

93rd

ANNUAL REPORT

2011 - 2012

ZANDU REALTY LIMITED

Corporate Information

DIRECTORS (as on 29th May, 2012)

Shri Hari Mohan Marda

Shri Aditya Poddar

Shri Amar Bhalotia

CEO (Commercial) & Company Secretary

Shri Anand R. Mundra

AUDITORS

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

Chartered Accountants

BANKERS

1. Central Bank of India
2. The North Kanara G. S. B. Co-op Bank Ltd.
3. ICICI Bank Limited

REGISTERED OFFICE

Emami Tower, 687, Anandapur E.M.Bypass

Kolkata - 700 107

Tel. No. : 033 66136264

Fax. No. : 033 66136249

Website : www.emamirealty.com

E-mail : investors@emamirealty.com

REGISTRAR AND TRANSFER AGENT

M/s. Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001, West Bengal, India

Phone : +91-33-22435029

Fax : +91-33-22484787

E-mail : mdpl@cal.vsnl.net.in

Notice

NOTICE is hereby given that the 93rd Annual General Meeting of Zandu Realty Limited will be held on Friday, 21st September, 2012 at 2.30 P.M. at Emami Tower, 687, Anandapur, E.M.Bypass, Kolkata 700107 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, 2012 and the Balance Sheet as on that date.
2. To appoint a Director in place of Shri Amar Bhalotia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s S. K. Agrawal, Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company 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 Shri Aditya Poddar, who is appointed as an Additional Director w.e.f. 14th November, 2011, by the Board of Directors at its meeting held on 14th November, 2011 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
Dated : 29th May, 2012

By Order of the Board of Directors
For **Zandu Realty Ltd.**

Anand R. Mundra
CEO (Commercial) & Company Secretary

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 thereto.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 18th September, 2012 to Friday, 21st September, 2012 (both days inclusive).
4. Pursuant to Section 205 of the Companies Act, 1956, all unclaimed dividends upto the financial year 1994-95 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 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 final dividend up to the financial year 2003-04 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 from the final dividend of the financial year 2004-05 or any subsequent financial years, if any, are requested to make their claim to the Registrar and Share Transfer Agent, M/s. 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 and 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 at least seven days before the meeting so as to enable the management to keep the information ready.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has permitted service of documents including Annual Report to its members through electronic modes. In the backdrop of this, the Company has given an option to the shareholders to receive the Annual Report through e-mail and is sending the Annual Report through e-mail to those members whose registered email-ids were available with us and those who are desirous of obtaining the same. To further support this initiative, members whose e-mail IDs have not been registered so far, are requested to register their e-mail addresses with their respective Depository Participant, in respect of holdings in Demat form and, with the Company's RTA, M/s Maheshwari Datamatics Private Limited in respect of shares held in physical form at mdpl@cal.vsnl.net.in.
10. 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.
11. 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 financial year 2011-12 have already been paid.

Registered Office :
Emami Tower
687, Anandapur E.M.Bypass
Kolkata 700 107
Dated : 29th May, 2012

By Order of the Board of Directors
For **Zandu Realty Ltd.**

Anand R. Mundra
CEO (Commercial) & Company Secretary

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

ITEM NO. 4

The Board of Directors had appointed Shri Aditya Poddar, as an Additional Director of the Company w.e.f 14th November, 2011, at their meeting held on 14th November, 2011. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the forthcoming Annual General Meeting. A notice along with 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 Aditya Poddar as a Director of the Company. The Board of Directors recommends the appointment of Shri Aditya Poddar as the Director.

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

None of the directors is interested or concerned in the above resolution

Registered Office :
Emami Tower
687, Anandapur E.M.Bypass
Kolkata 700 107
Dated : 29th May, 2012

By Order of the Board of Directors
For **Zandu Realty Ltd.**

Anand R. Mundra
CEO (Commercial) & Company Secretary

Directors' Report

To,
The Members,

The Directors are pleased to present their 93rd Annual Report and the Financial Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2012 are summarized below : (Amount in ₹)

	For the year ended on 31.3.2012	For the year ended on 31.3.2011
Revenue from Operation	70,00,00,000	–
Other Income	4,61,15,311	1,44,99,027
Profit/ (Loss) Before Tax	(66,82,21,133)	81,23,337
Tax Expenses	3,46,00,000	(10,20,507)
Profit/ (Loss) After Tax	(70,28,21,133)	91,43,844
Balance profit brought forward from previous year	17,25,53,483	16,34,09,639
Balance available for appropriation	(53,02,67,650)	17,25,53,483

DIVIDEND

In order to initiate the plan for the growth of the Company and take it to its next level, your Company needs resources. Therefore your directors do not recommend any dividend for the year ended 31st March, 2012.

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 along with report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This year, the Indian economy witnessed a great challenge as the GDP growth rate came down to 6.5%. This was the lowest in the last 5 years. Eurozone financial turmoil, rate hikes announced by the Reserve Bank of India, depreciating rupee, costlier imports etc. were some of the reasons behind the negative GDP growth rate. Due to the poor economic growth, the real estate sector witnessed undesirable environment as well.

However, going forward, overall demand and need for residential, commercial, retail and industrial properties continues to be strong particularly due to rapid urbanization and migration. The sector has demonstrated unparalleled growth over the years and presently accounts for almost 5% of the country's GDP and is projecting to increase enormously year on year.

The Business of the Company is dependent on various conditions such as Government Regulation, market conditions, etc. This factor has to be considered before exploring any opportunity. The Company has taken appropriate measures to combat all kind of hindrances in its growth.

Keeping in mind the prevailing market conditions and to commercially and gainfully exploit the asset of your Company in the business of real estate, your company had entered into a development agreement with M/s Sheth Corp Private Limited, Mumbai to construct, build and develop residential housing complex on its land situated at 70, Gokhale Road (South) Dadar, Mumbai - 400025. Sheth Corp Private Limited are Mumbai based developers who are known for their commitment to customer convenience, satisfaction and professionalism. Subsequently, because of the market conditions of the real estate sector in Mumbai in terms of the oversupply and low demand of residential property, your Company has now

Directors' Report

entered into a supplemental agreement with Sheth Corps Private Limited (SCPL) for the construction of industrial building(s) on the said land.

The Company is in the process of exploring more opportunities for the development of the Company and is optimistic about its growth.

The Company has proper internal control procedures to safeguard and protect all its assets against losses from unauthorized use or disposition. Accounting records are adequate for preparation of financial statements and other financial information.

As a measure towards fulfilling the social responsibility towards the society, your Company has provided donation to an Intermediate school in rural eastern Uttar Pradesh for renovation of their building. It has also donated fund to a charitable institution.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the financial year, the Company has transferred a sum of Rs. 5,55,342/- pertaining to the 2nd interim dividend for the year 2003-04, final dividend for the year 2003-04 and Unpaid fractional bonus for the year 2004 to IEPF, being the amounts due and payable and had remained unclaimed and unpaid, as per the provisions of section 205(A) 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

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.

DIRECTORS

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

Shri Aditya Poddar is appointed as an Additional Director of the Company w.e.f. 14th November, 2011 by the Board of Directors at its meeting held on 14th November, 2011 and he 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.

Shri Abhijit Datta, Shri Rajesh Bagaria, Shri Raj K Sureka, Shri Harsh Vardhan Agarwal and Shri Mohan Goenka resigned as the directors of the company. Due to the sad demise of Shri Krishna Kumar Khemka on 15th October, 2011, he ceased to be the director. The Board places on record its appreciation for the valuable contribution and guidance provided by them during their terms as Directors of the Company.

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that :

1. In preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable Accounting Standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed along with proper explanation relating to material departures.

Annexure to the Directors' Report

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 31st March, 2012 and of the profit of the company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records for the financial year ended on 31st March, 2012, 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.
4. The Directors have prepared the annual accounts for the financial year 31st March, 2012 on a going concern basis.

AUDITORS' REPORT

The Notes on Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

AUDITORS

The Statutory Auditor, M/s S. K. Agrawal & Co., Chartered Accountants, Kolkata, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The certificate from the Auditors have been received to the effect that their re-appointment, if made, 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 the dedicated efforts of employees at all levels 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

Place : Kolkata
Date : 29th May, 2012

HARI MOHAN MARDA
Director

AMAR BHALOTIA
Director

ANNEXURE - I

Particulars under Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 for the year 31st March, 2012

- 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

Place : Kolkata
Date : 29th May, 2012

HARI MOHAN MARDA
Director

AMAR BHALOTIA
Director

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 endeavored 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 maximizing 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, 2012

The composition of the Board as on 31st March, 2012 is in total conformity with clause 49 of the Listing Agreement, as amended from time to time.

Category	No. of Directors
Promoter - Executive Director	2
Independent - Non Executive Director	3
Total	5

The number of Non-Executive directors is more than fifty percent of the total number of directors and the number of Independent Directors is more than one third of the total number of Directors.

Details of Directors for the period 1st April 2011 till 31st March 2012.

Name of Director	Category ¹	Attendance of last AGM held on 24 th Sept. 2011	Name of other Directorships and Committee Member / Chairmanship as on 31.03.2012			No. of Board meeting attended during the year
			Other Directorship ²	Committee Membership ³	Committee Chairmanship ³	
Shri Hari Mohan Marda	I-NED	Yes	3	1	–	5
Shri Amar Bhalotia	I-NED	No	3	–	–	1
Shri Aditya Poddar ^{>}	I-NED	NA	–	–	–	2
Shri Abhijit Datta [*]	I-NED	No	–	–	–	2
Shri Krishna Kumar Khemka [#]	I-NED	No	–	–	–	2
Shri Rajesh Bagaria [^]	P-NED	NA	–	–	–	1
Shri Raj K Sureka [^]	P-NED	NA	–	–	–	–
Shri Mohan Goenka ⁺	P-ED	Yes	3	2	1	4
Shri Harsh Vardhan Agarwal ⁺	P-ED	No	9	5	–	5
Shri P. P. Vora [§]	I-NED	NA	–	–	–	–

[>]Shri Aditya Poddar was appointed as the Additional Director of the Company w.e.f. 14th November, 2011.

^{*} Shri Abhijit Datta resigned as the director of the Company w.e.f. 10th February, 2012.

[#] Due to the sad demise of Shri Krishna Kumar Khemka on 15th October, 2011, he ceased to be the director.

Corporate Governance Report

[^] Shri Rajesh Bagaria and Shri Raj K Sureka resigned as the directors of the Company w.e.f. 12th August, 2011.

⁺ Shri Harsh Vardhan Agarwal and Shri Mohan Goenka resigned as the Joint Managing Directors of the Company w.e.f 29th May, 2012.

[§] Shri P. P. Vora resigned as the director of the Company w.e.f. 19th May, 2011

¹ P- ED-Promoter-Executive Director

ED- Executive Director

P-NED-Promoter-Non-Executive Director

I-NED-Independent-Non-Executive Director

² Excluding Alternate Directorships and directorships in the Foreign Companies, Section 25 Companies and Private Limited Companies

³ Membership/Chairmanship of only Audit Committee and Shareholders / Investors Grievances 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 Committees of the Board and other related information.

Statutory Committees

- Audit Committee
- Shareholders/Investor Grievance 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 four months between any two meetings. The Company has held 5 meetings of the Board during the year 2011-12.

The Board Meetings were held on 30th May'11, 12th August'11, 14th November'11, 10th February'12, and 30th March'12.

The Agenda for the Board Meeting, along with 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.

Corporate Governance Report

COMMITTEES OF THE BOARD

Audit Committee

Audit Committee was reconstituted during the year.

The members of the Audit Committee as on 31st March, 2012 are Shri Hari Mohan Marda - Chairman, Shri Aditya Poddar and Shri Mohan Goenka out of which two are Independent Directors.

The Statutory Auditor, Internal Auditor 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 4 meetings were held, including a meeting before the finalization of accounts. The 4 meetings were held on 30th May'11, 12th August'11, 14th November'11, 10th February'12.

Name of Directors	No. of Meetings Attended
Shri Hari Mohan Marda	4
Shri Aditya Poddar ^{>}	1
Shri Krishna Kumar Khemka*	2
Shri Rajesh Bagaria [^]	1
Shri Mohan Goenka [§]	2
Shri Abhijit Datta [#]	1

[>]Shri Aditya Poddar was appointed as the Additional Director of the Company w.e.f. 14th November, 2011.

*Due to the sad demise of Shri Krishna Kumar Khemka on 15th October, 2011, he ceased to be the member.

[^]Shri Rajesh Bagaria resigned from the Company w.e.f. 12th August, 2011.

[§]Shri Mohan Goenka resigned from the Boards w.e.f. 29th May, 2012.

[#]Shri Abhijit Datta resigned from the Company w.e.f. 10th February, 2012.

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

Shareholders/Investors Grievance Committee was reconstituted during the year.

The Members of Shareholders/Investors Grievance Committee as on 31st March, 2012 are Shri Hari Mohan Marda - Chairman, Shri Aditya Poddar, Shri Harsh Vardhan Agarwal, out of these, two are Independent Directors.

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

During the period under review one meeting was held on 10th February, 2012.

Name of Directors	No. of Meetings Attended
Shri Hari Mohan Marda	1
Shri Aditya Poddar ^{>}	1
Shri Harsh Vardhan Agarwal [^]	1

Corporate Governance Report

>Shri Aditya Poddar was appointed as the Additional Director of the Company w.e.f. 14th November, 2011.

^Shri Harsh Vardhan Agarwal resigned from the Board w.e.f. 29th May, 2012.

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 2 complaints from shareholders regarding non-receipt of dividend, non-receipt of annual reports, transfer of shares etc., and both of them were resolved to the satisfaction of shareholders.

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.

Details of the sitting fees paid to the Directors during the year 2011-12 and their shareholding in the Company :

Independent Directors	Sitting Fees	No of Shares
Shri Hari Mohan Marda	87500	Nil
Shri Amar Bhalotia	10000	Nil
Shri Aditya Poddar>	35000	Nil
Shri Abhijit Datta*	27500	Nil
Shri Krishna Kumar Khemka^	35000	Nil
Shri Rajesh Bagaria [§]	Nil	Nil
Shri Raj K. Sureka [§]	Nil	Nil
Shri Mohan Goenka@	Nil	Nil
Shri Harsh Vardhan Agarwal@	Nil	Nil
Shri P. P. Vora%	Nil	Nil

>Shri Aditya Poddar was appointed as the Additional Director of the Company w.e.f. 14th November, 2011.

*Shri Abhijit Datta resigned as the director of the Company w.e.f. 10th February, 2012.

^Due to the sad demise of Shri Krishna Kumar Khemka on 15th October, 2011, he ceased to be the director.

§ Shri Rajesh Bagaria and Shri Raj K Sureka resigned as the directors of the Company w.e.f. 12th August, 2011.

@Shri Harsh Vardhan Agarwal and Shri Mohan Goenka resigned as the Joint Managing Directors of the Company w.e.f. 29th May, 2012.

%Shri P. P. Vora resigned from the Board w.e.f. 19th May, 2011

Code of Conduct :

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

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 the 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 2011-12.

Date : 29th May, 2012

HARI MOHAN MARDA
Director

Corporate Governance Report

Director Certification

As required under Clause 49 V of the Listing Agreement, Director of the Company have certified to the board regarding financial statements for the year ended 31st March, 2012.

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. 2.15 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, and 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 Amar Bhalotia retires by rotation at the ensuing Annual General Meeting. He is eligible for reappointment.

Shri Amar Bhalotia, is a Commerce graduate and has done PGDM from Symbiosis Center for Management, Pune. He possesses extensive knowledge and experience of real estate and has been involved in various real estate deals/investments in almost all major cities and across all asset class. Prior to this he was working in the real estate transaction advisory Services in Ernst & Young India Ltd. and had been involved with a lot of advisory and fund raising deals for large corporates and developers.

Presently he is a director of Riviera Finvestrade Ltd., Emami Infrastructure Limited, Pamposh Commercial Co. Limited. He is also director in various Private Limited Companies.

He is holding NIL shares of the Company.

2. Shri Aditya Poddar is appointed as an Additional Director of the Company w.e.f. 14th November, 2011. He is categorized as an Independent Director on the Board of the Company.

Shri Aditya Poddar is a Commerce graduate from St. Xaviers College, Calcutta, and holds a Masters in Business Administration from the International Management Institute, New Delhi.

He has total business experience of 11 years. The last 5 years are in the Infrastructure sector, with specialization in Government Liaisoning, Sales and Supply Chain.

He is a founder of a CRM Company with specialization in Strategic Planning, Concept Selling and Relationship Marketing across various industries.

He is also director in various Private Limited Companies.

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.

Corporate Governance 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.

(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 Reconciliation of Share Capital 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 Reconciliation of Share Capital Audit Report is submitted to the Stock Exchanges on quarterly basis.

General Body Meetings :

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

Year	AGM	Location	Date	Time
2008-09	90th AGM	Vidya Mandir, 1 Moira Street Kolkata - 700 017	31st Dec, 2009	12.30 P.M.
2009-10	91st AGM	Eastern Zonal Cultural Centre, 'Aiketan' Bidhannagar, IA - 290, Sector - III, Kolkata - 700 091	10th Aug, 2010	11.00 A.M.
2010-11	92nd AGM	687 Anandapur, E.M.Bypass, Kolkata 700107	24th Sept, 2011	2.30 P.M.

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.

In the 91st Annual General Meeting, no Special Resolution was proposed.

In the 92nd Annual General Meeting, no Special Resolution was proposed.

2. Details of the resolution passed last year through Postal Ballot :

Postal Ballot exercise was carried during the financial year 2011-12 vide notice dated 12th August, 2011.

Shri A.K.Labh, Practising Company Secretary of M/s. A.K.Labh & Co. conducted the entire postal ballot voting process and results were announced on 24th September, 2011. Special Resolution under Section 372A of the Companies Act was passed for making of loan(s) and/or investment(s) and/or giving of guarantee(s) and/or providing of Security(s) in excess of the stipulated statutory limit i.e. 60% of the aggregate of paid-up capital and free reserves or 100% of free reserves whichever is higher but not exceeding a sum of 500 Crores in total.

99.95 percent of votes were in favour of the resolution and 0.045 percent of votes was against the resolution.

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 published in newspapers as per statutory requirement. The Company displays the results on its website i.e. "www.emamirealty.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 : Friday, 21st September, 2012 at 2.30 P.M

Venue : Emami Tower, 687 Anandapur,
E.M.Bypass, Kolkata 700107

Corporate Governance Report

- (ii) Financial Year : Results for quarter ending
 Quarter ending 30th Jun'12 within 45 days from end of quarter
 Quarter ending 30th Sep'12 within 45 days from end of quarter
 Quarter ending 31st Dec'12 within 45 days from end of quarter
 Quarter ending 31st Mar'13 within 60 days from end of quarter
- (iii) Date of Book closure : Tuesday, 18th September, 2012 to Friday, 21st September, 2012 (both days inclusive).
- (iv) Listing on Stock Exchanges : The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE)
 The listing fees for financial year 2011-12 to BSE & NSE have 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 sensex

	BSE		BSE SENSEX		NSE	
	Zandu's Price (in ₹)		High	Low	Zandu's Price (in ₹)	
	Months High Price	Months Low Price			Months High Price	Months Low Price
Apr. 2011	2899	1985	19811	18976	2,920	1,980
May 2011	2230	1950	19254	17786	2,249	1,925
Jun. 2011	2045	1875	18874	17314	2,052	1,862
Jul. 2011	2374	1960	19132	18132	2,472	1,940
Aug. 2011	2140	1615	18440	15766	2,135	1,610
Sep. 2011	2208	1641	17212	15801	2,211	1,650
Oct. 2011	1770	1605	17909	15745	1,775	1,635
Nov. 2011	1715	1375	17703	15479	1,715	1,391
Dec. 2011	1654	1199	17004	15136	1,661	1,225
Jan. 2012	1594	1240	17259	15358	1,584	1,235
Feb. 2012	1862	1462	18524	17062	1,853	1,460
Mar. 2012	1906	1400	18041	16921	1,910	1,450

- (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 MaheshwariDatamaticsPvt.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

Corporate Governance Report

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.

No requests for physical transfer and dematerialization were pending for approval as on 31st March, 2012.

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

As on 31st March 2012, 33315 shares of the Company, forming 95.00% of the share capital of the Company, stood dematerialized.

(x) **Distribution of Shareholding by size and ownership as on 31st March, 2012.**

(a) Shareholding Pattern by size.

No. of Equity Shareholding	Holders	% Age	No. of Shares	Percentage
Upto 500	34216	99.77	359339	44.56
501-1000	49	0.14	33734	4.18
1001-2000	18	0.05	25084	3.11
2001-3000	4	0.01	9648	1.20
4001-5000	3	0.09	14196	t1.76
5001-10000	3	0.09	20970	2.60
10001 and above	3	0.09	343429	42.59
Total	34296	100	806400	100

(b) Shareholding Pattern by Ownership

Category	No. of Shares	Percentage	No. of Folios
Directors / Promoters	286329	35.51	1
Banks	753	0.10	7
Corporate Bodies	132351	16.41	630
Individuals	376069	46.64	33390
Foreign Institutional Investor	Nil	Nil	Nil
Non Resident Indian	8938	1.11	180
Clearing Members	1960	0.24	88
Total	806400	100.00	34296

Corporate Governance Report

(xi) History of Issued and Paid Up share capital

Year	Type	Ratio Issued Capital (₹ in lacs)	Increased in Capital (₹ 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

(xii) Dividend declared for last 7 years

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

Corporate Governance Report

(xiii) Status of unclaimed and unpaid Dividend

	Dividend for 1994-95 or before	Dividend for 1995-96 till final Dividend 2003-04	Final Dividend for 2004-05 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 dates
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 - 66136249
E-mail : investors@emamirealty.com

Corporate Governance Report

CERTIFICATE

To
The Members of
Zandu Realty Limited

We have reviewed the records of Zandu Realty Limited for the year ended on March 31, 2012 relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement 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 on the financial statements of the Company.

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

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

Kolkata
Dated - 29th May, 2012

For **S. K. AGRAWAL & COMPANY**
Chartered Accountants
Registration No. 306033E
4A Council House Street
Radhakrishan Tondon
Partner
Membership No. 60534

Auditors' Report

To
The Members of
Zandu Realty Limited

We have audited the Balance Sheet of Zandu Realty Limited ("Company") as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We further 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.
- 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 and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
- d) On the basis of written representations received and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon give the information required by the Companies Act, 1956 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 Balance Sheet of the State of Affairs of the Company as on 31st March, 2012;
 - ii. In the case of Statement of Profit & Loss of the Loss for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

1. The Company has no fixed assets and hence requirement of reporting under clause i(a), i(b) and i(c) does not arise.
2.
 - a. As explained to us, land under development held by the Company has been physically verified during the year by the management.
 - 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. No discrepancies were noticed on physical verification of stocks as compared to book stocks.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
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 sale of goods and services. We have not observed any continuing failure to correct major weaknesses in the internal control system.
5.
 - a. According to the information and explanations given to us, particulars of contracts or agreements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.

Auditors' Report

- b. According to the information and explanations given to us, the company has entered into a transaction in pursuance of such contracts or arrangements in respect of a party listed in the register maintained under section 301 of the Companies Act, 1956 at prices which are reasonable having regard to the prevailing market prices at the relevant time.
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 its business.
8. As explained to us, the company is not required to maintain cost records as prescribed under Section 209(1)(d) of the Companies Act, 1956.
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 Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, and other Statutory dues with the appropriate authorities during the year.
- b. According to the information and explanations given to us and records of the company, there are no disputed dues in respect of sales tax, customs duty and excise duty except for the following:

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs. 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

10. The Company does not have accumulated losses as at the end of the year and the company has not incurred cash losses during the current and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.
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. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
14. According to the information given to us, the company has not given guarantees for loan taken by others from a Bank.
15. According to the information given to us, the company has not availed any term loan during the year.
16. According to Cash flow Statement and other records examined by us and the information and explanations given to us, there are no funds raised on short term basis.
17. 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.
18. The company has not issued any debentures during the year.
19. The company had not raised any money by way of public issue during the year.
20. 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.
21. Other clauses of the order are not applicable.

Place : Kolkata
Dated : 29th May, 2012

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

Balance Sheet as at 31st March, 2012

(Amount in ₹)

	Note		As at 31.03.2012		As at 31.03.2011
EQUITY AND LIABILITIES					
Shareholders' Fund					
Share Capital	2.1	80,640,000		80,640,000	
Reserves and Surplus	2.2	1,919,507,023	2,000,147,023	2,622,328,156	2,702,968,156
Current Liabilities					
Other Current Liabilities	2.3	8,885,021		8,308,666	
Short-Term Provisions	2.4	28,521,910	37,406,931	3,909,156	12,217,822
TOTAL			2,037,553,954		2,715,185,978
ASSETS					
Non-Current Assets					
Fixed Assets :					
- Tangible Assets	2.5	–		–	
Non-Current Investments	2.6	60,000	60,000	60,000	60,000
Current Assets					
Inventories	2.7	1,115,915,000		2,510,000,000	
Cash and Cash Equivalents	2.8	6,731,229		20,132,730	
Short-Term Loans and Advances	2.9	914,847,725	2,037,493,954	184,993,248	2,715,125,978
TOTAL			2,037,553,954		2,715,185,978
Summary of Significant Accounting Policies and Notes to Accounts	1 & 2				

The accompanying notes are an integral part of the financial statements.

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, 2012

For and on behalf of the Board

Hari Mohan Marda **Amar Bhalotia**
Director *Director*

Anand R. Mundra
CEO Comm. & Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Note	2011-12	2010-11
INCOME			
Revenue from Operation	2.10	700,000,000	–
Other Income	2.11	46,115,311	14,499,027
Total Revenue (I)		746,115,311	14,499,027
EXPENSES			
(Increase)/Decrease in Inventories	2.12	1,394,085,000	–
Other Expenses	2.13	20,251,444	6,375,690
Total Expenses (II)		1,414,336,444	6,375,690
Profit/(loss) before tax (I-II)		(668,221,133)	8,123,337
Tax Expenses :			
Current Tax		34,600,000	3,557,000
(Excess)/Short Provision of Earlier Years		–	(4,577,507)
Total Tax Expenses		34,600,000	(1,020,507)
Profit/(Loss) for the year		(702,821,133)	9,143,844
Earnings Per Equity Share	2.14		
[Nominal value of Share ₹ 100			
Basic & Diluted		(871.55)	11.34
Summary of Significant Accounting Policies and Notes to Accounts	1 & 2		

The accompanying notes are an integral part of the financial statements.

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, 2012

For and on behalf of the Board

Hari Mohan Marda **Amar Bhalotia**
Director *Director*

Anand R. Mundra
CEO Comm. & Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

(Amount in ₹)

	2011-12	2010-11
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(668,221,133)	8,123,337
Adjustments for :		
Dividend on Long-Term Investments	(9,500)	(9,500)
Dividend on Current Investments	–	(60,216)
Profit on Sale of Current Non-Trade Investments	–	(339)
Interest on Deposits	(45,601,312)	(14,425,732)
Operating Profit before Working Capital Changes	(713,831,945)	(6,372,450)
Adjustments for :		
Increase/(Decrease) in Other Current Liabilities	576,355	(7,017,266)
Decrease/(Increase) in Inventories	1,394,085,000	–
Decrease/(Increase) in Short-Term Loans and Advances	9,645,523	(9,725,662)
Cash generated from Operations	690,474,933	(23,115,378)
Direct Taxes paid (Net of Refunds)	(9,987,246)	(9,474,935)
Net Cash Flow from Operating Activities (A)	680,487,687	(13,640,443)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Current Investments	–	14,502,552
Dividend on Long-Term Investments	9,500	9,500
Dividend on Current Investments	–	60,216
Interest on Deposits	45,601,312	14,425,732
Loans/Deposits with Corporate Bodies	(1,636,700,000)	(18,500,000)
Repayment of Loans/Deposits with Corporate Bodies	897,200,000	12,300,000
Net Cash Flow from Investing Activities (B)	(693,889,188)	22,798,000
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow from Financing Activities (C)	–	–
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(13,401,501)	9,157,557
Cash and Cash Equivalents at the beginning of the year *	20,132,730	10,975,173
Cash and Cash Equivalents at the end of the year *	6,731,229	20,132,730

* Represents Cash and Bank Balances as indicated in Note 2.8

As per our report of even date

For **S. K. AGRAWAL & COMPANY**

Firm Registration No. 306033E

Chartered Accountants

Radhakrishnan Tondon

Partner

M. No. 060534

Place : Kolkata

Date : 29th May, 2012

For and on behalf of the Board

Hari Mohan Marda

Director

Amar Bhalotia

Director

Anand R. Mundra

CEO Comm. & Company Secretary

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

1.2. 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.

1.3 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.

1.4 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.

1.5 Investment

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 and Loss.

1.6 Inventories

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

1.7 Revenue Recognition

- (a) Dividend income is accounted for when right to receive the same is established.
- (b) All other revenues are recognized on accrual basis.

1.8 Provisions and Contingent Liabilities

Provisions are recognized 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.

1.9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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.

1.10 Income Taxes

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

1.11 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.

Notes to the Financial Statements

(Amount in ₹)

1.12 Earning Per Share

Basic earning per share is 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 earning 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.

1.13 Cash and Cash Equivalents

Cash and Cash Equivalents for purposes of cash flow statement comprise cash at bank and cash in hand.

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)

	31st March 2012	31st March 2011
2.1 SHARE CAPITAL		
Authorized Shares		
20,00,000 Equity Shares of ₹ 100/- each.	200,000,000	200,000,000
Issued, subscribed & fully paid-up shares *		
8,06,400 Equity Shares of ₹ 100/- each	80,640,000	80,640,000
	80,640,000	80,640,000

* (Out of the above 2,01,600 Equity Shares of ₹ 100/- each are allotted as fully paid up bonus shares for consideration other than cash in FY 2006-07).

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

	31st March 2012		31st March 2011	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Equity Shares				
At the beginning of the period	806,400	80,640,000	806,400	80,640,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	806,400	80,640,000	806,400	80,640,000

b. Rights attached to Equity Shares :

The Company has only one class of 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. Shares held by Associate :

Out of equity shares issued by the Company, shares held by associate are as below :

	31st March 2012	31st March 2011
Emami Rainbow Niketan Private Limited, Associate	28,632,900	28,632,900
2,86,329 Equity Shares of ₹ 100/- each fully paid	28,632,900	28,632,900

Notes to the Financial Statements

(Amount in ₹)

d. Details of shareholders holding more than 5% Shares in Company :

	31st March 2012		31st March 2011	
	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	286,329	35.51	286,329	35.51

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

	31st March 2012	31st March 2011
2.2 RESERVES & SURPLUS		
Revaluation Reserve	2,449,774,673	2,449,774,673
Less : Amount transferred to General Reserve	1,164,888,052	–
	1,284,886,621	2,449,774,673
General Reserve		
Transferred from Revaluation Reserve	1,164,888,052	–
Closing Balance	1,164,888,052	–
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	172,553,483	163,409,639
Add : Surplus/(Deficit) transferred from Statement of Profit and Loss	(702,821,133)	9,143,844
Net surplus in the Statement of Profit and Loss	(530,267,650)	172,553,483
Total Reserves and Surplus	1,919,507,023	2,622,328,156
2.3 OTHER CURRENT LIABILITIES		
Trade Payables	1,521,929	295,405
Unclaimed Dividend	5,654,014	5,974,898
Fractional Bonus Entitlement	225,860	622,646
Duties & Taxes	1,483,218	1,415,717
	8,885,021	8,308,666
2.4 SHORT-TERM PROVISIONS		
Provision for Taxation		
(Net of Advance Taxes of ₹ 9,61,05,119; Previous Year ₹ 8,61,17,873)	28,521,910	3,909,156
	28,521,910	3,909,156

Notes to the Financial Statements

(Amount in ₹)

2.5. FIXED ASSETS

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As on 01.04.12	Additions / Revaluations	Deductions / Transfer	As on 31.03.12	Upto 01.04.2011	For the Year	Deductions	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Freehold Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	62,631,327	2,449,774,673	2,512,406,000	-	2,406,000	-	2,406,000	-	-	-

	Face Value (₹)	31st March 2012	31st March 2011
2.6 NON-CURRENT INVESTMENT			
Investments (Non-Trade)			
(a) Long-Term Investment :			
In Equity Shares (Unquoted)			
1) 5,000 Shares of The North Kanara G.S.B. Co-operative Bank Ltd.	10	50,000	50,000
2) 1,000 Shares of The Saraswat Co-op. Bank Limited	10	10,000	10,000
3) 4,16,750 Shares of Natural Synergies Limited	10	4,167,500	4,167,500
		4,227,500	4,227,500
Less : Provision for Diminution in value of Investments		4,167,500	4,167,500
		60,000	60,000

2.7 INVENTORIES

Land under Development	1,115,915,000	2,510,000,000
	1,115,915,000	2,510,000,000

2.8 CASH AND CASH EQUIVALENTS

Balances with Banks		
- In Current Accounts	830,698	13,521,586
- In Cash Credit Accounts	15,157	7,712
- Unclaimed Dividend	5,654,014	5,974,898
- Unclaimed Bonus	225,860	622,534
Cash in Hand	5,500	6,000
	6,731,229	20,132,730

2.9 SHORT-TERM LOANS AND ADVANCES

Unsecured Considered Good		
Loans to Related Parties	740,700,000	-
Loans to Other Body Corporates	173,500,000	174,700,000
Other Advances	-	9,718,886
Interest Receivable	647,725	-
Prepaid Expenses	-	6,778
Others Receivable	-	567,584
	914,847,725	184,993,248

Notes to the Financial Statements

(Amount in ₹)

	31st March 2012	31st March 2011
2.10 REVENUE FROM OPERATION		
Upfront Premium	700,000,000	–
	700,000,000	–
2.11 OTHER INCOME		
Interest Income		
- Loans	45,601,312	14,425,732
- Income Tax Department	146,325	–
Income from Investment (Non-Trade)		
- Dividend on long term Investments	9,500	9,500
- Dividend on current Investments	–	60,216
Profit on Sale of Current Non-Trade Investments	–	339
Sundry Credit Balances Written Back	112	3,240
Commission	178,062	–
Miscellaneous Receipts	180,000	–
	46,115,311	14,499,027
2.12 (INCREASE)/DECREASE IN INVENTORIES		
Closing Stock		
Land under Development	1,115,915,000	2,510,000,000
	1,115,915,000	2,510,000,000
Opening Stock		
Land under Development	2,510,000,000	2,510,000,000
	2,510,000,000	2,510,000,000
Net (Increase)/Decrease	1,394,085,000	–
2.13 OTHER EXPENSES		
Power and Fuel	32,969	155,451
Rent	33,648	33,648
Repairs		
- Buidling	10,000	–
- Others	28,192	27,826
Insurance	11,992	–
Rates and taxes	157,170	135,391
Legal and Professional Fees	2,996,918	2,878,807
Service Charges	551,504	661,977
Sundry Fees	460,959	743,473
Brokerage	12,133,000	–
Donation	2,525,000	–
Miscellaneous Expenditure	1,310,092	1,739,117
Bad Debts	–	2,192,465
Less : Provision for doubtful debts written back	–	(2,192,465)
	20,251,444	6,375,690

Notes to the Financial Statements

(Amount in ₹)

	31st March 2012	31st March 2011
2.14 EARNINGS PER SHARE (EPS)		
Earnings Per Share is calculated as follows :		
Net Profit/(Loss) after tax attributable to Equity Shareholders	(702,821,133)	9,143,844
Weighted average number of equity shares (Basic and Diluted)	806,400	806,400
Nominal value of Equity Share	100	100
Basic and Diluted Earnings per Share	(871.55)	11.34

2.15 RELATED PARTY DISCLOSURES

A) Name of related parties and description of relationship	
Emami Rainbow Niketan Private Limited	Associate (35.51%)
Emami Realty Limited	Holding Company of Emami Rainbow Niketan Private Limited
Emami Infrastructure Limited	Ultimate Holding Company of Emami Rainbow Niketan Private Limited
B) Key Management Personnel	
	Shri Mohan Goenka
	Shri Harsh Vardhan Agarwal

Transactions during the year with related parties :

Nature of Transactions	Associate, Holding and Ultimate holding of Associate		Entities where Key Management Personnel and their relative have significant influence/control		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Reimbursement of Expenses Paid	211,574	–	–	–	211,574	–
Advance Given	5,000,000	–	–	–	5,000,000	–
Advance Repayment	5,000,000	–	–	–	5,000,000	–
Loans Given	740,700,000	–	–	–	740,700,000	–
Balance as on 31st March, 2012						
Loans Given	740,700,000	–	–	–	740,700,000	–

(Amount in ₹)

	31st March 2012	31st March 2011
2.16 PAYMENT TO AUDITORS		
As Auditors		
- Audit Fees	112,360	110,300
- Tax Audit Fees	50,000	–
- Limited Review	66,180	49,635
In Other Capacity		
- Other Services (Certification Fees)	–	9,927
	228,540	169,862

Notes to the Financial Statements

- 2.17** The Company has entered into Development Agreement dated 9th September, 2011 as modified by Supplemental Agreements dated 31st March, 2012 with M/s Sheth Corp Pvt. Ltd. for construction of Industrial Building(s) on its land situated at 70, Gokhale Road (South), Dadar, Mumbai - 400 025. The Company has received a sum of ₹ 70 Crores as non-refundable premium which has been recognised as an income in Statement of Profit and Loss.
- 2.18** An amount of ₹ 1,16,48,88,052/- has been transferred from Revaluation Reserve to General Reserve in proportion of the area allocated to M/s Sheth Corp Pvt. Ltd. in relation to the total area as per the terms of the said Development Agreements. Accordingly, provision for taxation has been made in accordance with the provisions of the Income Tax Act, 1961.
- 2.19** The Company has only one Reportable Business Segment i.e. "Real Estate".
- 2.20** Previous year's figures have been re-arranged or re-grouped wherever necessary.

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, 2012

For and on behalf of the Board

Hari Mohan Marda
Director

Amar Bhalotia
Director

Anand R. Mundra
CEO Comm. & Company Secretary

ZANDU REALTY LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT
THE ENTERANCE OF THE VENUE

I hereby record my presence at the 93RD ANNUAL GENERAL METING of the Company held on Friday, 21st
September, 2012 at 2.30 P.M. at Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata 700 107.

Folio No. :	DP ID*
Name :	Client ID*
Address :	
Jointly with	
SIGNATURE OF THE SHAREHOLDER / PROXY	

ZANDU REALTY LIMITED

PROXY

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

I/We _____
of _____ in the district of _____ being a member/s of
ZANDU REALTY LIMITED hereby appoint Mr./Mrs. _____
_____ of _____ in the district of _____ or failing him/her
appoint Mr./Mrs. _____ of _____
in the district of _____ as my/our
Proxy to attend and vote for me/us on my/our behalf at the 93rd ANNUAL GENERAL MEETING of the Company
to be held on Friday, 21st September, 2012 at 2.30 P.M..

Folio No. :

DP ID *

Client ID*

Signed this _____ day of _____ 2012

Affix
Re. 1
Revenue
Stamp

*Applicable for investors holding Shares in electronic form.

The Proxy Should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS.
before the time fixed for holding the meeting.

Book Post

If undelivered please return to :

ZANDU REALTY LIMITED

EMAMI TOWER,

687, Anandapur, E.M. Bypass,

Kolkata 700 107