



**91ST
ANNUAL
REPORT
2009-2010**

ZANDU REALTY LIMITED
(FORMERLY KNOWN AS THE ZANDU PHARMACEUTICAL WORKS LIMITED)

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DIRECTORS

Shri Y. P. Trivedi - Chairman
Shri Anand Rathi
Shri P. P. Vora
Shri Krishna Kumar Khemka
Shri Hari Mohan Marda
Shri Abhijit Datta
Shri Rajesh Bagaria
Shri Raj Kumar Sureka
Shri Amar Bhalotia

Shri Mohan Goenka - Joint Managing Director
Shri Harsh Vardhan Agarwal - Joint Managing Director

CEO (Commercial) & Company Secretary

Shri Anand R. Mundra

AUDITORS

Deloitte Haskins & Sells (upto ensuing AGM)
Chartered Accountants

S. K. Agarwal & Co. (from ensuing AGM)
Chartered Accountants

BANKERS

Central Bank of India
The North Kanara G.S.B. Co-op. Bank Ltd.

REGISTERED OFFICE

Emami Tower, 687, Anandapur E.M.Bypass,
Kolkata 700 107.
Tel. No. : 033 66136264
Fax. No. : 033 66136600

CORPORATE OFFICE

70, Gokhale Road (South)
Dadar, Mumbai - 400 025.
Tel. No. : 022 39800300
Fax. No. : 022 24375491



CHAIRMAN'S STATEMENT

Dear Shareholders, Colleagues, Members of the Staff, Ladies and Gentlemen.

It gives me great pleasure to extend to you all a warm welcome to the 91st Annual General Meeting of the Company.

The Shareholders in the Annual General Meeting held on 31st December 2009 passed the special resolution under Section 149(2A) of the Companies Act, 1956, for carrying on Real Estate Business activities, which has become main business of the Company.

The Company's name is changed to "Zandu Realty Limited" pursuant to receipt of Fresh Certificate of Incorporation consequent upon change of name on 18th January 2010 from the Deputy Registrar of Companies, West Bengal.

The Company is exploring various business opportunities in Real Estate Business and will commence its revenue operations from Real Estate Business thereafter.

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, the details of which are given under Directors' Report was sanctioned by Honourable High Court, Calcutta and in consideration of the transfer of the FMCG undertaking of the Company to Emami Limited, Emami Limited had issued fourteen (14) equity shares of the face value of Rs.2/- per share of Emami Limited for every one (1) equity share of a face value of Rs.100/- each held in the Company. Additionally, the Shareholders of the Company have continued to hold existing shareholding which is representing Zandu Realty Limited.

With the view to synergies the expertise of various persons, the Board of the Company has been restructured, the details of which are given under Directors' Report.

I thank my colleagues on the Board of Directors and Shareholders for their co-operation and support.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, characteristic of the signature of Y. P. Trivedi.

**Y. P. TRIVEDI
CHAIRMAN**

Place : Mumbai
Date : 26th May 2010.



NOTICE

NOTICE is hereby given that the 91st Annual General Meeting of Zandu Realty Limited will be held on Tuesday, 10th August 2010 at 11 a.m. at Eastern Zonal Cultural Centre, 'Aikatan', Bidhannagar, IA - 290, Sector - III, Kolkata - 700 091, to transact the following business:

1. To receive, consider and adopt the Directors' Report, Auditors' Report, the Audited Profit and Loss Account of the Company for the year ended 31st March 2010 and the Balance Sheet as on that date.
2. To appoint a Director in place of Shri P. P. Vora, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"Resolved that subject to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s S. K. Agarwal & Co., Chartered Accountants, Kolkata, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of the retiring Auditors M/s Deloitte Haskins & Sells, Chartered Accountants, as they have not offered themselves for re-appointment, to examine the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that the vacancy caused due to the retirement by rotation of Shri Rajesh Jain, Director, who has not offered himself for re-appointment, be not filled up."
5. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Krishna Kumar Khemka, who is appointed as an Additional Director w.e.f. 26th May 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."
6. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Hari Mohan Marda, who is appointed as an Additional Director w.e.f. 26th May 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."
7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Abhijit Datta, who is appointed as an Additional Director w.e.f. 1st June 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."
8. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Rajesh Bagaria, who is appointed as an Additional Director w.e.f. 26th May 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."
9. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Raj Kumar Sureka, who is appointed as an Additional Director w.e.f. 26th May 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."
10. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
"Resolved that Shri Amar Bhalotia, who is appointed as an Additional Director w.e.f. 26th May 2010, by the Board of Directors at its meeting held on 26th May 2010 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and the period of his office be liable to retirement by rotation."

Registered Office :
Emami Tower,
687, Anandapur E.M.Bypass,
Kolkata 700 107.

By Order of the Board of Directors
For Zandu Realty Limited

(Anand R. Mundra)
CEO (Commercial) & Company Secretary

Dated : 26th May 2010.

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NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2) The Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
- 3) The Register of Member and the Share Transfer Books will remain close from Thursday, 29th July 2010 to Thursday, 5th August 2010 (both days inclusive).
- 4) Pursuant to section 205 of the Companies Act, 1956, all unclaimed dividends upto the financial year 1995-96, have been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, CBD Belapur, Navi Mumbai - 400 614.
- 5) Please note that the time limit for transfer of unpaid dividend to the Central Government has been enhanced from 3 years to 7 years as per Section 205A(5) of the Companies Act, 1956 and the dividend which remains unpaid or unclaimed will be transferred to the "Investor Education and Protection Fund" of the Central Government, pursuant to Section 205C of the Companies Act, 1956, on the respective due dates. Thereafter, the shareholders will not be able to claim any dividend so transferred. In compliance with the provisions of Section 205A and 205C of the Companies Act, 1956, unclaimed dividend upto the financial year 2001-2002 has been transferred to "Investor Education and Protection Fund" established by the Central Government.

Those members who have so far not encashed their dividend warrants for the financial year 2002-03 or any subsequent financial years for interim / final dividend, if any, are requested to make their claim to the Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001.
- 6) Members who have multiple folios in the same name and in identical order are requested to consolidate their holdings under one folio. We strongly feel that such a step would benefit the members enormously, particularly in monitoring of dividend warrants, reduction of multiple communications etc. Consolidation of folios does not amount to transfer of shares and therefore, no stamp duty is payable by the members. In case a member decides to consolidate his/her folios, he/she is requested to forward his/her share certificates to the Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001.
- 7) Members are requested to bring their copy of the Annual Report to the meeting.
- 8) Members desiring any information as regards to the accounts are requested to write to the Company atleast seven days before the meeting, so as to enable the management to keep the information ready.
- 9) Members are requested to intimate the change, if any, in their address/bank mandate details :
 - a) To their Depository Participants (DPs) in respect of their demat holding.
 - b) To Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001, in respect of holding in physical form.
- 10) The shares of the Company are listed on The Stock Exchange, Mumbai and National Stock Exchange of India Limited.

The necessary annual listing fees for the year have already been paid.

Registered Office :
Emami Tower,
687, Anandapur E.M.Bypass,
Kolkata 700 107.

Dated : 26th May 2010.

By Order of the Board of Directors
For Zandu Realty Limited



(Anand R. Mundra)
CEO (Commercial) & Company Secretary



Explanatory statement under Section 173 (2) of the Companies Act, 1956.

ITEM NO. 4

Shri Rajesh Jain, Director, who is retiring by rotation and being eligible for re-appointment has expressed his desire to retire from the Board. Further, it has been resolved not to fill the resulting vacancy.

The Board of Directors recommends the consideration of said resolution.

None of the Directors except Shri Rajesh Jain is interested in the above resolution.

ITEM NO.5

The Board of Directors has appointed Shri Krishna Kumar Khemka, as an Additional Director of the Company w.e.f. 26th May 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Krishna Kumar Khemka as a Director of the Company. The Board of Directors recommends the appointment of Shri Krishna Kumar Khemka as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the Directors except Shri Krishna Kumar Khemka is interested in the above resolution.

ITEM NO. 6

The Board of Directors has appointed Shri Hari Mohan Marda, as an Additional Director of the Company w.e.f. 26th May 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Hari Mohan Marda as a Director of the Company. The Board of Directors recommends the appointment of Shri Hari Mohan Marda as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the Directors except Shri Hari Mohan Marda is interested in the above resolution.

ITEM NO.7

The Board of Directors has appointed Shri Abhijit Datta, as an Additional Director of the Company w.e.f. 1st June 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Abhijit Datta as a Director of the Company. The Board of Directors recommends the appointment of Shri Abhijit Datta as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the Directors except Shri Abhijit Datta is interested in the above resolution.

ITEM NO.8

The Board of Directors has appointed Shri Rajesh Bagaria, as an Additional Director of the Company w.e.f. 26th May 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Rajesh Bagaria as a Director of the Company. The Board of Directors recommends the appointment of Shri Rajesh Bagaria as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the Directors except Shri Rajesh Bagaria and Shri Mohan Goenka is interested in the above resolution.

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ITEM NO.9

The Board of Directors has appointed Shri Raj Kumar Sureka, as an Additional Director of the Company w.e.f. 26th May 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Raj Kumar Sureka as a Director of the Company. The Board of Directors recommends the appointment of Shri Raj Kumar Sureka as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the Directors except Shri Raj Kumar Sureka and Shri Harsh Vardhan Agarwal is interested in the above resolution.

ITEM NO.10

The Board of Directors has appointed Shri Amar Bhalotia, as an Additional Director of the Company w.e.f. 26th May 2010, at their Board meeting held on 26th May 2010. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice alongwith the requisite deposit under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose the appointment of Shri Amar Bhalotia as a Director of the Company. The Board of Directors recommends the appointment of Shri Amar Bhalotia as the Director.

The detailed resume is forming part of the Corporate Governance Report.

None of the directors except Shri Amar Bhalotia is interested in the above resolution.

Registered Office :
Emami Tower,
687, Anandapur E.M.Bypass,
Kolkata 700 107.

By Order of the Board of Directors
For Zandu Realty Limited



(Anand R. Mundra)
CEO (Commercial) & Company Secretary

Dated : 26th May 2010.

**DIRECTORS' REPORT**

To,
The Members,
The Directors' are pleased to present their 91st Annual Report and the Financial Accounts for the year ended 31st March 2010.

REAL ESTATE BUSINESS ACTIVITIES/CHANGE OF NAME

The Shareholders in the Annual General Meeting held on 31st December 2009 passed the Special Resolution under Section 149(2A) of the Companies Act, 1956, for carrying on Real Estate Business activities, which has become the main business of the Company.

The Company's name is changed to "Zandu Realty Limited" pursuant to receipt of Fresh Certificate of Incorporation consequent upon the change of name on 18th January 2010 from the Deputy Registrar of Companies, West Bengal.

SCHEME OF ARRANGEMENT UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956.

The Shareholders of the Company passed the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, in the Court convened meeting held on 11th September 2009 approving:

- The demerger of FMCG undertaking (business of manufacturing and dealing in ayurvedic and medicinal preparations, which is core business) of the Company into Emami Ltd.
- The Company to retain its non core business i.e. other than FMCG undertaking comprising of assets and properties which can be employed in the business of real estate and liabilities pertaining to other than those related to FMCG undertaking.

The appointed date for the scheme was 5th November 2008.

The Honourable High Court, Calcutta vide its order dated 17th November 2009 sanctioned the Scheme. The Scheme is effective from 2nd December 2009 being the date of filing of the certified copy of the order of Honourable High Court, Calcutta with the Registrar of Companies, West Bengal.

In consideration of the transfer of the FMCG undertaking of the Company to Emami Limited, Emami Limited had issued fourteen (14) equity shares of the face value of Rs.2/- per share of Emami Limited for every one (1) equity share of a face value of Rs.100/- each held in the Company. Additionally, the Shareholders of the Company have continued to hold existing shareholding which is representing Zandu Realty Limited.

FINANCIAL/YEAR IN RETROSPECT

The figures of the previous year includes the figures of The Zandu FMCG undertaking for the period from 1st April 2008 to 4th November 2008 and accordingly the current year's figure are not comparable with those of previous year.

The Company is exploring various business opportunities in Real Estate Business and will commence its revenue operations from Real Estate Business thereafter.

	(Rs in lacs)			
	2009 - 2010		2008 - 2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Sales	-	-	-	9369.37
Other Income	-	216.24	-	583.90
Profit Before Depreciation Interest & Tax	-	131.88	-	2280.08
Interest	-	-	23.78	-
Depreciation	-	-	145.22	169.00
Profit Before Tax	-	131.88	-	2111.08
Tax Expenses	-	(7.18)	-	585.60
Profit After Tax	-	139.06	-	1525.49
Balance Profit brought forward from previous year	-	1495.03	-	1207.86
Less : Transferred on demerger pursuant to Scheme of Arrangement	-	-	-	(-)1238.32
Balance available for appropriation	-	1634.09	-	1495.03

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DIVIDEND :

The Company has not recommended dividend. However, as informed in above para the shareholders of the Company have been allotted shares of Emami Limited pursuant to demerger of FMCG undertaking of the Company. The shares so allotted by Emami Limited are entitled for the dividend, as may be recommended by Emami Limited for the financial year.

CORPORATE GOVERNANCE :

The information pursuant to the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement are hereby presented in a separate report and annexed alongwith report.

MANAGEMENT DISCUSSION AND ANALYSIS :

Due to demerger, the strategic management view/financials pertaining to FMCG business are not given under this para.

The Company is exploring various options with respect to development of Real Estate Business.

The real estate industry has recovered from slowdown. The steps initiated by the Government have helped in reviving the economy as well as the real estate industry which has seen rise in demand as well as price rise.

Central Mumbai, where the Company has land available has good appetite for commercial / residential project.

The industrial relations continue to be harmonious.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF) :

The Company has transferred a sum of Rs.1,90,455/- pertaining to final dividend for the year 2001-02, Rs.52,509/- pertaining to fixed deposit and Rs. 57,097/- pertaining to interest on fixed deposits to IEPF, being the amounts which were due & payable and had remained unclaimed and unpaid, as per provisions of Section 205A (5) of the Companies Act, 1956.

DISCLOSURE OF PARTICULARS :

Information wherever applicable in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in Annexure 1, forming part of this report.

HUMAN RESOURCES :

The Industrial relations continued to be cordial.

For the year under review, there were no employees who were drawing remuneration in excess of limits as specified under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

GROUP FOR INTER SE TRANSFER OF SHARES :

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practice Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid regulations, are given in the separate annexure 2 attached herewith and forms part of this Annual Report.

DIRECTORS :

Under Article 161 of the Articles of Association of the Company Shri P. P. Vora, Director, is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Rajesh Jain who retires by rotation and being eligible for re-appointment, has expressed his desire to retire from the Board, and the Board has decided not to fill the resulting vacancy. The Board of Directors appreciate the valuable contribution made by him during his tenure on the Board.

ZANDU REALTY LIMITED (FORMERLY KNOWN AS THE ZANDU PHARMACEUTICAL WORKS LIMITED)



Shri R. S. Agarwal and Shri R. S. Goenka resigned as Directors of the Company with effect from 26th May 2010. The Board of Directors appreciate the valuable contribution made by them during their tenure on the Board.

Shri Krishna Kumar Khemka, Shri Hari Mohan Marda, Shri Abhijit Datta, Shri Rajesh Bagaria, Shri Raj Kumar Sureka and Shri Amar Bhalotia, were appointed as Additional Directors of the Company during the year under review. They hold office upto the date of the ensuing Annual General Meeting. The Company has received notices from some members proposing their candidature for being appointed as Directors of the Company.

Brief resume of the Directors to be appointed / re-appointed are given under a separate section of the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors confirm –

- (i) That in the preparation of the annual accounts for the financial year ended on 31st March, 2010 the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2010 and of the profit of the Company for that year;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records for the financial year ended on 31st March, 2010 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2010 on a going concern basis.

AUDITORS' REPORT

The observations of Auditors in their report are self explanatory and therefore do not call for any further comments.

AUDITORS

M/s Deloitte Haskins & Sells., Chartered Accountants, have not offered themselves for reappointment as Statutory Auditor, at the forthcoming Annual General Meeting.

The Board of Directors, based on the recommendation of the Audit Committee has proposed that M/s S. K. Agarwal & Co., Chartered Accountants, Kolkata, be appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and M/s S. K. Agarwal & Co., have confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by Banks, Stock Exchanges, NSDL and CDSL. The Board wishes to express its grateful appreciation for dedicated efforts of employees at all level as well as for the assistance and co-operation received from all the business associates. The Board deeply acknowledges the trust and confidence placed by the Shareholders of the Company.

FOR AND ON BEHALF OF THE BOARD

Y.P. TRIVEDI
CHAIRMAN

Place : Mumbai
Dated : 26th May 2010.

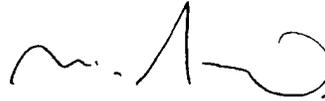
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ANNEXURE TO THE DIRECTOR'S REPORT ANNEXURE - 1

Particulars under Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, for the year ended 31st March 2010.

- I. **CONSERVATION OF ENERGY** : Not applicable
- II **TECHNOLOGY ABSORPTION** : Not applicable
- III. **FOREIGN EXCHANGE EARNINGS AND OUT GO** : Not applicable

FOR AND ON BEHALF OF THE BOARD



Y.P. TRIVEDI
CHAIRMAN

Place : Mumbai
Dated : 26th May 2010.



FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2009-2010

Information upto the date of demerger i.e. 4th November, 2008 of FMCG undertaking.

PARTICULARS	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION :	N.A.	
1. Electricity		
(a) Purchased Units (KWH Lacs)		18.52
Total Amount Rs. (Lacs)		114.34
Avg.Rate/Unit (Rs.)		6.17
(b) Own Generation		
i) Through Diesel Generator		
Unit (KWH Lacs)		0.88
Units per litre of diesel oil		3.14
Avg.Cost/Unit		11.95
ii) Through Steam Turbine		
Generator Units		Nil
Units per Tonne of Coal		Nil
Avg.Cost/Unit		Nil
2. Coal (Specify quality and where used)		
Quantity		Nil
Total Cost		
Avg.Rate		
3. Furnace Oil		
Quantity (K.Ltr.)		130.76
Total Amount Rs.(Lacs)		52.96
Avg.Rate (Rs./K.Ltr.)		40506
4. Others/Internal Generation		
(Please give details)		
Quantity		
Total Cost		
Avg.Rate/Unit		Nil

CONSUMPTION PER UNIT OF PRODUCTION: Not applicable

FORM "B"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION 2009-2010.

Not applicable

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Group for inter se transfer of shares

"Group" for inter se transfer of shares under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulation, 1997.

1	Shri Radheshyam Agarwal	33	Bajrang Lal Agarwal HUF
2	Shri Radheshyam Goenka	34	Shri Raj Kumar Sureka
3	Smt Usha Agarwal	35	Shri Rajesh Bagaria
4	Shri Bajranglal Agarwal	36	Shri R.S. Goenka (HUF)
5	Smt Shanti Devi Agarwal	37	Shri Raj Kr. Goenka (HUF)
6	Smt. Savitri Devi Agarwal	38	Aviro Vyapaar Pvt Ltd
7	Shri Madan Lal Agarwal	39	Bhanu Vyapaar (P) Ltd.
8	Smt. Kusum Agarwal	40	Suraj Viniyog (P) Ltd.
9	Shri Aditya Vardhan Agarwal	41	Diwakar Viniyog (P) Ltd.
10	Shri Harsh Vardhan Agarwal	42	Suntrack Commerce (P) Ltd.
11	Smt. Priti Sureka	43	Pan Emami Cosmed Ltd
12	Smt. Richa Agarwal	44	Emami Frank Ross Ltd.
13	Smt. Mansi Agarwal	45	EPL Securities Ltd.
14	Shri Vibhash Vardhan Agarwal	46	TMT Viniyogan Ltd.
15	Ms. Vidula Agarwal	47	Emami Capital Markets Ltd
16	Ms. Vidishree Agarwal	48	Emami Group of Comp. Pvt Ltd
17	Shri Rohin Raj Sureka	49	Emami International Pvt Ltd
18	Ms. Avishi Sureka	50	Emami Biotech Ltd
19	Shri D.D. Agarwal (HUF)	51	Emami Paper Mills Ltd.
20	Smt. Saroj Goenka	52	Neelam Lefin Ltd
21	Shri Raj Kumar Goenka	53	CRI Ltd
22	Smt. Meena Goenka	54	New Way Construction Ltd
23	Shri Suresh Kumar Goenka	55	Premier Ferro Alloys and Securities Ltd.
24	Smt. Santosh Goenka	56	South City Projects (Kolkata) Ltd.
25	Shri Sushil Kumar Goenka	57	Emami Realty Ltd
26	Smt. Indu Goenka	58	Emami UK Ltd
27	Smt. Laxmi Devi Agarwala	59	Emami Bangladesh Ltd
28	Shri Mohan Goenka	60	Emami International FZE
29	Shri Manish Goenka	61	Advanced Medicare & Research Institute Ltd.
30	Smt. Rachna Bagaria	62	EFL Foods Ltd
31	Smt. Rashmi Goenka	63	Auto Hitech Pvt Ltd
32	Smt. Jyoti Goenka	64	Emami Rainbow Niketan P Ltd
65	Shri Saswat Goenka	96	Emami Vridhi Commercial Pvt Ltd
66	Ms. Shreya Goenka	97	Nathvar Tracon Pvt Ltd
67	Ms. Nimisha Goenka	98	New Age Realty Pvt Ltd
68	Shri Prashant Goenka	99	Octagon BPO Pvt Ltd
69	Shri Yogesh Goenka	100	Emami Skyhigh Pvt Ltd
70	Smt. Puja Goenka	101	Emami Ashiana Pvt Ltd
71	Shri Amitabh Goenka	102	Emami Properties Pvt Ltd
72	Shri Ashish Goenka	103	Delta PV Ltd
73	Shri Jayant Goenka	104	Emami Constructions Pvt Ltd
74	Shri Sachin Goenka	105	A Rajabasan Pvt Ltd
75	Ms. Smriti Goenka	106	Orbit Projects Pvt Ltd
76	Ms. Sobhna Agarwal	107	Basera Enclave Makers Pvt Ltd
77	Shri R.S. Agarwal (HUF)	108	Swastik Promoters Pvt Ltd
78	Mohan Goenka HUF	109	Orbit Realty Infrastructure Ltd
79	K.D. Goenka & Sons HUF	110	Emami Limited
80	Smt. Sanjana Goenka	111	Emami Infrastructure Ltd
81	Ashish Goenka HUF	112	CRI International Ltd.
82	Smt. Shruti Goenka	113	CRI (Shanghai) Co. Ltd.
83	Master Devarsh Goenka	114	Emami Cement Ltd.
84	Goenka Trading Co. HUF	115	Emami Home Pvt Ltd.
85	Prashant Goenka HUF	116	Medal Chemical & Research Works Ltd.
86	Master Manan Goenka	117	Karan Business Pvt Ltd.
87	Sushil Kumar Goenka HUF	118	Zen Business Pvt Ltd.
88	Smt. Rachana Goenka	119	Sneha Abasan Pvt Ltd
89	H V Agarwal HUF	120	Sneha Gardens Pvt. Ltd.
90	Master Vihan Vardhan Agarwal	121	Sneha Niketan Pvt Ltd.
91	Aditya Vardhan Agarwal HUF	122	Ajanta Suppliers Pvt Ltd
92	Shri Pradeep Agarwal	123	Aviro Vanijya Pvt Ltd
93	Smt. Sangita Agarwal	124	Prestige Vyapaar Ltd.
94	Shri Dhiraj Agarwal	125	Emami High Rise Pvt Ltd.
95	Smt. Divya Agarwal	126	Emami Enclave Makers P Ltd.

CORPORATE GOVERNANCE REPORT
Company's philosophy on code of Corporate Governance

At Zandu, corporate governance has always been a focal point of attention with emphasis on the complete well-being of all constituents. Good corporate governance encompasses law, procedures, practices and implicit rules that determine the management's ability to take sound and informed business decisions vis-à-vis all its stakeholders i.e. shareholders, creditors, employees and the state. The Company has endeavoured to make corporate governance a way of life through the formation of a Board comprising of reputed experts. The Company's philosophy on corporate governance envisages attainment of the highest level of transparency, accountability, integrity and equity in all facets of its operations and in its interaction with stakeholders.

The objective of good corporate governance in global consensus is maximising the shareholders' value in long term. In this pursuit, the Company's objective is to create a value that can be sustained over the long term for the shareholders, employees, business partners and the national economy. At the same time, your Company also ensures full compliance to regulatory disclosure requirements. The Company is resolutely dedicated to the attainment of growth by complying with the highest national and international standards of corporate governance.

Board of Directors - As of 31st March 2010

The composition of the Board as on 31st March 2010 is in total conformity with clause 49 of the Listing Agreement, as amended from time to time.

<u>Category</u>	<u>No. of Directors</u>
Promoter - Executive Director	2
Promoter - Non Executive Director	2
Independent - Non Executive Director	4
	<u>8</u>

The number of non-executive directors is more than fifty percent of the total number of directors.

The Chairman of the Board is a Non Executive Independent Director and the number of Independent Directors is more than one third of the total number of Directors.

Details of Directors

Name of Director	Category ¹	Last AGM held on 31/12/09 Attendance	No. of other Directorships and Committee Member / Chairmanship			No. of Board meeting attended during the year
			Other Directorship ²	Committee Membership ³	Committee Chairmanship ³	
Shri Y.P.Trivedi	I - NED	Yes	9	7	2	6
Shri R. S. Agarwal	P - NED	Yes	9	1	-	1
Shri R.S.Goenka	P - NED	Yes	9	2	-	1
Shri Anand Rathi	I - NED	No	6	-	-	6
Shri P. P. Vora	I - NED	No	5	-	-	7
Shri D. M. Parikh **	NED	No	2	-	-	4
Shri Rajesh Jain	I - NED	No	2	-	-	5
Shri Mohan Goenka	P - ED	Yes	4	1	-	3
Shri Harsh V. Agarwal	P - ED	Yes	6	-	-	2
Shri Girish G. Parikh**	ED	No	-	-	-	3

** Shri D.M.Parikh resigned as Director of the Company w.e.f. 26th September 2009 and Shri Girish G. Parikh resigned as Director of the Company w.e.f. 29th October 2009.

- ¹ P - ED - Promoter - Executive Director
 ED - Executive Director
 P - NED - Promoter - Non Executive Director
 I - NED - Independent - Non Executive Director
 NED - Non Executive Director

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- ² Excluding Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies.
- ³ Membership / Chairmanship of only Audit Committee and Shareholders / Investor Grievance Committee of all Public Limited Companies, has been considered. Committee Membership includes Chairmanship.

As required under Clause 49 of the listing agreement, none of the Director is a member of more than 10 Committees or Chairman of more than five Committees.

Independent Director as per Clause 49 means a Director, who -

- (a) Apart from receiving director's remuneration, does not have any other material pecuniary relationship or transactions with the Company, its promoters, its senior management or its holding Company, its subsidiaries and associates, which may affect the independence of the Director.
- (b) Is not related to the Promoters or persons occupying management position at the Board level or at one level below the Board.
- (c) Has not been an executive of the Company in the immediately preceding three financial years.
- (d) Is not a partner or an executive or was not a partner or an executive during the preceding three years of -
 - (i) The statutory audit firm or internal audit firm that is associated with the Company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the Company.
- (e) Is not a material supplier, service provider or customer or lessor or lessee of the Company which may affect independence of the Directors.
- (f) Is not a substantial shareholder of the Company that owns two percent or more of the block of voting shares.

There were no transactions of material nature between the Company and its Directors or management and their relatives or promoters that may have a potential conflict with the interests of the Company.

COMMITTEES OF THE BOARD

Details of the Statutory and Functional Committees of the Board and other related information.

Statutory Committees

- Audit Committee
- Shareholders/Investor Grievance Committee

Functional Committee

Restructuring and Reorganising Committee.

BOARD OF DIRECTORS MEETING

As per the provisions, the Board shall meet at least four times a year, with a maximum time gap of three months between any two meetings. The Company has held 7 meetings of the Board during the year 2009-2010.

The Board Meetings were held on 28th April'09, 19th June'09, 20th July'09, 26th September'09, 29th October'09, 3rd December'09, 28th January'10.

The agenda for the Board Meeting, alongwith the explanatory notes are circulated in advance to the Directors. The Company places before the Board, material significant information from time to time as specified and prescribed under Clause 49 of the Listing Agreement.



□ **Audit Committee**

The members of the Audit Committee are Shri Anand Rathi - Chairman, Shri R. S. Goenka, Shri Rajesh Jain and Shri P. P. Vora, out of which three are Independent Directors.

The Statutory Auditors, Cost Auditor, Internal Auditors are invitees to the meetings of the Audit Committee. Shri Anand R. Mundra - CEO (Commercial) & Company Secretary acts as the Secretary to the Audit Committee.

All the members of the Audit Committee possess financial / accounting expertise.

The constitution of the Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

During the period under review 6 meetings were held as against the minimum requirement of 4 meetings, including a meeting before the finalisation of accounts. The 6 meetings were held on 28th April'09, 20th July'09, 26th September'09, 24th October'09, 3rd December'09, 28th January'10.

Name of Directors	No.of Meetings Attended
Shri Anand Rathi	5
Shri R. S. Goenka	-
Shri Rajesh Jain	5
Shri P. P. Vora	6

The terms of reference of the Audit Committee are as set out in the Listing Agreement and Section 292A of the Companies Act, 1956, that inter alia, include overseeing financial reporting processes, reviewing with the management the annual / quarterly financial statements and adequacy of internal audit function and discussion with internal auditors on any significant findings etc. The Audit Committee mandatorily reviews the information as well as disclosures as mentioned in the listing agreement.

□ **Shareholders/Investors Grievance Committee**

The Members of Shareholders/Investors Grievance Committee are Shri. Y.P.Trivedi - Chairman, Shri. Anand Rathi, Shri. Mohan Goenka and Shri. Harsh Vardhan Agarwal. Out of these, two are Independent Directors. Shri Anand R. Mundra - CEO (Commercial) & Company Secretary is the Compliance Officer.

During the period under review two meetings were held on 15th May 2009 and 19th June 2009.

Name of Directors	No. of Meetings Attended
Shri Y.P.Trivedi	2
Shri Anand Rathi	2
Shri Mohan Goenka	-
Shri Harsh Vardhan Agarwal	-

The Committee looks into redressal of Shareholders/Investors complaints like transfer of shares, non receipt of declared dividend, non receipt of annual report etc., besides complaints from SEBI, Stock Exchange etc.

The Company received 28 complaints from shareholders regarding non-receipt of dividend, non-receipt of annual reports, transfer of shares etc., out of which all were resolved, to the satisfaction of shareholders.

□ **Business Reorganisation / Restructuring Committee**

Business Reorganisation / Restructuring Committee was formed to consider various options for reorganising and restructuring the business of the Company with Emami Ltd., which consisted of five Directors viz Shri Y.P. Trivedi, Shri P.P.Vora, Shri Anand Rathi, Shri Mohan Goenka and Shri Harsh Vardhan Agarwal.

During the period under review two meetings were held on 15th May'09 and 19th June'09, which were attended by Shri Y. P. Trivedi, Shri. P.P. Vora and Shri Anand Rathi.

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□ Remuneration Committee

Remuneration Committee consists of three Directors viz Shri P.P. Vora - Chairman, Shri Anand Rathi and Shri Rajesh Jain. Shri. Anand R Mundra - CEO (Commercial) & Company Secretary acts as the Secretary to this committee. No committee meeting was held during the period.

As per the present policy, the Company does not pay remuneration to any Independent Director except sitting fees for attending the meetings of the Board / Committees and reimbursement of travelling and out of pocket expenses for attending such meetings. The details of payment to Independent Directors during the year 2009-2010 towards sitting fees and their shareholding are as under.

Independent Directors	Sitting Fees	No of Shares
Shri Y. P. Trivedi	75,000	Nil
Shri R. S. Agarwal	10,000	Nil
Shri R. S. Goenka	10,000	Nil
Shri Anand Rathi	1,12,500	Nil
Shri P. P. Vora	1,30,000	Nil
Shri D. M. Parikh*	40,000	
Shri Rajesh Jain	87,500	Nil
Shri Mohan Goenka	Nil	Nil
Shri Harsh Vardhan Agarwal	Nil	Nil
Shri Girish Parikh *	Nil	

* Shri D.M.Parikh resigned as Director of the Company w.e.f. 26th September'09 and Shri Girish G. Parikh resigned as Director of the Company w.e.f. 29th October'09.

Code of Conduct :

The Board has adopted the Code of Conduct for its Directors and Senior Management (The Code).

A copy of the Code is put on the Company's website. The Code has been circulated to all the Members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Joint Managing Director to this effect has been given below:

"I hereby confirm that -

The Company has obtained from all the Members of the Board and Senior Management, affirmation that they have complied with Code of Conduct in respect of the financial year 2009 - 10.

Sd/-
(Harsh V. Agarwal)
Joint Managing Director

Joint Managing Director / CFO Certification

As required under Clause 49 V of the Listing Agreement, Joint Managing Director and Chief Financial Officer of the Company have certified to the board regarding financial statements for the year ended 31st March 2010.

Disclosures :

1. Related party transactions
A statement in summary form is periodically placed before the Audit Committee on related party transactions. The detailed related party transactions can be referred to in Note no. 9 in Schedule 13 of Part II of the Annual Accounts of the Annual Report.
2. Disclosure of Accounting treatment
The Company has followed the Accounting Standard laid down by The Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.
3. Risk Management
There are certain risks, on which the Company has little or no control. These risks are economic development, political developments, natural calamities, sluggish market conditions, changes in legislative / regulatory framework.
The Company is preparing formal risk management framework for risk assessment and minimization, which would be presented to the Board of Directors.
4. The Company has not raised any money during the year through public issue, rights issue, preferential issue.

Management Discussion and Analysis :

The Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is forming part of this annual report.

Note on Directors Appointment / Re-appointment :

1. Shri P.P.Vora retires by rotation at the ensuing Annual General Meeting. He is eligible for re-appointment.

Shri P.P.Vora is academically qualified as B.Com., FCA and CAIIB (Certified Associated of Indian Institute of Bankers). He is an expert in the field of Finance, Corporate Restructuring, Mergers and Acquisition, Management Consulting, etc.

Shri P.P.Vora retired in September'03, as Chairman and Managing Director of Industrial Development Bank of India (IDBI). He was instrumental in setting up of Asset Reconstruction Company of India Ltd. (ARCIL) which was set up to address non performing portfolios in financial system. He was founder Director of the ARCIL. He was also Chairman of Corporate Debt Restructuring (CDR) Core Group. He was representing IDBI on various institutions / company's as Director, namely they were - National Securities Depository Ltd., National Stock Exchange of India Ltd., Life Insurance Corporation of India, Export Import Bank of India, Infrastructure Development Finance Company Ltd., Indian Airlines Ltd., IDBI Bank Ltd., Securities Trading Corporation of India Ltd.

Earlier, he was -

- Chairman and Managing Director of National Housing Bank,
- Director (Finance) with Gujarat State Fertilizers Company Ltd.
- Chairman and Managing Director of Fertilizer and Chemicals Travancore Ltd.
- Director with Bombay Stock Exchange Ltd.

Presently, he is Director of Reliance Capital Trustee Company Ltd., Asian Business Exhibition & Conferences Ltd., Omaxe Ltd., J.Kumar Infraprojects Ltd., National Securities Depository Ltd. He is also Director in various private limited companies.

He is holding nil shares of the Company.

2. Shri Krishna Kumar Khemka was appointed as Additional Director of the Company w.e.f. 26th May 2010. He is appointed as an Independent Director on the Board of the Company.

Shri Krishna Kumar Khemka, aged 77 years, is a Science Graduate. He has set up many mega size projects in the fields of tyres, pulp & paper, heavy chemicals etc. He had been the Chairman of Indian Paper Mills Association, Past President of Rotary Club of Calcutta, Past President of Indo American Chamber of Commerce, Past President of Indo-Italian Chamber of Commerce etc. He is Committee Member of Bharat Chamber of Commerce and associated with other chambers. He is the Honorary Consul General of Philippines. He is also on the Governing Committee of Indo-German Chamber of Commerce. He has served as Director of several companies and is having about 40 years of industrial experience. He is also associated with many cultural organizations like Anamika Kala Sangam, Sangeet Kala Mandir, Padatik, etc.

He is holding nil shares of the Company.

3. Shri Hari Mohan Marda was appointed as Additional Director of the Company w.e.f. 26th May 2010. He is appointed as an Independent Director on the Board of the Company.

Shri Hari Mohan Marda, aged 66 years, has more than 3 decades of experience in the areas of accounting, corporate planning, strategy formulation and overall management.

He is holding nil shares of the Company.

4. Shri Abhijit Datta was appointed as Additional Director of the Company w.e.f. 1st June 2010. He is appointed as an Independent Director on the Board of the Company.

Shri Abhijit datta, aged 61 years, is a Post Graduate in Economics from Calcutta University and successfully completed examination from Indian Institute of Bankers. He has started his career in State Bank of India as a Probationary Officer and reached to the position of Deputy Managing Director and Corporate Development Officer.

Presently he is Chairman of Asset Reconstruction Company of India Ltd. He is also a Director in Bengal Tea & Fabric Ltd., Cable Corporation of India Ltd., Bhaskar Silicon Ltd.

He is holding nil shares of the Company.

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5. Shri Rajesh Bagaria was appointed as Additional Director of the Company w.e.f. 26th May 2010.

Shri. Rajesh Bagaria aged 43 years, holds a Bachelors' degree in Commerce. He has 20 year's experience in diversified businesses and he is Director on the Board of several other companies.

He is holding nil shares of the Company.

6. Shri Raj Kumar Sureka was appointed as Additional Director of the Company w.e.f. 26th May 2010.

Shri Raj Kumar Sureka, aged 42 years, did his Graduation from Calcutta University. He has 15 years experience in marketing of Ball pens & gel pens and has good administrative skills and he is Director on the Board of several other companies.

He is holding nil shares of the Company.

7. Shri Amar Bhalotia was appointed as Additional Director of the Company w.e.f. 26th May 2010. He is appointed as an Independent Director on the Board of the Company.

Shri Amar Bhalotia, aged 26 years, is a Commerce graduate and has done PGDM from Symbiosis Center for Management, Pune. He possesses extensive knowledge and experience as Lead Advisory and Transaction Advisory Services in Ernst & Young India Ltd. and responsible for business development for real estate business, implementation of enterprise risk management for the largest construction and engineering company in India. He has experience in Portfolio Management, dealing in financial instrument. He is involved in various property investments.

He is holding nil shares of the Company.

COMPLIANCE

- (a) **Compliance Certificate from the Auditor :**

Compliance certificate from the Auditor on Corporate Governance is forming part of this Annual Report.

- (b) Compliance of Corporate Governance

Company has complied with the applicable mandatory requirement of clause 49 of the Listing Agreement. The Company submits a quarterly compliance report to Stock Exchanges.

Particulars	Clause of Listing agreement	Compliance Status
I. Board of Directors	49 I	Yes
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 (II)	Yes
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes-subject to Chairman of Audit Committee could not attend AGM held on 31/12/09 at Kolkatta.
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	N.A.
IV. Disclosures	49 (IV)	Yes
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

(c) Certificate from Company Secretary in Practice :

- (i) The Company obtains from a Company Secretary in practice, half yearly Certificate for Compliance in respect of share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges and files the copy of the Certificate with the Stock Exchanges.
- (ii) The Company obtains from a Company Secretary in practice, the Secretarial Audit Report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on quarterly basis. A copy of the said Secretarial Audit Report is submitted to the Stock Exchanges on quarterly basis.

General Body Meetings :

The details of the last three Annual General Meetings are as under :

Year	AGM	Location	Date	Time
2006-07	88 th AGM	70, Gokhale Road(South), Dadar, Mumbai-400025	29 th Sep.07	2.00 p.m.
2007-08	89 th AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai-400021.	13 th Dec.08	4.00 p.m.
2008-09	90 th AGM	Vidya Mandir, 1 Moira Street, Kolkata -700 017.	31 st Dec.09	12.30 p.m.

In the 88th Annual General Meeting, Special Resolution for altering and substituting Clause V in the Memorandum of Association and altering and substituting Article 3 in the Articles of Association with respect to reclassification of Authorised Share capital was passed.

In the 89th Annual General Meeting, no Special Resolution was proposed.

In the 90th Annual General Meeting, Special Resolution under Section 149(2A) of Companies Act, 1956 for carrying on the Real Estate Business activities and Special Resolution under Section 21 for change of the name of the Company from The Zandu Pharmaceutical Works Limited to Zandu Realty Limited was passed.

The Shareholders of the Company have passed the Scheme of Arrangement in the court convened meeting held on 11th September 2009.

Means of communication :

The quarterly, half yearly and annual results are submitted to the Stock Exchanges.

In addition to the official press release, the results are normally published in Business Standard, Mumbai Sakal and Dainik Statesman. The Company also displays the results on its website i.e. "www.zanduyurveda.com".

During the year under review, the Company did not make any presentation to institutional investors or to analysts.

General Shareholder Information :**(i) Annual General Meeting**

Day, Date and Time : Tuesday, 10th August 2010, at 11.00 a.m.

Venue : Eastern Zonal Cultural Centre, 'Aikatan', Bidhannagar, IA - 290, Sector - III, Kolkata - 700 091,

(ii) Financial Year : Results for quarter ending

Quarter ending 30th Jun'10 within 45 days from end of quarter
 Quarter ending 30th Sep'10 within 45 days from end of quarter
 Quarter ending 31st Dec'10 within 45 days from end of quarter
 Quarter ending 31st Mar'11 within 60 days from end of quarter

(iii) Date of Book closure : Thursday, 29th July 2010 to Thursday, 5th August 2010

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- (iv) **Listing on Stock Exchanges** : The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE)
- The listing fees for financial year 2009-10 to BSE & NSE has been paid.
- (v) **Stock Code** : Trading symbol
The Stock Exchange, Mumbai - 506720
National Stock Exchange - ZANDUREALT -EQ
- Demat ISIN No.** : ISIN No. : INE719A01017
- Corporate Identification No.** : L24239WB1919PLC136397
- (vi) **Market Price Data**
Share price performance in comparison to BSE sensx

	BSE Zandu's Price (in Rs.)		BSE SENSEX		NSE Zandu's Price (in Rs.)	
Apr. 2009	5500	4444	11492	9546	5495	4486
May 2009	8751	4470	14931	11621	8716	4800
Jun. 2009	8400	6900	15600	14017	8398	6950
Jul. 2009	7640	5721	15733	13220	7699	5755
Aug.2009	7380	5625	16002	14684	7399	6800
Sep.2009	12800	6919	17143	15357	12798	6926
Oct.2009	11700	8500	17493	15805	11690	8879
Nov.2009	10500	8718	17290	15331	10490	8725
Dec.2009	10200	4850	17531	16578	10152	4995
Jan. 2010	6050	4458	17790	15982	6754	4450
Feb.2010	5925	4054	16669	15652	5925	4045
Mar.2010	4337	3925	17793	16438	4334	3950

- (vii) The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.
- (viii) **Registrar and Share Transfer Agent and Share Transfer System**

The Company's share transfers are handled by Maheshwari Datamatics Pvt.Ltd., Registrar and Transfer Agents (RTA).
Maheshwari Datamatics Pvt.Ltd.,
6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001.

Tel No. 033 – 2243 5809 / 5029
Fax No. 033 – 2248 4787
Email Id : mdpl@cal.vsnl.net.in

The Company's share transfers are handled by Maheshwari Datamatics Pvt.Ltd., Registrar and Transfer Agents (RTA). The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialization of shares is sent to respective depositories – National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) within 15 days.

No requests for physical transfer and dematerialisation were pending for approval as on 31st March 2010.

(ix) **Dematerialisation of shares and liquidity:**

As on 31st March 2010, 757440 shares of the Company, forming 93.93% of the share capital of the Company, stood dematerialised.

(x) **Distribution of Shareholding by size and ownership as on 31st March 2010.**

(a) Shareholding Pattern by Size.

No. of Equity shareholding	No. of Folios	%	No. Of shares		Total Shares	%
			Physical	Electronic		
Upto 50	38723	97.16	10301	215372	225673	27.99
51 - 100	564	1.42	2786	38554	41340	5.13
101 - 200	298	0.75	4045	38638	42683	5.29
201 – 300	87	0.22	1643	19818	21461	2.66
301 – 400	54	0.13	4233	14696	18929	2.35
401 – 500	24	0.06	1761	8873	10634	1.32
501 – 1000	63	0.16	6117	36762	42879	5.30
1001-Above	42	0.10	18074	384727	402801	49.95
Total	39855	100.00	48960	757440	806400	100.00

(b) Shareholding Pattern by Ownership

Category	No. of Shares	Percentage	No. of Folios
Directors / Promoters	286329	35.51	1
Banks	1239	0.15	9
Corporate Bodies	150473	18.66	1075
Individuals	362931	45.01	38566
Foreign Institutional Investor	925	0.11	2
Non Resident Indian	4503	0.56	202
Total	806400	100.00	39855

(xi) **History of Issued and Paid Up share capital**

Year	Type	Ratio Issued Capital (Rs.in lacs)	Increased in Capital (Rs.in lacs)	Total Issued
1920-21				7.50
1943-44	Right	1:1	7.50	15.00
1969-70	Bonus	1:6	2.50	17.50
1971-72	Right	1:7	2.50	20.00
1972-73	Right	1:8	2.50	22.50
1974-75	Right	1:9	2.50	25.00
1981- 82	Bonus	2:5	10.00	35.00
1985-86	Bonus	3:5	21.00	56.00
1989-90	Bonus	1:2	28.00	84.00
1991-92	Bonus	1:1	84.00	168.00
1994-95	Bonus	1:1	168.00	336.00
1996-97	Bonus	1:5	67.20	403.20
2003-04	Bonus	1:2	201.60	604.80
2006-07	Bonus	1:3	201.60	806.40

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(xii) Dividend declared for last 7 years.

Financial Year	Type	Dividend Declaration Date	Dividend Per Share	Last Date for claiming unpaid dividend Investor Education and Protection Fund	Date to transfer to Investor Education and
2002-03	Final	21 st Jun.03	40	20 th Jun.10	19 th Jul.10
	Total		40		
2003-04	1st Interim	21 st Oct.03	20	20 th Oct.10	19 th Nov.10
	2nd Interim	22 nd Mar.04	20	21 st Mar.11	20 th Apr.11
	Final	4 th Aug.04	10	3 rd Aug.11	2 nd Sep.11
	Total		50		
2004-05	Final	12 th Jul.05	50	11 th Jul.12	10 th Aug.12
	Total		50		
2005-06	1st Interim	12 th Dec.05	35	11 th Dec.12	10 th Jan.13
	2nd Interim	9 th Mar.06	35	8 th Mar.13	7 th Apr.13
	Final	16 th Nov.06	5	15 th Nov.13	14 th Dec.13
	Total		75		
2006-07	Interim	10 th Mar.07	75	9 th Mar.14	8 th Apr.14
	One Time Special	28 th Aug.07	15	27 th Aug.14	26 th Sep.14
	Total		90		
2007-08	Interim	22 nd Jan.08	50	21 st Jan.15	20 th Feb.15
	Final	10 th Jun.08	25	9 th Jun.15	8 th Jun.15
	Total		75		

(xiii) Status of unclaimed and unpaid Dividend

	Dividend for 1994-95 or before	Dividend for 1995-96 till 2001-02.	Dividend for 2002-03 and thereafter
Transfer of unpaid dividend	Transferred to General Revenue Account of the Central Government	Transferred to Central Government's Investor Education and Protection Fund (IEPF)	Will be transferred to IEPF on due date(s)
Claim of unpaid dividend	Can be claimed from ROC, CGO Complex, Belapur, Navi Mumbai, Maharashtra	Cannot be claimed	Can be claimed from the Company at the Registered Office/RTA Agent.

ADDRESS FOR CORRESPONDENCE

Investors Relation Department
Zandu Realty Limited
Emami Tower, 687, Anandapur E.M. Bypass,
Kolkata 700 107.

Tel No. 033 - 66136264
Fax No.033 - 66136600