94th

ANNUAL REPORT

2012 - 2013

zandu realty limited

Corporate Information

BOARD OF DIRECTORS

Shri Abhijit Datta, *Chairman*
(w.e.f. February 6, 2013)

Shri Hari Mohan Marda

Shri Aditya Poddar

Shri Amar Bhalotia

Shri Sandeep Jhunjhunwala, Director & *Manager*
(w.e.f. November 9, 2012)

CEO (Commercial) & Company Secretary

Shri Anand R. Mundra

AUDITORS

M/s. S. K. Agrawal & Co.
Chartered Accountants

BANKERS

Central Bank of India

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

ICICI Bank Limited

REGISTERED OFFICE

Emami Tower, 687, Anandapur E.M.Bypass
Kolkata - 700 107
Phone : (033) 6613 6264
Fax : (033) 6613 6249
Website : www.emamirealty.com
E-mail : investors@emamirealty.com

REGISTRAR AND TRANSFER AGENTS

M/s. Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001, West Bengal, India
Phone : (033) 2243 5029
Fax : (033) 2248 4787
E-mail : mdpl@cal.vsnl.net.in

Notice 01 Directors' Report 06 Management Discussion and Analysis Report 09

Report on Corporate Governance 11 Independent Auditors' Report 22 Balance Sheet 26

Statement of Profit & Loss 27 Cash Flow Statement 28 Notes to the Financial Statements 30

Notice

NOTICE is hereby given that the 94th Annual General Meeting of the Members of Zandu Realty Limited will be held at the Registered Office of the Company at Emami Tower, 687 Anandapur, E.M. Bypass, Kolkata - 700 107 on **Monday, 12th August, 2013, at 2.30 P.M.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss of the Company for the financial year ended 31st March, 2013 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hari Mohan Marda, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company for the period commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Shri Abhijit Datta, who was appointed as an Additional Director by the Board of Directors w.e.f 6th February 2013 and who, pursuant to Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Shri Sandeep Jhunjhunwala, who was appointed as an Additional Director by the Board of Directors w.e.f 9th November, 2012 and who, pursuant to Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 of the Companies Act, 1956 (the Act) read with Schedule XIII and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and approvals as may be necessary, the consent and approval of the Company be and is hereby accorded to the appointment of Shri Sandeep Jhunjhunwala as Manager of the Company for a period of five years w.e.f. 9th November, 2012 on the terms and conditions as set out as in the Agreement dated 9th November 2012 entered into between the Company and Shri Sandeep Jhunjhunwala, a copy whereof, initialled by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved.

   RESOLVED FURTHER THAT the Board of Directors are authorised to alter and vary the terms and conditions of the said appointment and/or the Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Shri Sandeep Jhunjhunwala."

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

Notice

"**RESOLVED THAT** pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956 ("the Act") and all other applicable provisions, if any, and such other approvals, sanctions, permissions as may be necessary, the Board of Directors be and is hereby authorized to grant or otherwise provide assistance up to ₹ 10 Crores (in one or more tranches) in any financial year, starting from financial year 2012-13, to any entity engaged in activities of social, cultural, educational, economic, scientific research, rural development and/or any other activity for people at large, notwithstanding the fact that the said amount for any financial year may exceed the limits specified under Section 293(1)(e) of the Act, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard on behalf of the Company."

Registered Office :
Emami Tower, 687, Anandapur
E. M. Bypass, Kolkata 700 107
Dated : 29th May, 2013

By Order of the Board

Anand R. Mundra
CEO (Commercial) & Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing a proxy shall be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting.
3. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.
4. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, in respect of business at item Nos. 4, 5, 6 & 7 above is annexed hereto.
5. In accordance with the provisions of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Register of the Company will remain closed from 8th August, 2013 to 12th August, 2013 (both days inclusive).
6. A statement containing details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under clause 49 of the Listing Agreement is annexed.
7. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies to the meeting.
8. Members are requested to intimate to the Company queries, if any, regarding the audited accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.
9. Members / Proxies are requested to bring their Attendance Slip sent herewith, duly filled in, for attending the meeting.
10. Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed / unpaid for seven years shall be transferred to the Investors' Education and Protection Fund when the same becomes due. Members who have not yet en-cashed dividend warrants /cheques are requested to make their claim with the Registrar and Share Transfer Agents, M/s Maheswari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata - 700 001.

Notice

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors of the Company, at its meeting held on 6th February 2013, appointed Shri Abhijit Datta as an Additional Director of the Company with effect from that date and further appointed him as the Chairman of the Board of Directors with effect from the said date. In terms of Section 260 of the Companies Act, 1956 (the 'Act'), Shri Abhijit Datta will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member under Section 257 of the Act, signifying his intention to propose Shri Abhijit Datta for appointment as a Director of the Company.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Shri Abhijit Datta, are concerned or interested in this resolution.

Item Nos. 5 and 6

The Board of Directors of the Company, at its meeting held on 9th November 2012, appointed Shri Sandeep Jhunjhunwala as an Additional Director with effect from that date and further appointed him as Manager of the Company w.e.f 9th November 2012. In terms of Section 260 of the Companies Act, 1956, Shri Sandeep Jhunjhunwala will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member under Section 257 of the Act, signifying his intention to propose Shri Sandeep Jhunjhunwala for appointment as a Director of the Company.

The main terms and conditions of appointment of Shri Sandeep Jhunjhunwala as Manager of the Company are detailed hereinunder:

A. Tenure of Appointment:

The appointment of Manager is for a period of 5 years with effect from 9th November, 2012.

B. Power:

The Manager shall be entrusted with the powers of managing the affairs of a Company which will be exercised by him subject to the superintendence, control and direction of the Board of Directors. Further, the Board of Directors of the Company is authorised to empower the Manager with the specific authority from time to time.

C. Remuneration:

Presently the Company will not pay any remuneration to him for acting as a Manager. However, he may receive such remuneration in future as may be approved by the Board from time to time subject to the limits specified in Schedule XIII of the Companies Act, 1956. The Board of Directors has been authorized to alter and vary the aforesaid terms as to the remuneration within the ceiling limit specified in Schedule XIII of the Companies Act, 1956.

In terms of Sections 198, 269, 309 & Schedule XIII of the Act, the appointment of Shri Sandeep Jhunjhunwala as Manager of the Company requires approval of the shareholders in General Meeting. The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Shri Sandeep Jhunjhunwala, are concerned or interested in this resolution.

Item No. 7

Under Section 293(1)(e) of the Companies Act, 1956 ("the Act"), the Board of Directors of a public company cannot, except with the consent of its Members, contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed ₹ 50,000/- (Rupees Fifty Thousand only) or 5% (five per cent) of the Company's average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Notice

The Board of Directors of the Company, at its meeting held on 6th February 2013, proposed to obtain the enabling approval of the Members of the Company for making contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, during any financial year, for an amount of upto ₹10 Crores.

Your Company has always believed in strengthening and uplifting the communities across the Country. With an ongoing focus on education, development of children, health for all and assistance to poor people, the Company would like to earmark funds for its 'Social Responsibility Initiatives' and hence the above recommendation for making contribution to charitable and other funds.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors are concerned or interested in this resolution.

Registered Office :
Emami Tower, 687, Anandapur
E. M. Bypass, Kolkata 700 107
Dated : 29th May, 2013

By Order of the Board

Anand R. Mundra
CEO (Commercial) & Company Secretary

Particulars of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

Name of the Director	Shri Abhijit Datta	Shri Hari Mohan Marda	Shri Sandeep Jhunjhunwala
Date of Birth	June 1, 1949	January 1,1943	May 30, 1972
Date of appointment	February 6, 2013	January 25, 2010	November 9, 2012
Experience in specific functional area	Shri Abhijit Datta did his post-graduation from Presidency College, Kolkata. He has started his career as a Probationary Officer in the State Bank of India and reached to the position of Dy. Managing Director and Corporate Development Officer. Shri Datta retired from SBI as Deputy Managing Director (DMD) & Group Executive - Mid Corporate Group at the Central Office in the year 2009 after a distinguished career spanning three decades. Shri Datta has vast experience and expertise in fields of banking, finance and corporate management in SBI and has held prestigious positions such as DMD & Chief Development Officer, DMD & Group Executive (Mid Corporate Group), Chief General Manager (Chennai Circle), Principal of the State Bank Staff College, Hyderabad, etc.He was the Chairman of Asset Reconstruction Company (India) Limited from June 2009 to November 2012	Shri Hari Mohan Marda, has more than 4 decades of experience in the areas of accounting, corporate planning, strategy formulation and overall management.	Shri Sandeep Jhunjhunwala has 16 years of rich experience in Service, Manufacturing & Real Estate Industry in the field of Finance, Accounts, Secretarial, MIS, Direct and Indirect Taxes, Inventory Management and Depot Coordination.

Notice

Qualification	Post Graduate in Economics and successfully completed both parts of Certified Indian Institute of Bankers Examination	Graduate	Chartered Accountant, Cost Accountant
Directorship in other companies as on 31-03-2013	1. Bengal Tea & Fabrics Ltd. 2. Cable Corporation of India Ltd. 3. Super Smelters Ltd. 4. Shelter Infra Projects Ltd. 5. Hubtown Ltd. 6. Emami Infrastructure Ltd.	1. Emami Paper Mills Ltd. 2. Emami Infrastructure Ltd. 3. Emami Realty Ltd. 4. Chandra Mukhi Impex Pvt. Ltd. 5. Prabhu Poly Color Pvt. Ltd. 6. Prabhu Poly Pipes Pvt. Ltd. 7. Prabhu Sponge Pvt. Ltd. 8. Frontier Garment Pvt. Ltd. 9. Sheraa Exports Pvt. Ltd.	None
Membership of Committees of the Board	1. Cable Corporation of India Ltd.: (a) Audit Committee - Member 2. Bengal Tea & Fabrics Ltd.: (a) Audit Committee - Chairman (b) Remuneration Committee - Member (c) Investors Grievances Committee - Member 3. Zandu Realty Ltd.: (a) Business Re organisation/ Re-structuring Committee - Chairman	1. Emami Infrastructure Ltd.: (a) Audit Committee - Member (b) Remuneration Committee - Chairman 2. Zandu Realty Ltd.: (a) Audit Committee - Chairman (b) Shareholders / Investors Grievance Committee - Chairman 3. Emami Paper Mills Ltd.: (a) Audit Committee - Member (b) Investors Grievance Committee - Member (c) Remuneration Committee - Member	1. Zandu Realty Ltd.: (a) Audit Committee - Member (b) Shareholders / Investors Grievance Committee - Member (c) Business Reorganisation / Restructuring Committee - Member
No. of shares held	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their report as a part of 94th Annual Report, alongwith the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2013 are summarized below:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Revenue from operations	–	7,000.00
Other Income	568.09	461.15
Total Income	**568.09**	**7,461.15**
Total Expenses	356.55	14,143.36
Profit / (Loss) Before Taxation	**211.54**	**(6,682.21)**
Tax Expense	76.74	346.00
Profit/ (Loss) after Taxation	**134.80**	**(7,028.21)**
Profit Brought Forward from previous year	(5,302.68)	1,725.53
Transfer to General Reserve	–	–
Balance Carried Forward	**(5,167.88)**	**(5,302.68)**

DIVIDEND

In order to conserve existing resources of the Company, your Directors do not recommend any dividend for the year.

REVIEW OF OPERATIONS

The Project of the Company situated at Dadar, Mumbai under development with M/s Seth Corp Private Limited is progressing satisfactorily and is expected to be completed by the year 2014.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, unpaid dividend pertaining to the financial year 2004-05 (Final Dividend) and financial year 2005-06 (1st Interim Dividend) amounting to ₹ 3,31,945/- which was lying with the Company for a period of seven years were transferred to the Investors' Education and Protection Fund during the year under review.

DISCLOSURES

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is appended as Annexure A and forms part of this Report.

DIRECTORS

Currently the Company is having 5 Directors, out of which 1 Director has been appointed as Manager and remaining 4 are Independent Directors. The Composition of the Board is in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s).

Shri Hari Mohan Marda, Director of the Company retires by rotation and being eligible, offer himself for re-appointment.

Shri Abhijit Datta was appointed as an Additional Director and Chairman of the Board of Directors w.e.f February 6, 2013 and Shri Sandeep Jhunjhunwala was appointed as an Additional Director & Manager w.e.f November 9, 2012. Pursuant to the provisions of section 260 of the Companies Act, 1956, they shall hold office till the ensuing Annual General Meeting and are eligible for appointment as the Directors of the Company. The Company has received notice from members pursuant to section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Shri Abhijit Datta and Shri Sandeep Jhunjhunwala for the office of director.

Brief resume of the Directors seeking appointment/re-appointment as stipulated under Clause 49 of the Listing

Directors' Report

Agreement, are provided as Annexure to the Notice calling the Annual General Meeting forming part of this Annual Report.

PARTICULARS OF EMPLOYEES

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

AUDITORS

The Board, on recommendation of the Audit Committee, has proposed that M/s. S. K. Agrawal & Co., Chartered Accountants, who retires at the conclusion of the forthcoming Annual General Meeting, be re-appointed as Statutory Auditors of the Company, to hold office until conclusion of next Annual General Meeting of the Company. M/s. S. K. Agrawal & Co., Chartered Accountants have signified their willingness in writing and further informed that their appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

APPOINTMENT OF COST ACCOUNTANT UNDER COMPANIES (COST ACCOUNTING RECORDS) RULES, 2011

M/s B. Mukhopadhyay & Co., a Practicing Cost Accountants were appointed as Cost Accountant to issue the Compliance Report for the financial year 2012-2013 in terms of The Companies (Cost Accounting Records) Rules, 2011 issued by the Ministry of Corporate Affairs vide GSR 430(E) dated 3rd June, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

a) in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them accordingly from time to time and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013, and of the profit or loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities; and

d) the Directors have prepared the accounts for the year ended 31st March, 2013 on a going concern basis.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to extend their thanks and appreciation for the valuable and continued support received from the Shareholders, Employees, Company's Bankers, Central and State Government Authorities, Stock Exchange(s), CDSL, NSDL and all other Business Associates for the growth of the organization.

For and on behalf of the Board

Place : Kolkata
Date : 29th May, 2013

Hari Mohan Marda
Director

Sandeep Jhunjhunwala
Director & Manager

Annexure to the Directors' Report

ANNEXURE A

DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY

Your Company is into real estate business and is not included in the list of industries under Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Therefore, Form A and the disclosures contained therein are not applicable to the Company.

B) TECHNOLOGY ABSORPTION

From B : Disclosure of particulars with respect to absorption

Research & Development (R & D) :

Specific areas in which R & D carried out by the Company	The Company has not undertaken any activity relating to research and development during the year under review.
Benefits derived as a result of the above R & D	

Future plan of action

Sr. No.	Expenditure on R & D	2012-13 (₹)	2011-12 (₹)
1.	Capital Expenditure	NIL	NIL
2.	Recurring Expenditure	NIL	NIL
	Total	**NIL**	**NIL**
	Total R & D expenditure as a percentage of total turnover	N.A.	N.A.

Technology absorption, adaptation and innovation :

Efforts, in brief, made towards technology absorption, adaptation and innovation	Not Applicable
Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc	
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : (a) Technology imported. (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	Not Applicable

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	FY 2012-13	FY 2011-12
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian economy still remains as one of the fast growing economy among the other growing economies which has improved slowly in the FY 2012-13 but not upto the expectations anticipated at the start of the year. India has registered a GDP growth of 5% in FY 2012-13 in comparison to GDP growth of 9.3% in FY 2010-11 and 6.2% in FY 2011-12. Moderating inflation and easing of regulatory requirements to induce investments are much needed stimulus to re-attain the previous growth figures which is anticipated to be around 6% for the current fiscal year 2013-14.

India is ranked 20th in the list of world's top real estate investment markets according to the latest report titled 'International Investment Atlas' issued by the leading consultants, Cushman & Wakefield. Also real estate consultancy giant, Jones Lang LaSalle is anticipating that the sector may record robust inflows from overseas investors in the next couple of years.

In India, the real estate sector has come a long way and is a major contributor to GDP growth after agricultural sector. The sector comprises of four sub-sectors-housing, retail, hospitality, and commercial. While housing contributes to 5-6% of the country's Gross Domestic Product (GDP), the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs. The change in the customer preferences for quality housing with value added amenities have led to decent increase in demand and has attracted more professionals towards the real estate industry.

The recent approval of FDI in multi-brand retail will bring in foreign investment, which will not only benefit the retail industry but also lift the demand for commercial real estate. The government has also proposed the Land Acquisition and Rehabilitation and Resettlement Bill and drafted Real Estate Regulatory & Development Bill as part of regulatory norms especially to promote the sector.

OPPORTUNITIES AND THREATS

The Indian Real estate market size is expected to touch US$ 180 billion by 2020. The demand is expected to grow at a Compound Annual Growth Rate (CAGR) of 19% between 2010 and 2014, with tier I metropolitan cities projected to account for about 40% of this.

Some of the initiatives taken in the union budget 2013-14 include :

- For homes and flats with a carpet area of 2,000 square feet or more or of a value of ₹ 1 crore or more, which are high-end constructions, where the component of services is greater, rate of abatement reduced from 75 to 70%
- Introduction of Section 80(EE) giving an additional deduction of ₹ 1,00,000 for the first time home buyers
- ₹ 6,000 crore was provided to Rural Housing Fund
- National Housing Bank plans to set up Urban Housing Fund. ₹ 2,000 crore was provided to the fund in 2013-14

While we continue to be optimistic about the markets we operate and growth therein but we remain cautious about the macro-economic changes and the regulatory headwinds being faced by the sector as a whole.

PERFORMANCE AND OUTLOOK

The Project of the Company situated at Dadar, Mumbai under development with M/s Seth Corp Private Limited is progressing satisfactorily and is expected to be completed by the year 2014. In the meantime, your Company is exploring further opportunities for adding value to its stakeholders.

Management Discussion and Analysis Report

CHALLENGES, RISKS AND CONCERNS

Your Company operates in an environment which is effected by various factors some of which are beyond its control. The management periodically reviews the control mechanisms in place, so that risks can be minimized to the optimum.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against misuse or losses from unauthorized use or disposition.

FINANCIAL PERFORMANCE

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable. Our management accepts responsibility for the integrity and objectivity of these financial statements. The networth of your Company have grown up marginally from ₹ 200.01 Crores as on 31-03-2012 to ₹ 201.36 Crores as on 31-03-2013.

HUMAN RESOURCE AND INDUSTRIAL RELATION

Your Company's business is managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the sector.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from there expressed in the statement as important factors could influence the Company's operations such as Government Policies, local, political and economic development, risk inherent to the Company and such other factors.

Report on Corporate Governance

CORPORATE GOVERNANCE

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paving way for its long-term success. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large.

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'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 Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a pivotal role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

BOARD OF DIRECTORS

Composition of Board of Directors

The Company has an optimum composition of Board of Directors in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Board as on 31st March, 2013, consists of 5 directors out of which 4 directors are Independent Directors.

During the year, Shri Mohan Goenka and Shri Harsha Vardhan Agarwal have ceased to be Directors of the Company with effect from 29th May 2012. Shri Sandeep Jhunjhunwala has been appointed as Director and Manager with effect from 9th November 2012 and Shri Abhijit Datta has been appointed as a Chairman (Independent) of the Board of Directors of the Company with effect from 6th February 2013.

The composition and category of the directors on the Board are as follows :

Sl. No.	Name	Designation	Category
1	Shri Abhijit Datta	Chairman	Non-Executive Independent
2	Shri Hari Mohan Marda	Director	Non-Executive Independent
3	Shri Aditya Poddar	Director	Non-Executive Independent
4	Shri Amar Bhalotia	Director	Non-Executive Independent
5	Shri Sandeep Jhunjhunwala	Director & Manager	Executive

Board Meetings & Procedure

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from normal business. The Agenda of the meeting is circulated well in advance to the Board members backed by

Report on Corporate Governance

comprehensive background information to enable them to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary.

Number and dates of Board Meetings held during the year

Four Board meetings were held during the year under review on 29th May 2012, 14th August 2012, 9th November 2012 and 6th February 2013. Details of board meetings held during the financial year and the number of Directors present are listed below :

Sl. No.	Date of Board Meeting	Total strength of the Board	No. of directors present
1.	May 29, 2012	3	2
2.	August 14, 2012	3	2
3.	November 9, 2012	4	3
4.	February 6, 2013	5	4

The maximum time gap between any two meetings was less than four months as stipulated under Clause 49.

Attendance at aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship/Memberships in other Companies of each of the Directors as on 31st March, 2013 are below :

Name of Directors	Board meeting attended during the year	Attendance at the last AGM	Name of other Directorships and Committee Member/Chairmanship as on 31st March, 2013		
			Other Directorship#	Committee Membership##	Committee Chairmanship##
Shri Abhijit Datta*	1	N.A.	6	3	1
Shri Hari Mohan Marda	4	YES	3	3	–
Shri Aditya Poddar	3	YES	–	–	–
Shri Amar Bhalotia	1	NO	2	–	–
Shri Sandeep Jhunjhunwala	2	N.A.	–	–	–
Shri Mohan Goenka**	NIL	N.A.	N.A.	N.A.	N.A.
Shri Harsha Vardhan Agarwal**	NIL	N.A.	N.A.	N.A.	N.A.

*Shri Abhijit Datta was appointed as the Chaiman of the Board of Directors of the Company w.e.f 6th February 2013

** Shri Mohan Goenka and Shri Harsha Vardhan Agarwal resigned from the Board of Directors w.e.f 29th May 2012.

Excluding Alternate Directorships and directorships in the Foreign Companies, Section 25 Companies and Private Limited Companies

Includes only Audit Committee and Shareholders / Investors Grievance Committee

None of the Directors is a member of the Board of more than fifteen Companies or a member of more than ten Board-level Committees or Chairman of more than five such Committees.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all the Committees are placed before the Board for review.

Report on Corporate Governance

The Board has established the following statutory and non-statutory Committees:

- Audit Committee
- Shareholders/Investors Grievance Committee
- Business Re-organisation /Restructuring Committee

Audit Committee

As on March 31, 2013, the Committee consists of 3 Directors, who bring with them vast experience in the field of operations, finance and accounts and the Company has immensely benefited from the deliberations of the Audit Committee. The Committee comprises of :

Sl. No.	Name of Directors	Category	Designation
1.	Shri Hari Mohan Marda	Non-Executive Independent	Chairman
2.	Shri Aditya Poddar	Non-Executive Independent	Member
3.	Shri Amar Bhalotia	Non-Executive Independent	Member

The Audit Committee was re-constituted on 29th May, 2013 with the appointment of Shri Sandeep Jhunjhunwala as a member.

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee attended the previous Annual General Meeting held on 21st September, 2012.

The Audit Committee is empowered, pursuant to its terms of reference, *inter-alia*, to:

- investigate any activity within its terms of reference
- seek information from any employee
- obtain outside legal or other professional advice
- secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and *inter-alia* performs the following functions :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings

Report on Corporate Governance

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year ended 31st March 2013, Audit Committee met 4 (Four) times on 29th May 2012, 14th August 2012, 9th November 2012 and 6th February 2013. The details of the number of meetings held and attendance of the directors thereat is given herein below :

Sl. No.	Name of Directors	No. of Meetings held	No. of Meetings Attended
1.	Shri Hari Mohan Marda	4	4
2.	Shri Aditya Poddar	4	3
3.	Shri Amar Bhalotia	4	1

Report on Corporate Governance

Shareholders/Investors Grievance Committee

As on March 31, 2013, the Committee comprises of:

Sl. No.	Name	Category	Designation
1.	Shri Hari Mohan Marda	Non-Executive Independent	Chairman
2.	Shri Aditya Poddar	Non-Executive Independent	Member
3.	Shri Amar Bhalotia	Non-Executive Independent	Member

The Committee was re-constituted on 29th May, 2013 with the appointment of Shri Sandeep Jhunjhunwala as a member.

Shri Anand R. Mundra - CEO (Commercial) & Company Secretary acts as a Secretary to the Committee.

During the period under review one meeting was held on 6th February 2013. All the then members of the Committee except Shri Amar Bhalotia were present at the said meeting.

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, and Registrar of Companies etc.

The Company received 4 complaints from shareholders regarding non-receipt of annual reports, which have been resolved to the satisfaction of shareholders and none of them are pending as on 31st March 2013.

Business Re-organisation/Restructuring Committee

As on March 31, 2013, the Committee comprises of:

Sl. No.	Name	Category	Designation
1.	Shri Abhijit Datta	Non-Executive Independent	Chairman
2.	Shri Aditya Poddar	Non-Executive Independent	Member
3.	Shri Sandeep Jhunjhunwala	Director & Manager	Member

The Committeee was re-constituted on 29th May, 2013 with the appointment of Shri Hari Mohan Marda as a member.

Shri Anand R. Mundra - CEO (Commercial) & Company Secretary acts as a Secretary to the Committee.

During the year under review, no meeting of this Committee was held.

REMUNERATION POLICY

The success of the organization in achieving good performance and good governing practices depends on its ability to attract and retain individuals with requisite knowledge and excellence as executive and non-executive directors.

With this objective, the Board decides on the remuneration to be paid to the directors. While deciding on the remuneration, the Board of Directors considers the performance of the company, the current trends in the industry, the qualifications of the appointee, his experience, past performance and other relevant factors.

Criteria for payment to Non Executive Directors

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.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors except payment of sitting fees. The Company has not granted any Stock Options to any of its Non-Executive Directors.

Report on Corporate Governance

Details of the sitting fees paid to the Independent Directors during the year 2012-13

Name of the Directors	Category	Sitting Fees (₹)	TDS Deducted (₹)	Net Amt. paid (₹)
Shri Abhijit Datta*	Non-Executive Independent	11,236	1,000	10,236
Shri Hari Mohan Marda	Non-Executive Independent	84,916	6,000	78,916
Shri Aditya Poddar	Non-Executive Independent	67,416	6,000	61,416
Shri Amar Bhalotia	Non-Executive Independent	17,500	Nil	17,500

*Shri Abhijit Datta was appointed as the Chairman of the Board of Director of the Company w.e.f 6th February 2013.

No commission was paid to Directors during the year ended 31st March 2013.

Shares held by Non-Executive Directors

The table below gives details of shares held by the Non-executive Directors as on 31st March 2013 :

Name of the Directors	Category	No. of shares
Shri Abhijit Datta	Non-Executive Independent	Nil
Shri Hari Mohan Marda	Non-Executive Independent	Nil
Shri Aditya Poddar	Non-Executive Independent	Nil
Shri Amar Bhalotia	Non-Executive Independent	Nil

GENERAL BODY MEETINGS :

A) Location and time, where last three Annual General Meetings (AGMs) were held:

Year	Day, Date & time	Venue	Special Resolution passed
2009-10	Tuesday, 10th August, 2010 at 11.00 A.M.	Eastern Zonal Cultural Centre, 'Aiketan', Bidhannagar, IA - 290, Sector - III, Kolkata - 700 097	NIL
2010-11	Saturday, 24th September 2011 at 2.30 P.M.	Emami Tower. 687 Anandapur, E. M. Bypass, Kolkata 700 107	NIL
2011-12	Friday, 21st September 2012 at 2.30 P.M.	Emami Tower. 687 Anandapur, E. M. Bypass, Kolkata 700 107	NIL

B) No extra-ordinary general meeting of the shareholders was held during the year.

C) Special Resolution passed during the year under review through Postal Ballot :

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, one special resolution under Section 372A of the Companies Act, 1956 was passed by shareholders by postal ballot on 17th July, 2012. Mr. A. K. Labh, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot exercise. The details of postal ballot are given below :

Sl. No.	Item	Total no. of valid votes polled	No. of votes in favour (%)	No. of votes against (%)
1.	To authorize Board of Directors to make loans to, give any guarantee, provide any security(ies) in connection with the loans, acquire by way of subscription, purchase or otherwise the securities of bodies corporate not exceeding ₹ 500 Crores at any time.	2,87,228	99.86	0.14

Report on Corporate Governance

D) None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

E) The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 has been followed for the postal ballot conducted during the year for the resolution mentioned above. The results of postal ballot were announced by Director of the Company at the registered office of the Company on 17th July, 2012 and advertised in the newspapers.

DISCLOSURES

1. Related party transactions :

All contracts with our affiliates entered into during the said period have no potential conflict of interests of the Company at large and are being carried out at an arm's length at fair market value.

Details of such transactions as per requirement of Accounting Standard 18 are disclosed in Note No. 2.14 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

2. Details of non-compliance by the Company :

There has been no non-compliance and no strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

3. Accounting treatment in preparation of financial statement :

The Company has followed the Accounting Standards laid down by The Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.

4. Compliance with Clause 49 of the Listing Agreement :

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this report.

CODE OF CONDUCT

The Board has laid down the Code of Conduct for its Members and designated Senior Management Personnel of the Company. The Code has been posted on the Company's website www.emamirealty.com. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

CEO/CFO CERTIFICATION

In terms of the requirements of Clause 49(V) of the Listing Agreement, CEO/CFO of the Company have certified to the board regarding financial statements for the year ended 31st March 2013.

MEANS OF COMMUNICATION

i) Publication of results: The Company publishes its quarterly and annual results in widely circulated national newspapers and local dailies such as "Business Standard", "Financial Express" and "Ek Din". The same are also submitted to the Stock Exchanges.

ii) News, Releases etc: The Company has its own website www.emamirealty.com and all vital information relating to the Company and its performance including financial results are regularly posted on the Company's website.

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

GENERAL SHAREHOLDER INFORMATION

i. AGM Details

Date	:	12th August, 2013
Time	:	2:30 P.M.
Venue	:	Emami Tower, 687 Anandapur, E. M. Bypass, Kolkata 700 107

Report on Corporate Governance

ii. Financial Calendar

Financial year - 1st April, 2012 to 31st March, 2013

Financial Reporting for the Year 2013-14 :

Particulars	Quarter/half year/ year ending	Tentative Schedule*
Unaudited Financial Results (1st Quarter)	Q.E. 30.06.2013	2nd week of August, 2013
Unaudited Financial Results (2nd Quarter)	Q.E. 30.09.2013	2nd week of November, 2013
Unaudited Financial Results (3rd Quarter)	Q.E. 31.12.2013	2nd week of February, 2014
Audited Financial Results (4th Quarter/Annual)	Y.E. 31.03.2014	4th Week of May, 2014

* tentative and subject to change

iii. Book closure Dates : 8th August, 2013 to 12th August, 2013 (Both days inclusive)

iv. Dividend Payment Date : Not Applicable

v. Listing on Stock Exchanges : BSE Limited (BSE)
National Stock Exchange of India Ltd. (NSE)

The listing fees for financial year 2012-13 to BSE & NSE have been paid.

vi. Stock Code : Trading symbol
BSE Limited – 506720
NSE – ZANDUREALT

Demat ISIN No. : ISIN No. – INE719A01017

Corporate Identification No : L24239WB1919PLC136397

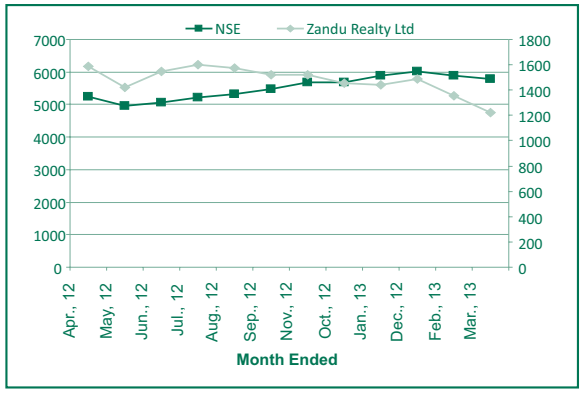
vii. Market Price Data

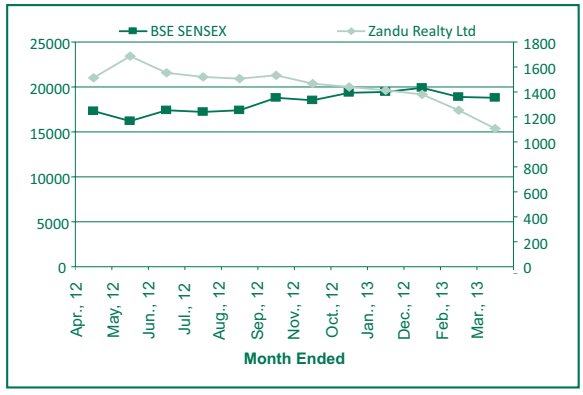
High, Low during each month in the last financial year at BSE and NSE :

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	1,730.00	1,480.05	1707.00	1,500.00
May, 2012	1,779.00	1,282.30	1,775.00	1,275.00
June, 2012	1,734.00	1,456.00	1,734.00	1,495.70
July, 2012	1,750.00	1,482.60	1,745.00	1,490.30
August, 2012	1,711.00	1,496.00	1,713.05	1,494.20
September, 2012	1,655.00	1,325.00	1,655.00	1,471.55
October, 2012	1,621.95	1,452.20	1,619.70	1,450.05
November, 2012	1,586.00	1,401.10	1,588.00	1,399.95
December, 2012	1,514.00	1,396.00	1,510.00	1,400.00
January, 2013	1,700.10	1,366.00	1,704.60	1,356.60
February, 2013	1,529.00	1,250.00	1,529.80	1,251.00
March, 2013	1,399.70	1,082.20	1,400.00	1,079.20

Report on Corporate Governance

viii. Performance in comparison to broad based indices such as BSE Sensex, etc





ix. Registrar and Share Transfer Agents

The Company's share transfers are handled by Maheshwari Datamatics Pvt.Ltd., Registrar and Share Transfer Agents (RTA).

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001
Phone : 033-2243 5809 / 5029
Fax : 033-2248 4787
E-mail : mdpl@cal.vsnl.net.in

x. Share Transfer System

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 stipulated period.

xi. Distribution of Shareholding and shareholding pattern as on 31st March, 2013

a. Distribution of Shareholding :

No. of Equity Shareholding	Holders	%age	No. of shares	%age
Upto 500	31,903	99.76	3,67,179	45.53
501 to 1000	51	0.16	35,579	4.41
1001 to 2000	14	0.04	19,711	2.45
2001 to 3000	2	0.01	5,336	0.66
3001 to 4000	3	0.01	14,196	1.76
4001 to 5000	3	0.01	20,970	2.60
5001 to 6000	3	0.01	3,43,429	42.59
Total	**31,979**	**100.00**	**8,06,400**	**100.00**

Report on Corporate Governance

b. Shareholding Pattern :

Sl. No.	Description	No. of shares	Percentage of capital
I.	Promoters and Promoter Group	2,86,329	35.51
II.	Financial Institutions/Banks	2,435	0.30
III.	Bodies Corporate	1,22,292	15.17
IV.	Individuals	3,81,824	47.35
V.	Non Resident Individual	12,319	1.53
VI.	Clearing Member	1,201	0.15
	Total	**8,06,400**	**100.00**

xii. Dematerialization of shares and liquidity :

As on 31st March 2013, 7,72,035 shares of the Company, aggregating to 95.74% of the paid up share capital of the Company was held in demarterialised form with the NSDL and CDSL.

xiii. Outstanding convertible instruments, conversion date and likely impact on equity :

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

xiv. Plant Locations

Not Applicable

xv. Address For Correspondence

For any assistance, queries regarding transfer or transmission of shares, dematerialization, non-receipt of dividend, non-credit of shares in demat account and any other query relating to the shares of the Company and Annual Report, the shareholders may write to the following :

Zandu Realty Limited
Emami Tower, 687, Anandapur E. M. Bypass
Kolkata - 700 107
Phone : 033-6613 6264, Fax : 033-6613 6249
E-mail : investors@emamirealty.com

Report on Corporate Governance

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2012-13.

For **ZANDU REALTY LIMITED**

Place : Kolkata
Date : May 29, 2013

Sandeep Jhunjhunwala
Director & Manager

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To
The Members of
Zandu Realty Limited

We have reviewed the records of Zandu Realty Limited for the year ended on March 31, 2013 relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and according to the information and explanations given to us, we state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency nor effectiveness with which the management has conducted the affairs of the Company.

For **S. K. Agrawal & Company**
Chartered Accountants
Firm Registration No. 306033E
Radhakrishan Tondon
Partner
Membership No. 60534

Place : Kolkata
Date : 29th May, 2013

Independent Auditors' Report

To
The Members of
Zandu Realty Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Zandu Realty Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2013

ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the order.

2. As required by section 227(3) of the Act, we report that :

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

Independent Auditors' Report

b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.

c) The Balance Sheet, Statement of Profit & Loss & Cash Flow Statement referred to in this report are in agreement with the books of accounts.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, **S. K. AGRAWAL & COMPANY**
Chartered Accountants
Registration No. 306033E

Radhakrishan Tondon
Partner
Membership No: 060534

Place : Kolkata
Dated : 29th May, 2013

Annexure to the Independent Auditors' Report

1. The Company does not have any fixed assets and accordingly the provisions of clause 1(a), 1(b) & 1(c) of the order are not applicable to the Company.

2. a. As explained to us, land under development held by the Company has been physically verified during the year by the management at the reasonable intervals.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

   c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. As explained to us, there were no material discrepancies noted on physical verification of inventories as compared to Book Records.

3. a. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

   b. Consequently the question of commenting on the rate of interest, terms and conditions of the loans granted being prejudicial to the interests of the Company, receipt of regular principal and interest and reasonable steps for the recovery of the same does not arise.

   c. The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301of the Act.

   d. Consequently the question of commenting on the rate of interest and other terms and conditions of the loans taken being prejudicial to the interests of the Company, payment of regular principal and interest does not arise.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory. We have not observed any continuing failure to correct major weaknesses in the internal control system.

5. According to information and explanation given to us, we are of the opinion that there are no transactions made in pursuance of contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies act, 1956.

6. The Company has not accepted any deposits as defined under section 58A & 58AA or other relevant provisions of the Companies Act, 1956.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of the business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. According to the information and explanations given to us in respect of statutory and other dues :

   a. The Company has been regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Cess and other Statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there were no undisputed amount payable in respect of these statutory dues which have remained outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.

Annexure to the Independent Auditors' Report

b. According to the information and explanation given to us, there are no disputed dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, cess except the following :

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (₹ in Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Income Tax Act,1961	Income Tax	12.77	2004-05	High Court
Income Tax Act, 1961	Income Tax	29.33	2009-10	CIT (A)

10. The Company does not have accumulated losses exceeding fifty percent of its net worth at the end of the financial year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
11. The Company has not raised Loans from Financial Institution or Banks or by issue of Debentures and hence Clause 4(xi) of the order are not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a Nidhi/Mutual Benefit Fund/Society. Accordingly, the provisions of clause 4(xiii) of the order are not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the Company has not given guarantees for loan taken by others from a bank or financial institution.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not availed any term loan during the year.
17. According to the information and explanation given to us and on an overall examination of Balance Sheet, the Company has not raised any short-term funds during the year.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For, **S. K. AGRAWAL & COMPANY**
Chartered Accountants
Registration No. 306033E

Radhakrishan Tondon
Partner
Membership No: 060534

Place : Kolkata
Dated : 29th May, 2013

Balance Sheet as at 31st March, 2013

Amount in ₹

	Note	As at 31.03.2013		As at 31.03.2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	8,06,40,000		8,06,40,000	
Reserves and Surplus	2.2	1,93,29,86,652		1,91,95,07,023	
			2,01,36,26,652		2,00,01,47,023
Current Liabilities					
Other Current Liabilities	2.3	70,59,889		88,85,021	
Short - Term Provisions	2.4	–		2,85,21,910	
			70,59,889		3,74,06,931
TOTAL			**2,02,06,86,541**		**2,03,75,53,954**
ASSETS					
Non - Current Assets					
Non - Current Investments	2.5		91,50,60,000		60,000
Current Assets					
Inventories	2.6	1,09,03,08,000		1,11,59,15,000	
Cash and Bank Balances	2.7	55,69,068		67,31,229	
Short - Term Loans and Advances	2.8	97,49,473		91,48,47,725	
			1,10,56,26,541		2,03,74,93,954
TOTAL			**2,02,06,86,541**		**2,03,75,53,954**
Summary of Significant Accounting Policies and Notes to Accounts	1 & 2				

As per our report of even date
For **S. K. AGRAWAL & COMPANY**
Firm Registration No. 306033E
Chartered Accountants

Radhakrishan Tondon
Partner
M. No. 060534
Place : Kolkata
Date : 29th May, 2013

For and on behalf of the Board

Hari Mohan Marda
Director

Sandeep Jhunjhunwala
Director & Manager

Anand R. Mundra
CEO (Commercial) & Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2013

Amount in ₹

	Note	2012-13	2011-12
Income			
Revenue from Operation	2.9	–	70,00,00,000
Other Income	2.10	5,68,09,014	4,61,15,311
Total Revenue (I)		**5,68,09,014**	**74,61,15,311**
Expenses			
(Increase)/Decrease in Inventories	2.11	2,56,07,000	1,39,40,85,000
Other Expenses	2.12	1,00,48,385	2,02,51,444
Total Expenses (II)		**3,56,55,385**	**1,41,43,36,444**
Profit/(loss) before Tax (I-II)		**2,11,53,629**	**(66,82,21,133)**
Tax Expenses			
Current Tax		76,74,000	3,46,00,000
Profit/(loss) for the year		**1,34,79,629**	**(70,28,21,133)**
Earnings per equity share face value of share ₹100			
Basic & Diluted	2.13	16.72	(871.55)
Summary of Significant Accounting Policies and Notes to Accounts	1 & 2		

As per our report of even date
For **S. K. AGRAWAL & COMPANY**
Firm Registration No. 306033E
Chartered Accountants

Radhakrishan Tondon
Partner
M. No. 060534
Place : Kolkata
Date : 29th May, 2013

For and on behalf of the Board

Hari Mohan Marda
Director

Sandeep Jhunjhunwala
Director & Manager

Anand R. Mundra
CEO (Commercial) & Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

Amount in ₹

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	2,11,53,629	(66,82,21,133)
Adjustments for :		
Dividend on Long Term Investments	(7,500)	(9,500)
Interest on Call Money Deposits	(5,36,09,685)	(4,56,01,312)
Operating Profit before Working Capital Changes	**(3,24,63,556)**	**(71,38,31,945)**
Adjustments for :		
Increase/(decrease) in Other Current Liabilities	(18,25,132)	5,76,355
Decrease/(increase) in Inventories	2,56,07,000	1,39,40,85,000
Decrease/(increase) in Short - Term Loans and Advances	(2,51,025)	5,13,34,429
Cash Generated from Operations	**(89,32,713)**	**73,21,63,839**
Direct taxes paid	(4,11,45,641)	(99,87,246)
Net Cash Flow from Operating Activities (A)	**(5,00,78,354)**	**72,21,76,593**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Long - Term Investments	(91,50,00,000)	–
Dividend on Long Term Investments	7,500	9,500
Interest on Call Money Deposits	4,97,08,693	39,12,406
Loans/Deposits to Corporate Bodies	(10,68,968)	(1,63,67,00,000)
Realisation of Loans/Deposits from Corporate Bodies	91,52,68,968	89,72,00,000
Net Cash Flow from Investing Activities (B)	**4,89,16,193**	**(73,55,78,094)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash flow from Financing Activities (C)	**–**	**–**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(11,62,161)**	**(1,34,01,501)**
Cash and Cash Equivalents at the beginning of the year *	67,31,229	2,01,32,730
Cash and Cash Equivalents at the end of the year *	**55,69,068**	**67,31,229**

* Represents Cash and Bank Balances as indicated in Note 2.7

As per our report of even date
For **S. K. AGRAWAL & COMPANY**
Firm Registration No. 306033E
Chartered Accountants

Radhakrishan Tondon
Partner
M. No. 060534
Place : Kolkata
Date : 29th May, 2013

For and on behalf of the Board

Hari Mohan Marda
Director

Sandeep Jhunjhunwala
Director & Manager

Anand R. Mundra
CEO (Commercial) & Company Secretary

Notes to the Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION

These accounts have been prepared under historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 and the Accounting Standards notified in Companies (Accounting Standard) Rules, 2006 to the extent applicable.

II. USE OF ESTIMATES

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

III. FIXED ASSETS

Fixed Assets are stated at cost less depreciation. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalized till the start of its intended use.

IV. DEPRECIATION

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

V. INVESTMENTS

Long term investments are stated at cost. Current investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Statement of Profit & Loss.

VI. INVENTORIES

Inventories are valued at lower of cost and net realisable value.

VII. REVENUE RECOGNITION

Revenues are recognised in accordance with the guiding principles of Accounting Standard - 9, notified in Companies (Accounting Standards) Rules 2006.

VIII. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Provisions and Contingent Liabilities are revalued at each Balance sheet date.

IX. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

X. TAXATION

Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current

Notes to the Financial Statements

tax rates based on assessable income. Deferred income tax reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XI. EMPLOYEE BENEFITS

a) Short term employee benefits are recognised as expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post employment and other long term employee benefits are recognised as expense in the Statement of Profit and Loss for the year in which the employees have rendered services. The expenses are recognised at the present value of amounts payable determined using the actuarial valuation techniques at the end of each financial year. Actuarial gains or losses in respect of post employment and other long term benefits are charged to Statement of Profit & Loss.

XII. IMPAIRMENT OF ASSETS

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, notified in Companies (Accounting Standards) Rules 2006, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

XIII. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.

XIV. SEGMENT REPORTING

Based on the guiding principles given in the Accounting Standard - 17 on "Segment Reporting", issued by the Institute of Chartered Accountants of India, the Company's primary business segment is Real Estate Development. Hence, the disclosure requirements of AS-17 in this regard is not applicable.

XV. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise current account bank balance, cash in hand and bank deposit account balance (with maturity of three months or less as at the balance sheet date).

Notes to the Financial Statements

Amount in ₹

	31st March 2013	31st March 2012
Note 2.1 SHARE CAPITAL		
Authorized		
20,00,000 Equity Shares of ₹ 100/- each	**20,00,00,000**	**20,00,00,000**
Issued, subscribed & fully paid-up		
8,06,400 Equity Shares of ₹ 100/- each	8,06,40,000	8,06,40,000
	8,06,40,000	**8,06,40,000**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March 2013		31st March 2012	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the period	8,06,400	8,06,40,000	8,06,400	8,06,40,000
Issued during the period	–	–	–	–
Outstanding at the end of the period	**8,06,400**	**8,06,40,000**	**8,06,400**	**8,06,40,000**

b. Rights attached to Equity Shares

The Company has only one class equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c. Details of Shareholders holding more than 5% shares in the Company

Name of Shareholders	31st March 2013		31st March 2012	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹100 each fully paid				
Emami Rainbow Niketan Private Limited, Associate	2,86,329	35.51%	2,86,329	35.51%

Notes to the Financial Statements

	31st March 2013	31st March 2012
Note 2.2 RESERVES & SURPLUS		
Revaluation Reserve		
At the beginning of the year	1,28,48,86,621	2,44,97,74,673
Less : Amount transferred to General Reserve	–	1,16,48,88,052
Closing Balance	**1,28,48,86,621**	**1,28,48,86,621**
General Reserve		
At the beginning of the year	1,16,48,88,052	–
Add : Transferred from Revaluation Reserve	–	1,16,48,88,052
Closing Balance	**1,16,48,88,052**	**1,16,48,88,052**
Surplus/(deficit) in the Statement of Profit and Loss		
At the beginning of the year	(53,02,67,650)	17,25,53,483
Add : Surplus/(deficit) transferred from Statement of Profit & Loss	1,34,79,629	(70,28,21,133)
Net surplus in the Statement of Profit & Loss	**(51,67,88,021)**	**(53,02,67,650)**
Total Reserves and Surplus	**1,93,29,86,652**	**1,91,95,07,023**

	31st March 2013	31st March 2012
Note 2.3 OTHER CURRENT LIABILITIES		
Unclaimed Dividend & Fractional Bonus Entitlement	46,82,684	58,79,874
Liabilities for Expenses	9,76,388	15,21,929
Duties &Taxes Payable	14,00,817	14,83,218
	70,59,889	**88,85,021**

	31st March 2013	31st March 2012
Note 2.4 SHORT-TERM PROVISIONS		
Provision for Taxation (net of taxes paid)	–	2,85,21,910
	–	**2,85,21,910**

Notes to the Financial Statements

Amount in ₹

	31st March 2013	31st March 2012
Note 2.5 NON-CURRENT INVESTMENTS		
A. Trade Investments		
i. Investments in Debentures - Unquoted fully paid up		
Emami Buildcon Private Limted *	22,50,00,000	–
45 (Nil) Optionally Fully Convertible Debentures of ₹ 50,00,000/- each		
Emami Estates Private Limted *	25,00,00,000	–
25 (Nil) Optionally Fully Convertible Debentures of ₹ 1,00,00,000/- each		
Emami Home Private Limted *	30,00,00,000	–
30 (Nil) Optionally Fully Convertible Debentures of ₹ 1,00,00,000/- each		
	77,50,00,000	**–**
B. Other Investments		
i. Investments in Equity Instruments - Unquoted fully paid up		
The North Kanara G.S.B. Co-Operative Bank Limited	50,000	50,000
5,000 Equity Shares of ₹ 10/- each		
The Saraswat Co-op. Bank Limited	10,000	10,000
1,000 Equity Shares of ₹ 10/- each		
Natural Synergies Limited	41,67,500	41,67,500
4,16,750 Equity Shares of ₹ 10/- each		
	42,27,500	**42,27,500**
Less : Provision for Diminution in value of Investments	41,67,500	41,67,500
	60,000	**60,000**
ii. Investments in Preference Shares - Unquoted fully paid up		
Emami Paper Mills Limited #	14,00,00,000	–
3,50,000 (Nil) Preference Shares of ₹ 100/- each		
	14,00,00,000	**–**
	91,50,60,000	**60,000**

These Preference Shares are redeemable at a premium of ₹ 500/- per share on 27th March, 2025. However, the Company has an option to redeem these preference shares before the redemption period.

* These Optionally Fully Convertible Debentures (OCD) are redeemable at par or premium at the end of five (5) years from the date of allotment. The date of allotment of the above OCDs is tabled below :

Name of the Issuing Company	No. of OCDs	Date of Allotment
Emami Buildcon Private Limted	45	30.01.2013
Emami Estates Private Limted	25	22.01.2013
Emami Home Private Limted	30	07.03.2013

However, the Company has option to redeem these debentures before the redemption period.

Notes to the Financial Statements

	31st March 2013	31st March 2012
Note 2.6 INVENTORIES		
Land under Development	1,09,03,08,000	1,11,59,15,000
	1,09,03,08,000	**1,11,59,15,000**

	31st March 2013	31st March 2012
Note 2.7 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks	8,63,092	8,45,855
Cash in Hand	23,292	5,500
Other Bank Balances		
Unclaimed Dividend & Bonus	46,82,684	58,79,874
	55,69,068	**67,31,229**

	31st March 2013	31st March 2012
Note 2.8 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Loans to Related Party (Refer Note No. 2.14)	20,46,623	74,12,45,332
Loans to Other Body Corporates	25,02,094	17,36,02,393
Other Receivables	2,51,025	–
Advance Income Taxes (Net of provisions)	49,49,731	–
	97,49,473	**91,48,47,725**

	31st March 2013	31st March 2012
Note 2.9 REVENUE FROM OPERATION		
Upfront Premium	–	70,00,00,000
	–	**70,00,00,000**

	31st March 2013	31st March 2012
Note 2.10 OTHER INCOME		
Interest Income		
- Call Money Deposits	5,36,09,685	4,56,01,312
- Income Tax Refund	–	1,46,325
Income from Investments (Non-Trade)		
- Dividend on long term Investments	7,500	9,500
Sundry Credit Balances Written Back	–	112
Commission	2,03,731	1,78,062
Miscellenous Receipts	29,88,098	1,80,000
	5,68,09,014	**4,61,15,311**

Notes to the Financial Statements

Amount in ₹

	31st March 2013	31st March 2012
Note 2.11 (INCREASE)/DECREASE IN INVENTORIES		
I. Opening Stock		
Land under Development	1,11,59,15,000	2,51,00,00,000
	1,11,59,15,000	**2,51,00,00,000**
II. Closing Stock		
Land under Development	1,09,03,08,000	1,11,59,15,000
	1,09,03,08,000	**1,11,59,15,000**
Net (Increase) / Decrease (I-II)	**2,56,07,000**	**1,39,40,85,000**

	31st March 2013	31st March 2012
Note 2.12 OTHER EXPENSES		
Electricity Charges	1,64,144	32,969
Rent	33,648	33,648
Repair to Building & Others	32,134	38,192
Insurance	-	11,992
Rates and Taxes	36,352	1,57,170
Legal & Professional Fees	29,15,107	27,68,378
Brokerage	-	1,21,33,000
Donation	50,00,000	25,25,000
Miscellaneous Expenditures	16,41,718	23,22,555
Auditors Remuneration (Refer Note No. 2.15)	2,25,282	2,28,540
	1,00,48,385	**2,02,51,444**

	31st March 2013	31st March 2012
Note 2.13 EARNINGS PER SHARE (EPS)		
Earnings per Share is calculated as follows :		
Net Profit/(loss) after tax attributable to Equity Shareholders	1,34,79,629	(70,28,21,133)
Weighted average number of equity shares Basic and Diluted (in nos.)	8,06,400	8,06,400
Nominal value of equity share	100	100
Basic and Diluted Earnings per share	16.72	(871.55)

Notes to the Financial Statements

Note 2.14 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosure of transactions with the related parties are given below :

i) List of related parties where control exists and related parties with whom transctions have taken place and relationships :

Emami Rainbow Niketan Private Limited	Associate (35.51%)
Emami Realty Limited	Holding Company of Emami Rainbow Niketan Private Limited (upto 24.08.2012)
Emami Infrastructure Limited	Holding Company of Emami Realty Limited
	Holding Company of Emami Rainbow Niketan Private Limited (w.e.f. 25.08.2012)
ii) Key Management Personnel	Shri Mohan Goenka (upto 29.05.2012)
	Shri Harsh Vardhan Agarwal (upto 29.05.2012)
	Shri Sandeep Jhunjhunwala (wef 09.11.2012)

iii) Transactions during the year with related parties :

Amount in ₹

Nature of Transactions	Associate and Holding Company of the Associate	
	31/03/2013	31/03/2012
Loans Given	68,968	74,07,00,000
Realisation of Loans Given	74,07,68,968	–
Interest Received	3,96,61,623	60,593
Reimbursements	1,02,44,470	52,11,574
Balance as on 31st March, 2013		
Loans Given	–	74,07,00,000
Interest Receivable	20,46,623	5,45,332

	31st March 2013	31st March 2012
Note 2.15 AUDITORS REMUNERATION		
Statutory Audit Fees	1,12,360	1,12,360
Tax Audit Fees	62,360	50,000
Fees for Limited Review	50,562	66,180
	2,25,282	**2,28,540**

Notes to the Financial Statements

2.16 Contingent Liabilities not provided for in respect of -

Income Taxes - ₹ 29,33,630/-

2.17 The Company operates in a single business segment i.e. Real Estate Development.

2.18 Previous year's figures have been rearranged or regrouped wherever necessary.

As per our report of even date
For **S. K. AGRAWAL & COMPANY**
Firm Registration No. 306033E
Chartered Accountants

For and on behalf of the Board

Radhakrishan Tondon
Partner
M. No. 060534
Place : Kolkata
Date : 29th May, 2013

Hari Mohan Marda
Director

Sandeep Jhunjhunwala
Director & Manager

Anand R. Mundra
CEO (Commercial) & Company Secretary

Note

ZANDU REALTY LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 94th ANNUAL GENERAL METING of the Company held at Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata - 700 107 on Monday, 12th August, 2013 at 2.30 P.M.

Name : _____

No. of shared held : _____ Folio No. _____

DP ID No.* _____ Client ID No.* _____

_____

Signature of the Shareholder/Proxy

*Applicable for investors holding shares in electronic form.

ZANDU REALTY LIMITED

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

PROXY FORM

Folio No. :		No. of share held	
Client ID*		DP ID *	

I/We _____

of _____ being member(s) of

ZANDU REALTY LIMITED hereby appoint Mr./Mrs. _____

of _____ or failing him/her

appoint Mr./Mrs._____ of _____

as my/our _____

proxy to attend and vote on my/our behalf at the 94th ANNUAL GENERAL MEETING of the Company to be held on Monday, 12th August, 2013 at 2.30 P.M. Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata - 700 107 and at any adjournment thereof.

Signed this _____day of _____2013

Signature_____

Affix Re. 1 Revenue Stamp

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

*Applicable for investors holding shares in electronic form.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure, the Company will be sending its Annual Report as well as other correspondence by e-mail, to those Members whose e-mail address are registered with the Company/ their Depository Participants. Those Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the request form available at the company's website www.emamirealty.com and register the same with Maheshwari Datamatics Pvt. Ltd.

In case any Member to whom an electronic copy of Annual Report has been sent, desires to receive a physical copy, he may request the Company to send the same.

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