

ZENOTECH LABORATORIES LIMITED
8-3-677/15, SKD Nagar, Srinagar Colony
Hyderabad - 500073, India

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED MARCH 31st, 2005

(Rs. Lacs)

| SI No. | Particulars | Quarter ended | | Year ending | |
|--------|---|-------------------------|-------------------------|-------------------------|-----------------------|
| | | 31-03-2005 Unaudited | 31-03-2004 Unaudited | 31-03-2005 Unaudited | 31-03-2004 Audited |
| 1 | Gross Sales | 151.29 | - | 562.50 | 45.32 |
| | Less: Excise duty | 25.29 | - | 66.82 | - |
| | Net Sales | 126.00 | 0.00 | 495.68 | 45.32 |
| 2 | Other income | 7.84 | 14.26 | 28.63 | 16.26 |
| 3 | Total Expenditure | 155.83 | 2.57 | 456.61 | 47.00 |
| | a. (Increase)/ Decrease in stock-in -trade | (21.46) | - | (74.54) | (20.83) |
| | b. Consumption of raw material | 95.91 | - | 298.90 | 3.04 |
| | c. Staff Cost | 31.36 | - | 86.02 | 23.42 |
| | d. Manufacturing expenses | 10.50 | - | 31.01 | - |
| | e. Selling and distribution expenses | 19.79 | - | 41.64 | - |
| | f. Other expenses | 19.72 | 2.57 | 73.59 | 41.37 |
| 4 | Profit before Interest, Depreciation and Taxes | (21.98) | 11.69 | 67.69 | 14.58 |
| 5 | Interest | 7.74 | - | 21.26 | 6.08 |
| 6 | Profit after interest but before depreciation and taxes | (29.72) | 11.69 | 46.43 | 8.50 |
| 7 | Depreciation | 1.65 | 0.04 | 5.89 | 3.47 |
| | Amortisation of goodwill and miscellaneous expenses | 43.95 | - | 161.72 | - |
| 8 | Extraordinary items | 257.34 | - | 257.34 | - |
| 9 | Profit/(Loss) before tax | (332.65) | 11.65 | (378.53) | 5.03 |
| 10 | Provision for taxation | | | | |
| | Current tax | 3.10 | - | 3.10 | 0.36 |
| | Deferred tax | 25.90 | - | 25.90 | 7.69 |
| 11 | Net profit/(Loss) | (361.65) | 11.65 | (407.53) | (3.02) |
| 13 | Paid-up Equity share capital (Rs.10/- per share) | 1,493.28 | 544.24 | 1,493.28 | 544.24 |
| 14 | Reserves excluding revaluation reserves | - | - | - | 1226.66 |
| 15 | Earnings Per Share (Rs.) for the quarter/ half year not annualised | | | | |
| | - Basic | - | - | - | - |
| | - Diluted | - | - | - | - |
| 16 | Aggregate of non-promoter shareholding | | | | |
| | - Number | 5,750,887 | 4,276,400 | 5,750,887 | 4,276,400 |
| | - Percentage of shareholding | 35.51% | 78.58% | 35.51% | 78.58% |

- Notes:
- The above unaudited results were taken on record by the Board of Directors at their meeting held on April 9th, 2005.
 - Figures for the current period are not comparable with those of the corresponding previous period on account of the amalgamation scheme with Zenotech Laboratories Pvt. Ltd. Figures have been regrouped wherever necessary.
 - 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 received and resolved 2 investor complaints during the current quarter.
 - The manufacturing facilities of the Company are under construction.
 - Research and Development expenses of Rs. 30.69 lacs for the quarter have been deferred as per AS 8.
 - The Extra ordinary items for the period under review consists of write off the Investments and provision for doubtful debts brought forward from erstwhile Sunline Technologies Limited.
 - In January 2005 the company acquired 100% equity stake in Zenotech Farmaceutica Do Brasil Ltd. for a consideration of USD 0.26 mn. The Company is awaiting ANVISA (an agency of the Ministry of Health, Brazil) approvals before start of operations. The subsidiary company has not started its operations and declaration of consolidated financial results are not applicable under AS-21 of ICAI.
 - During the quarter under review 182,900 forfeited equity shares of face value Rs. 10/- per share were reissued at Rs. 131.60 per share which includes a premium of Rs. 121.60 per share
 - The figures were subject to limited review by the auditors of the Company.

By order of the Board
Sd/-

Place: Hyderabad
Date: April 9th, 2005

Dr. Jayaram Chigurupati
Managing Director