CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT DATED JUNE 02, 2008 TO THE EQUITY SHAREHOLDERS OF

THE ZANDU PHARMACEUTICAL WORKS LIMITED

('ZPWL'/Target Company)

(**REGD. OFFICE :** 70, Gokhale Road South, Dadar , Mumbai – 400025, Tel no.: 022-24307021, Fax no.: 022-24375491)

This Corrigendum is being issued by Anand Rathi Financial Services Limited (Formerly known as Anand Rathi Securities Limited) (the "Manager to the Offer"/"ARFSL"), for and on behalf of Emami Limited (Acquirer) and Bhanu Vyapaar Private Limited (BVPL) , Suraj Viniyog Private Limited (SVPL) , Diwakar Viniyog Private Limited (DVPL) and Suntrack Commerce Private Limited (SCPL) ("PACs") in continuation of and should be read in conjunction with, the Public Announcement ("PA") published in all editions of Business Standard, Prathakal and one regional newspaper Mumbai Lakshdeep on June 02, 2008 pursuant and in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers), 1997 and subsequent amendments thereto (hereinafter referred to as ("SEBI(SAST) Regulations").

The shareholders of ZPWL are requested to kindly note that the following amendments with respect to the PA:-

(I) Terms used but not defined in this Corrigendum shall have the same meaning as assigned in the PA.

(II) SCHEDULE OF ACTIVITIES

The schedule of activities (Original and Revised) pertaining to the offer is given below:

Activities	Original Schedule	Revised Schedule
Date of Publication of Public Announcement	Monday, June 02, 2008	Monday, June 02, 2008
Date of corrigendum to Public Announcement	-	Friday, September 19, 2008
Specified date	Friday, June 13, 2008	Friday, June 13, 2008
Last date for announcement of a competitive bid	Monday, June 23, 2008	Monday, June 23, 2008
Date by which Letter of offer will be posted to shareholders	Monday, July 14, 2008	Saturday, September 20, 2008
Date of Opening of the Offer	Thursday, July 24, 2008	Friday, September 26, 2008
Last date for revising the offer price / number of Shares	Friday, August 01, 2008	Friday, October 03, 2008
Last date for withdrawing acceptance from the Offer	Thursday, August 07, 2008	Friday, October 10, 2008
Date of Closure of the Offer	Tuesday, August 12, 2008	Wednesday, October 15, 2008
Date of communicating rejection / acceptance and payment of consideration for Applications accepted	Wednesday, August 27, 2008	Wednesday, October 29, 2008

(III) UPWARD REVISION OF OFFER PRICE

The Acquirer and PACs have revised the Offer Price under regulation 26 of the Regulations from Rs. 7,315/- (Rupees Seven Thousand Three Hundred Fifteen Only) per Equity Share to Rs. 15,000/-(Rupees Fifteen Thousand only) per Equity Share.

(IV) FINANCIAL ARRANGEMENTS

1. Consequent to the upward revision in the Offer Price the Total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs. 241,92,00,000/- (Rupees Two Hundred Forty One Crore Ninety Two Lac Only) i.e. consideration payable for acquisition of 1,61,280 fully paid equity shares of Target Company at an Offer Price of Rs. 15,000/- (Rupees Fifteen Thousand Only) per equity share (being the Offer Price revised from Rs. 7,315/- per share to Rs. 15,000/- per share).
2. Now, the Offer Price being revised to Rs. 15,000/- per equity share and and as per the requirement under regulation 28(9) of the Regulations, the Acquirer has increased the cash deposit by Rs. 1,23,92,000/- (Rs. One Crore Twenty Three Lac Ninety Two Thousand only) in the said Escrow Account and the balance now is Rs. 241,92,000/- (Rs. Two Crore Forty One Lac Ninety Two Thousand only) which is being not less than 1% of the Maximum Consideration payable under the revised Offer.
3. Suntrack Commerce Private Limited (PAC) have pledged 14,28,580 (Fourteen Lac Twenty Eight Thousand Five Hundred Eighty only) equity shares of Emami Limited of the face value of Rs. 2/- each fully paid up in favour of Anand Rathi Financial Services Limited (Manager to the offer) having a closing market price of Rs. 320.10/- per Equity Share on May 30, 2008 at BSE. The total value of Equity Shares pledged is Rs. 45,72,88,458/- (Rupees Forty Five Crore Seventy Two Lac Eighty Eight Thousand Four Hundred Fifty Eight Only) as on May 30, 2008, exceeds the Escrow amount stipulated under regulation 28(2). The Acquirer/PACs have undertaken to maintain adequate margin at all times during the Offer Period over the minimum requisite Escrow requirement as stipulated under Regulation 28(2). After the upward revision of the offer Price to Rs. 15,000/- per equity share and as per the requirement under regulation 28(9) of the Regulations, Suntrack Commerce Private Limited (PAC) has pledged additional 7,00,000 equity shares of Emami Limited in favour of Anand Rathi Financial Services Limited (Manager to the Offer). The total revised value of Equity Shares pledged is Rs. 60,90,93,167/- (Rupees Sixty Crore Ninety Lacs Ninety Three Thousand One Hundred and Sixty seven Only) as on the basis of closing market price of Rs. 286.15 per Equity share on BSE as on September 09, 2008 exceeds the Escrow amount stipulated, under regulation 28(2). The Acquirer/PACs have undertaken to maintain adequate margin at all times during the Offer Period over the minimum requisite Escrow requirement as stipulated under Regulation 28(2). The NOC has been obtained from the Suntrack Commerce Private Limited (PAC) for pledged shares.
4. The Acquirer and PACs have adequate resources to meet the financial requirement of Rs. 241,92,00,000 (Rupees Two Hundred Forty One Crore Ninety Two Lacs Only) for the offer in terms of Regulation 16 (xiv) of regulations. As required under Regulation 16 (xiv) the Acquirer will finance the acquisition of equity shares of Target Company under the Open Offer through Internal Resources and borrowed funds. The sources of funds are: Internal Accruals; of Rs. 50 Crore, Refund and fresh Loans of Rs. 75 Crore from Pan Emami Cosmed Limited; Inter Corporate Deposits from South City Projects Limited - Rs. 50 Crore, Bhanu Vyapaar Private Limited - Rs. 10 Crore, Suraj Viniyog Private Limited Rs. 10 Crore, Diwakar Viniyog Private Limited - Rs. 10 Crore, Suntrack Commerce Private Limited - Rs. 10 Crore and Funds from Emami Realty Limited - Rs. 35 Crore. There are no restrictive clauses in any of the above mentioned financing arrangements.
5. Mr. Radhakrishan Tondon, Partner (Membership no. 060534) of M/S S.K. Agrawal & Company, Chartered Accountants, 4A Council House Street, Kolkata 700001 (West Bengal), Tel no. 033-2248-7312, Fax no. 033-2231-6305, has certified vide certificate dated September 09, 2008 that the Acquirer have adequate resources to meet the financial requirements of the Open Offer. M/S R. Kothari & Company, Chartered Accountants 16A, Shakespeare sarani, Kolkata-700071, Tel no. 033-2282-6807, Fax no. 033-2282-0147 has certified vide certificates dated September 09, 2008 that the PACs have adequate resources to meet the financial requirements of the Open Offer.

(V) Summary of orders given by Company Law Board and Bombay High Court:

By an Order dated 28th July, 2008 the Hon'ble Company Law Board after hearing the submissions of the Counsels of the Parties passed an order to the following effect: "Both companies are public listed companies. SEBI is the right authority to look into any acquisition disputes. Let SEBI do the needful." Being aggrieved by the Order dated 28th July, 2008 of the Hon'ble Board, Zandu had preferred an appeal before the Hon'ble High Court at Bombay being Appeal No. 19 of 2008.

The Hon'ble Bombay High Court heard the said Appeal on 7th August, 2008. After hearing the submissions of the Counsels of all Parties, The Hon'ble High Court passed the following order with consent of both the parties:

1. "The impugned order of the Company dated 28.7.2008 is hereby set aside.
2. The Company Law Board shall decide the Appellants application for interim relief and shall pass a reasoned order thereon after hearing all concerned, within a period of 15 days from today.
3. The Appellants shall postpone the Annual General Meeting due on 9th August 2008 to a future date in accordance with law.
4. Appeal disposed of"

Pursuant to the above consent order, the Hon'ble Company Law Board heard the Petition on 20th August 2008. After hearing the Counsels of Zandu and Emami the Hon'ble Company Law Board by an Order dated 26th August 2008 dismissed the petition filed by Zandu against Emami and Others under Section 111A of the Act, summoning up the reasoned order as under:

"In view of Sec. 15-Y and 20-A of the SEBI Act, 1992 and Section 55A of the Companies Act, 1956, I hold this Bench has no jurisdiction to issue the orders prayed for in the present petition."

(VI) The PACs are defined as Bhanu Vyapaar Private Limited, Suraj Viniyog Private Limited, Diwakar Viniyog Private Limited and Suntrack Commerce Private Limited.

(VII) The Acquirer is making Offer to acquire upto 1,61,280 (One Lac Sixty One Thousand Two Hundered Eighty) fully paid up equity shares of the face value of Rs. 100/- (Rupees Hundred Only) each representing 20% fully paid-up equity shares / voting capital of ZPWL.

(VIII) The Acquirer undertakes that they will not exercise the voting rights, which have been vested by virtue of acquisition of Shares under SPA-(1.1), SPA-(1.2), SPA- (1.3), SPA- (1.4) and SPA- (1.5) till the completion of all the formalities under the Regulations.

(IX) Future Plans

(a) This offer has been made pursuant to Regulation 10 and 12 and other provisions of chapter III and in compliance with the Regulations and consequent to the Share Purchase Agreements (SPAs) entered into resulting the substantial acquisition of shares and voting rights in the Target Company as a strategic investment and with an objective to be part of management control along with the existing promoters.

(b) Emami is in the personal, beauty and healthcare business for over three decades and can have tremendous business synergy with Target Company's business as both are in the similar nature of business.

(c) Zandu is an age old ayurvedic brand and has tremendous business potential which can be tapped through effective marketing, distribution, R&D and operating efficiencies. Emami with its strong marketing acumen, deeper distribution and cost effective operational efficiency intends to exploit this potential and derive synergetic benefits.

(X) The details of Non-Compete Terms:

The Sellers undertake and covenant that, during the period commencing from the Closing Date and till on the expiry of 3 (three) years thereafter, the Sellers shall not, directly or indirectly:

(a) participate in as an manager, consultant or in any other capacity in any business which is similar to or competes with the business of the Company anywhere in the world;

(b) interfere with, tender for, canvass, solicit or endeavor to entice away from the Company the business of any person who was, to their knowledge, a customer, client or agent of or supplier to;

(c) supply any product, carry out or undertake or provide any service which is the same as or similar to those with which the Company provides, as of the Closing Date, in any territory;

(d) employ, whether as an employee, consultant, advisor, or otherwise; or make or cause to be made, directly or indirectly, any offer for employment in any capacity; to any person, who is employed with the Company or has been employed with the Company at any time during a period of 12 months from the date of such employment or solicitation for employment, whichever is later.

Non compete fee of Rs. 100/- per share is only 0.67% of Revised Offer Price.

(XI) The eligible person who successfully tendered the equity shares of Target Company have option to receive payment through ECS, if the required information for ECS has been provided in the Form of acceptance or details provided on plain paper.

(XII) The Average Price paid per share by Acquirer and PACs during the twelve months period preceding the date of PA should be read as Rs.6638.88/- instead of Rs.6320.20/- as mentioned at para 1.6 of PA.

(XIII) Highest Price paid by the Acquirer and PACs for acquisition of shares, including by way of allotment in a public or rights of preferential issue during the twenty six weeks period prior to the date of PA should be read as Rs.6,809.34/- instead of Rs.7,313/- as mentioned at para 2.1 of PA.

(XIV) The Traded volume on Bombay Stock Exchange (BSE) of the Target Company from December 01, 2007 to May 31, 2008 should be read as 31,003 shares instead of 30,573 shares as mention at para 1.5 of PA.

(XV) This open Offer is not subject to any statutory approval as per Regulation 27 of Regulations.

(XVI) The Acquirer has obtained the approval from the shareholders by way of special resolution for acquiring Equity Shares of The Zandu Pharmaceutical Works Limited under section 372A of Companies Act, 1956 through Postal Ballot under section 192A of Companies Act, 1956 dated July 28, 2008.

(XVII) The MOU has been entered among Acquirer and PACs for acquisition of equity shares of ZPWL under the Offer.

The salient features of MOU:-

1. The Acquirer and the PACs have agreed to distribute the equity shares to be acquired in the Open Offer in the following manner:
   a. The Acquirer shall acquire the equity shares in the Open Offer as per permissible limits under Companies Act and other applicable laws, if any of The Zandu Pharmaceutical Works Limited.
   b. Balance Equity Shares if any, above the permissible limits of the Acquirer shall be acquired in the Open Offer by the PACs and will be distributed equally among all the PACs.
2. The Acquirer and PACs have undertaken to pay the consideration for the shares to be acquired in the open offer as per the above mentioned distribution ratio.

(XVIII) Emami Limited and PACs have filed an petition before the Company Law Board, Delhi against The Zandu Pharmaceutical Works Limited and Others under Section 235, 247, 247(1A), 250, 397, 398, 399, 402, 403, 406 of the Companies Act, 1956.

(XIX) All other terms and conditions of the PA remain unchanged.

The Public Announcement dated June 02, 2008 and this Corrigendum to the PA shall also be available on website of SEBI (www.sebi.gov.in).

The Acquirer and its directors and PACs and their directors accept full responsibility for the information contained in this Corrigendum to the PA.

For further details, please refer to the Letter of Offer and Form of Acceptance.

ISSUED BY THE MANAGERS TO THE OFFER ON BEHALF OF THE ACQUIRER AND PACs

ANANDRATHI

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