

Zenotech Laboratories Limited
8-3-677/15, SKD Nagar, Srinagar Colony
Hyderabad 500073

Unaudited financial results for the quarter/six months ended September 30th, 2006

(Rs. in lacs)

S.No.	Particulars	Quarter ended as on		Half year ended as on		Year ended
		30-Sep-06	30-Sep-05	30-Sep-06	30-Sep-05	31-Mar-06
		Unaudited	Audited	Unaudited	Audited	Audited
1	Gross sales	551.02	366.48	857.83	582.44	1,319.62
	Less: Excise duty	23.93	25.35	48.12	46.01	82.37
	Net sales	527.09	341.13	809.71	536.43	1,237.25
2	Other Income	8.73	0.22	19.30	1.32	8.89
3	Total expenditure	368.11	246.48	726.85	435.50	1,124.63
	a. (Increase)/decrease in stock	(79.09)	-	(179.83)	(26.44)	(2.12)
	b. Material cost	241.21	-	506.28	261.46	559.32
	c. Other manufacturing expenses	13.52	-	25.91	22.70	40.01
	d. Staff cost	74.43	-	160.80	70.12	208.03
	d. Selling and distribution expenses	53.15	-	104.82	68.03	186.07
	e. Other expenses	64.90	-	108.86	39.64	133.32
4	Profit before interest, depreciation and taxes	167.72	94.87	102.16	102.25	121.51
5	Interest & bank charges	42.61	5.98	68.13	12.03	52.76
6	Profit after interest but before depreciation and taxes	125.11	88.89	34.03	90.22	68.75
7	Depreciation	32.97	1.74	44.87	3.45	25.89
8	Amortisation of miscellaneous expenditure	8.23	40.24	12.51	80.68	97.31
9	Profit before taxes	83.91	46.91	(23.35)	6.08	(54.45)
10	Provision for tax (including fringe benefit tax)	2.73	1.00	3.82	1.83	7.88
11	Provision for deferred taxes	-	-	-	-	11.48
12	Profit after tax	81.17	45.91	(27.17)	4.25	(73.80)
13	Paid up equity share capital (Rs.10/- per share)	28,810,464	15,682,800	28,810,464	15,682,800	26,810,464
14	Reserves excluding revaluation reserves					153,282,300
15	Earnings per share (Rs.) for the quarter/six months not annualised					
	Basic and diluted	0.28	0.29	(0.09)	0.03	(0.28)
16	Aggregate of non-promoter's shareholding					
	- Number	12,270,570	7,564,305	12,270,570	7,564,305	8,027,735
	- Percentage of shareholding	42.59%	48.23%	42.59%	48.23%	51.19%

Notes:

- The above results were reviewed by the audit committee and taken on record by the Board of Directors at their meeting held on October 31st, 2006.
- The effect of deferred tax will be provided at the end of the year.
- The biologics manufacturing facility of the Company was commissioned during the quarter.
- The Company operated in one segment only - Pharmaceuticals.
- The Company's subsidiaries in Brazil and Nigeria are yet to start their commercial operations.
- Figures for the current period are not comparable with those of the corresponding previous period on account of the scheme of amalgamation with Credence Pharmaceuticals Limited and Hemarus Healthcare Private Limited. The Hon'ble High Court of Andhra Pradesh at Hyderabad has given its approval for the amalgamation vide its order dated May 2nd, 2006. Figures have been regrouped wherever necessary.
- No objection for the amalgamation from the Bombay Stock Exchange Limited is still pending
- The Company has issued 1,11,27,664 equity shares of Rs.10/- each per share to the erstwhile shareholders of M/s. Credence Pharmaceuticals Limited and M/s. Hemarus Healthcare Private Limited in lieu of the amalgamation, on July 17th, 2006 during the quarter under review.
- The Company has issued 200,000 equity shares of Rs.10/- per share to M/s. Ranbaxy Laboratories Limited at a premium of Rs. 90/- per share on preferential allotment basis on August 25th, 2006.
- During the quarter under review, the Company has received three (3) investor complaints and the same has been resolved.

By order of the Board
sd/-

Place: Hyderabad
Date: October 31st, 2006

Dr. Jayaram Chigurupati
Chairman and Managing Director

Zenotech Laboratories Limited
8-3-677/15, SKD Nagar, Srinagar Colony
Hyderabad 500073

Unaudited consolidated financial results for the quarter/six months ended September 30th, 2006

(Rs. in lacs)

S.No.	Particulars	Quarter ended as on	Half year ended as on	Year ended
		30-Sep-06	30-Sep-06	31-Mar-06
		Unaudited	Unaudited	Audited
1	Gross sales	551.02	857.83	1,319.62
	Less: Excise duty	23.93	48.12	82.37
	Net sales	527.09	809.71	1,237.25
2	Other Income	22.52	33.08	8.92
3	Total expenditure	389.90	815.31	1,391.74
	a. (Increase)/decrease in stock	(79.09)	(179.83)	(2.12)
	b. Material cost	240.91	512.25	578.88
	c. Other manufacturing expenses	13.52	25.91	40.01
	d. Staff cost	88.85	210.71	360.56
	d. Selling and distribution expenses	53.15	104.82	193.87
	e. Other expenses	72.55	141.44	220.54
4	Profit before interest, depreciation and taxes	159.72	27.48	(145.58)
5	Interest & bank charges	44.70	75.18	69.63
6	Profit after interest but before depreciation and taxes	115.01	(47.70)	(215.21)
7	Depreciation	33.61	46.14	28.21
8	Amortisation of miscellaneous expenditure	8.23	12.51	97.31
9	Profit before taxes	73.17	(106.35)	(340.73)
10	Provision for tax (including fringe benefit tax)	2.73	3.82	7.88
11	Provision for deferred taxes	-	-	11.48
12	Profit after tax	70.44	(110.17)	(360.09)
13	Paid up equity share capital (Rs. 10/- per share)	28,810,464	28,810,464	26,810,464
14	Reserves excluding revaluation reserves			
15	Earnings per share (Rs)			
	for the quarter/six months not annualised			
	Basic and diluted	0.24	(0.38)	(1.34)
16	Aggregate of non-promoter's shareholding			
	- Number	12,270,570	12,270,570	8027735
	- Percentage of shareholding	42.59%	42.59%	51.19%

Notes:

- The above results were reviewed by the audit committee and taken on record by the Board of Directors at their meeting held on October 31st, 2006.
- The above results include the financials of subsidiaries - Zenotech Farmaceutica Do Brasil Limitada, Brazil; Zenotech Laboratories Nigeria Limited, and Nigeria; Zenotech Inc., USA.

By order of the Board
sd/-

Place: Hyderabad
Date: October 31st, 2006

Dr. Jayaram Chigurupati
Chairman and Managing Director