

ZENOTECH LABORATORIES LIMITED

8-3-677/15, SKD Nagar, Srinagar Colony

Hyderabad - 500 073

Audited financial results for the quarter/six months ended on September 30th, 2005

(Rs. in lacs)

S.No.	Particulars	Quarter ended as on		Six months ended as on		Year ended March 31 st , 2005
		September 30 th , 2005	September 30 th , 2004	September 30 th , 2005	September 30 th , 2004	
1	Gross sales	366.48	138.54	582.44	200.86	562.27
	Less: Excise duty	25.35	11.33	46.01	15.42	67.03
	Net sales	341.13	127.21	536.43	185.44	495.24
2	Other income	0.22	6.90	1.32	16.57	28.63
3	Total expenditure	246.48	121.00	435.50	182.03	457.37
4	Profit before interest, depreciation and taxes	94.87	13.10	102.25	19.99	66.50
5	Interest	5.98	4.54	12.03	7.13	21.26
6	Profit after interest but before depreciation and taxes	88.89	8.56	90.22	12.86	45.24
7	Depreciation	1.74	1.60	3.45	3.00	5.89
8	Amortisation of goodwill and deferred revenue expenditure	40.24	40.48	80.68	80.82	161.72
9	Extra ordinary items	-	-	-	-	257.34
10	Profit before tax	46.91	(33.52)	6.08	(70.96)	(379.71)
11	Provision for tax (including fringe benefit tax)	1.00	-	1.83	-	3.00
12	Provision for deferred tax	-	-	-	-	25.90
13	Profit after tax	45.91	(33.52)	4.25	(70.96)	(408.61)
14	Paid-up Equity share capital (Rs.10/- per share)	15,682,800	14,749,900	15,682,800	14,749,900	14,932,800
15	Reserves excluding revaluation reserves					
16	Earnings per share (Rs.)					
	for the quarter/six months not annualised					
	Basic and diluted	0.29	-	0.03	-	-
		-	-	-	-	-
17	Aggregate of non-promoter's shareholding					
	- Number	7,564,305	5,118,900	7,564,305	5,118,900	5,750,887
	- Percentage of shareholding	48.23%	34.70%	48.23%	34.70%	38.51%

Notes:

- The above results were taken on record by the Board of Directors at their meeting held on November 29th, 2005.
- The effect of deferred tax will be provided at the end of the year.
- Biological manufacturing facility of the Company is under construction.
- The Company presently operates in one segment only - Pharmaceuticals.
- Investor complaints status: There were no investor complaints pending at the beginning of the quarter. The Company has not received any investor complaints during the quarter ended September 30th, 2005.
- R&D expenses of Rs.47.26 lacs for the quarter has been deferred as per AS 8.
- During the quarter, the Company has allotted 2,50,000 equity shares on August 31st, 2005 of Rs.10/- each per share at a premium of Rs.45/- each per share upon exercise of conversion option by the allottee, Dr. Jayaram Chigurupati, of the warrants issued on a preferential basis.
- The Company has incorporated its wholly owned subsidiary in Nigeria by the name "**Zenotech Laboratories Nigeria Limited**". The Company's subsidiaries in Brazil and Nigeria are yet to start their commercial operations. Hence the above results does not consider consolidation of financial results.

By order of the Board
Sd/-

Place: Hyderabad

Date: November 29th, 2005

Dr. Jayaram Chigurupati

Chairman and Managing Director