

ZENOTECH LABORATORIES LIMITED

8-3-677/15, SKD Nagar, Srinagar Colony
Hyderabad - 500 073.

Audited financial results for the quarter/nine months ended on December 31st, 2006

(Rs. in lacs)

S.No.	Particulars	III Quarter ended		Up to the period ending		Year ended 31-Mar-06
		31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05	
1	Gross sales	228.14	427.59	1,085.97	1,010.04	1,319.62
	Less: Excise duty	7.10	(1.14)	55.22	44.87	82.37
	Net sales	221.04	428.73	1,030.75	965.17	1,237.25
2	Other income	14.49	0.81	33.79	2.13	8.89
3	Total expenditure	475.97	370.28	1,189.85	805.77	1,124.63
	a. (Increase) / decrease in stock	48.21	10.86	(131.62)	(15.57)	(2.12)
	b. Material cost	90.91	234.73	597.19	496.18	559.32
	c. Other manufacturing expenses	40.09	0.65	66.00	23.34	40.01
	d. Staff cost	131.60	40.21	292.40	110.32	208.03
	e. Selling and distribution expenses	40.43	51.01	145.25	119.04	186.07
	f. Research and development expenses	54.00	-	54.00	-	-
	g. Other expenses	70.73	32.82	166.63	72.46	133.32
4	Profit / (loss) before interest, depreciation and taxes	(240.44)	59.26	(125.31)	161.53	121.51
5	Interest	69.79	7.70	137.92	19.73	52.76
6	Profit / (loss) after interest but before depreciation and tax	(310.23)	51.56	(263.23)	141.80	68.75
7	Depreciation	63.76	1.80	108.63	5.25	25.89
8	Amortisation of miscellaneous expenditure including research and development expenditure	34.79	40.66	60.27	121.35	97.31
9	Profit / (loss) before tax	(408.78)	9.10	(432.13)	15.20	(54.45)
10	Provision for tax (including fringe benefit tax)	2.00	1.09	5.82	2.92	7.88
11	Provision for deferred tax (asset)	(318.66)	-	(318.66)	-	11.48
12	Profit / (loss) after tax	(92.12)	8.01	(119.29)	12.28	(73.81)
13	Paid-up equity share capital (Rs.10/- per share)	2,881.05	1,568.28	2,881.05	1,568.28	2,681.05
14	Reserves excluding revaluation reserves					1,532.82
15	Earnings per share (Rs.) for the quarter/nine months not annualised					
	Basic	(0.33)	0.05	(0.43)	0.08	(0.28)
	Diluted	(0.33)	-	(0.43)	-	-
16	Capital employed	8,261.06	4,528.97	8,261.06	4,528.97	6,161.64

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 28th, 2007.
- The Company operated in one segment only - Pharmaceuticals.
- The Company's subsidiary in Brazil is yet to start its 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 Ltd. and Hemarus Healthcare Pvt. Ltd. The Hon'ble High Court of Andhra Pradesh at Hyderabad has given its approval for the amalgamation vide its order dated May 2nd, 2006.
- During the quarter under review, the following is the status of investor compliants: opening balance: nil; received during the quarter: nil; resolved during the quarter: nil; closing balance: nil.
- Figures have been regrouped/reclassified and recast wherever necessary.

By the order of the Board
sd/-

Place: Hyderabad
Date: February 28th, 2007

Dr. Jayaram Chigurupati
Chairman and Managing Director