



zenotech

ZENOTECH LABORATORIES LTD.

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ZENOTECH LABORATORIES LIMITED
8-2-120/112/88-89/P/2, 4th Floor, Park View Estate, Road No.2, Banjara Hills
Hyderabad - 500 034.

Audited financial results for the quarter / year ended 31st March, 2007

(Rs. in lakhs)

S.No.	Particulars	IV quarter ended		9 months	Year ended	
		Audited	Unaudited	period ended	Audited	Audited
		31-Mar-07	31-Mar-06	31-Dec-06	31-Mar-07	31-Mar-06
1	Income from sales and operations	278.67	326.36	1,085.97	1,364.64	1,319.62
	Less: Excise duty	7.44	0.49	55.22	62.66	82.37
	Net sales	271.23	325.88	1,030.75	1,301.98	1,237.25
2	License fee	900.00			900.00	
3	Other income	(4.30)	3.13	33.79	29.49	8.89
4	Total expenditure	468.30	268.62	1,189.85	1,658.15	1,124.63
	a. (Increase) / decrease in stock	(82.05)	29.86	(131.62)	(213.67)	(2.12)
	b. Material cost etc.	170.90	116.00	597.19	768.09	559.32
	c. Other manufacturing expenses	98.16	40.70	66.00	164.16	40.01
	d. Staff cost	147.12	1.83	292.40	439.52	208.03
	e. Administration, selling and distribution and other expenses	73.79	80.22	311.88	385.67	319.39
	f. Product development expenses	60.38	-	54.00	114.38	-
5	Profit / (loss) before interest, depreciation and taxes	698.63	60.39	(125.31)	573.32	121.52
6	Interest	73.22	16.08	137.92	211.14	52.76
7	Profit / (loss) after interest but before depreciation and taxes	625.41	44.31	(263.23)	362.18	68.76
8	Depreciation	73.47	1.93	108.63	182.10	25.89
	Amortisation of miscellaneous expenditure including product development expenditure	30.99	40.48	60.27	91.26	97.31
10	Profit / (loss) before tax	520.95	1.89	(432.13)	88.82	(54.45)
11	Provision for - current tax (including fringe benefit tax and wealth tax)	10.67	1.51	5.82	16.49	7.87
	- deferred tax (asset)	28.52	11.64	(318.66)	(290.14)	11.48
12	Profit / (loss) after tax	481.76	(11.26)	(119.29)	362.47	(73.80)
13	Paid-up equity share capital (Rs.10/- per share)	2,881.05	1,568.28	2,881.05	2,881.05	2,681.05
14	Reserves excluding revaluation reserves				3,332.82	1,532.82
15	Earnings per share (not annualized) (Rs.)					
	- Basic	1.72	(0.07)	(0.43)	1.29	(0.35)
	- Diluted	1.72	-	(0.43)	1.29	-
16	Aggregate of public shareholding					
	- Number of shares	12,356,558	8,027,735	12,356,558	12,356,558	8,027,735
	- Percentage of shareholding	42.89%	51.19%	42.89%	42.89%	51.19%
17	Capital employed	8,525.99	6,161.64	8,261.06	8,525.99	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 21st June, 2007.
- The Company operated in one segment only - Pharmaceuticals.
- The Company's subsidiary in Brazil is yet to start its commercial operations.
- The auditors in their report have qualified that in respect of recognition of deferred tax asset of Rs.893.03 lakhs on carried forward business losses and unabsorbed depreciation on the basis of management's estimate of future profitability projections which in their opinion does not meet the requirement of virtual certainty supported by convincing evidence. The management is however confident that the company would be in a position to make adequate profits in future and would realize the deferred tax asset of Rs.893.03 lakhs being carried forward.
- 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 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 2nd May, 2006.
- Figures have been regrouped/reclassified and recast wherever necessary.

By the order of the Board

Dr. Jayaram Chigurupati
Chairman and Managing Director

Place: Hyderabad
Date : 21st June, 2007

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Unaudited consolidated financial results for the year ended 31st March, 2007

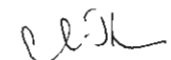
(Rs. in lakhs)

S.No.	Particulars	Year ended	
		Unaudited	Audited
		31-Mar-07	31-Mar-06
1	Income from sales and operations	1,345.59	1,319.62
	Less: Excise duty	62.66	82.37
	Net sales	1,282.93	1,237.25
2	License fee	900.00	
3	Other income	30.61	8.91
4	Total expenditure	1,798.06	1,391.74
	a. (Increase) / decrease in stock	(213.67)	(2.12)
	b. Material cost etc.	758.51	578.88
	c. Other manufacturing expenses	164.16	52.97
	d. Staff cost	591.59	385.25
	e. Administration, selling and distribution and other expenses	479.00	376.77
	f. Product development expenses	18.46	-
5	Profit / (loss) before interest, depreciation and taxes	415.49	(145.58)
6	Interest	229.15	69.63
7	Profit / (loss) after interest but before depreciation and taxes	186.34	(215.21)
8	Depreciation	184.65	28.21
9	Amortisation of miscellaneous expenditure including product development expenditure	91.26	97.31
10	Profit / (loss) before tax	(89.57)	(340.73)
11	Provision for - current tax (including fringe benefit tax and wealth tax)	16.49	7.87
12	- deferred tax (asset)	(290.14)	11.48
13	Profit / (loss) after tax	184.08	(360.08)
14	Paid-up equity share capital (Rs.10/- per share)	2,881.06	2,681.05
15	Reserves excluding revaluation reserves	3,332.82	1,532.82
16	Capital employed	8,029.51	5,839.14

Notes:

- The above unaudited results were reviewed by the audit committee and taken on record by the Board of Director's at their meeting held on 21st June, 2007.
- The above results include the financials of subsidiaries - Zenotech Farmaceutica do Brasil Ltda, Brazil; Zenotech Laboratories Nigeria Limited, Nigeria and Zenotech Inc., USA.

By order of the Board



Dr. Jayaram Chigurupati
Chairman and Managing Director

Place : Hyderabad
Date : 21st June, 2007