b>(1,235.20)</b>	<b>88.82</b>	<b>(1,354.38)</b>	<b>(89.57)</b>
8	Tax expense							
	- Current tax	-	0.15	7.67	0.15	7.67	0.15	7.67
	- Fringe Benefit tax	4.50	1.35	3.00	5.85	8.82	5.85	8.82
	- Deferred tax - (Credit)	-	229.06	28.52	229.06	(290.14)	229.06	(290.14)
9	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after tax (7-8)</b>	<b>(805.16)</b>	<b>(665.10)</b>	<b>481.76</b>	<b>(1,470.26)</b>	<b>362.47</b>	<b>(1,589.44)</b>	<b>184.08</b>
10	Prior period item and Extraordinary items							
	- Depreciation	-	-	-	-	-	17.77	-
	- Deferred tax asset	893.03	-	-	-	-	-	-
11	<b>Net Profit (+) / loss (-) for the period (9-10)</b>	<b>(1,698.19)</b>	<b>(665.10)</b>	<b>481.76</b>	<b>(1,470.26)</b>	<b>362.47</b>	<b>(1,607.21)</b>	<b>184.08</b>
12	Paid-up equity share capital (Face value of Rs.10/- per equity share)	3,430.00	3,435.00	2,881.05	3,435.00	2,881.05	3,435.00	2,881.06
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				11,596.98	3,332.82	11,596.98	3,332.82
14	Earnings per share (not annualized) (Rs.)							
	Before extra-ordinary item:							
	- Basic & diluted	(2.72)	(2.16)	1.72	(4.78)	1.29	(5.22)	(0.59)
	After extra-ordinary item:							
	- Basic & diluted	(5.73)	(2.16)	1.72	(4.78)	1.29	(5.22)	(0.59)
15	Public shareholding							
	- Number of shares	25,725,000	9,505,854	12,356,558	9,505,854	12,356,558	9,505,854	12,356,558
	- Percentage of shareholding	75.00%	27.67%	42.89%	27.67%	42.89%	27.67%	42.89%

Notes:

- The above results were approved by the Board of Directors at its meeting held on June 30, 2008
- The Company operated in one segment only - Pharmaceuticals.
- The Company's subsidiary in Brazil is yet to start its commercial operations.
- During the current 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 23<sup>rd</sup> 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.5754.40 lakhs has been invested in Fixed Deposits with Banks.
  - Further, Pursuant to exercise of Stock Option granted under Zenotech Stock Option Scheme 2005, the Company has allotted 50,000 equity shares of Rs. 10/- each at an exercisable price of Rs. 69.70/- per share inclusive of premium. As a result, issued and paid up capital of the Company stand increase to Rs. 3435.00 lakhs.
- During the quarter under review, the following is the status of investor complaints : opening balance : nil: received during the quarter : one; resolved during the quarter: one; closing balance: nil.
- The public shareholding as mentioned at point no.15 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 the shareholder is awaited.
- The above results include the financials of subsidiaries - Zenotech Farmaceutica do Brasil Ltda, Brazil; Zenoach Laboratories Nigeria Limited, Nigeria and Zenotech Inc, USA
- Figures have been regrouped/reclassified and recast wherever necessary.

By order of the Board

  
 Dr. Jayaram Chigurupati  
 Managing Director

Place: Hyderabad  
Date : June 30, 2008