

ZENOTECH LABORATORIES LIMITED
Regd. Off: 8-3-677/15, SKD Nagar, Srinagar Colony
Hyderabad - 500 073.

Audited financial results for the first quarter ended on June 30th, 2005

(Rs in lacs)

Sl.no	Particulars	Quarter ended 30-06-2005	Quarter ended 30-06-2004	Year ended 31-3-2005
1	Gross sales	215.96	-	562.26
	Less: Excise duty	20.66	-	67.02
	Net sales	195.30	-	495.24
2	Other income	1.09	9.62	28.63
3	Total expenditure	189.01	4.12	457.37
	a. (Increase)/decrease in stock in trade	(24.21)	-	(74.54)
	b. Consumption of raw material	119.97	-	298.90
	c. Staff cost	33.43	-	86.07
	d. Manufacturing expenses	15.52	-	32.43
	e. Selling and distribution expenses	27.89	-	41.64
	f. other expenses	16.41	-	72.87
4	Profit before interest, depreciation and taxes	7.38	5.50	66.49
5	Interest and bank charges	6.05	-	21.26
6	Profit after interest but before depreciation and taxes	1.33	5.50	45.23
7	Depreciation	1.71	0.04	5.89
8	Amortisation of goodwill and deferred payment expenditure	40.44	-	161.72
9	Extraordinary items		-	257.34
10	Profit/(loss) before tax	(40.82)	5.46	(379.72)
11	Provision for taxation			
	-Current tax including fringe benefit tax	0.83	-	3.00
	-Deferred tax	-	-	25.90
12	Net profit/(loss)	(41.66)	5.46	(408.62)
13	Paid-up equity share capital (Rs.10/- per share)	1543.28	544.24	1493.28
14	Reserves excluding revaluation reserve			1486.5
15	Earnings per share (Rs.) for the year not annualised			
	-Basic and diluted	-	-	(2.74)
16	Aggregate of non-promoters shareholding			
	-Number	6,255,357	4,276,400	5,750,887
	-% of shareholding	40.53%	78.58%	35.51%

- Notes: 1. The above results were taken on record by the Board of Directors at their meeting held on August 31st, 2005.
2. Figures for the current period are not comparable with those of the corresponding previous period on account of Scheme of Amalgamation with Zenotech Laboratories Pvt.Ltd. Figures have been regrouped wherever necessary.
3. The effect of deferred tax will be provided at the end of the year.
4. Biological manufacturing facility of the Company is under construction.
5. The Company presently operates in one segment only - Pharmaceuticals.
6. Investors complaints status: There were no investors complaints pending at the beginning of the quarter. The Company has not received any investors complaints during the quarter ended June 30th, 2005.
7. R&D expenses of Rs.43.43/- lacs for the quarter have been deferred as per AS 26.
8. During the quarter, the Company has allotted 2,00,000 and 3,00,000 equity shares on April 9th, 2005 and May 23rd, 2005, respectively, of Rs. 10/- each per share at a premium of Rs.45/- each per share upon exercise of conversion option by the allottee of warrants on preferential basis, Dr. Jayaram Chigurupati.
9. The Company has acquired 100% equity stake in Zenotech Farmaceutica Do Brasil Limitada. The Company has received the approval from ANVISA (an agency of the Ministry of Health, Brazil). The Company is yet to start its commercial operations, hence the above results does not consider consolidation of financial results.

Place:Hyderabad
Date: August 31st, 2005

By order of the Board
Sd/-

Dr. Jayaram Chigurupati
Chairman and Managing Director