

**ZENOTECH LABORATORIES LIMITED**

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

Hyderabad - 500073, India

**UNAUDITED FINANCIAL RESULTS FOR THE 4<sup>TH</sup> QUARTER AND TWELVE MONTHS ENDED MARCH 31<sup>ST</sup>, 2006**

(Rs. In Lacs)

SI No.	Particulars	Quarter ended		Year ending	
		31-03-2006 Unaudited	31-03-2005 Audited	31-03-2006 Unaudited	31-03-2005 Audited
1	Gross Sales	326.36	151.06	1,336.40	562.27
	Less: Excise duty	0.49	25.49	45.36	67.03
	<b>Net Sales</b>	<b>325.88</b>	<b>125.57</b>	<b>1,291.04</b>	<b>495.24</b>
2	Other income	3.13	7.84	5.26	28.63
3	Total Expenditure	268.62	156.58	1,074.40	457.37
	a. (Increase)/ Decrease in stock-in-trade	29.86	(21.46)	14.29	(74.54)
	b. Consumption of raw material	116.00	95.91	612.19	298.90
	c. Staff Cost	40.70	31.42	151.03	86.08
	d. Manufacturing expenses	1.83	10.32	25.17	32.44
	e. Selling and distribution expenses	51.24	19.79	170.28	41.64
	f. Other expenses	28.98	20.59	101.44	72.86
4	Profit before Interest, Depreciation and Taxes	60.39	(23.17)	221.91	66.50
5	Interest	16.08	7.74	35.81	21.26
6	<b>Profit after interest but before depreciation and taxes</b>	<b>44.31</b>	<b>(30.90)</b>	<b>186.10</b>	<b>45.24</b>
7	Depreciation	1.93	1.65	7.18	5.89
	Amortisation of goodwill and miscellaneous expenses	40.48	43.95	161.83	161.72
8	Extraordinary items	-	257.34	-	257.34
9	Profit/(Loss) before tax	1.89	(333.83)	17.08	(379.72)
10	Provision for taxation				
	Current tax (including fringe benefit tax & wealth tax)	1.51	3.00	4.43	3.00
	Deferred tax	11.64	25.90	11.64	25.90
11	<b>Net profit/(Loss)</b>	<b>(11.26)</b>	<b>(362.74)</b>	<b>1.01</b>	<b>(408.63)</b>
13	Paid-up Equity share capital (Rs.10/- per share)	1,568.28	1,493.28	1,568.28	1,493.28
14	Reserves excluding revaluation reserves				1,486.56
15	Earnings Per Share (Rs.) for the quarter/ year not annualised				
	- Basic and diluted	(0.072)	(2.429)	0.001	(2.736)
16	Aggregate of non-promoter shareholding				
	- Number	8,027,735	5,750,887	8,027,735	5,750,887
	- Percentage of shareholding	51.19%	38.51%	51.19%	38.51%

- Notes:
- The above unaudited results were taken on record by the Board of Directors at their meeting held on April 29<sup>th</sup>, 2006.
  - The statutory auditors of the company have done a limited review of the accounts.
  - The company has completed clinical trials of its two generic biologics viz., GM-CSF and G-CSF and is awaiting DCGI approval for market launch.
  - The Company presently operates in one segment only - Pharmaceuticals.
  - Investors complaints status: There are no investors complaints pending at the beginning and at the end of the quarter. The Company has not received any investor complaint during the current quarter.
  - The manufacturing facilities of the Company are under commissioning.
  - Research and Development expenses of Rs. 78.28 lacs for the quarter have been deferred as per AS 8.
  - 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.
  - The above results do not include the financials of Credence Pharmaceuticals Limited and Hemarus Healthcare Pvt. Ltd., pending confirmation of scheme by the Hon'bl High Court of Andhra Pradesh.
  - Provision for taxation will be considered upon consolidation of accounts pursuant to the scheme of amalgamation.

By order of the Board  
Sd/-

Place: Hyderabad  
Date: April 29<sup>th</sup>, 2006

Dr. Jayaram Chigurupati  
Chairman and Managing Director