

May 13, 2011

National Stock Exchange of India Ltd.  
Listing Deptt.,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

Dear Sirs,

**Re: Un-audited Financial Results for the quarter ended 31<sup>st</sup> March, 2011**

Pursuant to clause 41 of the Listing Agreement, we are enclosing herewith Un-audited Financial Results of our Company for the quarter ended 31<sup>st</sup> March, 2011, duly approved by the Board of Directors in their Meeting held on 13<sup>th</sup> May, 2011, at 19, Crystal, Juhu Road, Santacruz (West), Mumbai - 400 054.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

**For KDL Biotech Limited**

*Nihar Ranjan Das*  
(Nihar Ranjan Das)  
**Company Secretary**

Encl: a/a,.

✓ Cc: Bombay Stock Exchange Limited  
Deputy General Manager  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**KDL BIOTECH LIMITED**

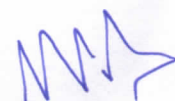
~~Correspondence Office : 19 Crystal, 4<sup>th</sup> Floor, Juhu Road, Santacruz (W), Mumbai 400054~~  
~~Tel.: 022 - 6730 4000 • Fax: 022 - 2646 3772 • E-mail: admin@kdlbiotech.com • www.kdlbiotech.com~~  
Registered Office & Works : Village Savroli, Tal. : Khalapur, Khopoli, Dist. Raigad, Maharashtra-410 202  
Tel.: (02192) 274025 to 274030 • Fax: (02192) 274031

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2011**

| Particulars                                                                                                                                | 3 Months ended<br>(31/03/2011) | Corresponding<br>3 months ended in the<br>previous year<br>(31/03/2010) | Twelve<br>Months ended<br>(31/03/2011) | Twelve<br>Months ended<br>(31/03/2010) | Accounting<br>Period ended<br>31/03/2010<br>(18 Months) |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------|----------------------------------------|----------------------------------------|---------------------------------------------------------|
|                                                                                                                                            | Unaudited                      | Unaudited                                                               | Unaudited                              | Unaudited                              | Audited                                                 |
| 1. (a) Net Sales/Income from Operations                                                                                                    | 174.81                         | 321.13                                                                  | 784.73                                 | 1370.38                                | 1731.04                                                 |
| (b) Other Operating Income (Job Work Charges Received)                                                                                     | 492.66                         | 549.42                                                                  | 2055.47                                | 1576.43                                | 2106.73                                                 |
|                                                                                                                                            | <b>667.47</b>                  | <b>870.55</b>                                                           | <b>2840.19</b>                         | <b>2946.81</b>                         | <b>3837.77</b>                                          |
| 2. Expenditure                                                                                                                             |                                |                                                                         |                                        |                                        |                                                         |
| a. Increase/decrease in stock in trade and work in progress                                                                                | 0.00                           | 35.47                                                                   | 43.34                                  | 10.19                                  | 15.71                                                   |
| b. Consumption of raw materials                                                                                                            | 8.89                           | 45.61                                                                   | 140.22                                 | 814.20                                 | 953.77                                                  |
| c. Purchase of traded goods                                                                                                                | 77.90                          | 177.00                                                                  | 482.36                                 | 550.39                                 | 726.29                                                  |
| d. Employees cost                                                                                                                          | 259.19                         | 318.94                                                                  | 935.98                                 | 1035.53                                | 1430.07                                                 |
| e. Depreciation                                                                                                                            | 280.49                         | 347.91                                                                  | 954.13                                 | 895.27                                 | 1240.03                                                 |
| f. Impairment of Fixed Assets                                                                                                              | 1101.68                        | 0.00                                                                    | 1101.68                                | 0.00                                   | 0.00                                                    |
| g. Other expenditure                                                                                                                       | 328.30                         | 399.49                                                                  | 1382.26                                | 1292.25                                | 1723.71                                                 |
| i. Total                                                                                                                                   | <b>2056.44</b>                 | <b>1324.41</b>                                                          | <b>5039.96</b>                         | <b>4597.83</b>                         | <b>6089.59</b>                                          |
| 3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)                                                          | <b>(1388.96)</b>               | <b>(453.86)</b>                                                         | <b>(2199.77)</b>                       | <b>(1651.02)</b>                       | <b>(2251.82)</b>                                        |
| 4. Other Income                                                                                                                            | 9.02                           | 13.74                                                                   | 45.05                                  | 126.95                                 | 170.28                                                  |
| 5. Profit before Interest & Exceptional Items (3+4)                                                                                        | <b>(1379.95)</b>               | <b>(440.12)</b>                                                         | <b>(2154.71)</b>                       | <b>(1524.07)</b>                       | <b>(2081.54)</b>                                        |
| 6. Interest                                                                                                                                | 531.67                         | 45.93                                                                   | 667.25                                 | 164.13                                 | 283.29                                                  |
| 7. Profit after Interest but before Exceptional Items (5-6)                                                                                | <b>(1911.62)</b>               | <b>(486.04)</b>                                                         | <b>(2821.96)</b>                       | <b>(1688.20)</b>                       | <b>(2364.83)</b>                                        |
| 8. Exceptional Items                                                                                                                       | 1150.00                        | 0.00                                                                    | 1150.00                                | (585.28)                               | (666.19)                                                |
| 9. Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)                                                                          | <b>(3061.62)</b>               | <b>(486.04)</b>                                                         | <b>(3971.96)</b>                       | <b>(1102.92)</b>                       | <b>(1698.64)</b>                                        |
| 10. Tax expense                                                                                                                            |                                |                                                                         |                                        |                                        |                                                         |
| - Current Tax                                                                                                                              | 0.00                           | 0.00                                                                    | 0.00                                   | 0.00                                   | 2.17                                                    |
| - Deferred Tax Assets Written Off                                                                                                          | 769.27                         | 0.00                                                                    | 769.27                                 | 0.00                                   | 0.00                                                    |
| 11. Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)                                                                       | <b>(3830.89)</b>               | <b>(486.04)</b>                                                         | <b>(4741.23)</b>                       | <b>(1102.92)</b>                       | <b>(1700.81)</b>                                        |
| 12. Prior Period items                                                                                                                     | <b>1393.71</b>                 | <b>0.00</b>                                                             | <b>1393.71</b>                         | <b>0.00</b>                            | <b>0.00</b>                                             |
| 13. Extraordinary Item (net of tax expense Rs.....)                                                                                        | 0.00                           | 0.00                                                                    | 0.00                                   | 0.00                                   | 0.00                                                    |
| 14. Net Profit (+)/Loss(-) for the period (11-12)                                                                                          | <b>(5224.60)</b>               | <b>(486.04)</b>                                                         | <b>(6134.94)</b>                       | <b>(1102.92)</b>                       | <b>(1700.81)</b>                                        |
| 15. Paid-up equity share capital<br>(Face Value of the Share shall be indicated)                                                           | 2403.52                        | 2403.52                                                                 | 2403.52                                | 2403.52                                | 2403.52                                                 |
| 16. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year                                                | 0.00                           | 0.00                                                                    | 0.00                                   | 0.00                                   | 0.00                                                    |
| 17. Earnings Per Share (EPS)                                                                                                               |                                |                                                                         |                                        |                                        |                                                         |
| (a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized) | (21.74)                        | (2.02)                                                                  | (25.52)                                | (4.59)                                 | (7.08)                                                  |
| (b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)  | (21.74)                        | (2.02)                                                                  | (25.52)                                | (4.59)                                 | (7.08)                                                  |

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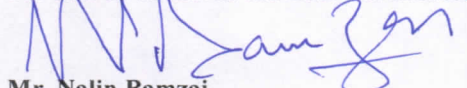


|                                                                                              |          |          |          |          |          |
|----------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|
| 18. Public shareholding                                                                      |          |          |          |          |          |
| - Number of shares                                                                           | 7485241  | 7485241  | 7485241  | 7485241  | 7485241  |
| - Percentage of shareholding                                                                 | 31.14    | 31.14    | 31.14    | 31.14    | 31.14    |
| 19. Promoters and Promoter Group Shareholding                                                |          |          |          |          |          |
| a) Pledged / Encumbered                                                                      |          |          |          |          |          |
| - Number of shares                                                                           | 0        | 0        | 0        | 0        | 0        |
| - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 0        | 0        | 0        | 0        | 0        |
| - Percentage of shares (as a % of the total share capital of the company)                    | 0        | 0        | 0        | 0        | 0        |
| b) Non - encumbered                                                                          |          |          |          |          |          |
| - Number of shares                                                                           | 16549910 | 16549910 | 16549910 | 16549910 | 16549910 |
| - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 100      | 100      | 100      | 100      | 100      |
| - Percentage of shares (as a % of the total share capital of the company)                    | 68.86    | 68.86    | 68.86    | 68.86    | 68.86    |

#### NOTES

- 1) The above un-audited results have been reviewed by the Audit Committee and taken on record approved by the Board of Directors in their Meeting held on 13th May, 2011.
- 2) Previous period figures have been regrouped or reclassified wherever necessary to make them comparable with the figures of the current period.
- 3) The Company has only one segment of activity namely, "Pharmaceuticals", accordingly disclosure requirements under AS-17 for segmental information is not applicable.
- 4) The Company had acquired certain technical know how (intangible assets) for certain products and the same were being amortised. The Management has assessed these assets for impairment. Considering the technological developments and the future economic benefits expected therefrom on assets of Rs. 1101.68 lacs has been provided for impairment of these intangible fixed assets.
- 5) The Auditors had qualified their Audit report on the Company's accounts for the 18 month period ended 31st March 2010 and also the limited review report for quarter ended 31st December, 2010. Their Comments and the action taken during the period are as under:
  - (a). The Company was not making provision for interest on bank loans which were classified as Non Performing Asset by the bankers, as the Company had given proposals for one time settlement with bankers. However, the bankers have not responded favorably and have filed suits in the Debt Recovery Tribunal. The Company has now provided for the interest on these bank loans amounting to Rs. 486.08 lacs for the year from 1st April 2010 to 31st March 2011 and Rs. 1393.71 lacs for the earlier years upto 31st March 2010.
  - (b). The Company had not made provision in respect of demand as per show cause notice pursuant to search undertaken by Directorate of Revenue Intelligence under the Custom Act. During the period, the Company has received order of the Commissioner of Customs Adjudication confirming the demands and also levying interest and penalty against which an appeal has been preferred before the Regional Bench, Customs Excise and Service Tax Appellate Tribunal. However, pending the final outcome, the amount of Rs. 1150 lacs which was deposited under protest has been now provided for and shown as exceptional items, the Company expects no further liability in this regards.
  - (c). The Company had recognized deferred tax assets arising due to unabsorbed depreciation to the extent of Rs. 769.27 lacs as the management was hopeful of realising the benefit of deferred tax assets. However, considering the current performance and the market conditions, now there is no virtual certainty of realising the same. Accordingly, the Company has written off the said amount of Rs. 769.27 lacs.
- 6) During the quarter no complaints/references was received from investors and there were no Investor complaints/references pending at the beginning as well as at the end of the quarter.

For and on behalf of the Board of Directors



Mr. Nalin Bamzai  
Managing Director

Place : Mumbai  
Dated : 13.05.2011

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