

BOARD OF DIRECTORS	R.V. Shekar S.V. Venkatesan R.Sankaranarayanan Jayesh N Thakkar V.Chander, Sangeetha Shekar	- Managing Director - Non Executive & Independent - Non Executive & Independent - Non Executive & Independent - Non Executive Director - Non Executive Director
REGISTERED OFFICE OF THE COMPANY	“VTN Square”, 2nd Floor, 58, G N Chetty Road, T. Nagar, Chennai – 600 017, INDIA	
CHIEF EXECUTIVE OFFICER (CEO)	CA.Mallika Ravi	
CHIEF FINANCIAL OFFICER (CFO)	K.Srinivasan	
COMPANY SECRETARY	CS.H.Viswanath	
AUDITORS	G.M.Kapadia & Co., Chartered Accountants, 7A, P.M. Tower, 37, Greams Road, Chennai – 600 006	
SOLICITORS	Raman & Associates, Chennai	
BANKERS/FINANCIAL INSTITUTIONS	The Catholic Syrian Bank Limited, Industrial Finance Branch, Chennai. HDFC Limited, Chennai.	
REGISTRAR AND SHARE TRANSFER AGENTS	M/s.Cameo Corporate Services Limited “Subramanian Buildings”, 1, Club House Road, Chennai 600 002.	

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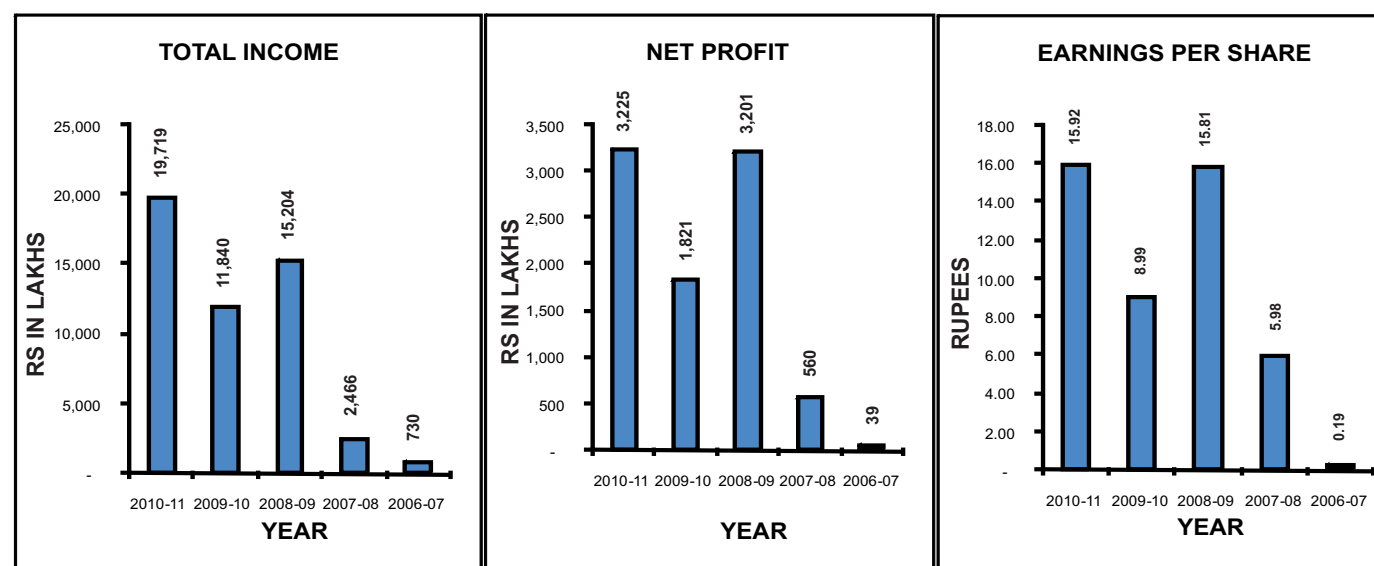
MISSION STATEMENT

To create profitable development with enduring value, distinguishing characteristics leading to high customer satisfaction, with full compliance to building standards, rules and regulations.

FINANCIAL HIGHLIGHTS OF LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND INTEREST IN JOINT VENTURE – PARTNERSHIP FIRM.

S.No.	PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07
ON CONSOLIDATED BASIS		Rupees In Lakhs				
1	CONSTRUCTED AREA (sq. ft)	490,987	303,305	836,973	31,336	13,431
2	INCOME FROM OPERATIONS	18,054.94	10,524.58	14,407.91	1,965.82	282.40
3	TOTAL INCOME	19,719.44	11,840.31	15,204.36	2,466.05	730.40
4	EBIDTA	5,462.74	3,375.89	3,957.01	934.42	192.87
5	INTEREST	553.71	484.44	255.29	34.11	123.69
6	DEPRECIATION	260.27	292.32	142.12	57.30	51.79
7	TAX	1,423.59	778.63	358.55	283.48	(21.91)
8	NET PROFIT	3,224.61	1,820.50	3,201.06	559.53	39.31
9	EQUITY SHARE CAPITAL	405.00	405.00	405.00	405.00	405.00
10	NETWORTH	9,110.74	6,358.39	5,012.07	2,048.14	1,719.52
11	GROSS FIXED ASSETS	6,648.37	6,586.42	6,881.90	1,395.77	1,342.26
12	NET FIXED ASSETS	5,694.64	5,886.12	6,462.50	1,108.89	1,112.62
13	TOTAL ASSETS	14,740.21	12,990.85	12,121.69	9,419.34	8,573.12
14	BOOK VALUE PER SHARE*	44.99	31.40	24.75	10.11	8.49
15	TURNOVER PER SHARE*	97.38	58.47	75.08	12.18	3.61
16	EARNINGS PER SHARE*	15.92	8.99	15.81	5.98	0.19
17	EBIDTA/GROSS TURNOVER (%)	27.70	28.51	26.03	37.89	26.41
18	ROCE (%)	35.39	28.63	63.87	27.32	2.29

Note : 1. * Figures have been adjusted for equity share of Rs. 2/- per share.



NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the shareholders of the Company will be held on Friday, the 29th day of July 2011 at 2.30 p.m. at Quality Inn Sabari, Rivera, 6th Floor, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, and Auditors thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Mr.Jayesh N Thakkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration. M/s.G.M. Kapadia & Co., Chartered Accountants, the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Mrs.Sangeetha Shekar, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of the Board of Directors held on 02-12-2010 and who vacates her office at the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company.

For and on behalf of the Board
For LANCOR HOLDINGS LIMITED

R.V. Shekar
Managing Director

Chennai

Dated: 10th day of June 2011

Registered Office:

"VTN Square", 2nd Floor, No.58, G.N. Chetty Road,
T Nagar, Chennai 600 017.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted in the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 26th day the July, 2011 to Friday, 29th day of July, 2011 (Both days Inclusive) for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing Twenty sixth Annual General Meeting..
4. The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose name appear:-
 - (i) as member in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before 26th day of July 2011 and
 - (ii) as Beneficial Owners as at the end of the business on or before 26th day of July 2011 as per the list to be furnished by National Securities Depository Limited and / or Central Depository Service (India) Limited in respect of the shares held in electronics form.
5. Members are hereby requested to send all corresponded concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar and Share Transfer Agent.

6. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
7. Members/ proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be downloaded from Company's Website www.lancor.in
9. Annual Report is available at the website of the Company at www.lancor.in
10. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of section 205A of the Companies Act, 1956 dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
11. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their Pan Details to the Company / Registrar and Transfer Agents.
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the Depository participant of the members.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents
14. Members who are holding shares more than on folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details.
15. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors

<p>01 Name</p> <p>Date of Birth</p> <p>Nationality</p> <p>Date of Appointment on the Board</p> <p>Qualifications</p> <p>Expertise in functional area</p> <p>No of Shares held</p> <p>List of Directorships held in other Companies</p> <p>Chaiman/ Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2011</p>	<p>Mr.Jayesh N Thakkar</p> <p>09-12-1964</p> <p>Indian</p> <p>31.10.2006</p> <p>He is a Commerce Graduate and holds a MBA Degree from Mumbai University.</p> <p>He was heading the trading division of Great Eastern Shipping Company for its operations in Kerala and Karnataka. He has been with G Corp since last 17 years and associated with finance, accounts & Taxation etc.,</p> <p>Nil</p> <p>1. Lido Mall Management Pvt Ltd. 2. G : Corp Developers Pvt Ltd. 3. Gecorp Realty Pvt Ltd. 4. Gerealty Developers Pvt Ltd.</p> <p>Nil</p>
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02 Name	Mrs.Sangeetha Shekar
Date of Birth	20.06.1977
Nationality	Indian
Date of Appointment on the Board	02-12-2010
Qualifications	She holds a B.Tech degree in Chemical Engineering, from BITS, Pillani. She also holds a Masters Degree in Chemical Engineering and a Masters Degree in Computer Science, both from University of Florida, USA.
Expertise in functional area	Eight Years of Experience in Information Technology.
No of Shares held	13,76,850
List of Directorships held in other Companies	Nil
Chaiman/ Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2011	Nil

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 email to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form (refer last page of the Annual Report) and register the same with M/s.Cameo Corporate Services Limited, "Subramanian Buildings", 1, Club House Road, Chennai 600 002 Postage for sending the feed back form will be borne by the Company.

EXPLANATORY STATEMENT PUSUANT TO SECTION 173(1)

Item No. 5

The Board of Directors at their meeting held on 02-12-2010 had appointed Mrs.Sangeetha Shekar as an Additional Director, pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.86 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mrs.Sangeetha Shekar for the office of Director of the Company. The Board considers that it is in the interest of the Company to continue to have the benefit of rich experience and expertise of Mrs.Sangeetha Shekar and accordingly the Board of Directors recommend the resolution as set out in item No.5 of the notice convening annual general meeting for approval of the shareholders

Except Mr.R.V.Shekar and Mrs.Sangeetha Shekar, no other Director is interested in the aforesaid resolution.

By Order of the Board
For **LANCOR HOLDINGS LIMITED**

R.V.Shekar
Managing Director

Chennai
Dated 10th day of June 2011

Registered Office
VTN Square, IInd Floor, 58, G.N. Chetty Road
T Nagar, Chennai 600 017.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Sixth Annual Report on the business and operations of your Company together with Audited Accounts of the Company for the year ended 31st March 2011 and the Auditors' report thereon.

Financial Results

The stand-alone financial results of Lancor Holdings Limited for the year ended March 31, 2011 are presented below:-
(Amount In Rs. Lacs)

Particulars	2010-2011	2009-2010
Income from Operations	12,589.99	10,281.79
Profit before interest, depreciation and taxes	4,562.62	3,048.45
Less: Interest	553.29	484.19
Depreciation	249.82	276.93
Profit/(Loss) before Tax	3,759.51	2,287.33
Less: Provision for		
Current Tax	721.41	687.38
Deferred Tax	3.99	0.15
Profit/(Loss) after Tax	3,034.11	1,599.80
Add: balance brought forward from previous year	4,174.99	3,209.06
Less: Prior year adjustments -	—	0.07
Available for appropriation	7,209.10	4,808.79
Interim Dividend	—	202.50
Dividend - Final	405.00	202.50
Tax on Dividend	67.27	68.82
Transfer to General reserve	303.41	159.97
Balance carried to Balance sheet	6,433.42	4,174.99

The consolidated financial results of the Company and its Subsidiaries for the year ended March 31, 2011 are presented below:-
(Amount In Rs. Lacs)

Particulars	2010-2011	2009-2010
Income from operations	19,719.44	11,840.31
Profit before interest, depreciation and taxes	5,462.74	3,375.89
Less: Interest	553.71	484.44
Depreciation	260.27	292.32
Profit/(Loss) before Tax	4,648.76	2,599.13
Less: Provision for		
Current Tax	814.31	784.29
Deferred Tax	9.50	(5.66)
Profit/(Loss) after Tax	3,824.94	1,820.15
Short / Excess Provision of tax for previous years	599.78	—
Add: balance brought forward from previous year	4,787.16	3,600.81
Available for appropriation	8,011.77	5,420.96
Interim Dividend	—	202.50
Dividend - Final	405.00	202.50
Tax on Dividend	67.27	68.83
Transfer to General reserve	303.40	159.97
Balance carried to Balance sheet	7,236.10	4,787.16

BUSINESS OUTLOOK FOR LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND ASSOCIATE:

Your Directors Have Great pleasure In Presenting The Twenty Sixth Annual Report On The Business And Operations Of Your Company Together With Audited Accounts Of The Company For The Year Ended 31st March, 2011 And The Auditor's Report There On.

CNBC CRISIL CREDAI REAL ESTATE AWARD 2010:

It is very gratifying to report that the Company received the CNBC AWAAZ CRISIL CREDAI REAL ESTATE AWARDS 2010, under the category "BEST CONSUMER PROTECTION" for our project "THE CENTRAL PARK WEST", at a function held in Singapore in April, 2011.



Mrs. Mallika Ravi, CEO of the Company, receiving the CNBC AWAAZ CRISIL CREDAI REAL ESTATE AWARD 2010 for HIGHEST CONSUMER PROTECTION from Hon'ble Union Minister for Urban Development, Shri Kamal Nath at a function held at Marina Bay Sands, Singapore on April 28, 2011.



CNBC AWAAZ CRISIL CREDAI
REAL ESTATE AWARD 2010 for
HIGHEST CONSUMER PROTECTION



'Abode Valley' has been
assigned 7 STAR Rating
by CRISIL.



Mr. R.V. Shekar, Managing Director, Lancor Holdings Ltd receiving the Platinum Rating Certification from United States Green Building Council for Menon Eternity from 'Padma Shri C. N. Ragavendran, Chairman, IGBC - Chennai Chapter & Partner; C.R. Narayana Rao Architects & Engineers. Extreme Left: Mr. R. Subramanian, Director Sales, Saint Gobain, Extreme Right: Mr.A.Venkat, Architect, Nataraj & Venkat Associates.



'The Central Park South' has been assigned 6 STAR Rating by CRISIL



'Menon Eternity' awarded LEED PLATINUM by United States Green Building Council

PROJECT SNAPSHOTS

ABODEVALLEY - ENTRANCE



ABODEVALLEY AT
GST ROAD



KETAKI AT VELACHERY



ABODEVALLEY - SWIMMING POOL VIEW



CORAL AT T.NAGAR



CAPITAL RAISING EFFORTS - PROGRAMME FOR RAISING ADDITIONAL CAPITAL

The Directors felt on the basis of advice given by Merchant banks that it would be better to defer the programme for raising additional capital for the time being and wait for opportune time for the sentiments to improve concerning property development business.

Accordingly the company has decided to defer the programme and look for alternative means of financing acquisition of new lands for the development to improve the volume of business.

PROPERTY DEVELOPMENT BUSINESS:

RESIDENTIAL SEGMENT: Last year the company had outlined a bright future for Residential property development and the performance had been gratifying. However the events in the last 6 months namely, the very disturbed political conditions has reverberated to the property development business negatively and until we have more stable political and economic situation, the outlook for the property business is not going to be rosy as one would have expected.

The considerable inflation seen in the economy has lead to stringent monetary management by the RBI resulting in steep increase in interest rates both to the company and to its customers who are mainly housing loan applicants.

Inflation has also brought negative consequences on construction cost while local government controls on supply and movement of essential items namely sand, bricks etc has disturbed the equilibrium resulting increase in prices.

Your company has acquired more projects for development in the last 5-6 months which gives a very positive business outlook.

Your company has acquired 92 acres of land for development both on outright and joint venture basis in Sriperumbudur which is thought of as destination of future. This is quite possible with the new international Airport to be situated in the vicinity and most of the manufacturing units namely Automobile companies, Auto Ancillary Units, Tyre Companies, Electronic & Telecom Industry set up being part of the Sriperumbudur, Oragadam area. Sriperumbudur is already becoming a strong case for being developed into a satellite township.

The company has also positioned itself for future development on the GST Road. The new parcel of land for residential project is within 4 to 5 kms of 'Abode Valley' project and is expected to produce outstanding results.

The company has 2 projects to its pipeline in the Old Mahabalipuram Road area and it has successfully completed construction of 550 apartments known as 'The Central Park' in this area.

In terms of development in the suburbs, these various projects would give a constructable space of nearly 7 million sq.ft.

NON-RESIDENTIAL SEGMENT:

Your Company has opportunity to develop 2 or 3 city non residential locations and the proposals for development of such plots are under consideration with the owners. The continued policy of the company in the matter of development of non residential city projects is not to dispose of such developed non residential project to book profit but to retain them for rental income and capital appreciation. As can be seen from recent commercial developments by the company namely Menon Eternity and Roma, though such investment strain the company's finance in the initial stage, the longer term benefits of steady rental income and capital appreciation need not be overemphasized. It is expected that in the next 5 years the company's holding of non residential property would have doubled in stock from 134,000 sq.ft to 250,000 sq.ft.

Although whatever has been stated above gives a healthy outlook for the future, the immediate future mainly for the year 2011-2012 is not expected to be bright since the company is experiencing difficulties in starting of various projects because of delay in obtaining sanction from various government departments. The main reason for this delay in action by the Government is due to election held in the State of Tamilnadu followed by total change of government and also reshuffle of officials in various departments. Due to the above circumstances the company's turnover for the current year may just be around Rs.150 Crores instead of Rs.250 crores that is originally thought of as achievable.

SUBSIDIARY COMPANIES:**LANCOR MAINTENANCE & SERVICES LIMITED (LMSL) :**

Over the next few years the number of apartments which LMSL will maintain is expected to cross 3000 in all which will boost revenues of the company. Significant contributions are also expected from the commercial properties that are owned by the company and maintained by LMSL. As operations increase, but remain within the geographical territory of Chennai, it is quite likely that services provided by LMSL will broaden beyond the parent company's projects to projects developed by others. The breadth of services rendered are also likely to get expanded. Special emphasis is being made for training of employees and for this purpose a training centre is proposed in the vicinity of one of the projects.

LANCOR REALTY LIMITED (LRL) :

The outlook for LRL continues to remain bright in view of developed property volumes made by the parent company increase from year to year. Opportunity for third party transactions coupled with increased commercial property placements, no doubt is a bright spot for the future. Strengthening of the company's management is being given serious attention and hopefully more energetic team will be in place soon.

LANCOR PROJECTS LIMITED (LPL):

Last year has been relatively difficult period for LPL in view of severe challenges on construction cost management, labour productivity and major supply chain issues covering supply of very essential items like sand, bricks etc. The LPL senior management is now seized in finding solution for these difficulties and challenges while at the same time improving contracting practices at more acceptable prices.

LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED (LGDL):

The outlook for LGDL is bright, since it proposes to develop, the 8.15 acres of land purchased in the name of the company as a residential development with very good margin. On the basis of allowable FSI on this land, LGDL can build approximately 7.25 lakhs sq.ft of super built up area which would facilitate construction and maintenance of 600 apartments of 1200 sq.ft of average size for which good demand exists at a reasonable price. LGDL also proposes to purchase another 7 acres of adjoining land, which would yield further development of another approximately 550 apartments leading to the company's continued presence in Guduvanchery for a minimum period of 5 years.

DIVIDEND:

Your Directors are now pleased to recommended 100% Dividend on the paidup share capital of the Company i.e., Rs.2/- per equity share of Rs.2/- each.

FIXED DEPOSITS, LOANS & ADVANCES

Your Company has not accepted any deposit from the public or its employees during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with accounting standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARY COMPANIES AND ASSOCIATE:

Further to strengthen Company's presence in sub-urban areas like GUDUVANCHERY, EGATOOR AND SRIPERUMBUDUR your Company has incorporated three subsidiaries viz. LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED, LANCOR EGATOOR DEVELOPMENTS LIMITED and LANCOR SRIPERUMBUDUR DEVELOPMENTS LIMITED and obtained Certificate of commencement of business from Registrar of Companies, Chennai respectively on 02.12.2010, 09.04.2011 and 22.04.2011.

As required under Section 212 of the Companies Act, 1956 the statement pursuant to section 212 of the Companies Act, 1956 along with the Audited Balance Sheet and Profit and Loss Account along with the respective reports of the Board of Directors and the Auditors Reports thereon of the Subsidiary companies viz, LANCOR MAINTENANCE & SERVICES LIMITED, LANCOR REALTY LIMITED, LANCOR PROJECTS LIMITED and LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED for the year ended March 31, 2011 are attached.

STATUTORY STATEMENTS**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Lancor Holdings Limited does not carry on any manufacturing activities and accordingly the provision to furnish information as per 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, particulars relating to Conservation of energy, Research and Development and Technology Absorption is not applicable.

Foreign Exchange Earnings: Rs. Nil.

Foreign Exchange Outgo: Rs. 1,73,36,709-

PARTICULARS OF EMPLOYEES

Industrial relations have remained cordial throughout the year in the Company. During the year under review there were no employees covered under section 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors to the best of their knowledge and belief confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis.

INTERNAL CONTROLS AND THEIR ADEQUACY:

The internal control systems are commensurate to the size of the operations of the Company. Whenever it is required, the systems and procedures are upgraded to suit the changing business needs.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's securities are listed with Bombay Stock Exchange Limited, Mumbai and it has paid the annual listing fees up-to-date and there are no arrears.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as updated with the particulars of this financial year, as per the directions from SEBI is annexed to this report (Annexure A') together with Report of the Auditors on the compliance with the said Code and a Report of Management discussion and Analysis is also annexed separately.

DIRECTORATE

In compliance with the provisions of the Companies Act, 1956 in accordance with the Article 86 of the Company's Articles of Association, Mr. Jayesh N Thakkar, retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors at their meeting held on 02-12-2010 had appointed Mrs. Sangeetha Shekar as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.86 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mrs. Sangeetha Shekar for the office of Director of the Company. Your Directors recommend the resolution as set out in item No.5 of the notice convening annual general meeting for approval of the shareholders.

Brief resume of the Directors, seeking re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Bombay Stock Exchange Limited, is appended to the notice convening the Annual General Meeting.

DISCLOSURES OF PARTICULARS OF CONSTITUTING "GROUP" PURSUANT TO REGULATION 3(1)(E) OF THE SEBI(SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997.

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

- 1) R.V.Shekar, 2) Shyamala Shekar, 3) Swetha Shekar and 4) Sangeetha Shekar.

AUDITORS

The retiring auditors, M/s.G.M.Kapadia & Co., Chartered Accountants have expressed their willingness to continue in office, if appointed. They have furnished to the Company a Certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956.

The Audit committee and the Board of Directors recommend the re-appointment of M/s.G.M.Kapadia & Co., Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

The Auditors Report to the Members does not contain any qualification or adverse remarks.

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES
(Figures in Indian Currency)

Sl. No.	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1.	Lancor Maintenance & Services Ltd	INR	2,517,500	32,526,249	35,043,749	35,043,749	29,356,920	69,280,170	3,429,344	8,002,179	N.A.	INDIA
2.	Lancor Realty Ltd	INR	500,000	19,747,576	20,247,576	20,247,576	13,021,768	18,319,740	2,164,177	5,243,672	N.A.	INDIA
3.	Lancor Projects Ltd	INR	500,000	32,781,622	33,281,622	33,281,622	10,652,867	29,554,860	4,102,109	5,924,022	N.A.	INDIA
4.	Lancor Guduvanchery Developments Ltd	INR	500,000	Nil	100,784,316	100,784,316	Nil	Nil	16,365	(64,339)	N.A.	INDIA

ACKNOWLEDGEMENT

The Directors take this opportunity to thank our Banker Catholic Syrian Bank, HDFC Limited, State Government, other statutory bodies for their unstinted and consistent support to the Company. Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all levels for the growth of the Company.

For and on behalf of the Board of Directors of
LANCOR HOLDINGS LIMITED

R Sankaranarayanan
 Director

R.V. Shekar
 Managing Director

Place : Chennai

Dated : 10th day of June 2011

ANNEXURE – ‘A’**TO THE TWENTY SIXTH ANNUAL REPORT OF THE BOARD OF DIRECTORS REPORT ON CORPORATE GOVERNANCE**

Lancor Holdings Limited is complying with the mandatory requirements of the code of Corporate Governance introduced by the SEBI and incorporated in Clause 49 of the Listing Agreement in all material respect.

Lancor Holdings Limited aims to create profitable developments with enduring value, distinguishing characteristics leading to high customer satisfaction with full compliance to building standards, rules and regulations.

The basic philosophy of the Company towards Corporate Governance is to protect and enhance the long term value of all the stakeholders – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory frame work through transparency in dealings.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of a Managing Director and Five Non Executive Directors including Three Independent Directors. The Board members possess requisite skills, experience and expertise required that are required to take decisions, which are in the best interest of the Company and all its stakeholders.

Mr.R.V.Shekar is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board

The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/ Committee memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year during respective tenure of Directors		Attendance of Last AGM	Number of directorships held in the Indian Companies (including Lancor Holdings Limited)	Number of Board Committee memberships Held in other companies
		Held	Attended			
R.V.Shekar	Managing Director Executive	07	07	Yes	08	NIL
V.Chander	Director Non Executive	07	07	Yes	04	NIL
S.V. Venkatesan	Director Non Executive & Independent	07	03	Yes	14	05
R.Sankaranarayanan	Director Non Executive & Independent	07	05	Yes	02	NIL
Jayesh V Thakkar	Director Non Executive & Independent	07	05	Yes	05	NIL
Sangeetha Shekar	Director Non Executive	02	02	No	01	NIL

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as Directors of this Company or any other Public Company under Section 274(1) (g) and other applicable provisions of the Companies Act, 1956.

Further, there were no changes in the composition of the Board of Directors.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

The Board of Directors met Seven times on 09-04-2010, 14-06-2010, 30-07-2010, 07-09-2010, 29-10-2010, 02-12-2010 and 29-01-2011 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2010 was held on 23-07-2010 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

None of the Director is related to any Director of the Company, excepting Mrs Sangeetha Shekar, who is related to Mr R V Shekar, Managing Director of the Company.

Equity Shares held by the Directors are as follows:

Name of the Directors	No. of Equity Shares as on 31 st March 2011
R.V. Shekar	59,11,607
R.Sankaranarayanan	500
Sangeetha Shekar	13,76,850

There are no other shares or convertible instruments held by any other Directors of the Company.

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the listing agreement with the Stock Exchanges is forming part of the notice of the Twenty Sixth Annual General Meeting to the shareholders of the Company

AUDIT COMMITTEE

Section 292A of the Companies Act, 1956 is not applicable to the Company.

TERMS OF REFERENCE

Your Company has a qualified and independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee included the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- Reviewing with management the quarterly, half yearly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards, any related party transactions and stock exchange and legal requirements concerning financial statements, matters relating to be included in the Director's Responsibility Statement, Changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings and Qualifications in the draft audit report
- Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing reports furnished by the Statutory Auditors and ensuing suitable follow up thereon.
- 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Discussion with internal auditors any significant findings and follow up there on.
- 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 controls systems of a material nature and reporting the matter to the board.
- 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.
- 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.

Lancor Holdings Limited

- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information.

COMPOSITION AND ATTENDANCE

The Audit Committee of the Board consisting of three “Non-Executive & Independent Directors” as members as detailed below and all members have adequate financial and accounting knowledge.

The Audit Committee met five (05) times during the year on 09.04.2010, 14.06.2010, 30.07.2010, 29.10.2010 and 29.01.2011 and details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
R.Sankaranarayanan Chairman	DirectorNon Executive & Independent	05	03
S.Venkatesan Member	DirectorNon Executive & Independent	05	03
Jayesh V Thakkar Member	DirectorNon Executive & Independent	05	05

Company Secretary is the Compliance Officer of the Committee. Mr.K.Srinivasan, Chief Financial Officer is the Special Invitee of the Audit Committee.

REMUNERATION COMMITTEE

Your Company has constituted a Remuneration Committee under the Chairmanship of Mr.R.Sankaranarayanan. The Remuneration committee consisting of Mr.R.Sankaranarayanan, Mr.V.Chander and Mr.S.V.Venkatesan, decide the structure of the Managing Director’s Remuneration. One meeting was held during the year under review.

MANAGING DIRECTOR

The Company has a Managing Director. The remuneration paid to him during the period 01-04-2010 to 31-03-2011 was as under:-

(In Rupees)

Name and Designation	Period	Basic Salary	Perquisites	Total
Mr.R.V.Shekar, Managing Director	01-04-2010 to 31-03-2011	25,84,839-	2,893,827-	5,478,666-

Mr.R.V.Shekar was re-appointed as Managing Director at the Annual General Meeting held on July 23, 2010 for a period of three years with effect from July 25, 2010 with principal terms and conditions mentioned and other perquisites as per policy of the Company.

Mr.R.V.Shekar was not paid any sitting fees for the Board meetings or of any Committees of the Board attended by him.

NON-EXECUTIVE DIRECTOR

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

None of the non-executive directors has pecuniary relationship with Company, its promoters, management or its subsidiaries, except Mr.V.Chander who is holding office and place of profit in Lancor Maintenance & Services Limited, as a subsidiary Company, where he was paid retainer fee of Rs.1,40,000/- during the year for the services rendered by him.

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The shareholders/ Investors Grievance Committee of the Board oversees redressal of shareholders and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

COMPOSITION AND ATTENDANCE

The Shareholders/Investors' Grievance Committee consist of Mr. R. Sankaranarayan, Mr.V.Chander, and Mr.Jayesh N Thakker, where Mr.R.Sankaranarayan, is the Chairman of the Committee and they met at regular intervals. Company Secretary is the Compliance officer of the Committee.

The Company issues a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investors' complaints, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/ SEBI/ Ministry of Company Affairs were placed with an explanation as to how such communication were responded to and within how may days/ weeks.

The Company has delegated all shares related matters to its Registrar and Share Transfer Agent. No complaint of any material nature was received during the year under review.

COMPLIANCE OFFICER

Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws and Listing Agreements with the Stock Exchanges in India.

INVESTOR GRIEVANCE REDRASSAL

The number of complaints received and resolved to the satisfaction of investors during the year under review and their back-up are as under:-

Type of Complaints	Number of Complaints
Non Receipt of Annual Reports	—
Non Receipt of Dividend Warrants	—
Non Receipt of Interest/ redemption warrants	—
Warrants	—
Non Receipt of Certificates	—
Total	—

GENERAL BODY MEETINGS:

The details of the Annual General Meetings held during the last three years are as follows: -

FinancialYear	Location	Date	Time
2007-2008	Registered Office of the Company At "VTN SQUARE", Second Floor, 58, G.N.Chetty Road, T.Nagar, Chennai 600 017	September 10, 2008	2.00 p.m
2008-2009	Quality Inn (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	September 29, 2009	4.00 p.m
2009-2010	Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	July 23, 2010	2.00 p.m

All the resolutions as set out in the respective notices were passed by the shareholders. No Special Resolution was passed during the last three Annual General Meetings.

DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

During the year, no material transaction has been entered into by the Company with the Senior Managerial personnel, where they had or were deemed to have had personal interest that may have potential conflict of interest with the Company.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The details of the transaction with related parties or others if any as prescribed in the listing agreement are being placed before the Audit Committee from time to time. Materially significant related party transactions during the year 2010-2011 have been given in Schedule 13 of the Schedules to the Annual Accounts for the year 2010-2011. There were no other transactions of material nature entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict of interest with the Company at large in the financial year ended March 31, 2011.

The related party transactions with the subsidiary/ group companies have been disclosed in the Annual Accounts.

DISCLOSURE OF ACCOUNTING TREATMENT

No treatment different from that prescribed in an Accounting Standard have been followed by the Company.

RISK MANAGEMENT

In order to ensure that management controls risk through means of properly defined frame work, a report on Risk Management and minimization procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company.

CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2011. A declaration to this effect signed by Mr.R.V.Shekar, Managing Director of the Company forms part of this report.

The Board of Directors of the Company have adopted the revised (Prohibition of Insider Trading code) modified in terms of amendment notified by the Securities and Exchange Board of India (SEBI) under SEBI (Prohibition of Insider Trading) Regulations, 1992.

CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr.R.V.Shekar, Managing Director, CA.Mallika Ravi, Chief Executive Officer (CEO) and Mr.K.Srinivasan, Chief Financial Officer (CFO) was placed before the Board of Directors along with financial statements for the financial year ended March 31, 2011 at its meeting held on 10.06.2011.

PROCEEDS FROM PUBLIC/ RIGHTS/ PREFERENTIAL ISSUES, ETC.,

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

COMPLIANCES BY THE COMPANY

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening its statutory compliance procedures as may be suggested by the Board from time to time.

DETAILS OF NON-COMPLIANCES WITH REGARD TO CAPITAL MARKET.

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

SUBSIDIARY MONITORING FRAMEWORK

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

The Company monitors performance of subsidiary companies *inter alia*, by the following means;

- a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the audit committee of the Company
- b) All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company’s Board regularly
- c) A Statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company’s Board

The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of any subsidiary.

During the year none of the Subsidiaries was a materially non listed Indian Subsidiary as per the criteria given in the Clause 49 of the Listing Agreement.

Mr.R.Sankaranarayan, Non Executive and Independent Director of the Company is also the Director of M/s.Lancor Maintenance & Services Limited, materially Unlisted Subsidiary Company. The Audit Committee of the Company reviews the financial statements, quarterly and annual financial statements. The Minutes of the Subsidiaries are placed and approved by the Board at regular interval.

MEANS OF COMMUNICATION TO SHAREHOLDERS

- Quarterly results are published in Economic Times (in English language) and Makkal Kural (in Tamil Language). These results, *inter alia* are promptly submitted to the Stock Exchange to enable them display the same on their website.
- The domain name of the Company’s website is www.lancor.in where general information about the Company is available.
- The Management Discussion and Analysis report forms part of the Annual Report.

GENERAL SHAREHOLDERS’ INFORMATION

Financial Calendar (Tentative)

Financial year	April 1, 2011 to March 31, 2012 (Subject to Change)
First Quarter Result	July 29, 2011
Second Quarter Result and Half-yearly Result	October 29, 2011
Third Quarter Result	January 28, 2012
Fourth Quarter Result	April 28, 2012
Annual Result (Audited) Annual General Meeting 1956.	Within 6 months of the close of the financial year In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	26 th July 2011 to 29 th July 2011
Venue and other details of the Annual General Meeting	Day : Friday Date : 29 th July, 2011 Time : 02.30 p.m” Quality Inn Sabari” (Riviera-6 th Floor)29, Thirumalai Pillai Road, T.Nagar, Chennai-600017
Dividend Payment Date	Within 30 days from the date of Annual General Meeting
Listing on Stock Exchange and Stock Code. The Equity Shares of Rs.2/- each are Listed at	The Bombay Stock Exchange, Mumbai (Annual Listing fees for the year 2010-2011 has been duly paid to the above exchange) – Scrip Code 509048.

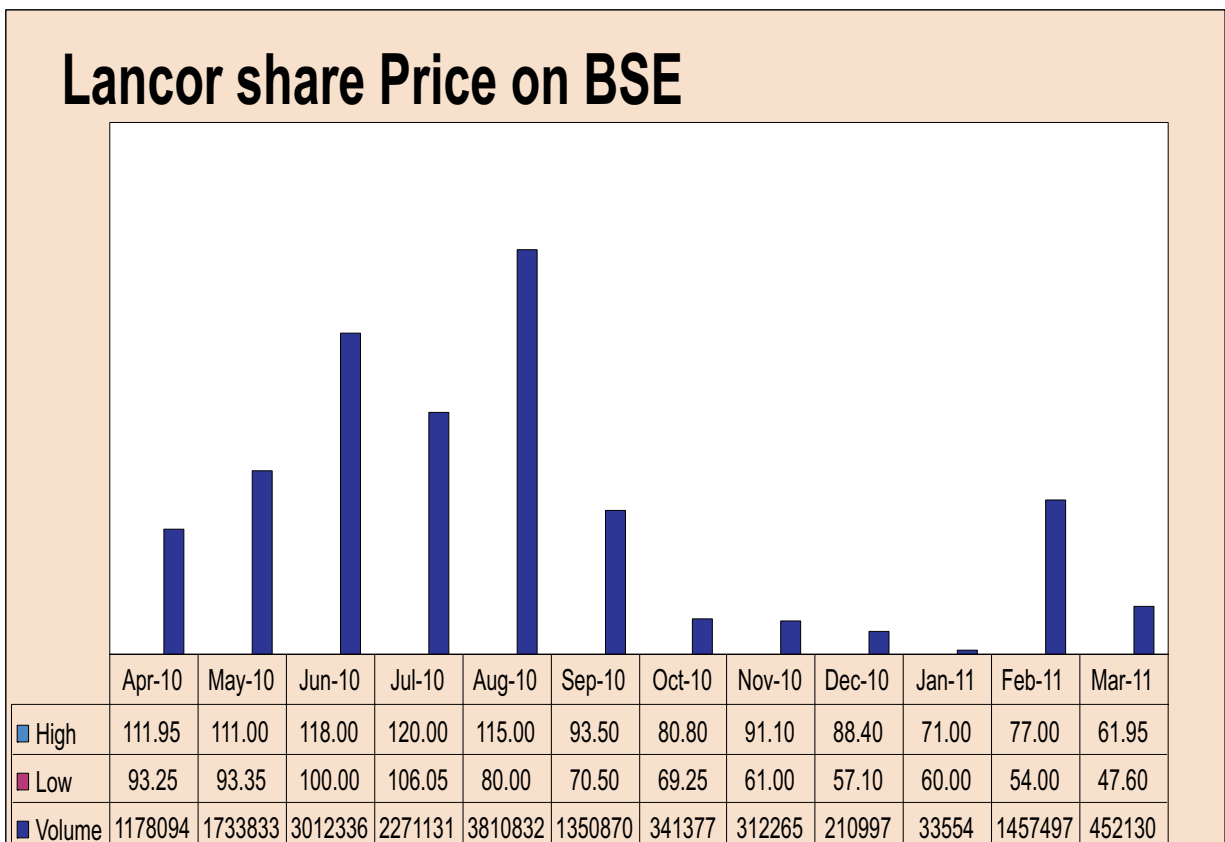
Lancor Holdings Limited

Stock Market data for the period from April 1, 2010 to March 31, 2011 and Graphical representation of volume of shares of during April 2010 - March 2011. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2010-11 are as follows:

[Equity Shares of Rs.2/- each]

Month	Bombay Stock Exchange (BSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume No. of Shares
Apr-10	111.95	93.25	11,78,094
May-10	111	93.35	17,33,833
Jun-10	118	100	30,12,336
Jul-10	120	106.05	22,71,131
Aug-10	115	80	38,10,832
Sep-10	93.5	70.5	13,50,870
Oct-10	80.8	69.25	3,41,377
Nov-10	91.1	61	3,12,265
Dec-10	88.4	57.1	2,10,997
Jan-11	71	60	33,554
Feb-11	77	54	14,57,497
Mar-11	61.95	47.6	4,52,130

The Chart given hereunder plots the movement of the Company's share price on BSE versus BSE sensx for the year 2010-11.



DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized upto March 31, 2011 are under

SI No.	Particulars of Capital Structure	No. of shares	% of Total issued capital
1.	Listed Capital (Exchange wise) as per Company's Record	2,02,50,000	100.00
2.	Held in dematerialized Form in CDSL	8,24,509	4.07
3.	Held in dematerialized Form in NSDL	1,92,77,481	95.20
4.	Physical	1,48,010	0.73

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

Pursuant to newly introduced regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed Cameo Corporate Services Limited, a SEBI registered agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

"Cameo Corporate Services Limited"

Subramanian Buildings

No.1, Club House Road,

Chennai 600 002,

Phone No.044-28460390-94, Fax No.28460129,

Email: cameosys@satyam.net.in

SHARE TRANSFER SYSTEM

The shares of the Company are traded on the Stock Exchanges through the Depository System. The demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is **INE572G01025**.

All requests received by the Company/ RTA for dematerialization/ re-materialization, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

DISTRIBUTION OF SHARE HOLDING AS ON 31-03-2011

No of Shares held	No. of Shareholders	% of Shareholders	Total Number of Shares	Total Amount	% of Amount
1 - 5000	1,723	91.36	5,16,202	10,32,404	2.55
5001 - 10000	78	4.14	2,91,460	5,82,920	1.44
10001 - 20000	30	1.59	2,18,899	4,37,798	1.08
20001 - 30000	20	1.06	2,41,519	4,83,038	1.19
30001 - 40000	4	0.21	71,402	1,42,804	0.35
40001 - 50000	2	0.11	49,000	98,000	0.24
50001 - 100000	8	0.42	3,17,376	6,34,752	1.57
100001 and Above	21	1.11	1,85,44,142	3,70,88,284	91.58
Total	1,886	100.00	2,02,50,000	4,05,00,000	100.00

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December, 2004 issued by the Securities and Exchange Board of India, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit and the report was placed before the Board and sent forthwith to Stock Exchanges for their information and record.

Categories of Shareholdings as on March 31, 2011

Sl. No.	Category of Shareholders	No.of shares held	Percentage of holdings
1.	Promoters	1,25,70,832	62.08%
2.	Foreign Institutional Investors/Mutual Funds	11,38,514	5.62%
3.	Bodies Corporate	42,62,458	21.04%
4.	Individual shareholders holding nominal shares Capital upto Rs. 1 lakh	13,46,151	6.66%
5.	Individual Shareholders holding nominal shares Capital in excess of Rs.1 lakh	8,12,873	4.02%
6.	Clearing Members	10,134	0.05%
7.	Hindu Undivided Family	79,917	0.39%
7.	Non Resident Indian	29,121	0.14%
8.	Foreign National	Nil	Nil
Total		2,02,50,000	100.00

MAJOR SHAREHOLDERS

Details of Shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2011 are given below :-

Name of Shareholder	No. of Shares	% of Paidup Capital	Category
R.V.Shekar	59,11,607	29.19	Promoter
Shyamala Shekar	3,905,575	19.29	Promoter
Sangeetha Shekar	1,376,850	6.80	Promoter
Swetha Shekar	1,376,800	6.79	Promoter
G: Corp Pvt Ltd	10,62,999	5.25	Body Corporate
G: Corp Projects Pvt Ltd	25,98,000	12.83	Body Corporate
Samir Navin Shah	2,50,000	1.23	Resident Individual
Srinivasan Associates Pvt Ltd	2,50,000	1.23	Others
Franklin Templeton Mutual Fund	5,12,500	2.53	Others
Sundaran BNP Paribas Fund A/C	6,26,014	3.09	Others

COMPANY REGISTRATION DETAILS

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65921TN1985PLC049092

LEGAL PROCEEDINGS:

There is no legal proceeding pending against the Company.

THE COMPANY HAS NOT ISSUED ANY GDRS/ADRS/ WARRANTS/CONVERTIBLE INSTRUMENTS.

Address for Communication LANCOR HOLDINGS LIMITED
VTN Square, IInd Floor, 58, G N Chetty Road,
T. Nagar, Chennai – 600 017
Phone : 044-28345880 - 84
Fax : 044-2834 5885
Email : accounts@lancor.in
Website : www.lancor.in

In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use compsecy@lancor.in as email id for redressal of investor request/complaint.

NON MANDATORY REQUIREMENTS

- a) There are no qualifications in the Auditors report on the financial statements to the Shareholders of the Company.
- b) There are no formal policy at present for training of Board members of the Company as the members of the Board are eminent and experienced professionals
- c) There are no formal mechanisms existing in performance evaluation of non – executive Directors.
- d) The Company has not formed any formal Whistle Blower Policy. The Company declares that no person has been denied access to the Audit Committee.

MANAGING DIRECTOR’S DECLARATION ON CODE OF CONDUCT

As required by clause 49 of the Listing Agreement the Managing Director’s declaration on code of conduct is as under. I, R.V. Shekar, Managing Director of the Company declare that all the Board members and senior Management of the Company have affirmed compliance with the code of conduct.

R.V. Shekar
Managing Director

Dated: 10th day of June 2011

Registered Office

“VTN Square” IInd Floor, No.58, G.N. Chetty Road,
T Nagar, Chennai 600 017.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 10th day of June 2011, obtained from Statutory Auditors of the Company M/s. G.M. Kapadia & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

For and on behalf of the Board
For LANCOR HOLDINGS LIMITED

R Sankaranarayanan
Director

R.V. Shekar
Managing Director

Dated: 10th day of June 2011

Registered Office:

“VTN Square”, IInd Floor,
No.58, G.N. Chetty Road,
T Nagar, Chennai 600 017.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(Under Clause 49 of the Listing Agreement)

To the Members of **Lancor Holdings Limited**

We have examined the registers, records, books and papers of **M/s.LANCOR HOLDINGS LIMITED** (the Company), as required to be maintained under the Listing Agreements entered with the Stock Exchanges and the Rules and Regulation issued by SEBI and NSDL for the financial year ended on 31st March,2011.

The compliance of conditions of the listing agreement is the responsibility of the management. Our examination has been limited to the procedure and implementation thereof, adopted by the Company for ensuing the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, we certify that in respect of the aforesaid financial year:

We certified that the Company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the Company as per the record maintained by the share holder / investor grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management.

For G.M.KAPADIA & CO
Chartered Accountants

Place : Chennai
Date : June 10, 2011

K.Y. Narayana
Partner
Membership No. 60639

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The new management structure of the company has experienced professionals, is now well settled. These executives are identifying quality projects for development that are capable of providing high returns. We believe that the strength and quality of our new management team have been instrumental in implementing our business strategies that are set to take the company to greater heights in the years to come.

INDUSTRY STRUCTURE AND DEVELOPMENTS:**OPPORTUNITY:**

The most significant opportunity before the company now is to propose and going forward as the land owners are approaching the company with project proposals within the other way around. Your company is keen to take up these projects on joint venture terms.

RISKS CONCERN AND THREATS:

The company's arbitration proceedings in respect of development of its commercial property at St.Mary's Road, still continues at great cost and time. The owners have taken possession of the property and also returned the security deposit kept with them, although some further amounts, that are due, are yet to be received.

Going forward the company will face threats in identifying suitable contractors who can bring, retain and supervise large disciplined work force. The contracting / subcontracting businesses have come under severe strains. The construction and execution strategies needs to be reengineered to counter the emerging situation and work in that direction is already underway.

INFLATION: Inflation has affected severely all industries, specially construction industry. The RBI/Government method of monetary management to counter inflation have caused enormous increase in interest rates which has affected both the company and house loan borrowers. Only time will tell how these extraordinary measures adopted will impact your company both from the demand and cost point of view.

In any event Government/RBI policy on controlling inflation has started impacting the growth story of the economy. Your company's fortune will also be linked to this phenomena.

RESOURCES: During the current year the liquid resources of the company will be absorbed as company makes payment towards lands acquired for development. The company expects severe liquidity stress in all areas of business and therefore it is taking required steps to preserve liquidity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has adequate internal control systems to monitor internal business process. financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems. The audit committee at their meeting regularly reviews the significant observations of the compliance and other monitoring reports. The heads of various monitoring / operating cells and statutory auditor are invited to attend the Audit Committee meetings

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**HUMAN RESOURCES**

Number of employees as on March 31, 2011 was 154 which include 15 women employees and relations remain very cordial.

RISK MANAGEMENT

Risk Management is an integral part of the business process with the help of experts, the Company mapped the risk at the business process es and enterprises levels and evolved a risk management framework, mitigative measure have been identified in respect of the latter. These would be periodically reviewed by the Board of directors.

CAUTIONERY STATEMENT

Certain statements made in this report relating to Company's outlook expectation, estimate etc., may be considered forward looking statements within the meaning of applicable law and regulations. Actual figures may differ from such expectation whether expressed or implied. Several factors could make significant impact on the Company's operation, over which the Company does not have any control.

For and on behalf of the Board of Directors of
Lancor Holdings Limited
R.V. Shekar
Managing Director

Place : Chennai
Dated : June 10, 2011

**AUDITOR'S' REPORT TO THE BOARD OF DIRECTORS OF LANCOR HOLDINGS LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have examined the attached consolidated Balance Sheet of **LANCOR HOLDINGS LIMITED**, its subsidiaries and its joint venture as mentioned in Note 4 of Schedule 14 of the Consolidated Financial Statements as at March 31, 2011, the Consolidated Profit and Loss Account for the year then ended and the Consolidated Cash Flow Statement for the year then ended both attached thereto. These Financial Statements are the responsibility of **LANCOR HOLDINGS LIMITED** management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Lancor Maintenance & Services Limited & Lancor Realty Limited, whose Financial Statements reflect total assets of Rs. 707.36 lakhs and Rs. 235.40 lakhs respectively and total revenues of Rs. 692.80 lakhs and Rs.183.20 lakhs respectively for the year ended March 31, 2011. The financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the other auditor.

We report that the Consolidated Financial Statements have been prepared by the Companies in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures notified pursuant to Companies (Accounting Standard) Rules, 2006 and on the basis of the separate audited financial statements of Lancor Holdings Limited, its subsidiaries and its joint venture included in the Consolidated Financial Statements.

Based on the information and according to the explanations given to us and on the consideration of report of other auditors on the individual audited financial statements of the Lancor Holdings Limited, its subsidiaries and its joint venture, read with notes thereon, we are of the opinion that:

- a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Lancor Holdings Limited, its subsidiaries and its joint venture as at March 31, 2011; and
- b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2011.
- c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flow statement of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2011.

For G.M.KAPADIA & CO
Chartered Accountants
Firm Registration No. 104767 W

Place : Chennai
Date : June 10, 2011

K.Y.Narayana
Partner
Membership No.60639

Consolidated Balance Sheet As at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Sources of Funds			
Share Holders Funds			
Share Capital	1	40,500,000	40,500,000
Reserves & Surplus	2	865,256,901	590,022,708
Capital Reserve on Consolidation		5,317,199	5,317,199
Loan Funds			
Secured loans	3	562,711,829	638,757,625
Unsecured Loans	4	—	24,308,706
Minority Interest			
		234,837	179,212
		1,474,020,766	1,299,085,450
Application of Funds			
Fixed Assets	5		
Gross Block		664,836,583	658,642,464
Less : Accumulated Depreciation / Amortisation		95,372,401	70,030,059
Net Block		569,464,182	588,612,405
Investments	6	482,259,475	529,300
Deferred Tax Assets (Refer Note 13 of Schedule No.14)		2,767,448	3,717,813
Current Assets, Loans and Advances			
Inventories	7.1	461,485,845	733,676,963
Sundry Debtors	7.2	154,001,024	100,394,884
Cash and Bank Balances	7.3	40,370,266	42,348,044
Other Current Assets	7.4	9,517,053	14,239,831
Loans and Advances	7.5	177,649,561	176,969,349
		843,023,749	1,067,629,071
Current Liabilities and Provisions			
Current Liabilities	8.1	369,748,248	327,338,326
Provisions	8.2	53,745,840	34,064,812
		423,494,088	361,403,138
Net Current Assets	(7-8)	419,529,661	706,225,933
		1,474,020,766	1,299,085,450
Significant Accounting Policies and Notes to Accounts	14		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet

As per our Report of even date

For G. M. Kapadia & Co

Chartered Accounts

For and on behalf of the Board of Directors

K.Y. Narayana

Partner

CA. Mallika Ravi

Chief Executive Officer

R. Sankaranarayanan

Director

R. V. Shekar

Managing Director

K. Srinivasan

Chief Financial Officer

H. Viswanath

Company Secretary

Place : Chennai

Dated : 10th June, 2011

Place: Chennai

Dated : 10th June, 2011

Lancor Holdings Limited
Consolidated Profit and Loss Account for the year ended March 31, 2011
(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
Income			
Income from Property Development		1,805,494,150	1,052,457,637
Rental Income		100,922,914	76,674,251
Maintenance Income		40,591,570	26,140,037
Project Management Fee		521,805	9,460,735
Brokerage		5,349,718	6,618,656
Other Income	9	19,063,355	12,679,841
		1,971,943,512	1,184,031,157
Expenditure			
Property Development Expenses	10	1,316,336,404	765,051,037
Project Management Expenses		454,033	2,074,677
Maintenance Expenditure		27,475,093	15,744,918
Employee Cost	11	47,237,273	30,432,549
Administration and Other Overheads	12	34,166,962	33,146,000
Interest & Finance Charges	13	55,371,119	48,444,373
Depreciation / Amortisation		26,027,085	29,232,525
		1,507,067,969	924,126,079
Profit/ (Loss) before tax		464,875,543	259,905,078
Less: Tax Expenses:			
- Current Tax		81,431,114	78,428,647
- Deferred Tax (Net)		950,365	(565,860)
Profit/(Loss) Before (Excess) / Short Provision of Tax of earlier years		382,494,064	182,042,291
Less: (Excess) / Short Provision for Tax of earlier years		59,977,702	(7,226)
Profit/(Loss) After (Excess) / Short Provision of Tax of Earlier years		322,516,362	182,049,517
Less: Minority Interest		55,626	34,232
Attributable to Share holders		322,460,737	182,015,260
Add: Balance brought forward from Previous years		478,716,335	360,081,377
Available for Appropriation		801,177,072	542,096,637
Transfer to General Reserves		30,340,288	15,997,326
Interim/Final Dividend		40,500,000	40,500,000
Corporate Dividend Tax on Interim/Final Dividend		6,726,544	6,882,976
Balance Carried to Balance Sheet		723,610,240	478,716,335
Weighted Average no. of Equity shares outstanding during the year		20,250,000	20,250,000
Earnings Per Share of Rs.2 each (Basic & Diluted) (Refer Note 12 of Schedule 14)		15.92	8.99
Significant Accounting Policies and Notes to Accounts	14		

The Schedules referred to above and the Notes to Accounts form an integral part of Profit and Loss Account

As per our Report of even date

For G. M. Kapadia & Co

Chartered Accounts

For and on behalf of the Board of Directors

K. Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

Place : Chennai

 Dated : 10th June, 2011

Place: Chennai

 Dated : 10th June, 2011

Consolidated Cash Flow Statement for the year ended March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
A. Cash Flow From Operating Activities:			
Net Profit before tax & extraordinary items		323,466,727	259,912,280
Adjusted for:			
Non Cash Charges:			
Depreciation / Amortisation		25,756,663	29,024,969
Amortisation of Software Development expenses		270,422	207,555
Provision for Employee Benefits		1,732,529	1,371,490
Sundry Balances Written Back		(450,962)	(2,092,070)
(Profit) / Loss on sale or Scraping of Asset		(18,089)	(8,860,664)
Items considered separately:			
Interest Income		(360,707)	(893,905)
Interest Expenses		55,371,119	48,444,372
Dividend Income		(15,706,179)	(63,979)
Operating Profits before Working Capital changes		390,061,523	327,050,048
Changes in Working Capital			
(Increase) / Decrease in Inventories		272,191,118	176,294,815
(Increase) / Decrease in Debtors		(53,606,140)	(52,388,076)
(Increase) / Decrease in Other Current Assets		4,722,778	2,768,474
(Increase) / Decrease in Loans & Advances		88,385,312	(20,463,572)
Increase / (Decrease) in Current liabilities		60,809,383	(214,326,740)
Cash generated from Operations		762,563,974	218,934,949
Taxes paid		(94,020,715)	(84,775,192)
Income Tax Refund		4,955,191	2,539,692
Net Cash flow from operating activities		673,498,449	136,699,448
B. Cash Flow From Investing Activities			
Dividend received		15,706,179	63,979
Interest Income		360,707	893,905
Sale of Investments		815,697,210	4,906,104
Sale of Fixed Assets		87,600	42,942,977
Purchase of Investment		(1,297,427,385)	(4,500,000)
Purchase of Fixed assets		(6,948,372)	(5,677,642)
Net cash Realised in Investing activities		(472,524,062)	38,629,323
C. Cash Flow From Financing Activities			
Proceeds from borrowings		650,000,000	94,777,265
Repayment of borrowings		(750,354,502)	(142,527,038)
Interest paid		(55,371,119)	(48,444,372)
Dividend paid		(40,500,000)	(40,500,000)
Tax paid on dividend		(6,726,544)	(6,882,976)
Net cash Realised in financing activities		(202,952,166)	(143,577,121)
Net changes in Cash or Cash Equivalents (A+B+C)		(1,977,778)	31,751,651
Cash and Cash Equivalents - Opening balance		42,348,044	10,596,394
Cash and Cash Equivalents - Closing balance		40,370,266	42,348,044

Note: (i) Figures in bracket represents outflows

(ii) Cash & Cash Equivalent as per Schedule-7 of the Financial Statement

For G. M. Kapadia & Co
Chartered Accounts

K.Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on behalf of the Board of Directors

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

Place : Chennai
Dated : 10th June, 2011

Place: Chennai
Dated : 10th June, 2011

Schedules to the Consolidated Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Schedule 1: Share Capital			
Authorised Capital			
75,000,000 (75,000,000) Equity Shares of Rs. 2 each		150,000,000	150,000,000
		150,000,000	150,000,000
Issued, Subscribed and Paid up Capital			
20,250,000 (20,250,000) Equity Shares of Rs. 2 each		40,500,000	40,500,000
		40,500,000	40,500,000
Schedule 2: Reserves and Surplus			
General Reserve			
Balance at the beginning of the year		111,306,373	95,309,047
Add : Transferred from Profit & Loss Account		30,340,288	15,997,326
		141,646,661	111,306,373
Balance in Profit & Loss Account		723,610,240	478,716,335
		865,256,901	590,022,708
Schedule 3: Secured Loans			
From The Catholic Syrian Bank Limited (Secured by Equitable mortgage of premises owned by the Company in the building "Westminster" and "Citi Tower")		5,068,606	199,942,831
From Catholic Syrian Bank Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Citi tower" owned by the Company)		4,077,839	7,295,981
From Catholic Syrian Bank Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Menon Eternity" owned by the Company)		440,269,346	—
From HDFC Limited (Secured by Equitable mortgage of premises owned by the Company in the building "VTN Square".)		6,320,290	8,208,435
From HDFC Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Westminster" owned by the Company)		30,026,218	35,628,842
From HDFC Limited - Rental Discount (Secured by Equitable mortgage of premises "ROMA" owned by the Company.)		15,631,174	16,114,064
From HDFC Limited - Construction Finance (Secured by Equitable mortgage of premises "MENON ETERNITY" owned by the Company.)		—	75,000,000
From HDFC Limited - Line of Credit (Secured by Negative lien on the built up area of "Menon Eternity" owned by the Company.)		—	225,000,000
From HDFC Limited - Construction Finance (Secured by equitable mortgage of plot of land owned by the Company)		3,019,000	70,000,000
From HDFC Limited - Direct Rupee Loan (Secured by equitable mortgage of plot of land owned by the Company)		57,169,202	—
From Banks - Vehicle Loans (Secured by way of hypothecation of Motor Cars under Hypothecation Agreement)		1,130,154	1,567,472
		562,711,829	638,757,625
Schedule 4: Unsecured Loans			
Other Loans and Advances			
From Directors (Payable on demand)		—	14,308,706
From Others		—	10,000,000
		—	24,308,706

Schedules to the Consolidated Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Assets	Gross Block			Depreciation/ Amortisation			Net Block	
	As at April 1, 2010	Additions	Deductions/ Adjustments March 31, 2011	Upto April 1, 2010	Addition	Deductions/ Adjustment March 31, 2011	As at March 31, 2011	As at March 31, 2010
INTANGIBLE ASSETS								
Computer Software	1,008,142	555,799	-	582,680	270,422	-	710,839	425,462
Total (A)	1,008,142	555,799	-	582,680	270,422	-	710,839	425,462
TANGIBLE ASSETS								
Land	56,282,736	-	-	-	-	-	56,282,736	56,282,736
Building	439,132,181	216,625	-	19,031,661	7,267,596	-	413,049,549	420,100,520
Plant & Machinery	53,037,707	521,468	-	11,255,274	5,861,795	-	36,442,106	41,782,433
Electrical Installation	43,725,100	-	-	11,178,442	5,890,945	-	26,655,713	32,546,658
Air conditioners	32,233,191	3,228,832	-	7,661,973	3,577,800	-	24,222,250	24,571,218
Furniture & Fixtures	16,454,205	1,071,704	-	8,844,682	1,507,724	-	7,173,502	7,609,522
Computers	3,845,200	244,000	-	3,196,438	322,969	-	569,793	648,762
Office Equipment	1,646,985	356,244	76,250	1,075,566	124,431	37,728	764,710	571,419
Vehicles	11,277,017	753,700	678,003	7,203,343	1,203,403	647,015	3,592,983	4,073,674
Total (B)	657,634,322	6,392,573	754,253	69,447,379	25,756,663	684,743	568,753,343	588,186,943
Grand Total (A+B)	658,642,464	6,948,372	754,253	70,030,059	26,027,085	684,743	569,464,182	588,612,405
Previous Year	688,895,602	5,677,642	35,930,781	42,646,003	29,232,525	1,848,468	588,612,404	646,249,599

Schedules to the Consolidated Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Schedule 6: Investments			
Long Term (Non Trade at Cost)			
In Shares			
21,000 (21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)		2,476,800	529,300
Current Investments in Mutual Fund			
Investments in Birla Sun Life Savings Fund - Inst.-Daily Div Reinvestment {{{33,058,972.481 units @ Rs. 10.0068 per unit}(PY-Nil)) (Face value of Rs.10 each}}		330,814,526	—
Investments in IDFC Money Manager Fund - Super Institutional Div. Reinv.daily {{{35,22,186.710 units @ Rs. 10.0015 per unit}(PY-Nil)) (Face value of Rs. 10 each}}		35,227,150	—
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {{{381,778.083 units @ Rs. 105.7350 per unit}(PY-Nil)) (Face value of Rs.100 each}}		40,367,306	—
Investments in Templeton India Ultra Short Bond Fund - Institutional Div. Reinv.daily {{{21,31,847.530 units @ Rs. 10.0111 per unit}(PY-Nil)) (Face value of Rs.10 each}}		21,342,139	—
Birla Sun Life Savings Fund - Daily Dividend {{{ 1,627,424.84 @ 10.0068 per unit) (PY - Nil) (Face Value - Rs. 10/-)}}		16,285,315	—
Investments in HDFC Floating Rate Income Fund {{{ 354,294.41 @ 10.0809 per unit) (PY - Nil) (Face Value - Rs. 10/-)}}		3,571,605	—
Investment in ICICI Prudential Interval Fund II Quarterly Plan A Institutional Dividend {{{11,50,000 @ 10 per unit) (PY - Nil) (Face Value - Rs.10/-)}}		11,500,000	—
HDFC Cash Management Treasury Fund {{{762,883.638 units @ Rs.10.0315 per unit) (PY-Nil)) (Face value of Rs. 10 each}}		7,652,867	—
Invsetment in Kotak Quarterly Interval Plan Series 1 {{{ 500,000 units @ Rs. 10 per unit) (PY - Nil) (Face Value - Rs.10/-)}}		5,000,000	—
Investment in Reliance Medium Term Fund {{{ 263,398.539 units @ Rs. 17.0959 per unit) (PY - Nil) (Face Value - Rs.10/-)}}		4,503,035	—
Investment in Reliance Money Manager Fund {{{ 3,514.790 units @ Rs. 1001.1218 per unit) (PY - Nil) (Face Value - Rs.1000/-)}}		3,518,733	—
		482,259,475	529,300

Schedules to the Consolidated Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Schedule 7: Current Assets, Loans and Advances			
Current Assets			
Inventories			
a) Stock of Premises			
Opening Stock of unsold Premises		4,375,000	8,545,554
Add: Transfer from Construction Work in Progress		24,876,047	—
		29,251,047	8,545,554
Less: Sale of Premises		—	4,170,554
Closing Stock of unsold Premises		29,251,047	4,375,000
b) Stock of construction materials at site		8,680,815	6,336,829
c) Land and Construction Work in Progress at Cost			
Opening Work in Progress			
Residential		722,965,134	901,426,224
Add: Expenses incurred during the year			
Cost of Land		145,202,999	4,162,123
Material consumed		247,979,715	193,956,475
Contractual Payment		485,449,803	262,455,195
Borrowing cost		27,375,401	43,080,417
Development Charges		11,529,301	26,064,795
Power and Fuel		9,269,622	2,987,069
Rates & Taxes		16,908,958	7,803,332
Professional Fees		18,753,444	7,851,891
Other Expenses		41,670,084	31,489,097
		1,004,139,326	579,850,394
Less:- Transferred to Project Expenses a/c		1,272,235,101	748,651,186
Less:- Transferred to Land Owners A/c		6,439,330	9,660,298
Less:- Transferred to Stock		24,876,047	—
Land and Construction Work in Progress at Cost		423,553,983	722,965,134
	7.1.....	461,485,845	733,676,963
Sundry Debtors (Unsecured and Considered good)			
Outstanding for a period over Six months		93,140,070	3,358,858
Outstanding for a period less than Six months		60,860,954	97,036,026
	7.2.....	154,001,024	100,394,884
Cash and Bank balances			
Cash on hand		319,164	268,430
Balance with Scheduled banks			
in Current Accounts		35,543,782	38,265,202
in Deposit Accounts		4,507,320	3,814,412
	7.3.....	40,370,266	42,348,044
Other Current Assets			
Deposits		9,415,685	9,288,923
Interest accrued but not due		101,368	20,157
Income tax / Sales tax refund due		—	4,930,751
	7.4.....	9,517,053	14,239,831
Sub Total		665,374,188	890,659,721

Schedules to the Consolidated Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Loans and Advances (Unsecured and Considered good)			
Advance to Partnership firm where the Company is a partner			
Central Park West Venture		20,712,195	40,012,517
Advances receivable in cash or in kind or for value to be received.		95,512,141	96,344,832
Prepaid Expenses		903,922	—
Mobilisation advance to Contractors		8,967,012	—
Expenses Recoverable from Customer		632,435	—
Other Advances		2,318,738	—
Less: Provision for Bad & Doubtful Advances		1,000,000	1,000,000
		107,334,248	95,344,832
Earnest Money Deposit with Landowners		16,250,000	38,200,000
Security Deposit		2,692,000	3,412,000
Capital Advance		452,568	—
Advance For Income Tax (Net of Provisions)		30,208,549	—
Sub Total	7.5.....	177,649,561	176,969,349
Total		843,023,749	1,067,629,071

Schedule 8: Current Liabilities and Provisions**Current Liabilities**

Sundry Creditors		153,272,639	116,825,555
Unclaimed dividend		673,399	739,274
Advance received from customers		44,789,490	73,315,553
Liabilities towards duties and taxes		25,473,186	5,685,783
Deposits		145,442,418	130,563,378
Other Liabilities		97,116	208,783
	8.1.....	369,748,248	327,338,326

Provisions

Provision for Income Tax (Net of Advance Tax)		—	4,198,897
Proposed Dividend		40,500,000	20,250,000
Dividend Distribution Tax		6,726,544	3,441,488
Provision for Employees Benefit		6,519,296	6,174,427
	8.2.....	53,745,840	34,064,812
		423,494,088	361,403,138

Lancor Holdings Limited
Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2011
(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
Schedule 9: Other Income			
Interest Income		360,707	893,905
Dividend Income		15,706,179	63,979
Service Charges		485,661	415,628
Profit on Sale of Assets/Investments		18,089	8,860,664
Miscellaneous Income		2,492,719	2,445,665
		19,063,355	12,679,841
Schedule 10: Property Development Expenses			
Land and Construction Expenses		1,272,235,101	748,651,186
Completed Project Maintenance		9,001,303	12,229,297
Purchase Cost of Premises		35,100,000	4,170,554
		1,316,336,404	765,051,037
Schedule 11: Employee Costs			
Salaries		41,918,244	27,601,250
Contribution to Provident and other funds		2,970,571	1,910,862
Staff welfare and other benefits		2,348,458	920,437
		47,237,273	30,432,549
Schedule 12: Administration and Other Overheads			
Directors' sitting fees-Board Meeting		110,000	145,000
Advertisement and Sales Promotion		2,717,327	4,402,618
Recruitment Expenses		968,347	-
Printing & Stationery		1,093,476	842,451
Communication costs		2,474,290	1,246,262
Traveling & Conveyance		1,394,874	4,045,806
Vehicle Running & Maintenance		2,557,989	1,224,027
Rates & Taxes		8,042,996	1,761,138
Legal Expenses & Professional fees		1,440,572	6,543,842
Repairs & Maintenance:			
- Building		1,884,558	1,798,347
- Plant & Machinery		154,103	94,443
- Others		616,213	311,332
Rent		3,533,922	3,786,177
Electricity		713,533	533,021
Insurance Charges		350,219	312,949
Brokerage		1,502,731	1,376,291
Other Sundry Expenses		3,356,238	3,507,283
Auditors Remuneration		1,255,575	1,215,013
		34,166,962	33,146,000
Schedule 13: Finance Expenses			
Interest Paid to Banks & Financial Institutions		80,926,048	71,527,976
Interest Paid to others		74,650	16,944,289
Loan Processing, preclosure & Other Charges		1,544,752	1,343,933
Bank Charges & Commission		201,070	112,085
		82,746,520	89,928,283
Less: Borrowing Cost transferred to Work In Progress Residential		27,375,401	41,483,910
		55,371,119	48,444,373

SCHEDULE NO. 14: SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**A SIGNIFICANT ACCOUNTING POLICIES****1. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The financial statements of the Company and its Subsidiaries have been consolidated on line by line basis, to the extent possible and after eliminating all significant inter-company transactions in accordance with the Accounting Standard (AS 21) – on Consolidated Financial Statements prescribed in the Companies (Accounting Standards) Rules, 2006. A Joint venture entity in the nature of Jointly Controlled Entity is consolidated on the basis of proportionate consolidation in accordance with the Accounting Standard (AS 27) on 'Financial Reporting of Interests in Joint Ventures prescribed in the Companies (Accounting Standards) Rules, 2006.

2. SYSTEM OF ACCOUNTING:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

3. USE OF ESTIMATES

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

4. INVENTORIES

Inventory comprises of property held for sale, property under construction (work in progress) and stock of construction materials.

Unsold premises held as stock in trade are valued at cost. Cost of construction/ development material is valued at lower of cost or net realizable value. Work-in-Progress comprises of cost of acquisition of land, if any, construction & development expenses, and borrowing cost. Necessary provisions are considered if net realizable value of premises is less than cost. The Company values the cost of inventories on FIFO basis.

5. FIXED ASSETS**a) INTANGIBLE ASSETS**

Intangible assets are recognized if they are separately identifiable and the Company expects to receive the future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment if any. Intangible assets comprises of Computer Software.

b) TANGIBLE ASSETS

The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

6. DEPRECIATION \ AMORTISATION:

- a) Computer Software is amortised over a period of five years.
- b) Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment, depreciation is provided on the revised carrying amounts of assets over its remaining useful life.
- c) The depreciation in case of buildings is provided on straight line method at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.
- d) Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

7. A) RECOGNITION OF REVENUE & EXPENDITURE OF PROPERTY DEVELOPMENT BUSINESS:

- a) The Company adopts the accrual system of accounting. Revenue is recognised as and when there is a reasonable certainty of its ultimate realisation.

- b) Revenue from real estate projects under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property and is accounted on percentage completion method. Sales consideration includes the aggregate amounts of the sales price of the land and the development consideration as per the agreements entered into with the buyer and is recognised as a percentage of the construction cost incurred for work performed upto the reporting date bear to the estimated construction cost of the project.
 - c) The expenditure incurred is accumulated under the head work-in-progress and collections are accumulated and carried forward under the head advance received from customers.
 - B) Dividend income is recognized when the right to receive is established.**
 - C) Interest income is recognized on accrual basis.**
8. **INVESTMENTS:**
- a) Long term investments in shares are stated at cost. The provision for diminution in the value of long term investment is made if such a diminution is other than temporary in nature.
 - b) Current investments are stated at lower of cost or fair value.
9. **EMPLOYEE BENEFITS:**
- a) **Defined Contribution Plans**
Contributions paid/payable to defined contribution plan comprising of provident funds to employees is recognised in the profit and loss account each year.
 - b) **Defined Benefit Plans**
Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.
 - c) **Short-term employee benefits**
Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
10. **BORROWING COSTS:**
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.
11. **SEGMENT REPORTING:**
The Company's reporting segments are identified taking it to account activities, the differing risks and returns, organization structure and internal reporting systems. Segment revenue and expense include amounts, which can be directly attributable to the segment and allocable on a reasonable basis. Segment assets and liabilities are operating assets/liabilities employed/incurred by the segment which are directly attributable to the segment or can be allocated on a reasonable basis.
12. **LEASES:**
Lease arrangements where the risk and rewards incident to the ownership of the asset substantially vest with the lessor are recognized as operating lease.
- a) **As Lessee – Operating Lease:**
Lease rentals in respect of assets taken on operating lease are charged to profit and loss account over the lease term on systematic basis which is more representative of the time pattern of the Companies benefit.
 - b) **As Lessor – Operating Lease:**
Lease income is recognized in the Profit and Loss Account over the lease term on systematic basis which is more representative of time pattern of Companies benefit.
 - c) Initial direct cost is charged to profit & loss account in the year of lease.
13. **TAXES ON INCOME**
- a) Provision for current tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the provisions of Income Tax Act, 1961.

- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the profit & loss account in the period of enactment of the change.

14. IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- a) A provision is recognised when the Company has a present obligation as a result of the past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed on each balance sheet date to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of
- i. a probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of out flow of resources is remote.
- c) Contingent assets are neither recognized nor disclosed.

B NOTES TO ACCOUNTS

1. Certain disputes have arisen with the owners of land with whom the Company has entered into a joint venture agreement in respect of Menon Eternity Project. The land owners have filed criminal complaint before the Metropolitan Magistrate against the Company, the Managing Director and certain officials of the Company. The Madras High Court has stayed the matter. The land owners have also filed a civil suit and interim applications. The Madras High Court has dismissed all the interim applications and the main suit is pending. The High Court has appointed single retired judge of the Madras High Court as the sole Arbitrator. The Company has made claim of Rs. 99,847,408 while the land owners has made a counter claims aggregating to Rs. 629,755,353 which has been refuted by the Company by filing a rejoinder. Subsequently as per the interim order of the sole Arbitrator the Company has given the possession of area belonging to the land owner's on receipt of Rs.4.82 crores being refundable deposits from them along with a bank guarantee of Rs.1.66 crores to be deposited with Arbitrator and the matter is pending. In view of the management, the claims of the land owners are frivolous and are not sustainable. Accordingly claims are not acknowledged as debts.

2. CONTINGENT LIABILITIES

- a) Outstanding Letter of Credit Rs. Nil. (Previous year Rs. Nil)
- b) Service tax matter
 Claims against the entity in respect of the service tax matter not acknowledged as debt amounting to Rs.10.02 Lacs (Previous Year – Nil)
- c) Income tax matter
 Pursuant to an income tax survey on the entity, the income tax department has determined an additional tax liability amounting to Rs.818 Lacs, which has been remitted to the income tax department. The entity

Lancor Holdings Limited

has made a provision for tax liability to the extent of Rs. 600 lacs and preferred an appeal before the settlement commission for the balance amount and the matter is pending.

3. Capital commitment – Nil (Previous Year Nil)
4. Principles of consolidation
 - a) The consolidated financial statements are based on the audited financial statements of the subsidiaries and a joint venture entity for the current financial year.
 - b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
 - c) The financial statement of the Company and its subsidiaries has been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealised profits and losses resulting from intra group transactions and intra group balances have been eliminated.
 - d) The excess of Company's portion of equity and reserves of the subsidiaries as at the time of its investment over the cost of acquisition of shares in subsidiaries is treated as Capital Reserve.
 - e) Minority interest in the net income and net assets of the subsidiaries is computed and disclosed separately.
 - f) List of subsidiaries which are included in the consolidation are as follows;

Name of the subsidiary	Country of Incorporation	Voting Power held as at March 31,	
		2011	2010
Lancor Realty Limited	India	100%	100%
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Projects Limited	India	100%	100%
Lancor Guduvanchery Developments limited.	India	100%	Nil

- g) Interest in joint venture has been accounted by using the proportionate consolidation method as per Accounting Standard 27 "Financial Reporting of interests in joint venture" as notified by the rules.
- h) Details of Company's ownership interest in joint venture, which is included in the consolidation is as follows

Sl. No.	Name of the partnership firm	Profit sharing percentage	Country of incorporation	Contingent Liabilities as at March 31, 2011	Capital commitments as at March 31, 2011
1	Central Park West Venture	90.37 *	India	Nil	Nil

* Central Park South Project

5. Particulars of Investment in Capital of Partnership Firm 'Central Park West Venture':

(Figures in Indian Currency)

Sl. No.	Name of the Partners	Profit sharing percentage	Capital as on March 31,	
			2011	2010
1	Lancor Holdings Limited	90.37	20,000,000	20,000,000
2	Lancor Maintenance & Services Limited	0.16	1,000,000	1,000,000
3	Clasic Farms (Chennai) Limited	9.47	20,000,000	20,000,000
	Total		41,000,000	41,000,000

6. Managerial Remuneration under Section 198 of the Companies Act, 1956

(Figures in Indian Currency)

Particulars		Year ended March 31,	
		2011	2010
a)	Salary	2,584,839	1,642,258
b)	Contribution to Provident Fund	310,181	197,071
c)	Perquisites in cash or kind	1,233,646	545,551
d)	Gratuity	1,350,000	184,615

7. EMPLOYEE BENEFITS

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at March 31, 2011.

(Figures in Indian Currency)

	Category	As at March 31, 2011 [Gratuity]	As at March 31, 2010 [Gratuity]
1	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	4,742,304	4,486,411
	Current service cost	690,676	394,755
	Interest cost	379,383	1,356,942
	Liability Transfer in/out	Nil	Nil
	Benefits paid	(35,337)	Nil
	Actuarial (gain) / loss	662,470	(1,495,803)
	Projected benefit obligations at end of the year	6,439,496	4,742,304
2	Change in plan assets:		
	Plan assets at the beginning of the year	Nil	Nil
	Expected return on plan assets	Nil	Nil
	Actuarial (gain) / loss	Nil	Nil
	Contributions	Nil	Nil
	Benefits paid	Nil	Nil
	Plan assets at the end of the year	Nil	Nil
3	Reconciliation of present value of the obligation and the fair value of plan assets		
	Fair value of plan assets at the end of the year	Nil	Nil
	Present value of the defined benefit obligations at the end of the year	6,439,496	4,742,304
	Liability / (Asset) recognized in the balance sheet	6,439,496	4,742,304
4	Cost for the year		
	Current service Cost	690,676	394,755
	Interest cost	379,383	1,356,942
	Expected return on plan assets	Nil	Nil
	Actuarial (gain) / loss	662,470	(1,495,803)
	Net cost recognized in the profit and loss account	1,732,529	255,893
5	Assumptions		
	Interest rate for discount	8.25%	8%
	Estimated rate of return on plan assets	0%	0%
	Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
	Salary Escalation	10%	10%

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8. Borrowing costs amounting to Rs.27,375,401 (Previous Year – Rs. 41,483,910) have been capitalised as part of respective qualifying assets.

9. **SEGMENT REPORTING**

Based on similarity of activities, risk and reward structure, organization structure and internal reporting systems, the Company has disclosed business segment as the primary segment.

The groups operation has mainly relate to property development and its allied activities like property rental, project management, maintenance, brokerage and investing activity.

Segment revenue and expenses include amounts, which can be directly identifiable to the segment and allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories and debtors. Segment liabilities include all operating liabilities and consist primarily of creditors, advances/deposits and statutory liabilities.

(Figures in Indian Currency)

Particulars	Property Development	Property Rental	Others	Total
External Revenue	1,805,494,150 (1,052,457,637)	100,922,914 (76,674,251)	62,169,272 (42,283,407)	1,968,586,336 (1,171,415,294)
Inter segment Revenue	-	-	-	-
Total Revenue	1,805,494,150 (1,052,457,637)	100,922,914 (76,674,251)	62,169,272 (42,283,407)	1,968,586,336 (1,171,415,294)
SEGMENT RESULT	489,157,746 (287,406,600)	75,836,055 (49,963,122)	34,240,146 (24,463,812)	599,233,947 (361,833,534)
Less: Interest				55,371,119 (48,444,372)
Unallocable Other Expenditure				82,344,461 (66,092,745)
Add: Unallocable other Income				3,357,176 (12,615,862)
Profit Before Taxation				464,875,543 (259,912,279)
Segment Assets	680,517,147 (875,477,705)	583,237,951 (578,419,248)	541,089,155 (79,224,230)	1,804,844,253 (1,533,121,183)
Unallocable Assets				92,670,601 (127,367,406)
Total Assets	680,517,147 (875,477,705)	583,237,951 (578,419,248)	541,089,155 (79,224,230)	1,897,514,854 (1,660,488,588)
Segment Liabilities	248,611,570 (504,656,471)	635,326,253 (139,872,810)	35,855,467 (26,592,315)	919,793,290 (671,121,596)
Unallocable Liabilities				66,647,464 (353,527,085)
Total liabilities	(504,656,471)	(139,872,810)	(26,592,315)	986,440,754 (1,024,648,682)
Capital Expenditure				
Segment Capital Expenditure	- (Nil)	4,452,175 (3,253,259)	- (Nil)	4,452,175 (3,253,259)
Unallocable Capital Expenditure	- (Nil)	2,496,197 (2,424,383)	- (Nil)	2,496,197 (2,424,383)
Total Capital Expenditure				6,948,372 (5,677,642)

Particulars	Property Development	Property Rental	Others	Total
Segment Depreciation	- (Nil)	22,022,319 (24,886,162)	- (Nil)	22,022,319 (24,886,162)
Unallocable Depreciation	- -	- -	- -	4,004,765 (4,346,363)
				26,027,085 (29,232,525)
Non cash Expenses other than Depreciation				
Segment Non Cash Expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Unallocable Non Cash Expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Total Non cash expenses				Nil Nil

10. Related Party Disclosures

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Key Management Personnel	Mr. R. V. Shekar (Holding more than half of the voting power in parent Company and key management personnel in parent Company.)
B. Relatives of Key Management Personnel:	Mrs. Shyamala Shekar
C. Joint Ventures	Central Park West Venture

Particulars of transactions with the Related Parties:

(Figures in Indian Currency)

Nature of Transactions	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
EXPENDITURE			
Remuneration Paid			
Mr. R. V. Shekar		5,478,666 (2,569,494)	5,478,666 (2,569,494)
Interest Paid			
Mr. R. V. Shekar		72,132 (6,720,027)	72,132 (6,720,027)
CLOSING BALANCES			
Unsecured Loans			
Mr. R. V. Shekar		Nil (14,308,706)	Nil (14,308,706)

Note: i) Details of debits/credits in the nature of reimbursements are not included in the above.

11. Following current investments were purchased and sold during the year

SI. No	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs.)	Total Quantity Redemption (Units)	Total Value of Redeemed (Rs)
1.	Templeton India Ultra Short Bond Fund Institutional Plan – Daily Dividend Reinvestment	15,122,597.786	151,393,838.70	12,990,750.257	130,051,699.90
2.	Kotak Floater Long Term – Daily Dividend	3,983,908.834	40,157,004.26	3,983,908.834	40,157,004.26
3.	GFCD IDFC Money Manager Fund – TP – Super Institutional Plan C – Daily Dividend	15,133,259.925	151,355,299.14	15,133,259.925	151,355,299.14
4.	Sundaram Ultra ST Fund Super Institutional Daily Dividend Reinvestment	24,262,600.878	243,523,725.01	24,262,600.878	243,523,725.01
5.	DWS Ultra Short Term Fund - Institutional Daily Dividend – Reinvestment	16,116,570.158	161,454,188.19	16,116,570.158	161,454,188.19
6.	Birla Sun Life Savings Fund – Institutional – Daily Dividend Reinvestment	41,053,536.195	410,814,526.00	7,994,563.697	80,000,000.00
7.	ICIC Prudential Flexible Income Plan Premium – Daily Dividend	381,778.087	40,367,306.00	—	—
8.	IDFC Money Manager Fund – TP – Super Institutional Plan C – Daily Dividend	3,522,186.672	35,227,150.00	—	—
9.	Birla Sunlife Savings Fund	1,827,289.44	18,285,314.94	199,894.09	2,000,000.00
10.	HDFC Floating Rate Income Fund –Short TermPlan-Wholesale Option	354,294.41	3,571,606.52	—	—
11.	Investment in ICICI Prudential Interval Fund II Qly Plan A	850,000.00	8,500,000.00	—	—
12.	HDFC Cash Management Treasury Advantage Fund	1,520,358.51	15,251,476.17	757,474.870	7,598,609.17
13.	HDFC FMP 100D Nov 2010(1) Series XVII*	757,473.956	7,598,600.00	757,473.956	7,598,600.00
14.	Investment in ICICI Prudential Interval Fund II Quarterly Plan A Institutional Dividend	300,000.00	3,000,000.00	—	—
15.	Reliance Medium Term Fund	678,702.793	11,603,035.08	415,304.254	7,100,000.00
16.	Reliance Money Manager Fund	4,514.79	3,500,000.00	—	—
17.	Investment in Kotak Quarterly Interval Plan Series 1	500,000.00	5,000,000.00	—	—
	Total	126,369,072.49	1,310,603,070.41	82,611,800.92	830,839,125.77

12. Leases

In the Capacity as a Lessor

- a) The significant lease arrangements in terms of AS 19 entered into by the Company are in respect of constructed premises which have been given on rental and office premises which have been taken on lease.

Particulars	For the Year ended 31 st March 2011 Amount (In Rs.)	For the Year ended 31 st March 2010 Amount (In Rs.)
Rental Income credited to Profit and Loss Account.	100,921,914	76,674,251
Not later than one year	108,111,189	83,615,210
Later than one year and not later than five years	87,033,029	158,488,546
Later than five years	Nil	24,542,398

- b) The Cost of building includes buildings given on lease estimated at Rs.433,542,231 (previous year Rs. 433,325,606) and Accumulated Depreciation Rs.25,527,337 (previous year Rs. 18,365,420). There is no impairment in respect of these assets.

- c) The cost of other assets given on lease is given below. There is no impairment in respect of these assets.

(Figures in Indian Currency)

Class of Assets	Gross Carrying Amount Year ended March 31,		Accumulated Depreciation Year ended March 31,	
	2011	2010	2011	2010
Plant and Machinery	50,661,848	50,301,130	15,991,290	10,402,417
Furniture	6,420,977	5,720,977	3,777,990	3,234,575
Air Conditioner	33,513,255	30,338,423	10,105,965	6,656,545
Electrical Installation	42,291,816	42,291,816	16,206,388	10,441,476

In the Capacity as a Lessee

The group has taken certain premises on cancelable operating leases. The total rental expenses under cancelable operating leases debited to Profit & Loss Account amounted to Rs.3,533,922 (Previous Year – Rs. 3,786,177).

13. Earnings Per Share:

(Figures in Indian Currency)

Particulars	Year ended March, 31	
	2011 Basic and Diluted	2010 Basic and Diluted
Profit after tax as per Profit & Loss Account	322,460,737	182,015,260
Weighted average number of Equity shares outstanding	20,250,000	20,250,000
EPS (Rupees) of face value Rs. 2 each	15.92	8.99

14. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
Deferred Tax Liabilities		
a) Difference between book and tax depreciation	327,036	44,881
b) Other DTL	415	-
Total (A)	327,451	44,881
Deferred Tax Assets		
a) Difference between book and tax depreciation	190,194	719,761
b) Disallowance under Sec.43B Income tax	1,591,779	2,598,511
c) Other deferred tax assets	1,312,925	444,421
Total (B)	3,094,899	3,762,693
Deferred Tax Assets / (Liabilities) (Net) (B-A)	2,767,448	3,717,813

Lancor Holdings Limited

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net Deferred Tax Asset as at 31st March 2011 of Rs. 2,767,448 and Rs. 950,365 has been debited to the profit & Loss account.

15. In compliance with the Accounting Standard relating to 'Financial Reporting of Interest In Joint Ventures' (AS 27), as prescribed in Companies Accounting Standard Rules, 2006, the Company has interest in a jointly controlled entity (Partnership Firm).

As stated above, the Company is also partner in one partnership firm which is formed in India.

Financial interest of the Company in the jointly controlled entities is as under (before inter Company eliminations).
(Figures in Indian Currency)

Company's Share of	Year ended March 31,	
	2011	2010
Assets	242,200,581	436,848,250
Liabilities	90,596,061	82,063,702
Income	770,832,201	134,108,589
Expenditure	562,072,083	103,583,850
Capital commitments	Nil	Nil
Contingent liabilities	Nil	Nil

16. Previous year's figures have been regrouped, reclassified and recast wherever considered necessary so as to confirm with the current year's figures.

For G. M. Kapadia & Co
Chartered Accounts

K.Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on behalf of the Board of Directors

Place : Chennai

Dated : 10th June, 2011

Place: Chennai

Dated : 10th June, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

01	Name of the subsidiary	Lancor Maintenance & Services Limited	Lancor Realty Limited	Lancor Projects Limited	Lancor Guduvanchery Development Limited
02	Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011
03	Date from which they became Subsidiary	18-09-1996	03-10-2002	15-05-2006	22-11-2010
04	Shares of the Subsidiary held by the Company on the above dates: (a) No. of Equity Shares. (b) Face Value (c) Paid Up Value (d) Extent of Holding	250,000 Rs.10/- Rs.10/- 99.30%	50,000 Rs.10/- Rs.10/- 100%	50,000 Rs.10/- Rs.10/- 100%	50,000 Rs.10/- Rs.10/- 100%
05	Net aggregate amount of profits or losses of the Subsidiary for the above financial year so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2011 (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2011	NIL 3,12,85,812	NIL 1,94,27,065	NIL 3,26,81,622	NIL (64,339)
06	Net aggregate amount of profits or losses for the previous financial year of the Subsidiary, since it became a Subsidiary so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2010 (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2010.	NIL 2,33,39,648	NIL 1,41,83,393	NIL 2,56,05,913	NIL NIL
07	Changes in the interest of the Holding company between the end of Subsidiary's financial year ended and March 31, 2011	Nil			
08	Material Changes between the end of the Subsidiary's financial year ended and March 31, 2011	Not Applicable			

for and on behalf of the Board
for LANCOR HOLDINGS LIMITED

MALLIKA RAVI – Chief Executive Officer

R.V. SHEKAR – Managing Director

K. SRINIVASAN – Chief Financial Officer

R. SANKARANARAYANAN - Director

H. VISWANATH – Company Secretary

Place : Chennai

Date : June 10, 2011

**AUDITOR'S REPORT TO THE MEMBERS OF
LANCOR HOLDINGS LIMITED**

1. We have audited the attached Balance Sheet of **LANCOR HOLDINGS LIMITED** as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year under review 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.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow statement account dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. **LANCOR HOLDINGS LIMITED** as on March 31, 2011 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No: 104767W

Chennai
Dated: June 10, 2011

K.Y.Narayana
Partner
Membership No. 60639

Annexure

Re: LANCOR HOLDINGS LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets.
- (b) All the assets have been physically verified by the management during the year. The Programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventory and no discrepancies were noticed on verification between the physical stocks and books of accounts.
- (iii) (a) The Company has granted interest free unsecured loans to one Company covered in the register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated to Rs.100,284,954 and maximum amount outstanding during the year was Rs.100,284,954.
- (b) According to the information and explanation given to us the terms & conditions of interest free loans given to the Company concerned in the register maintained under Section 301 of the Act are not prima-facie prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise
- (d) As stated above, no repayment schedules have been specified and there are no overdue amounts in excess of Rupees one lakh.
- (e) The Company has taken unsecured loan from two Companies & one party covered in the register maintained under section 301 Companies Act, 1956. The maximum amount involved during the year was Rs.26,758,640 and the year-end balance taken on loan from such party was Rs.582,393.
- (f) In our opinion the rate of interest and the terms and conditions on which loan has been taken from the party and the Company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
- (g) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.
- (h) As stated above, no repayment schedules have been specified and there are no other due amounts in excess of Rupees one lakh.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

- (v) a) Based on the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- b) According to sub clause (v) (b) of clause 4 of the Order, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence there is no question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. Accordingly the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable. No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable except Rs. 206,000 towards income tax.

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Income tax Act, 1961	Tax Deduction at Source	206,000	FY 2008-09	May 31, 2009	Not yet paid

- (b) According to the information and explanation given to us there are no dues of sales tax ,income tax custom duty, wealth tax ,excise duty or cess except service tax which is under dispute and outstanding as on March 31,2011 and has been deposited in the month of April 2011 and May 2011.

Sl.No	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount
1.	Finance Act 1994	Service Tax	Commissioner of Service Tax	8,256,025

- (x) The Company has neither accumulated losses nor incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. In view of the same, the clause (x) of clause 4 of the order regarding comparison of the net worth with accumulated losses is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.

- (xiv) The Company has maintained proper records of transactions and contracts in respect of its dealings in shares and other investments and timely entries have been made there in. All the other investments have been held by the company in its own name.
- (xv) As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loan has been utilized for the purpose for which it has been raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we are of the opinion that no funds raised on short term basis has been used for long term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of share to parties and Companies covered in the register maintained under section 301 of the Act. Hence reporting whether the price of which shares have been issued are not prejudicial to the interest of the Company is not required.
- (xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.
- (xx) The Company has not raised money by public issue hence the sub clause (xx) of the clause 4 of the Order is not applicable to the Company.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed during the course of our audit.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No: 104767W

Chennai
Dated: June 10, 2011

K.Y.Narayana
Partner
Membership No. 60639

Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
Sources of Funds			
Share Holders' Funds			
Share Capital	1	40,500,000	40,500,000
Reserves & Surplus	2	784,018,922	527,834,635
Loan Funds			
Secured loans	3	562,711,829	638,757,626
Unsecured Loans	4	582,393	24,308,706
		1,387,813,144	1,231,400,967
Application of Funds			
Fixed Assets			
Gross Block	5	655,703,575	650,953,875
Less : Accumulated Depreciation / Amortisation		90,453,953	66,156,483
Net Block		565,249,622	584,797,392
Investments	6	452,227,921	22,029,300
Deferred Tax Asset (Refer Note No 13 of Schedule 14)		1,980,083	2,378,981
Current Assets, Loans and Advances			
Inventories	7.1	228,666,477	320,775,934
Sundry Debtors	7.2	54,004,722	87,451,255
Cash & Bank balances	7.3	9,757,731	8,537,154
Other Current Assets	7.4	8,814,436	13,537,214
Loans & Advances	7.5	371,048,001	462,165,787
		672,291,368	892,467,344
Current Liabilities and Provisions			
Current Liabilities	8.1	252,736,646	237,804,320
Provisions	8.2	51,199,204	32,467,731
		303,935,850	270,272,051
Net Current Assets	(7-8)	368,355,518	622,195,294
		1,387,813,144	1,231,400,967
Significant Accounting Policies and Notes to Accounts 14			

The Schedules referred to above and the Notes to Accounts form an Integral part of Balance Sheet as per our report of even date

For G. M. Kapadia & Co
Chartered Accounts

For and on behalf of the Board of Directors

K.Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

Place : Chennai

Dated : 10th June, 2011

Place: Chennai

Dated : 10th June, 2011

Profit and Loss Account for the year ended March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
Income from Property Development		994,437,689	918,349,048
Rental Income		100,922,914	76,674,251
Income from Partnership Firm (Refer Note 14 of Schedule 14)		148,619,941	30,524,698
Other Income	9	15,019,182	2,631,482
		1,258,999,726	1,028,179,479
Expenditure			
Property Development Expenses	10	744,334,477	683,148,747
Employee Cost	11	27,609,697	13,167,258
Administration and Other Overheads	12	30,793,902	27,025,603
Finance Expenses	13	55,328,771	48,419,145
Depreciation / Amortisation		24,982,214	27,693,303
		883,049,061	799,454,057
Profit/(Loss) Before Tax		375,950,665	228,725,422
Less: Tax expenses:			
- Current Tax		72,140,937	68,737,647
- Deferred Tax (Net)		398,898	14,519
Profit/(Loss) after tax		303,410,830	159,973,256
Add: Balance brought forward from Previous years		417,498,667	320,905,713
Available for Appropriation		720,909,497	480,878,969
Transfer to General Reserves		30,341,083	15,997,326
Interim/Final Dividend		40,500,000	40,500,000
Corporate Dividend Tax on Interim/Final Dividend		6,726,544	6,882,976
Balance Carried to Balance Sheet		643,341,870	417,498,667
No. of Equity shares outstanding during the year		20,250,000	20,250,000
Earnings Per Share of Rs.2 each (Basic & Diluted) (Refer Note 12 of Schedule 14)		14.98	7.90

Significant Accounting Policies and Notes to Accounts 14

The Schedules referred to above and the Notes to Accounts form an Integral part of Profit & Loss Account
As per our report of even date attached

For G. M. Kapadia & Co
Chartered Accounts

For and on behalf of the Board of Directors

K.Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

Place : Chennai

Place: Chennai

Dated : 10th June, 2011

Dated : 10th June, 2011

Cash Flow Statement for the year ended March 31, 2011

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
A. Cash Flow from Operating Activities:		
Net Profit before tax & extraordinary items	375,950,665	228,732,623
Adjusted for:		
Non Cash Charges:		
Depreciation	24,826,932	27,580,965
Amortisation of Software Development Exp.	155,281	112,337
Sundry Balancee written back	(450,962)	(1,665,215)
Items considered separately:		
Share of Profit of Partnership Firm	(148,619,941)	(30,524,698)
Profit on Sale of Assets	(18,089)	(71,099)
Loss on sale of asset	-	-
Interest Expenses	55,328,771	48,419,145
Interest Income	(192,994)	(56,972)
Dividend Income	(14,357,137)	(1,263)
	(83,328,139)	43,793,200
Operating Profits before Working Capital changes	292,622,526	272,525,823
Changes in Working Capital		
(Increase) / Decrease in Inventories	92,109,457	187,955,304
(Increase) / Decrease in Debtors	33,446,533	(70,606,424)
(Increase) / Decrease in Other Current Assets(207,973)	2,768,474	
(Increase) / Decrease in Loans & Advances	247,340,130	72,418,230
Increase / (Decrease) in Current liabilities	15,383,288	(240,456,338)
Cash generated from Operations	680,693,961	224,605,069
Income Tax Refund	4,930,751	2,539,692
Taxes paid	(84,546,923)	(75,488,971)
Net Cash Flow from Operating Activities	601,077,789	151,655,790
B. Cash Flow from Investing Activities		
Dividend Received	14,357,137	1,263
Interest Income	192,994	(495,779)
Sale of Fixed Assets	87,600	296,150
Redemption of Investments	800,000,000	-
Purchase of Investment	(1,230,198,621)	-
Purchase of Fixed assets	(5,503,953)	(5,120,462)
Net Cash Realised in Investing Activities	(421,064,843)	(5,318,828)
C. Cash Flow from Financing Activities		
Proceeds from borrowings	650,000,000	94,777,265
Repayment of borrowings	(749,772,110)	(142,522,438)
Interest paid	(55,328,771)	(48,419,145)
Dividend paid	(20,250,000)	(40,500,000)
Tax paid on dividend	(3,441,488)	(6,882,976)
Net Cash Realised in Financing Activities	(178,792,369)	(143,547,294)
Net Changes in Cash or Cash Equivalents (A+B+C)	1,220,577	2,789,668
Cash and Cash Equivalents - Opening balance	8,537,154	5,747,486
Cash and Cash Equivalents - Closing balance	9,757,731	8,537,154

Note: (i) Figures in bracket represents outflows

(ii) Cash & Cash Equivalent as per Schedule-7 of the Financial Statement

For G. M. Kapadia & Co
Chartered AccountsK.Y. Narayana
PartnerCA. Mallika Ravi
Chief Executive OfficerK. Srinivasan
Chief Financial OfficerH. Viswanath
Company Secretary

For and on behalf of the Board of Directors

R. Sankaranarayanan
DirectorR. V. Shekar
Managing DirectorPlace : Chennai
Dated : 10th June, 2011Place: Chennai
Dated : 10th June, 2011

Schedules to the Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
Schedule 1: Share Capital		
Authorised Capital		
75,000,000 (75,000,000) Equity Shares of Rs. 2 each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paid up Capital		
20,250,000 (20,250,000) Equity Shares of Rs. 2 each	40,500,000	40,500,000
	40,500,000	40,500,000
Schedule 2: Reserves and Surplus		
General Reserve		
Balance at the beginning of the year	110,335,969	94,338,643
Add : Transferred from Profit and Loss Account	30,341,083	15,997,326
	140,677,052	110,335,969
Balance in Profit and Loss Account	643,341,870	417,498,667
	784,018,922	527,834,635
Schedule 3: Secured Loans		
Loans from Banks and Financial Institutions		
From Catholic Syrian Bank Limited (Secured by Equitable mortgage of premises owned by the Company in the building "Westminster" and "Citi Tower")	5,068,606	199,942,831
From Catholic Syrian Bank Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Citi Tower" owned by the Company)	4,077,839	7,295,981
From Catholic Syrian Bank Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Menon Eternity" owned by the Company)	440,269,346	—
From HDFC Limited (Secured by Equitable mortgage of premises owned by the Company in the building "VTN Square")	6,320,290	8,208,435
From HDFC Limited - Rental Discount (Secured by first charge on the rent receivables and by equitable mortgage of premises "Westminster" owned by the Company)	30,026,218	35,628,842
From HDFC Limited - Rental Discount (Secured by Equitable mortgage of premises "ROMA" owned by the Company)	15,631,174	16,114,064
From HDFC Limited - Construction Finance (Secured by Equitable mortgage of premises "Menon Eternity" owned by the Company)	—	75,000,000
From HDFC Limited - Line of Credit (Secured by Negative lien on the built up area of 'Menon Eternity ' owned by the Company)	—	225,000,000
From HDFC Limited - Construction Finance (Secured by Equitable mortgage of plot of land owned by the Company)	3,019,000	70,000,000
From HDFC Limited - Direct Rupee Loan - (Secured by Equitable mortgage of plot of land owned by the Company)	57,169,202	—
From Bank (Secured by way of hypothecation of Motor Cars under Hypothecation Agreement)	1,130,154	1,567,472
	562,711,829	638,757,626
Schedule 4: Unsecured Loans		
Other Loans and Advances		
From Directors (Payable on demand)	—	14,308,706
From Others	582,393	10,000,000
	582,393	24,308,706

Schedules Forming Part of Balance Sheet

SCHEDULE 5

FIXED ASSETS

(Figures in Indian Currency)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2010	Additions during the year	Deletions during the year	As at 31.03.2011	Upto 01.04.2010	For the Year	Withdrawal during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
INTANGIBLE ASSETS										
Computer Software	561,688	214,720	—	776,408	328,379	155,283	—	483,662	292,746	233,309
Total (A)	561,688	214,720		776,408	328,379	155,283	—	483,662	292,746	233,309
TANGIBLE ASSETS										
Land	56,282,736	—	—	56,282,736	—	—	—	—	56,282,736	56,282,736
Building	439,132,169	216,625	—	439,348,794	18,813,049	7,267,596	—	26,080,645	413,268,149	420,319,120
Plant & Machinery	50,854,784	360,718	—	51,215,502	10,472,288	5,656,166	—	16,128,454	35,087,048	40,382,496
Generators	—	—	—	—	—	—	—	—	—	—
Electrical Installation	43,341,860	—	—	43,341,860	11,018,145	5,850,592	—	16,868,737	26,473,123	32,323,715
Air conditioners	31,898,896	3,228,832	—	35,127,728	7,544,169	3,547,686	—	11,091,855	24,035,873	24,354,727
Furniture & Fixtures	14,743,035	1,071,704	—	15,814,739	8,090,803	1,334,454	—	9,425,257	6,389,481	6,652,232
Computers	3,221,795	163,350	—	3,385,145	2,794,485	209,520	—	3,004,005	381,139	427,310
Office Equipment	1,161,770	248,004	76,250	1,333,524	720,336	87,303	37,728	769,911	563,612	441,434
Vehicles	9,755,145	—	678,003	9,077,142	6,374,828	873,614	647,015	6,601,427	2,475,715	3,380,317
Total (B)	650,392,187	5,289,233	754,253	654,927,167	65,828,103	24,826,932	684,743	89,970,291	564,956,876	584,564,084
Grand Total (A+B)	650,953,875	5,503,953	754,253	655,703,575	66,156,483	24,982,215	684,743	90,453,953	565,249,622	584,797,392
Previous Year	646,935,248	5,120,462	1,101,835	650,953,875	39,339,965	27,693,303	876,784	66,156,484	584,797,391	607,595,283

Schedules to the Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
Schedule 6: Investments (Fully Paid) Long Term (Non Trade at Cost) In Subsidiary Companies		
250,000 (250,000) equity shares of Lancor Maintenance & Services Limited of Rs.10 each	100,000	100,000
50,000 (50,000) Equity Shares of Lancor Projects Limited of Rs. 10 each	900,000	900,000
50,000 (50,000) Equity Shares of Lancor Realty Limited of Rs. 10 each	500,000	500,000
50,000 (Nil) Equity Shares of Lancor Guduvanchery Developments Limited of Rs. 10 each	500,000	—
In the Capital of Partnership Firms		
Investment in the Capital of Partnership Firm "Central Park West Venture"	20,000,000	20,000,000
In Others		
21,000 (21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	2,476,800	529,300
Current Investments Mutual Fund		
Investments in Birla Sun Life Savings Fund - Inst.-Daily Div Reinvestment {{{(33,058,972.481 units @ Rs. 10.0068 per unit)(PY-Nil)}} (Face value of Rs.10 each)}	330,814,526	—
Investments in IDFC Money Manager Fund - Super Institutional Div. Reinv.daily {{{(35,22,186.710 units @ Rs. 10.0015 per unit)(PY-Nil)}} (Face value of Rs. 10 each)}	35,227,150	—
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {{{(381,778.083 units @ Rs. 105.7350 per unit)(PY-Nil)}} (Face value of Rs.100 each)}	40,367,306	—
Investments in Templeton India Ultra Short Bond Fund - Institutional Div. Reinv.daily {{{(21,31,847.530 units @ Rs. 10.0111 per unit)(PY-Nil)}} (Face value of Rs.10 each)}	21,342,139	—
	452,227,921	22,029,300
Schedule 7: Current Assets, Loans and Advances		
Current Assets Inventories		
a) Opening Stock of Unsold Premises	4,375,000	4,625,000
Add:- Transfer from Construction Work in Progress	24,020,438	—
	28,395,438	4,625,000
Less:- Sale of Premises	—	250,000
Closing Stock of Unsold Premises	28,395,438	4,375,000
b) Stock of Materials at Site	8,680,815	6,336,829
c) Land and Construction Work in Progress at Cost		
Opening Land and Construction Work in Progress Residential	310,064,105	504,106,238
Add:- Expenditure incurred during the year Cost of Land	45,202,999	4,162,123
Material consumed	166,719,296	149,795,039
Contractual Payment	320,625,222	231,071,999
Borrowing cost	23,586,411	25,186,282
Development Charges	11,288,333	25,454,044
Power and Fuel	8,821,166	2,533,733
Rates & Taxes	12,888,310	7,454,105
Professional Fees	28,841,339	21,581,264
Other Expenses	29,723,389	24,236,549
	647,696,466	491,475,138
Less:- Transferred to Project Expenses Account	735,710,579	675,856,973
Less:- Transferred to Land Owners Account	6,439,330	9,660,298
Less:- Transferred to Stock	24,020,438	—
Land and Construction Work in Progress at Cost	191,590,224	310,064,105
	7.1—————	
	228,666,477	320,775,934
Sundry Debtors (Unsecured and Considered good)		
Outstanding for a period over six months	14,357,352	590,305
Outstanding for a period less than six months	39,647,371	86,860,950
	7.2—————	
	54,004,722	87,451,255

Schedules to the Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
Cash & Bank balances		
Cash on hand	72,573	127,789
Balance with Scheduled banks		
in Current Accounts	5,180,839	4,609,365
in Deposit Accounts	4,504,320	3,800,000
	7.3	
	9,757,731	8,537,154
Other Current Assets		
Deposits	8,713,685	8,586,923
Interest accrued but not due	100,751	19,540
Income Tax / Sales Tax refund Due	—	4,930,751
	7.4	
	8,814,436	13,537,214
Sub Total	301,243,367	430,301,557
Loans and Advances (Unsecured and Considered good)		
Advances to Subsidiaries		
Lancor Projects Limited	8,176	—
(Maximum outstanding during the year Rs.790,352 (PY - Rs.Nil)		
Lancor Realty Limited	7,462	—
(Maximum outstanding during the year Rs.180,007 (PY - Rs.Nil)		
Lancor Guduvanchery Developments Limited	100,284,316	—
(Maximum outstanding during the year Rs.100,284,316 (PY - Rs.Nil)		
Advance to Partnership firm in which Company is a partner		
Central Park West Venture	150,392,153	373,237,925
(Maximum outstanding during the year Rs. 434,796,614		
(P.Y - Rs. 424,481,570)		
Advances receivable in Cash or in Kind or for value to be received	95,512,141	48,315,862
Less: Provision for Bad & Doubtful Advances	1,000,000	1,000,000
	94,512,141	47,315,862
EMD with Land Owners	16,250,000	38,200,000
Security Deposit	2,692,000	3,412,000
Capital Advance	452,568	—
Advance for Income Tax (Net of Provisions)	6,449,185	—
Sub Total	7.5	
	371,048,001	462,165,787
Total	672,291,368	892,467,344
Schedule 8: Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors		
Micro, Small and Medium enterprises	—	—
Other than Micro, Small and Medium enterprises	91,758,701	101,288,981
Unclaimed Dividend	673,399	739,274
Advance received from Customers	1,000,000	1,516,460
Liabilities for Duties and Taxes	13,982,871	3,816,969
Rent Deposit	145,321,676	130,442,636
	8.1	
	252,736,646	237,804,320
Provisions		
Provision for Income Tax (Net of Advance Tax)	—	5,956,802
Proposed Dividend	40,500,000	20,250,000
Corporate Dividend Tax	6,726,544	3,441,488
Provision for Employees Benefit	3,972,660	2,819,441
	8.2	
	51,199,204	32,467,731
Total	303,935,850	270,272,051

Schedules to Profit and Loss Account for the year ended March 31, 2011

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
Schedule 9: Other Income		
Interest Income (TDS Rs.21,868/- (P.Y Rs. 2,188)	192,994	56,972
Interest Income on Income Tax Refunds	—	836,933
Dividend Income	14,357,137	1,263
Profit on Sale of Investments / Assets	18,089	71,099
Miscellaneous Income	450,962	1,665,215
	15,019,182	2,631,482
Schedule 10: Property Development Expenses		
Land and Construction Expenses	735,710,579	675,856,973
Completed Project Maintenance	8,623,898	7,041,775
Sale of Premises	—	250,000
	744,334,477	683,148,747
Schedule 11: Employee Costs		
Salaries and Bonus	24,768,043	11,891,788
Contribution to Provident and other funds	1,850,249	952,760
Staff welfare and other benefits	991,405	322,710
	27,609,697	13,167,258
Schedule 12: Administration And Other Overheads		
Directors' sitting fees-Board Meeting	110,000	145,000
Advertisement and Sales Promotion	2,467,014	4,085,279
Printing & Stationery	827,956	761,247
Communication costs	948,876	727,656
Traveling & Conveyance	1,911,735	2,239,975
Vehicle Maintenance	1,322,679	1,016,910
Rates & Taxes	2,168,046	1,749,184
Legal Expenses & Professional fees	8,031,373	6,036,967
Repairs & Maintenance		
- Building	1,594,974	1,367,242
- Plant & Machinery	134,946	75,255
- Others	503,574	289,217
Rent	2,545,042	2,694,022
Electricity	456,218	386,359
Insurance	331,874	302,167
Brokerage	3,603,051	1,114,441
Loss on sale on Assests	—	—
Other Sundry Expenses	3,174,744	3,372,884
Auditors Remuneration:		
- Statutory Audit Fees	551,500	551,500
- Tax Audit Fees	110,300	110,300
	30,793,902	27,025,603
Schedule 13: Finance Expenses		
Interest Paid to Banks & Financial Institutions	77,137,058	55,230,347
Interest Paid to others	74,650	16,920,865
Loan Processing, preclosure & Other Charges	1,544,752	1,343,933
Bank Charges & Commission	158,723	110,282
	78,915,182	73,605,427
Less: Borrowing Cost transferred to Work In Progress		
Residential	23,586,411	25,186,282
	55,328,771	48,419,145

SCHEDULE NO. 14: SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**A SIGNIFICANT ACCOUNTING POLICIES****1. SYSTEM OF ACCOUNTING:**

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

2. USE OF ESTIMATES

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

3. INVENTORIES

Inventory comprises of property held for sale, property under construction (work in progress) and stock of construction materials.

Unsold premises held as stock in trade are valued at cost. Cost of construction/ development material is valued at lower of cost or net realizable value. Work-in-Progress comprises of cost of acquisition of land, if any, construction & development expenses, and borrowing cost. Necessary provisions are considered if net realizable value of premises is less than cost. The Company values the cost of inventories on FIFO basis.

4. FIXED ASSETS**a) Intangible Assets**

- i) Intangible assets are recognized if they are separately identifiable and the Company expects to receive the future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment if any. Intangible assets comprises of Computer Software.

b) Tangible Assets

The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

5. DEPRECIATION / AMORTISATION:

- a) Computer Software is amortised over a period of five years.
- b) Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment of assets, depreciation is provided on the revised carrying amounts of assets over its remaining useful life.
- c) The depreciation in case of buildings is provided on straight line method at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.
- d) Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

6. A) RECOGNITION OF REVENUE & EXPENDITURE OF PROPERTY DEVELOPMENT BUSINESS:

- a) The Company adopts the accrual system of accounting. Revenue is recognised as and when there is a reasonable certainty of its ultimate realisation.
- b) Revenue from real estate projects under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property and is accounted on percentage completion method.

Sales consideration includes the aggregate amounts of the sales price of the land and the development consideration as per the agreements entered into with the buyer and is recognised as a percentage of the construction cost incurred for work performed upto the reporting date bear to the estimated construction cost of the project.

- c) The expenditure incurred is accumulated under the head work-in-progress and collections are accumulated and carried forward under the head advance received from customers.
- B)** Dividend income is recognized when the right to receive is established.
- C)** Interest income is recognized on accrual basis.

7. INVESTMENTS:

- a) Long term investments in shares and capital of partnership firm are stated at cost. The provision for diminution in the value of long term investment is made if such a diminution is other than temporary in nature.
- b) Current investments are stated at lower of cost or fair value.

8. EMPLOYEE BENEFITS:

- a) **Defined Contribution Plans**
Contributions paid/payable to defined contribution plan comprising of provident funds to employees is recognised in the profit and loss account each year.
- b) **Defined Benefit Plans**
Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.
- c) **Short-term employee benefits**
Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

9. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

10. LEASES:

Lease arrangements where the risk and rewards incident to the ownership of the asset substantially vest with the lessor are recognized as operating lease.

a) As Lessee – Operating Lease:

Lease rentals in respect of assets taken on operating lease are charged to profit and loss account over the lease term on systematic basis which is more representative of the time pattern of the Companies benefit.

b) As Lessor – Operating Lease:

Lease income is recognized in the Profit and Loss Account over the lease term on systematic basis which is more representative of time pattern of Companies benefit.

- c) Initial direct cost is charged to profit & loss account in the year of lease.

11. TAXES ON INCOME

- a) Provision for current tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of

reversal in one or more subsequent periods. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the profit & loss account in the period of enactment of the change.

12. IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- a) A provision is recognised when the Company has a present obligation as a result of the past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed on each balance sheet date to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of
 - i. a probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of out flow of resources is remote.
- c) Contingent assets are neither recognized nor disclosed.

B NOTES TO ACCOUNTS

1. Certain disputes have arisen with the owners of land with whom the Company has entered into a joint venture agreement in respect of Menon Eternity Project. The land owners have filed criminal complaint before the Metropolitan Magistrate against the Company, the Managing Director and certain officials of the Company. The Madras High Court has stayed the matter. The land owners have also filed a civil suit and interim applications. The Madras High Court has dismissed all the interim applications and the main suit is pending. The High Court has appointed single retired judge of the Madras High Court as the sole Arbitrator. The Company has made claim of Rs. 99,847,408 while the land owners has made a counter claims aggregating to Rs. 629,755,353 which has been refuted by the Company by filing a rejoinder. Subsequently as per the interim order of the sole Arbitrator the Company has given the possession of area belonging to the land owner`s on receipt of Rs.4.82 crores being refundable deposits from them along with a bank guarantee of Rs.1.66 crores to be deposited with Arbitrator and the matter is pending. In view of the management, the claims of the land owners are frivolous and are not sustainable. Accordingly claims are not acknowledged as debts.
2. **CONTINGENT LIABILITIES**
 - a) Outstanding Letter of Credit Rs. Nil. (Previous year Rs. Nil)
 - b) Claims against the Company not acknowledged as debt is Rs.Nil (Previous year Rs.Nil)
3. Capital commitment - Nil (Previous Year Nil)
4. The Company is in the business of Property Development. The details required to be disclosed as per para 4C and para 4D of Part II of the Companies Act, 1956 have been furnished to the extent applicable to the Company:

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
a) Value of imports on CIF basis		
Purchase of construction material	16,073,759	10,422,438
Capital goods	Nil	Nil
b) Expenditure in foreign currency	1,262,950	1,691,595
c) Earnings in foreign currency	Nil	Nil
d) No dividend has been remitted in foreign currency during the current year and previous year		

5 Managerial Remuneration under Section 198 of the Companies Act, 1956

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
a) Salary	2,584,839	1,642,258
b) Contribution to Provident Fund	310,181	197,071
c) Perquisites in cash or kind	1,233,646	545,551
d) Gratuity	1,350,000	184,615

6. The Company is in the process of compiling the relevant information from its creditors about their coverage under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). None of the enterprises have responded till date regarding their status under the said Act.

7. **EMPLOYEE BENEFITS**

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at March 31, 2011.

(Figures in Indian Currency)

Category	As at March 31, 2011	As at March 31, 2010
1 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	2,763,591	2,755,010
Current service cost	290,667	220,401
Interest cost	221,087	765,891
Liability Transfer in	77,885	-
Benefits paid	(35,337)	-
Actuarial (gain) / loss	600,167	(977,710)
Projected benefit obligations at end of the year	3,918,060	2,763,591

Category	As at March 31, 2011	As at March 31, 2010
2 Change in plan assets:		
Plan assets at the beginning of the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss	(600,167)	Nil
Contributions	35,337	Nil
Benefits paid	(35,337)	Nil
Plan assets at the end of the year	Nil	Nil
3 Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil
Present value of the defined benefit obligations at the end of the year	3,918,060	2,763,591
Liability / (Asset) recognised in the balance sheet	3,918,060	2,763,591
4 Cost for the year		
Current service Cost	290,667	220,401
Interest cost	221,087	765,891
Expected return on plan assets	-	-
Actuarial (gain) / loss	600,167	(977,710)
Net cost recognised in the profit and loss account	1,111,921	8,581
5 Assumptions		
Interest rate for discount	8.25%	8%
Estimated rate of return on plan assets	0%	0%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
Salary Escalation	10%	10%

8. Borrowing costs amounting to Rs. 23,586,411 (Previous Year - Rs. 25,186,282) have been capitalized as part of respective qualifying assets.

9. SEGMENT REPORTING

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Therefore, disclosures required by AS 17 are given in consolidated financial statements.

10. Following current investments were purchased and sold during the year

Sl. No.	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
1.	Templeton India Ultra Short Bond Fund Institutional Plan - Daily Dividend Reinvestment	15,122,597.786	151,393,838.70	12,990,750.257	130,051,699.90
2.	Kotak Floater Long Term - Daily Dividend	3,983,908.834	40,157,004.26	3,983,908.834	40,157,004.26

Sl. No.	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
3.	GFCD IDFC Money Manager Fund - TP - Super Institutional Plan C - Daily Dividend	15,133,259.925	151,355,299.14	15,133,259.925	151,355,299.14
4.	Sundaram Ultra ST Fund Super Institutional Daily Dividend Reinvestment	24,262,600.878	243,523,725.01	24,262,600.878	243,523,725.01
5.	DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment	16,116,570.158	161,454,188.19	16,116,570.158	161,454,188.19
6.	Birla Sun Life Savings Fund - Institutional - Daily Dividend Reinvestment	41,053,536.195	410,814,526.00	7,994,563.697	80,000,000.00
7.	ICICI Prudential Flexible Income Plan Premium - Daily Dividend	381,778.087	40,367,306.00	—	—
8.	IDFC Money Manager Fund - TP - Super Institutional Plan C - Daily Dividend	3,522,186.672	35,227,150.00	—	—
	Total	119,576,438.53	1,234,293,037.30	80,481,653.75	806,541,916.50

11. RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Under the control of the Company:

1. **Subsidiaries:**
 - a) Lancor Maintenance & Services Limited
 - b) Lancor Realty Limited
 - c) Lancor Projects Limited
 - d) Lancor Guduvanchery Developments Limited
2. **Joint Ventures**
 - a) Central park West Venture

Particulars of transactions with the Related Parties:

(Figures in Indian Currency)

Nature of Transactions	Subsidiaries	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
EXPENDITURE				
Remuneration Paid				
R. V. Shekar			5,478,666 (2,569,494)	5,478,666 (2,569,494)
Interest Paid				
Mr. R. V. Shekar			72,132 (6,720,027)	72,132 (6,720,027)

Nature of Transactions	Subsidiaries	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
INCOME				
Income from Property Development				
Lancor Projects Limited	9,10,666 (2,014,334)			10,927,988
Lancor Realty Limited	2,731,997 (6,043,003)			(24,172,012)
Lancor Maintenance and Services Limited	72,85,325 (16,114,675)			
Brokerage Paid				
Lancor Realty Limited	2,200,320 (1,126,603)			2,200,320 (1,126,603)
Maintenance Charges Paid				
Lancor Maintenance and Services Limited	223,391 (Nil)			223,391 (Nil)
Project Management Fee				
Lancor Projects Limited	15,999,055 (15,624,185)			15,999,055 (15,624,185)
OTHER TRANSACTIONS				
Net Advances during the year				
Central Park West Venture		371,465,712 (81,768,343)		371,465,712 (81,768,343)
Advances received towards sale of property				
Lancor Projects Limited	Nil (2,925,000)			
Lancor Realty Limited	Nil (7,528,000)			Nil (33,853,000)
Lancor Maintenance and Services Limited	Nil (23,400,000)			
CLOSING BALANCES				
Unsecured Loans				
Lancor Maintenance & Services Limited	582,393 (Nil)			582,393
R.V.Shekar			Nil (14,308,706)	(14,308,706)

Nature of Transactions	Subsidiaries	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
Advances				
Lancor Projects Limited	8,176 (Nil)			250,692,107 (373,237,925)
Lancor Realty Limited	7,462 (Nil)			
Lancor Guduvanchery Developments Limited	100,284,316 (Nil)			
Central Park West Venture		150,392,153 (373,237,925)		

Note: i) Details of debits/credits in the nature of reimbursements are not included in the above.

12. Leases

In the Capacity as a Lessor

- a) The significant lease arrangements in terms of AS 19 entered into by the Company are in respect of constructed premises which have been given on rental and office premises which have been taken on lease.

Particulars	For the Year ended 31st March 2011 Amount (In Rs.)	For the Year ended 31st March 2010 Amount (In Rs.)
Rental Income credited to Profit and Loss Account.	100,921,914	76,674,251
Not later than one year	108,111,189	83,615,210
Later than one year and not later than five years	87,033,029	158,488,546
Later than five years	Nil	24,542,398

Note: i) Details of debits/credits in the nature of reimbursements are not included in the above.

12. Leases

In the Capacity as a Lessor

- b) The Cost of building includes buildings given on lease estimated at Rs.433,542,231 (previous year Rs. 433,325,606) and Accumulated Depreciation Rs.25,527,337(previous year Rs. 18,365,420). There is no impairment in respect of these assets.
- c) The Cost of other assets given on lease is given below. There is no impairment in respect of these assets.

(Figures in Indian Currency)

Class of Assets	Gross Carrying Amount		Accumulated Depreciation	
	Year ended March 31,		Year ended March 31,	
	2011	2010	2011	2010
Plant and Machinery	50,661,848	50,301,130	15,991,290	10,402,417
Furniture	6,420,977	5,720,977	3,777,990	3,234,575
Air Conditioner	33,513,255	30,338,423	10,105,965	6,656,545
Electrical Installation	42,291,816	42,291,816	16,206,388	10,441,476

In the Capacity as a Lessee

Rental Expenses debited to Profit & Loss Account amounted to Rs. 2,545,042(Previous Year - Rs. 2,694,022).

13. EARNINGS PER SHARE:*(Figures in Indian Currency)*

Particulars	Year ended March, 31	
	2011	2010
	Basic and Diluted	Basic and Diluted
Profit after tax as per Profit & Loss Account	303,410,830	159,973,256
Weighted average number of Equity shares outstanding	20,250,000	20,250,000
EPS (Rupees) of face value Rs. 2 each	14.98	7.90

14. DEFERRED TAX ASSETS / (LIABILITIES) (NET)*(Figures in Indian Currency)*

Particulars	Year ended March, 31	
	2011	2010
Deferred Tax Liabilities		
a) Difference between book and tax depreciation	288,379	Nil
b) Other Deferred Tax Liabilities	415	Nil
Total (A)	288,795	Nil
Deferred Tax Assets		
a) Difference between book and tax depreciation	Nil	449,743
b) Disallowance under Income tax	1,936,702	1,589,338
c) Provision for Doubtful Advances	332,175	339,900
Total (B)	2,268,877	2,378,981
Deferred Tax Assets / (Liabilities) (Net) (B-A)	1,980,083	2,378,981

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net Deferred Tax Asset as at 31st March 2011 of Rs. 1,980,083 and Rs.398,898 has been debited to the profit & Loss account.

15. Particulars of Investment in Capital of Partnership Firm 'Central Park West Venture':*(Figures in Indian Currency)*

Sl. No.	Name of the Partners	Profit sharing percentage	Capital as on March 31,	
			2011	2010
1	Lancor Holdings Limited	90.38	20,000,000	20,000,000
2	Lancor Maintenance & Services Limited	0.16	1,000,000	1,000,000
3	Clasic Farms (Chennai) Limited	9.47	20,000,000	20,000,000

16. In compliance with the Accounting Standard relating to 'Financial Reporting of Interest In Joint Ventures' (AS 27), as prescribed in Companies Accounting Standard Rules, 2006, the Company has interest in a jointly controlled entity (Partnership Firm).

As stated above, the Company is also partner in one partnership firm which is formed in India.

Financial interest of the Company in the jointly controlled entities is as under. (before inter Company eliminations)

(Figures in Indian Currency)

Company's Share of	Year ended March, 31	
	2011	2010
Assets	242,340,758	436,848,250
Liabilities	90,736,238	82,063,702
Income	770,832,201	134,108,589
Expenditure	562,072,083	103,583,850
Capital commitments	Nil	Nil
Contingent liabilities	Nil	Nil

17. Disclosure as required by clause 32 of listing agreement with the stock exchange

Type of Relationship	Name	Amount outstanding as on March 31, 2011	Maximum amount outstanding during the year
Subsidiaries	Lancor Projects Limited	8,176	790,352
Subsidiaries	Lancor Realty Limited	7,462	180,007
Subsidiaries	Lancor Guduvanchery Developments Limited	100,284,316	100,284,316

Note: No loans have been granted by the Company to any person for the purpose of investing in the shares of the Lancor Holding Limited or any of its subsidiaries.

18. Previous year's figures have been regrouped, reclassified and recast wherever considered necessary so as to confirm with the current year's figures.

For G. M. Kapadia & Co
Chartered Accounts

K.Y. Narayana
Partner

CA. Mallika Ravi
Chief Executive Officer

R. Sankaranarayanan
Director

R. V. Shekar
Managing Director

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on behalf of the Board of Directors

Place : Chennai
Dated : 10th June, 2011

Place: Chennai
Dated : 10th June, 2011

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander
R.Sankaranarayanan

REGISTERED OFFICE

“VTN SQUARE”, 2nd FLOOR
58, G N Chetty Road
T. Nagar
Chennai – 600 017

BANKERS

Standard Chartered Bank
IDBI Bank Ltd

AUDITORS

S.Narasimhan & Co.
Chartered Accountants, Chennai

REPORT OF THE BOARD OF DIRECTORS

To the members,

Your Directors have great pleasure in presenting the Fifteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011 and the Auditors' report thereon.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2010-2011	2009-2010
Income from Operations	692.80	296.09
Less : Expenditure	573.40	214.54
Profit before Interest, Depreciation and tax	119.39	81.55
Interest	—	0.02
Depreciation	5.08	5.25
Profit before tax	114.32	76.28
Provision for Tax -	34.29	25.62
Current Tax	35.50	24.88
Deferred Tax	(0.98)	(0.74)
Short/ (Excess) of Previous Year	(0.22)	—
Profit after Tax	80.02	50.66
Profit Available for Appropriation	315.06	235.04
Balance Carried to Balance Sheet	315.06	235.04

For the year ended 31st March, 2011, the Company has earned a total income of Rs. 69,280,170/- against previous year's Rs. 29,609,687/- and has made Profit After Tax of the Rs. 8,002,179/- as compared to Rs.. 5,065,915 /- in the previous year.

BUSINESS OUTLOOK

Over the next few years the number of apartments which your company will maintain is expected to cross 3000 in all which will boost revenues of the company. Significant contributions are also expected from the commercial properties that are owned by the parent company and maintained by the company. As operations increase, but remain within the geographical territory of Chennai, it is quite likely that services provided by the company will broaden beyond the company's parent's projects to projects developed by others. The breadth of services rendered is also likely to get expanded. Special emphasis is being made for training of employees and for this purpose a training centre is proposed in the vicinity of one of the projects.

Dividend

In order to conserve the liquid resources and enhance shareholders value, Your directors have not recommended any dividend during the year under report.

Fixed Deposits

Your Company has not accepted any fixed deposits during the year under review.

Subsidiaries / Joint Ventures

Your Company continues to be the Subsidiary of Lancor Holding Limited. There is no Joint Venture Company.

Insurance

All insurable interests are adequately insured.

Lancor Maintenance & Services Limited

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required particulars are furnished below.

Conservation of energy:

Energy conservation continues to receive utmost priority and the Company monitors energy costs and reviews the consumption of energy on a regular basis. The Company wherever necessary also initiates appropriate measures to reduce consumption of electricity, including using Generator.

Technology Absorption

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable as the Real Estate Activities is the business activities

Research and Development:

Not Applicable

Foreign exchange earnings and outgo:

There are no foreign exchange earning and outgo during the year under review.

Employees

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year. During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors confirm that they had:

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the PROFIT of the Company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. Prepared the Accounts on a going Concern basis.

Buy Back of Shares

The Company has not bought back any of its shares during the year under review

Board of Directors

The Board of Directors of the Company consists of Mr. R.V.Shekar, Mrs. Shyamala Shekar, Mr. Chander Viswanathan, nominees of Lancor Holdings Limited. and Mr.R.Sankaranarayanan, Independent Director.

Pursuant to the Articles of Association Mr.V Chander & Mrs. Shyamala Shekar, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Yours Directors recommend their appointment and the same is included in the notice calling the meeting.

COMPLIANCE CERTIFICATE

As per the Provisions to sub section (1) of Section 383A of Companies Act, 1956 Every Company having a paid up Share Capital of Rs.10 lakhs or more But less than Rs.5 Crores is required to file with the Registrar of Companies a

Compliance Certificate from a Company Secretaries in Practice, and the said Certificate required to be attached with the Board's Report.

Members are hereby informed that, M/s.Rabi Narayan & Associates, Company Secretaries, Chennai, is our Company Secretary to issue Compliance Certificate and Compliance Certificate issued by them are enclosed herewith, forming part of this report.

AUDITORS AND AUDITORS' REPORT

The retiring auditors, M/s.S.Narasimhan Co., Chartered Accountants have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Board of Directors recommend to the members to appoint them as auditors and fix their remuneration.

The Auditors' Report to the Members does not contain any qualification and / or adverse remarks.

ACKNOWLEDGEMENT

Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all levels for the growth of the company.

For and on behalf of the Board of Directors
LANCOR MAINTENANCE & SERVICES LIMITED

Shyamala Shekar
Director

R.V. Shekar
Director

Place : Chennai

Dated : 3rd June, 2011

SECRETARIAL COMPLIANCE CERTIFICATE

(Pursuant to Section 383A of the Companies Act, 1956)

CIN. : U70101TN1996PLC036569
Nominal Capital : Rs.1,00,00,000/-

To

The Members of

M/s. LANCOR MAINTENANCE & SERVICES LIMITED,

ARIHANT VTN SQUARE, II Floor,

No.58, G.N.Chetty Road,

T.Nagar, Chennai - 600 017.

We have examined the registers, records, books and papers of **M/s. LANCOR MAINTENANCE & SERVICES LIMITED** (the Company), as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March,2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under.
3. The Company, is a Public Limited Company under section 3(1)(iv) of the Companies Act, 1956 and having the minimum prescribed paid up share capital.
4. The Board of Directors duly met five (05) times on 09-04-2010, 01-06-2010, 26-07-2010, 25-10-2010 and 24-01-2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not opted to close its Register of Members during the financial year, under review.
6. The Annual General Meeting for the financial year ended on 31-03-2010 was held on 26-06-2010 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced loan to its Directors and/ or persons or firms or companies, referred in the Section 295 of the Act.
9. The Company has not entered into any arrangement/ contract falling with the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.
13. (i) The Company has not allotted any securities during the financial year under review. There was no transfer or transmission of securities during the year under review.
(ii) The Company was not required to deposit any amount in a separate Bank account, as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any members of the Company, as no dividend was declared during the financial year.
(iv) The Company was not required to transfer the amount in unpaid dividend account, Matured deposit, and the interest accrued thereon as there was no amount which have remained unclaimed or unpaid for a period of seven years to Investors Education and Protection Fund.

- (v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional, alternative or directors to fill casual vacancies during the year under review.
 15. The Company has not appointed any Managing Director/Whole Time Directors/Manager during the financial year, hence comment on the compliance of provision of Section 269 read with Schedule XIII to the Act and approval of Central Government are not required.
 16. The Company has not appointed any sole selling agents during the financial year under review.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in the Firms/Companies to the Board of Director pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued/allotted any shares / debentures/ other securities during the financial year under review.
 20. The Company has not bought back any Shares during the financial year under review.
 21. The Company has not issued any Preference Shares/ debentures pending redemption, hence comments on redemption are not required.
 22. As explained to us, there were no transactions necessitating the Company to keep in abeyance the rights to dividend and bonus Shares, pending registration of transfer of Shares.
 23. The Company has not accepted any deposits, including unsecured loan falling within the preview of Section 58A and 58AA of the Act and rules made there under, during the financial year.
 24. The company has not borrowed any money during the financial year under review.
 25. The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate. The Company has made investment in Mutual Funds Schemes floated by various Asset Management Companies in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of association with respect to name of the Company during the year under scrutiny.
 31. As per the records maintained by and explanation given to us, there were no prosecution initiated against or shows cause notices received by the Company for alleged offences under the Act and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The provisions of Section 418 of the Act are not applicable to this Company during the year under review.

For Rabi Narayan & Associates
Company Secretaries

Rabi Narayan Pal
Partner
C.P.No.3480

Place : Chennai
Date : 03.06.2011

CIN. : U70101TN1996PLC036569
 Nominal Capital : Rs.1,00,00,000/-

ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'A'

M/s. LANCOR MAINTENANCE & SERVICES LIMITED

Registers and Returns, as Maintained by the Company

SN	Name of Register	Under Section
01	Register of Members	150
02	Copies of the Annual Returns	159
03	Minutes Book of Board of Directors	193
04	Minutes Books of General Body of shareholders	193
05	Books of Accounts	209
06	Register of Directors, MD and Secretary	303
07	Register of Directors' Shareholdings	307
08	Register of Contracts and Disclosure	301
09	Register of Loans, Investments, Guarantee & Securities	372A
10	Share Transfer Register	108

ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'B'

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

S. No.	Description of Forms / Returns	Date of filing	Whether filed within prescribed time (yes/No)	If delay, whether requisite additional fee paid (yes/No)
01	Form 20B along with Annual Return(SH-5), Filed u/s 159(1) for the AGM held on 26-06-2010	19-07-2010	Yes	No
02	Form 23AC along with Balance Sheet & Form 23ACA along with Profit and loss Account(SH-6), Filed u/s 220 for the year ended 31-03-2010	19-07-2010	Yes	No
03	Form 66 along with C-Com, filed u/s 383A for the year ended 31-03-2010	19-07-2010	Yes	No

Regional Director : Nil
 Company Law Board : Nil
 Central Government : Nil

**REPORT OF THE AUDITORS TO THE MEMBERS OF
LANCOR MAINTENANCE & SERVICES LIMITED**

We have audited the attached Balance Sheet of **LANCOR MAINTENANCE & SERVICES LIMITED, CHENNAI** as at March 31, 2011 and the Profit and Loss Account of the Company 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. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our 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.

As required by the Companies [Auditor's Report] order 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that :-

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- iii. The Balance sheet and Profit & Loss dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of confirmation received from the other companies in which the Directors are Directors or in their absence, confirmation from the Directors concerned, none of the Director of the company prima-facie as of 31 03 2011 is disqualified from being appointed as a Director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Los account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner required and give a true and fair view:
 - i. In so far as it relates to the balance sheet, of the state of affairs of the company as at March 31,2011; and
 - ii. In so far as it relates to the Profit and Loss Account, of the profit for the year ended on the date

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 03 06 2011

S.NARASIMHAN
PROPRIETOR

ANNEXURE REFERRED TO AUDITOR'S REPORT OF EVEN DATE:

On the basis of such checks as considered appropriate and in terms of information and explanation given to us, we state that:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The company has a programme of physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
- b. Since there is no substantial disposal of fixed assets during the year; the preparation of financial statements on a going concern basis is not affected on this account.
- c. There is no inventory.
- d. In our opinion and according to the information and explanations given to us the company has granted loan to the company listed in the register maintained under section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of which are prima-facie not prejudicial to the interest of the company.
- e. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of stores and fixed assets and for the income from maintenance.
- f. The company has a reasonable system of recording the receipts and issues of stores. The same has been duly allocated to the related projects. As regards expenditure, certain expenditure are scientifically apportioned.
- g. In our opinion and according to the information and explanations given to us, the transactions are entered in the register in pursuance of section 301 of the Companies Act, 1956.
- h. In our opinion and according to the information and explanations given to us the company has not invited or accepted fixed deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder are applicable.
- i. The company has an Internal Audit System commensurate with the size and nature of business.
- j. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209[i][d] of the Companies Act, 1956.
- k. On the basis of the records of the company there were no undisputed statutory dues payable in respect of Provident Fund, ESI, Income Tax, Wealth Tax, Sales tax, Customs duty and Excise Duty outstanding for more than six months from the date they became payable to the end of the financial year.
- l. Since there is no accumulated loss, the requirement of clause [x] of paragraph 4 of the Order is not applicable to the company.
- m. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- n. The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence the requirement of clause [xiii] of paragraph 4 of the Order is not applicable to the company.
- o. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- p. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
- q. According to the information and explanations given to us, no preferential allotment of shares have been made by the company to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.

- r. The company has not issued any debentures. Hence the requirement of clause [xix] of paragraph 4 of the Order is not applicable to the company.
- s. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the company has been noticed or reported during the year.

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 03 06 2011

S.NARASIMHAN
PROPRIETOR

Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
I SOURCES OF FUNDS			
Shareholders' Funds			
(a) Share Capital	1	2,517,500	2,517,500
(b) Reserves & Surplus	2	32,526,249	24,524,070
		35,043,749	27,041,570
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	4,179,548	2,958,818
Less : Depreciation		1,766,769	1,258,703
Net Block		2,412,779	1,700,115
INVESTMENTS	4	29,356,920	1,000,000
DEFERRED TAX ASSETS (NET)		347,028	248,669
CURRENT ASSETS, LOANS AND ADVANCES	5		
Cash & Bank Balances		11,954,369	9,973,856
Sundry Debtors		19,702,248	5,642,037
Other Current Assets		617	617
Loans & Advances		6,962,228	28,360,529
		38,619,462	43,977,041
CURRENT LIABILITIES & PROVISIONS	6		
Current Liabilities		31,759,862	17,131,675
Provisions		3,932,578	2,752,579
		35,692,440	19,884,254
NET CURRENT ASSETS		2,927,022	24,092,785
		35,043,749	27,041,570
Notes to Accounts & Significant Accountig Policies	10		

As per our Report of even date
For S NARASIMHAN & CO,
Chartered Accountants
Firm Registration No.002349S

For and on behalf of the Board

S Narasimhan
Proprietor
Membership No.020875

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
Dated: June 3, 2011

Chennai
Dated: June 3, 2011

Profit and Loss Account for the Year Ended March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
INCOME			
Income from Maintenance Operations		40,814,961	26,140,037
Sale of apartments		26,758,125	-
Other Income	7	1,707,084	3,469,650
TOTAL INCOME		69,280,170	29,609,687
EXPENDITURE			
Maintenance Expenditure		27,475,093	15,744,918
Purchase cost of apartments		23,400,000	—
Employee Costs	8	5,439,415	4,732,233
Administration and Other Overheads	9	1,026,073	978,042
Interest & Finance charges		—	1,803
Depreciation		508,066	524,956
TOTAL EXPENDITURE		57,848,647	21,981,952
Profit / (Loss) before tax		11,431,523	7,627,735
Tax Expenses -			
Current Tax		3,550,000	2,488,000
Fringe Benefit Tax		—	—
Deferred Tax		(98,358)	(73,820)
Short / (Excess) Provision for Tax of Previous Years		(22,298)	—
Profit / (Loss) after tax		8,002,179	5,065,915
Add : Previous Year's balance brought forward		23,504,179	18,438,264
Available for Appropriation		31,506,359	23,504,179
Transfer to General Reserves		—	—
Balance carried to Balance Sheet		31,506,359	23,504,179
Basic / Diluted Earning Per Share (Face Value of Rs. 10/- per share)		31.79	20.12
Notes to Accounts & significant accountig Policies	10		

As per our Report of even date

For and on behalf of the Board

For S NARASIMHAN & CO,
Chartered Accountants
Firm Registration No.002349S

S Narasimhan
Proprietor
Membership No.020875

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
Dated: June 3, 2011

Chennai
Dated: June 3, 2011

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 1:		
SHARE CAPITAL		
Authorised Capital		
10,00,000 Equity shares of Rs.10/- each	10,000,000	10,000,000
Issued , Subscribed and Paid up Capital		
2,51,750 Equity shares of Rs.10/- each	2,517,500	2,517,500
<p>(250,000 shares of Rs. 10/- each is held by Lancor Holdings Limited, the Holding Company, of the above 2,40,000 equity shares of Rs. 10 each is allotted as fully paid Bonus shares, out of capitalisation of profits.)</p> <p>(1,750 shares of Rs. 10/- each is held by Others of the above 1,680 equity shares of Rs. 10 each is allotted as fully paid Bonus shares, out of capitalisation of profits.)</p>		
SCHEDULE 2:		
RESERVES & SURPLUS		
General Reserve		
Balance at the beginning of the year	1,019,893	1,019,893
Add : Transferred from Profit & Loss Account	—	—
	1,019,893	1,019,893
PROFIT & LOSS A/c		
Balance at the beginning of the year	23,504,177	18,438,262
Add : Amount trasferred from Profit & Loss Account	8,002,179	5,065,915
	31,506,356	23,504,177
Less : Amount transferred to General Reserve	—	—
Balance in Profit & Loss Account	31,506,356	23,504,177
	32,526,249	24,524,070

Schedules Forming Part of Balance Sheet

SCHEDULE 3

FIXED ASSETS

(Figures in Indian Currency)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions during the year	Deletions during the year	As at 31.03.2011	Upto 01.04.2010	For the Year	Withdrawal during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets										
Computer Software	218,181	180,040	—	398,221	124,682	55,583		180,265	217,956	93,499
Total - A	218,181	180,040	—	398,221	124,682	55,583	—	180,265	217,956	93,499
Tangible Assets										
Plant & Machinery	2,182,922	160,750	—	2,343,672	782,987	205,629	—	988,616	1,355,056	1,399,935
Office Equipment	209,397	60,590	—	269,987	168,585	12,719	—	181,304	88,683	40,812
Computers	277,242	65,650	—	342,892	138,217	77,447	—	215,664	127,228	139,024
Furniture	34,896	—	—	34,896	27,945	1,258	—	29,203	5,693	6,951
Electrical Fittings	7,285	—	—	7,285	7,285	—	—	7,285	—	—
Air Conditioners	3,895	—	—	3,895	3,895	—	—	3,895	—	—
Vehicles	25,000	753,700	—	778,700	5,107	155,430	—	160,537	618,163	19,893
Total - B	2,740,637	1,040,690	—	3,781,327	1,134,021	452,483	—	1,586,504	2,194,823	1,606,615
Grand Total - (A + B)	2,958,818	1,220,730	—	4,179,548	1,258,703	508,066	—	1,766,769	2,412,779	1,700,114
Previous Year	25,311,297	467,837	22,820,316	2,958,818	1,538,875	524,956	805,128	1,258,703	1,700,115	2,377,421

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 4:		
INVESTMENTS (Current and Non Trade)		
Unquoted Investment (In Mutual Fund)		
Birla Sun Life Savings Fund - Daily Dividend {{{ 1,627,424.84 @ 10.0068 per unit } (PY - Nil) (Face Value - Rs. 10/-)}}	16,285,315	—
Investments in HDFC Floating Rate Income Fund {{{ 354,294.41 @ 10.0809 per unit } (PY - Nil) (Face Value - Rs. 10/-)}}	3,571,605	—
Investment in ICICI Prudential Interval-II Qtly Plan A {{{ 8,50,000 @ 10 per unit } (PY - Nil) (Face Value - Rs.10/-)}}	8,500,000	—
Investment in Partnership Firm		
Investment in Central Park West Venture	1,000,000	1,000,000
	29,356,920	1,000,000
SCHEDULE 5:		
CURRENT ASSETS, LOANS & ADVANCES		
A CURRENT ASSETS		
Cash & Bank balances		
Cash on hand	161,904	22,503
Balance with scheduled bank in Current Account	11,789,465	9,936,941
in Deposit Account	3,000	14,412
	11,954,369	9,973,856
Sundry Debtors (unsecured and considered good) Outstanding for a period		
More than six months	3,947,127	77,549
Less than six months	15,755,121	5,564,488
	19,702,248	5,642,037
Other Current Assets		
Interest Earned but not due	617	617
	617	617
	31,657,234	15,616,510

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 5:		
CURRENT ASSETS, LOANS & ADVANCES Contd.		
B LOANS & ADVANCES		
Advances Receivable in cash or kind or for value to be received (unsecured and considered good)		
Advances to Company under the same management		
Advance to Lancor Holdings Limited	582,393	—
Advance to Lancor Projects Limited	—	265,908
Advance to Lancor Realty Limited	330,034	907,591
Advance to Central Park West Venture	924,562	559,141
Advance for Purchase of Property	—	23,400,000
Prepaid Expenses	861,835	273,170
Other Advances	611,997	296,576
	3,310,821	25,702,386
Advance Income Tax (Net of Provisions)	175,111	170,113
Advance Income Tax AY 2011-12	2,750,000	—
Tax Deducted at Source AY 2011-12	726,296	—
	3,651,407	170,113
	6,962,228	25,872,499
Total (A + B)	38,619,462	41,489,009
SCHEDULE 6:		
CURRENT LIABILITIES & PROVISIONS		
C CURRENT LIABILITIES		
Sundry Creditors	5,679,646	3,523,886
Liabilities for Duties & Taxes	492,592	233,492
Advances Received for Renovation Work	109,503	98,082
Advances Received for Maintenance Work	25,357,379	13,155,473
	25,466,882	13,253,555
	31,639,120	17,010,933
Maintenance Deposits	48,600	48,600
Electricity Deposits	72,142	72,142
	120,742	120,742
	31,759,862	17,131,675
D PROVISIONS		
Provision for Income Tax AY 2011-12	3,550,000	-
Provision for Employee Benefit	382,578	264,579
	3,932,578	264,579
Total (C + D)	35,692,440	17,396,254

Schedules Forming Part of Profit and Loss Account

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
SCHEDULE 7:		
OTHER INCOME		
Service Charges	485,661	415,628
Dividend Income from Mutual Funds	646,002	37,613
Profit on Sale of Vehicle	-	92,207
Profit on Sale of Buildings	-	2,214,527
Rental Income of Roof Top space	210,000	210,000
Share of Profit from Partnership Firm	365,421	72,820
Sundry Balance written back	-	426,855
	1,707,084	3,469,650
SCHEDULE 8:		
EMPLOYEE COSTS		
Salaries	4,760,017	4,313,905
Contribution to Provident Fund	262,514	217,127
Staff Welfare	416,884	201,201
	5,439,415	4,732,233
SCHEDULE 9:		
ADMINISTRATION AND OTHER OVERHEADS		
Advertisement	8,800	46,294
Printing & Stationery	50,653	49,025
Communication Costs	190,970	159,845
Travelling & Conveyance	50,154	59,990
Vehicle Running & Maintenance	221,633	57,428
Photocopying Expenses	10,438	8,965
Office Upkeep & Maintenance	97,765	107,514
Rates & Taxes	7,243	7,875
Professional and Consultancy fees	279,847	186,545
Brokerage	-	198,650
Filing Fees	5,979	2,024
Other Sundry Expenses	27,591	33,887
Payment to Auditors:		
Statutory Audit Fee	60,000	50,000
Tax Audit Fee	15,000	10,000
	1,026,073	978,042

SCHEDULE No 10:**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011****1. SIGNIFICANT ACCOUNTING POLICIES:**

The Company's accounting policies are as follows:

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

B) USE OF ESTIMATES:

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

C) FIXED ASSETS:**i) Intangible Assets:**

Intangible assets are recognized only if they are separately identifiable and the Company receives the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortization less impairment loss.

Intangible assets comprise of Computer Software. The aggregate consideration paid to develop Computer Software is disclosed under the fixed asset schedule.

ii) Tangible Assets:

The fixed assets are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

D) METHOD OF DEPRECIATION/AMORTIZATION:

i) The intangible assets are amortized over a period of five years.

ii) Depreciation on Fixed Assets is provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing less than Rs. 5,000/- individually have been fully depreciated in the year of purchase.

E) ACCOUNTING FOR CONTRACTS MANAGED:

The Company adopts accrual system of accounting.

Income from Maintenance of properties is recognized at the point of completion of work.

F) INVESTMENT:

Investments in the units of Mutual funds are stated at cost or fair value which ever is lower.

G) EMPLOYEE BENEFITS:

a. Defined Contribution Plans

Contributions paid/payable to defined contribution plan comprising of Provident Funds to employees is recognised in the Profit and Loss Account each year.

b. Defined Benefit Plans

Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

c. Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

H) TAXATION:

- i) Provision for current tax is made on the basis of the taxable profit computed for the current accounting period (Reporting Period) in accordance with the Income Tax Act, 1961.
- ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

I) IMPAIRMENT:

The carrying amounts of asset are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

J) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized where an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

2. CONTINGENT LIABILITIES:

Claims not acknowledged as debt – Rs.2,02,358/-(Previous year – 127,547)

- 3. The details required to be disclosed as per Para 4C and Para 4D of part II of schedule VI to the Companies Act, 1956 have been furnished to the extent it's applicable to the Company

	As at 31-03-2011	As at 31-03-2010
Expenditure in Foreign Currency	Nil	Nil

4. REVISED ACCOUNTING STANDARD 15:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at 31st March 2011.

Lancor Maintenance & Services Limited

Sl. No.	Category	As at 31st March 2011 [Gratuity (Rs.)]	As at 31st March 2010 [Gratuity (Rs.)]
1	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	264,579	350,240
	Current Service Cost	81,624	38,695
	Interest Cost	21,166	28,019
	Benefits Paid	Nil	Nil
	Actuarial (Gain) / Loss	15,209	(152,375)
	Projected benefit obligations at end of the year	382,578	264,579
2	Change in plan assets:		
	Plan assets at the beginning of the year	Nil	Nil
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / (Loss)	Nil	Nil
	Contributions	Nil	Nil
	Benefits Paid	Nil	Nil
	Plan assets at the end of the year	Nil	Nil
3	Reconciliation of present value of the obligation and the fair value of plan assets		
	Fair Value of plan assets at the end of the year	Nil	Nil
	Present value of the defined benefit obligations at the end of the year	382,578	264,579
	Liability / (Asset) recognized in the Balance Sheet	382,578	264,579
4	Cost for the year		
	Current Service Cost	81,624	38,695
	Interest Cost	21,166	28,019
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / Loss	15,209	(152,375)
	Net Cost recognised in the Profit and Loss Account	117,999	(85,661)
5	Assumptions		
	Interest rate for discount	8.25%	8%
	Estimated rate of return on plan assets	N.A.	N.A.
	Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
	Salary Escalation	10%	10%

5. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as under:

Particulars	2010-11		2009-10	
	Basic	Diluted	Basic	Diluted
Profit after tax as per Profit & Loss Account	8,002,179		5,065,915	
Weighted average number of Equity shares outstanding	251,750	251,750	251,750	251,750
EPS (Rupees) of face value Rs.10/-	31.79	31.79	20.12	20.12

6. DEFERRED TAX ASSETS:*(In Rupees)*

Particulars	Deferred Tax Liabilities/Assets As at 01.04.2010 Rupees	Current Year Charge/Credit Rupees	Deferred tax Liabilities/Assets as at 31.03.2011 Rupees
Deferred Tax Liabilities			
Difference between book and tax depreciation	141,057	24,762	1,65,819
	141,057	24,762	1,65,819
Deferred Tax Assets			
Disallowance under Section 43B I.T. Act	107,613	73,596	181,209
	107,613	73,596	181,209
Deferred Tax Assets / (Liabilities) (net)	248,670	98,358	347,028

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the net deferred tax asset of Rs.347,028 /- as at 31st March 2011 & has credited Rs. 98,358/- to the Profit and Loss account.

7. RELATED PARTY DISCLOSURE:

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

- A. Controlled by:
- Lancor Holdings Limited
- B. Fellow Subsidiaries:
- Lancor Projects Limited
 - Lancor Realty Limited
 - Lancor Guduvanchery Developments Limited
- C. Entities under the significant control \ influence of Directors \ Shareholders:
- R.V. Shekar
 - Shyamala Shekar
 - Central Park West Venture

Particulars of transactions with the Related Parties*(In Rupees)*

Particulars	Controlled by	Under the Significant influence of Directors \ Shareholders	Joint Venture	Total
INCOME				
Maintenance Income				
- Lancor Holdings Limited	223,391	Nil	Nil	223,391
	Nil			Nil
Advance for purchase of Property	Nil			Nil
- Lancor Holdings Limited	(23,400,000)			(23,400,000)
PARTNERS CURRENT ACCOUNT				
Central Park West Venture			924,562	
			(559,141)	

Note: Details of debits/credits in the nature of reimbursements are not included in the above.

8. SEGMENT INFORMATION:

The Company is engaged in the business of maintenance and management of properties and there is no separately identifiable business or geographical segments.

9. To the best of our knowledge and as per the information available with the Management, the Company has not received intimation from any 'enterprise' regarding its status under Micro, Small and Medium Enterprise Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.
10. The Following Investments were purchased and sold during the year.

Sl. No.	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
1	Birla Sunlife Savings Fund	1,827,289.44	18,285,314.94	199,894.09	2,000,000.00
2	HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option	354,294.41	3,571,606.52	Nil	Nil
3	Investment in ICICI Prudential Interval Fund II Qly Plan A	850,000.00	8,500,000.00	—	—

11. Previous year's figures have been regrouped, reclassified and recast wherever necessary to confirm with those of the current year.

As per our Report of even date
For S NARASIMHAN & CO,
 Chartered Accountants
 Firm Registration No.002349S

For and on behalf of the Board

S Narasimhan
 Proprietor
 Membership No.020875

R.V.Shekar - Director
Shyamala Shekar - Director

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

Lancor Maintenance & Services Limited
CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2011
(Figures in Indian Currency)

	Year ended 31st March 2011		Year ended 31st March 2010	
A Cash flow from Operating activities				
Net Profit before tax & extraordinary items adjusted for		11,431,523		7,627,734
Depreciation	508,066		524,956	
Amortisation of Preliminary Expenses				
Gratuity payable	117,999		(85,661)	
Irrecoverable debt written off			(426,855)	
Sundry balances written back				
Interest Earned			1,803	
Interest Paid			(37,613)	
Dividend Earned	(646,002)			
Income from Investment				
Profit/Loss on Sale of Assets/investments			(2,306,734)	
Taxes written off				
		(19,937)		(2,330,104)
Operating Profits before Working Capital Changes		11,411,586		5,297,630
Changes in Working Capital				
Debtors	(14,060,786)		(1,461,066)	
Other Assets				
Loans & Advances	22,391,565		(25,738,184)	
Payables & Other Liabilities	14,628,187		6,135,664	
Gratuity paid/reversed			85,661	
Taxes Paid	(3,482,830)		(1,305,661)	
IT refund	24,440			
		19,500,576		(22,283,587)
B Net Cash used in Working Capital		30,912,162		(16,985,958)
Cash flow from Investment Activities				
Sale of Fixed Assets			24,321,922	
Interest received				
Dividend Income	646,002		37,613	
Profit on sale of investments				
Purchase & Sale of Investments	(28,356,921)		3,066	
Purchase of Fixed Assets	(1,220,730)		(467,837)	
Net Cash used in Investment Activities		(28,931,649)		23,894,764
C Cash flow from Financing Activities				
Borrowal of Loan				
Repayment of loan			(4,600)	
Interest Paid			(1,803)	
Net Cash used in Financing Activities		—		(6,403)
Net Changes in Cash or Cash Equivalents (A+B+C)		1,980,513		6,902,404
Cash and Cash Equivalents - Opening Balance		9,973,856		3,071,452
Cash and Cash Equivalents - Closing Balance		11,954,369		9,973,856

As per our Report of even date

For and on behalf of the Board

For S NARASIMHAN & CO,
 Chartered Accountants
 Firm Registration No.002349S

S Narasimhan
 Proprietor
 Membership No.020875

Chennai
 Dated: June 3, 2011

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
 Dated: June 3, 2011

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander

REGISTERED OFFICE

“VTN SQUARE”, 2nd FLOOR
58, G N Chetty Road
T. Nagar
Chennai – 600 017

BANKERS

Axis Bank Ltd

AUDITORS

S.Narasimhan & Co.
Chartered Accountants
5 Gopal Street
T Nagar
Chennai 600 017

REPORT OF THE BOARD OF DIRECTORS

To the members,

Your Directors have great pleasure in presenting the Ninth Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2011 and the Auditors' report thereon.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2010-2011	2009-2010
Income from Operations	183.19	96.54
Expenditure	108.79	21.44
Profit before Interest, Depreciation and tax	74.40	75.10
Interest	—	—
Depreciation	0.32	1.56
Profit before tax	74.08	73.54
Provision for Tax -	21.65	23.50
Current Tax	22.00	24.53
Deferred Tax	(0.35)	(1.02)
Short/ (Excess) provision of taxes of Previous Years	—	—
Profit after Tax	52.43	50.04
Profit Available for Appropriation	194.27	141.83
Balance Carried to Balance Sheet	194.27	141.83

For the year ended 31st March, 2011, the Company has earned a total income of Rs. 18,319,740/- against previous year's income of Rs. 9,654,913/- and has made Profit after Tax of Rs. 5,243,672/- as compared to Rs. 5,004,193/- in the previous year.

BUSINESS OUTLOOK

The outlook for the company continues to remain bright in view of developed property volumes made by the parent company increase from year to year. Opportunity for third party transaction coupled with increased commercial property placements no doubt is a bright spot for the future. Strengthening of the company's management is being given serious attention and hopefully more energetic team will be in place soon.

Dividend

In order to conserve the liquid resources and enhance shareholders value, your directors have not recommended any dividend during the year under report.

Fixed Deposits

Your Company has not accepted any fixed deposits during the year under review.

Subsidiaries / Joint Ventures

Your Company continues to be the Wholly Owned Subsidiary of Lancor Holdings Limited. There is no Joint Venture Company.

Insurance

All insurable interests of the Company are adequately insured.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required particulars are furnished below.

Conservation of energy/ Technology Absorption

Energy conservation continues to receive utmost priority and the Company monitors energy costs and reviews the consumption of energy on a regular basis. The Company wherever necessary also initiates appropriate measures to reduce consumption of electricity, including using Generator.

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable to this Company.

Research and Development:

Not Applicable.

Foreign exchange earnings and outgo:

There are no foreign exchange earning and outgo during the year under review.

Employees

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year. During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors confirm that they had:

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the PROFIT of the Company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. prepared the Accounts on a going Concern basis.

Buy Back of Shares

The Company has not bought back any of its shares during the year under review

Board of Directors

The Board of Directors of the Company consists of Mr. R.V.Shekar, Mrs. Shyamala Shekar, and Mr. Chander Viswanathan, who are nominees of Lancor Holdings Limited. Pursuant to the Articles of Association, Mr.V.Chander, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Yours Directors recommend his appointment and the same is included in the notice calling the meeting.

AUDITORS AND AUDITORS' REPORT

The retiring auditors, M/s. S. Narasimhan & Co., Chartered Accountants have expressed their willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Board of Directors recommend to the members to appoint them as auditors and fix their remuneration.

The Auditors' Report to the Members does not contain any qualification and / or adverse remarks.

ACKNOWLEDGEMENT

Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all levels for the growth of the company.

For and on behalf of the Board of Directors
LANCOR REALTY LIMITED

Shyamala Shekar
Director

R.V. Shekar
Director

Place : Chennai

Dated : 3rd June, 2011

**REPORT OF THE AUDITORS TO THE MEMBERS OF
LANCOR REALTY LIMITED**

We have audited the attached Balance Sheet of **LANCOR REALTY LIMITED**, CHENNAI as at March 31, 2011 and the Profit and Loss Account of the Company 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. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our 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.

As required by the Companies [Auditor's Report] order 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that :-

- i. We have obtained all the information and explanation which to the best of our knowledge and the belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by company so far as it appears from our examination of those books.
- iii. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of confirmation received from the other companies in which the Directors are Directors or in their absence, confirmation from the Directors concerned, none of the Director of the company prima-facie as of 31 03 2011 is disqualified from being appointed as a Director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Los account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner required and give a true and fair view:
 - i. In so far as it relates to the balance sheet, of the state of affairs of the company as at March 31,2011; and
 - ii. In so far as it relates to the Profit and Loss Account, of the Profit for the year ended on the date.

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 03 06 2011

S.NARASIMHAN
PROPRIETOR

ANNEXURE REFERRED TO AUDITOR'S REPORT OF EVEN DATE:

On the basis of such checks as considered appropriate and in terms of information and explanation given to us, we state that:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The company has a programme of physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification. There is no disposal of fixed assets during the year.
- b. There is no inventory.
- c. In our opinion and according to the information and explanations given to us the company has not granted loan to the company listed in the register maintained under section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of which are prima-facie not prejudicial to the interest of the company.
- d. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of fixed assets and for the income from Brokerage.
- e. The company has a reasonable system of apportioning the expenditure on scientific basis.
- f. In our opinion and according to the information and explanations given to us, the transactions are entered in the register in pursuance of section 301 of the Companies Act, 1956.
- g. In our opinion and according to the information and explanations given to us the company has not invited or accepted fixed deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder are applicable.
- h. The company has an Internal Audit System commensurate with the size and nature of business.
- i. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209[i][d] of the Companies Act, 1956
- j. On the basis of the records of the company there were no undisputed statutory dues payable in respect of Provident Fund, Income Tax, Wealth Tax, Sales tax, Customs duty and Excise Duty outstanding for more than six months from the date they became payable to the end of the financial year. We have been informed that the provisions of the Employees State Insurance Act are not applicable to the company.
- k. Since there is no accumulated losses, the requirements of clause [x] of paragraph 4 of the Order is not applicable to the company.
- l. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- m. The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence the requirement of clause [xiii] of paragraph 4 of the Order is not applicable to the company.
- n. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- o. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
- p. According to the information and explanations given to us, no preferential allotment of shares have been made by the company to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
- q. The company has not issued any debentures. Hence the requirements of clause [xix] of paragraph 4 of the Order is not applicable to the company.
- r. According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 03 06 2011

S.NARASIMHAN
PROPRIETOR

Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
I SOURCES OF FUNDS			
Shareholders' Funds			
a Share Capital	1	500,000	500,000
b Reserves & Surplus	2	19,747,576	14,503,904
		20,247,576	15,003,904
II APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		249,180	195,500
Less : Accumulated Depreciation		147,567	114,673
Net Block		101,613	80,827
INVESTMENTS	4	13,021,768	—
DEFERRED TAX ASSETS (NET)		95,559	59,640
CURRENT ASSETS, LOANS AND ADVANCES	5		
a. Cash & Bank Balances		1,849,386	7,610,586
b. Sundry Debtors		6,164,160	1,248,456
c. Loans & Advances		2,307,692	10,023,560
		10,321,238	18,882,602
CURRENT LIABILITIES & PROVISIONS	6		
a. Current Liabilities		574,121	1,128,185
b. Provisions		2,718,481	2,890,980
		3,292,602	4,019,165
NET CURRENT ASSETS		7,028,636	14,863,437
		20,247,576	15,003,904
Notes to Accounts & Significant Accountig Policies	9		

As per our Report of even date
For S NARASIMHAN & CO,
 Chartered Accountants
 Firm Registration No.002349S

For and on behalf of the Board

S Narasimhan
 Proprietor
 Membership No.020875

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

Profit and Loss Account for the Year Ended March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
INCOME			
Brokerage Income from Sale of Properties		4,845,940	5,520,222
Brokerage Income from Renting of Properties		2,830,116	2,254,974
Income from Sale of Apartments		10,237,500	-
Other Income	6	406,184	1,879,717
TOTAL INCOME		18,319,740	9,654,913
EXPENDITURE			
Purchase Cost of Apartments		8,775,000	—
Employee Costs	7	1,492,032	1,616,423
Administration and Other Overheads	8	611,965	528,148
Depreciation		32,894	156,030
TOTAL EXPENDITURE		10,911,891	2,300,601
Profit / (Loss) before tax		7,407,849	7,354,312
Tax Expenses -			
Current Tax		2,200,000	2,453,000
Deferred Tax (Net)		(35,919)	(102,882)
Short / (Excess) Provision of Tax of Previous Year		96	—
Profit / (Loss) after tax		5,243,672	5,004,193
Add : Previous Year's balance brought forward		14,183,393	9,179,200
Available for Appropriation		19,427,065	14,183,393
Transfer to General Reserves		—	—
Balance Carried to Balance Sheet		19,427,065	14,183,393
No. of Equity shares		50,000	50,000
Basic & Diluted Earning per share (Face Value of Rs. 10/- per share)		104.87	100.08
Notes to Accounts & Significant Accounting Policies	9		

As per our Report of even date

For and on behalf of the Board

For S NARASIMHAN & CO,
Chartered Accountants
Firm Registration No.002349S

S Narasimhan
Proprietor
Membership No.020875

R.V.Shekar - Director**Shyamala Shekar - Director**

Chennai
Dated: June 3, 2011

Chennai
Dated: June 3, 2011

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 1:		
SHARE CAPITAL		
Authorised Capital		
50,000 Equity shares of Rs.10/- each (50,000 Equity shares of Rs.10/- each)	500,000	500,000
Issued , Subscribed and Paid up Capital 50,000 Equity shares of Rs.10/- each (All the Shares are held by Lancor Holdings Limited, the Holding Company & its Nominees)	500,000	500,000
	500,000	500,000
SCHEDULE 2:		
RESERVES & SURPLUS		
General Reserve		
Balance at the beginning of the year	320,511	320,511
Add : Transfer from Profit & Loss a/c	—	—
	320,511	320,511
PROFIT & LOSS A/c		
Balance at the begininig of the year	14,183,393	9,179,200
Add : Transferred during the year	5,243,672	5,004,193
	19,427,065	14,183,393
	19,747,576	14,503,904

Schedules Forming Part of Balance Sheet

SCHEDULE 3

FIXED ASSETS

(Figures in Indian Currency)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions during the year	Deletions during the year	As at 31.03.2011	Upto 01.04.2010	For the Year	Withdrawal during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets										
Computer Software	52,393	53,680	—	106,073	13,098	23,244	—	36,342	69,731	39,295
Total - A	52,393	53,680	—	106,073	13,098	23,244	—	36,342	69,731	39,295
Tangible Assets										
Office Equipment	58,107	—	—	58,107	31,419	3,712	—	35,131	22,976	26,688
Computer	85,000	—	—	85,000	70,156	5,938	—	76,094	8,906	14,844
Total - B	143,107	—	—	143,107	101,575	9,650	—	111,225	31,882	41,532
Grand Total (A + B)	195,500	53,680	—	249,180	114,673	32,894	—	147,567	101,613	80,827
Previous Year	10,695,607	83,393	10,583,500	195,500	93,039	156,030	134,396	114,673	80,827	10,602,568

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 4:		
INVESTMENTS (Current and Non Trade)		
Unquoted Investment fully paid In Units of Mutual Funds		
Investment in Kotak Quarterly Interval Plan Series 1 {{{ 500,000 units @ Rs. 10 per unit (PY - Nil) (Face Value - Rs.10/-)}}	5,000,000	—
Investment in Reliance Medium Term Fund {{{ 263,398.539 units @ Rs. 17.0959 per unit (PY - Nil) (Face Value - Rs.10/-)}}	4,503,035	—
Investment in Reliance Money Manager Fund {{{ 3,514.790 units @ Rs. 1001.1218 per unit (PY - Nil) (Face Value - Rs.1000/-)}}	3,518,733	—
	13,021,768	—
SCHEDULE 5:		
CURRENT ASSETS, LOANS & ADVANCES		
A CURRENT ASSETS		
Cash & Bank balances		
Cash on hand	19,611	30,669
Balance with scheduled banks in Current Account	1,829,775	7,579,917
	1,849,386	7,610,586
Sundry Debtors (unsecured and considered good)		
Outstanding for a period		
More than six months	208,116	1,038,456
less than six months	5,956,044	210,000
	6,164,160	1,248,456
	8,013,546	8,859,042
B LOANS & ADVANCES		
Advances Receivable in cash or kind or for value to be received. (Unsecured & considered good)		
Advance for purchase of property	—	7,528,000
Prepaid Expenses	3,936	1,085
Other Advances	26,549	42,070
	30,485	7,571,155
Advance Income Tax (Net of Provisions)	105,823	89,596
Advance Income Tax AY 2011-12	1,850,000	2,200,000
Tax Deducted at Source AY 2011-12	321,384	153,532
Advance Fringe Benefit (Net of Provisions)		9,277
	2,277,207	—
	2,307,692	10,023,560
Total (A + B)	2,307,692	10,023,560

Schedules Forming Part of Balance Sheet

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 5:		
CURRENT ASSETS, LOANS & ADVANCES Contd.		
C CURRENT LIABILITIES		
Sundry Creditors	230,934	167,760
Advance received from Customers	5,691	14,389
Advances received from Companies under same management		
Lancor Holdings Limited	7,462	-
Lancor Maintenance & Services Limited	330,034	907,591
Lancor Projects Limited	—	38,445
	337,496	946,036
	574,121	1,128,185
D PROVISIONS		
Provision for Income Tax (Net of advance tax)	—	595
Provision for Income Tax AY 2011-12	2,200,000	—
Provision for Employee Benefit	518,481	437,980
	2,718,481	438,575
Total (C + D)	3,292,602	1,566,760

Schedules Forming Part of Profit and Loss Account

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
SCHEDULE 6:		
INCOME		
OTHER INCOME		
Dividend Income	384,836	8,296
Profit on Sale of Apartments	—	1,800,646
Interest Income	21,348	—
Miscellaneous Income	—	70,775
	406,184	1,879,717
SCHEDULE 7		
EXPENDITURE		
EMPLOYEE COSTS		
Salaries	1,274,762	1,439,292
Contribution to Provident Fund	75,383	64,524
Staff Welfare	141,887	112,607
	1,492,032	1,616,423
SCHEDULE 8		
ADMINISTRATION AND OTHER OVERHEADS		
Advertisement Expenses	241,512	271,045
Printing & Stationery	15,791	6,756
Communication Costs	55,546	68,716
Travelling & Conveyance	234	1,318
Vehicle Running & Maintenance	77,883	88,790
Photocopying Expenses	8,836	7,902
Rates & Taxes	2,190	2,190
Professional fees	15,000	2,757
Car Hire Charges	—	1,664
Filing Fees	4,205	1,106
Brokerage Expenses	100,000	5,000
Office & Sundry Expenses	40,768	30,905
Payment to Auditors		
Statutory Audit Fee	40,000	30,000
Tax Audit Fee	10,000	10,000
	611,965	528,148

SCHEDULE No 9:**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011****1. SIGNIFICANT ACCOUNTING POLICIES:**

The Company's accounting policies are as follows:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

b) USE OF ESTIMATES:

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

c) FIXED ASSETS:**i) INTANGIBLE ASSETS:**

Intangible assets are recognized only if they are separately identifiable and the Company receives the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortization less impairment loss.

Intangible assets comprise of Computer Software. The aggregate consideration paid to develop Computer Software is disclosed under the fixed asset schedule.

ii) TANGIBLE ASSETS:

The fixed assets are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

d) METHOD OF DEPRECIATION/AMORTIZATION:

i) The intangible assets are amortized over a period of five years.

ii) Depreciation on Fixed Assets is provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

e) ACCOUNTING FOR CONTRACTS MANAGED:

The Company adopts accrual system of accounting.

Brokerage from sale and renting of property is recognised at the point of completion of work.

f) INVESTMENT:

Investments in the units of Mutual funds are stated at cost or fair value which ever is lower.

g) EMPLOYEE BENEFITS:

- a. Defined Contribution Plans
Contributions paid/payable to defined contribution plan comprising of Provident Funds to employees is recognised in the Profit and Loss Account each year.
- b. Defined Benefit Plans
Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.
- c. Short-term employee benefits
Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

h) TAXATION:

- i) Provision for current tax is made on the basis of the taxable profit computed for the current accounting period (Reporting Period) in accordance with the Income Tax Act, 1961.
- ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

i) IMPAIRMENT:

The carrying amounts of asset are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

j) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized where an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

2. CONTINGENT LIABILITIES:

Claims not acknowledged as debt - Nil (Previous year - Nil)

- 3. The details required to be disclosed as per Para 4C and Para 4D of part II of schedule VI to the Companies Act, 1956 have been furnished to the extent it's applicable to the Company

	As at 31-03-2011	As at 31-03-2010
Expenditure in Foreign Currency	Nil	Nil

4. REVISED ACCOUNTING STANDARD 15:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at 31st March 2011.

Sl. No.	Category	As at 31st March 2011 [Gratuity (Rs.)]	As at 31st March 2010 [Gratuity (Rs.)]
1	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	437,980	216,834
	Current Service Cost	31,154	42,513
	Interest Cost	35,038	17,347
	Benefits Paid	Nil	Nil
	Actuarial (Gain) / Loss	14,309	161,286
	Projected benefit obligations at end of the year	518,481	437,980
2	Change in plan assets:		
	Plan assets at the beginning of the year	Nil	Nil
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / (Loss)	Nil	Nil
	Contributions	Nil	Nil
	Benefits Paid	Nil	Nil
	Plan assets at the end of the year	Nil	Nil
3	Reconciliation of present value of the obligation and the fair value of plan assets		
	Fair Value of plan assets at the end of the year	Nil	Nil
	Present value of the defined benefit obligations at the end of the year	518,481	437,980
	Liability / (Asset) recognized in the Balance Sheet	518,481	437,980
4	Cost for the year		
	Current Service Cost	31,154	42,513
	Interest Cost	35,038	17,347
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / Loss	14,309	161,286
	Net Cost recognised in the Profit and Loss Account	80,501	221,146
5	Assumptions		
	Interest rate for discount	8.25%	8%
	Estimated rate of return on plan assets	N.A.	N.A.
	Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
	Salary Escalation	10%	10%

5. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as under:

Particulars	2010-11		2009-10	
	Basic	Diluted	Basic	Diluted
Profit after tax as per Profit & Loss Account	5,243,672		5,004,193	
Weighted average number of Equity shares outstanding	50,000	50,000	50,000	50,000
EPS (Rupees) of face value Rs.10/-	104.87	104.87	100.08	61.06

6. DEFERRED TAX ASSETS:

(In Rupees)

Particulars	Deferred Tax Liabilities/Assets As at 01.04.2010 Rupees	Current Year Charge/Credit Rupees	Deferred tax Liabilities/Assets as at 31.03.2011 Rupees
Deferred Tax Liabilities			
Difference between book and tax depreciation	44,881	(6,224)	38,657
	44,881	(6,224)	38,657
Deferred Tax Assets			
a) Other deferred tax asset	104,521	29,695	134,216
	104,521	29,695	134,216
Deferred Tax Assets / (Liabilities) (net)	59,640	35,919	95,559

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the net deferred tax asset of Rs.95,559/- as at March 31, 2011 and Rs.35,919/- credited to the Profit and Loss account.

7. RELATED PARTY DISCLOSURE:

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

- A. Controlled by:
- Lancor Holdings Limited
- B. Fellow Subsidiaries:
- Lancor Projects Limited
 - Lancor Realty Limited
 - Lancor Guduvanchery Developments Limited
- C. Entities under the significant control \ influence of Directors \ Shareholders:
- R.V. Shekar
 - Shyamala Shekar
 - Central Park West Venture

Particulars of transactions with the Related Parties

(In Rupees)

Particulars	Controlled by	Under the Significant influence of Directors \ Shareholders	Joint Venture	Total
INCOME				
Brokerage Income				
- Lancor Holdings Limited	2,200,32	Nil	Nil	2,326,338
	(1,126,603)			(1,163,449)
Central Park West Venture			126,018	
			(36,846)	

Note: Details of debits/credits in the nature of reimbursements are not included in the above.

8. SEGMENT INFORMATION:

The Company is engaged in the business of realty services and there is no separately identifiable business or geographical segments.

9. The Following Investments were purchased and sold during the year.

SI. No.	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
1	Reliance Medium Term Fund	678,702.793	11,603,035.08	415,304.254	7,100,000.00
2.	Reliance Money Manager Fund	3,514.79	3,500,000.00	—	—
3.	Investment in Kotak Quarterly Interval Plan Series 1	500,000.00	5,000,000.00	—	—

10. To the best of our knowledge and as per the information available with the Management, the Company has not received intimation from any 'enterprise' regarding its status under Micro, Small and Medium Enterprise Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

11. Previous year's figures have been regrouped, reclassified and recast wherever necessary to confirm with those of the current year.

As per our Report of even date
For S NARASIMHAN & CO,
 Chartered Accountants
 Firm Registration No.002349S

For and on behalf of the Board

S Narasimhan
 Proprietor
 Membership No.020875

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

Lancor Realty Limited
CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2011
(Figures in Indian Currency)

	Year ended 31st March 2011		Year ended 31st March 2010	
A Cash flow from operating activities				
Net Profit / (Loss) before tax & extraordinary items		7,407,849		7,354,312
Adjusted for:				
Depreciation	32,894		156,030	
Preliminary Expenses to the extent Written off				
Gratuity payable	80,501		220,882	
Interest received	(21,348)			
Dividend Recived	(384,836)		(8,296)	
Irrecoverable debts written off				
Excess Provision Written back				
Profit on sale of Fixed Assets			(1,800,646)	
Profit on sale of Investment				
Taxes written off				
IT Refund	32,872			—
		(259,917)		(1,432,030)
Operating Profits before Working Capital changes		7,147,932		5,922,282
Changes in Working Capital				
Gratuity Paid				
Debtors	(4,915,704)		(931,396)	
Other Advances				
Loans & Advances	7,540,670		(7,544,160)	
Payables and other liabilities	(554,064)		(432,150)	
Taxes paid	(2,310,770)		(2,354,117)	
		(239,868)		(11,261,823)
Net Cash used in operating activities		6,908,064		(5,339,541)
B Cash flow from Investing activities				
Purchase of Fixed assets	(53,680)		(83,393)	
Sale of Fixed Assets			12,249,750	
Loan given				
Purchase & Sale of Invsetment	(13,021,768)		403,038	
Pre-incorporation Expenses				
Sundry Balance Written back				
Profit on sale of Investment /Asset				
Interest received	21,348			
Dividend received	384,836		8,296	
Net cash used in Investing activities		(12,669,264)		12,577,691
C Cash flow from Financing activities				
Proceeds from issue of share Capital				
Increase in other borrowings				
Interest paid				
Net changes in Cash or Cash Equivalents (A+B+C)		(5,761,200)		7,238,150
Cash and Cash Equivalents - Opening balance		7,610,586		372,436
Cash and Cash Equivalents - Closing balance		1,849,386		7,610,586
Note : Figures in bracket represents outflows.				

As per our Report of even date

For and on behalf of the Board

For S NARASIMHAN & CO,

Chartered Accountants

Firm Registration No.002349S

S Narasimhan

Proprietor

Membership No.020875

Chennai

Dated: June 3, 2011

R.V.Shekar - Director
Shyamala Shekar - Director

Chennai

Dated: June 3, 2011

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander

REGISTERED OFFICE

“VTN SQUARE”, 2nd FLOOR
58, G N Chetty Road
T. Nagar
Chennai – 600 017

BANKERS

IDBI Bank Ltd

AUDITORS

G.M.Kapadia & Co.
Chartered Accountants, Chennai

REPORT OF THE BOARD OF DIRECTORS

To the members,

Your Directors have great pleasure in presenting the Ninth Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2011 and the Auditors' report thereon.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2010-2011	2009-2010
Income from Operations	282.27	301.57
Expenditure	190.24	172.20
Profit before Interest, Depreciation and tax	92.03	129.37
Depreciation	5.04	6.39
Profit before tax	86.99	122.99
Provision for Tax -	41.02	41.91
Current	34.00	47.50
Deferred	7.02	(5.51)
Short/ (Excess) provision of taxes of Previous Year	—	(0.07)
Profit after Tax	45.97	81.08
Profit Available for Appropriation	326.81	267.57
Balance Carried to Balance Sheet	326.81	267.57

For the year ended 31st March, 2011, the Company has earned a total income of Rs. 28,227,986/- against previous year's Rs. 30,157,588/- and has made Profit after Tax of Rs. 4,597,148/- as compared to Rs. 8,107,572/- in the previous year.

BUSINESS OUTLOOK

Last year has been relatively difficult period for the Company in view of severe challenges on construction cost management, labour productivity and major supply chain issues covering supply of very essential items like sand, bricks etc. The Company's senior management is now seized in finding solution for these difficulties and challenges while at the same time improving contracting practices at more acceptable prices

Dividend

In order to conserve the liquid resources and enhance shareholders value, Your directors have not recommended any dividend during the year under report.

Fixed Deposits

Your Company has not accepted any fixed deposits during the year under review.

Subsidiaries / Joint Ventures

Your Company continues to be the Wholly Owned Subsidiary of Lancor Holding Limited. There is no Joint Venture Company.

Insurance

All insurable interests of the Company are adequately insured.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required particulars are furnished below.

Conservation of energy/ Technology Absorption

Energy conservation continues to receive utmost priority and the Company monitors energy costs and reviews the consumption of energy on a regular basis. The Company wherever necessary also initiates appropriate measures to reduce consumption of electricity, including using Generator.

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable to this Company.

Research and Development:

Not Applicable

Foreign exchange earnings and outgo:

There are no foreign exchange earning and outgo during the year under review.

Employees

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year. During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors confirm that they had:

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the PROFIT of the Company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. Prepared the Accounts on a going Concern basis.

Buy Back of Shares

The Company has not bought back any of its shares during the year under review

Board of Directors

The Board of Directors of the Company consists of Mr. R.V.Shekar, Mrs. Shyamala Shekar, and Mr. Chander Viswanathan, as nominees of Lancor Holdings Limited. Pursuant to the Articles of Association Mr. V Chander, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Yours Directors recommend his appointment and the same is included in the notice calling the meeting.

AUDITORS AND AUDITORS' REPORT

The retiring auditors, M/s.G.M.Kapadia & Co., Chartered Accountants have expressed their willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Board of Directors recommend to the members to appoint them as auditors and fix their remuneration.

The Auditors' Report to the Members does not contain any qualification and / or adverse remarks.

ACKNOWLEDGEMENT

Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all levels for the growth of the Company.

For and on behalf of the Board of Directors
LANCOR PROJECTS LIMITED

Shyamala Shekar
Director

R.V. Shekar
Director

Place : Chennai

Dated : 3rd June, 2011

**AUDITOR'S REPORT TO THE MEMBERS OF
LANCOR PROJECTS LIMITED**

1. We have audited the attached Balance Sheet of **LANCOR PROJECTS LIMITED** as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year under review 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.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow statement account dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. LANCOR PROJECTS LIMITED as on March 31, 2011 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No. 104767 W

Place : Chennai
Date : 03 06 2011

Satya Ranjan Dhal
Partner
Membership No 241206

ANNEXURE

Re: LANCOR PROJECTS LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets.
- (b) All the assets have been physically verified by the management during the year. The Programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) The Company does not hold any inventory. In view of the same the sub clauses (ii)(a), (ii)(b), and (ii)(c) of clause 4 of the order regarding inventory are not applicable.
- (iii) (a) As informed to us, the company has not granted 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, the sub clause (iii)(b), regarding nature of terms and conditions of such loans, sub clause (iii)(c), regarding regularity of repayment of such loans/interests and sub clause (iii)(d) regarding overdue amount in case of such loans, of clause 4 of the Order are not applicable.
- (b) The company has not 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, the provisions of clauses 4(iii)(f) and clauses 4(iii)(g), of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) a) According to the information and explanation given to us, we are of the opinion that the particulars of contract or arrangements that needs to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) According to sub clause (v) (b) of clause 4 of the Order, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence the question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 does not arise. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system to commensurate with the size and nature of its business.
- (viii) According to the information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable. No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess, which have not been deposited on account of any dispute.
- (x) The Company has neither accumulated losses nor incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. In view of the same, the clause (x) of clause 4 of the order regarding comparison of the net worth with accumulated losses is not applicable.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from bank and financial institution nor issued any debentures. Hence the question of default in repayment of dues to banks or financial institutions or default in payment of debenture holders does not arise.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures. Accordingly, the sub clause (xiv) if clause 4 of the order is not applicable to the Company. However proper records have been maintained in respect of other investments and timely entries are made there in and other investments are held in the name of the Company.
- (xv) As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the Company has not taken any term loan and hence the question of reporting on utilization of the same does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statement of the Company, we are of opinion that no funds raised on short term basis has been used for long term investment by the Company.
- (xviii) During the year, the Company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act. Hence reporting whether the price of which shares have been issued are not prejudicial to the interest of the Company is not required.
- (xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.
- (xx) The Company has not raised money by public issue hence the sub clause (xx) of the clause of the Order is not applicable.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed during the course of our audit.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No. 104767 W

Place : Chennai
Date : 03 06 2011

Satya Ranjan Dhal
Partner
Membership No 241206

Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31,	
		2011	2010
I SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	500,000	500,000
Reserves and Surplus	2	32,781,622	26,857,601
		<u>33,281,622</u>	<u>27,357,601</u>
II APPLICATION OF FUNDS			
Fixed assets	3		
Gross Block		4,714,392	4,544,383
Less : Accumulated Depreciation / Amortisation		2,795,631	2,291,720
Net Block		<u>1,918,761</u>	<u>2,252,663</u>
INVESTMENTS	4	10,652,867	—
Deferred tax assets(Net) (Refer Note No. 6 to Schedule 10)		328,413	1,030,522
Current assets , loans and advances	5		
Cash & Bank Balances		9,017,318	6,109,753
Sundry Debtors		11,262,979	16,681,351
Other Current Assets		702,000	702,000
Loans & Advances		1,992,008	4,584,153
		<u>22,974,305</u>	<u>28,077,257</u>
Less: Current liabilities and provisions	6		
Current Liabilities		947,147	1,350,413
Provisions		1,645,577	2,652,428
		<u>2,592,724</u>	<u>4,002,841</u>
Net current assets		<u>20,381,581</u>	<u>24,074,416</u>
		<u>33,281,622</u>	<u>27,357,601</u>
Significant Accounting Policies and Notes to Accounts	10		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet

As per our Report of even date
For G. M. KAPADIA & CO.
 Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
 Partner

R.V.Shekar - Director**Shyamala Shekar - Director**

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

Profit and Loss Account for the Year Ended March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Year ended March 31,	
		2011	2010
INCOME			
Project Management Fee		24,395,320	29,575,771
Sale of Apartment		3,375,000	—
Other Income	7	1,784,540	589,043
		29,554,860	30,164,814
EXPENDITURE			
Project Management Expenses		454,033	2,074,677
Purchase cost of Apartment		2,925,000	-
Employee Costs	8	12,696,129	12,552,778
Administration and Other Overheads	9	2,949,656	2,591,480
Depreciation		503,911	639,623
		19,528,729	17,858,558
Profit / (Loss) before tax		10,026,131	12,306,256
Less: Tax Expenses			
Current Tax		3,400,000	4,750,000
Deferred Tax		702,109	(551,316)
Profit / (Loss) after tax		5,924,022	8,107,572
Add: Previous years balance brought forward		26,757,601	18,650,029
Available for Appropriation		32,681,622	26,757,601
Balance carried to Balance Sheet		32,681,622	26,757,601
No. of Equity shares (Face Value Rs. 10/- share)		50,000	50,000
Basic & Diluted Earning per share (Refer Note No. 5 to Schedule 10)		118.48	162.15

Significant Accounting Policies and Notes to Accounts 10

As per our Report of even date
For G. M. KAPADIA & CO.
 Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
 Partner

R.V.Shekar - Director**Shyamala Shekar - Director**

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

Lancor Projects Limited
CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2011
(Figures in Indian Currency)

	Year ended 31st March	
	2011	2010
A. Cash flow from operating activities		
Net Profit / (Loss) Before Tax	10,026,131	12,299,030
Adjusted for:		
Depreciation	503,911	639,623
Miscellaneous income (Creditors written back)	(139,462)	—
Dividend Received	(318,204)	(16,807)
Provision for Employee Benefits	447,308	1,438,701
Sundry balance written off	3,995	—
Profit on Sale of Building	—	(565,010)
Operating Profits Before Working Capital Changes	10,523,679	13,795,537
Changes in Working Capital:		
Loans and Advances	2,868,342	(2,985,484)
Payables and other liabilities	(1,717,963)	(317,208)
Sundry Debtors	5,418,372	(6,768,028)
Cash generated from Operations	17,092,430	3,724,817
Income Taxes paid	(3,680,192)	(4,874,091)
Net Cash used in operating activities	13,412,238	(1,149,274)
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(170,010)	(5,950)
Sale of Fixed asset	—	5,510,145
Purchase of Investments	(25,850,076)	(4,500,000)
Sale of Investments	15,197,209	4,500,000
Profit on sale of fixed asset	—	565,010
Dividend received	318,204	16,807
Net cash used in Investing activities	(10,504,673)	6,086,012
C. Cash Flow from Financing Activities		
Net cash from financing activities	—	—
Net changes in Cash or Cash Equivalents (A+B+C)	2,907,565	4,936,738
Cash and Cash Equivalents - Opening Balance	6,109,753	1,173,015
Cash and Cash Equivalents - Closing Balance	9,017,318	6,109,753
Note: (i) Figures in bracket represents outflows (ii) Cash & Cash Equivalent as per Schedule-5 of the Financial Statement		

As per our Report of even date

For G. M. KAPADIA & CO.

Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal

Partner

R.V.Shekar - Director
Shyamala Shekar - Director

Chennai

Dated: June 3, 2011

Chennai

Dated: June 3, 2011

Schedules Forming Part of Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 1:		
SHARE CAPITAL		
Authorised Capital		
50,000 (50,000) Equity shares of Rs.10/- each	500,000	500,000
	500,000	500,000
Issued, Subscribed & Paid up Capital		
50,000 (50,000) Equity shares of Rs.10/- each	500,000	500,000
(All the Shares are held by the Holding Company, Lancor Holdings Limited)		
	500,000	500,000
 SCHEDULE 2:		
RESERVES & SURPLUS		
General Reserve		
General Reserve		
Balance at the beginning of the year	100,000	100,000
Add : Transferred from Profit & Loss account	—	—
	100,000	100,000
Balance in Profit & Loss Account	32,681,622	26,757,601
	32,781,622	26,857,601

Schedules Forming Part of Balance Sheet as at March 31, 2011

SCHEDULE 3

FIXED ASSETS

(Figures in Indian Currency)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2010	Additions during the year	Deletions during the year	As at 31.03.2011	Upto 01.04.2010	For the Year	Withdrawal during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets										
Computer Software	175,880	107,359	—	283,239	116,521	36,312	—	152,833	130,406	59,359
Total (A)	175,880	107,359	—	283,239	116,521	36,312	—	152,833	130,406	59,359
Tangible Assets										
Office Equipment	227,837	47,650	—	275,487	165,349	20,697	—	186,046	89,441	62,488
Computers	261,163	15,000	—	276,163	193,585	30,064	—	223,649	52,514	67,578
Air conditioner	330,400	—	—	330,400	113,909	30,114	—	144,023	186,377	216,491
Electrical Installation	375,955	—	—	375,955	153,010	40,353	—	193,363	182,592	222,945
Furniture's & Fixtures	1,676,273	—	—	1,676,273	725,933	172,012	—	897,945	778,328	950,340
Vehicle	1,496,875	—	—	1,496,875	823,413	174,359	—	997,772	499,103	673,462
Total (B)	4,368,503	62,650	—	4,431,153	2,175,199	467,599	—	2,642,798	1,788,355	2,193,304
Grand Total (A+B)	4,544,383	170,009	—	4,714,392	2,291,720	503,911	—	2,795,631	1,918,761	2,252,663
Previous Year	10,080,738	5,950	5,542,305	4,544,383	1,684,257	639,623	32,160	2,291,720	2,252,663	8,396,481

Schedules Forming Part of Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 4:		
INVESTMENTS (Current and Non Trade)		
HDFC Cash Management Fund - Treasury Advantge Plan {{{(762,883.638 units @ Rs.10.0315 per unit) (PY-Nil)}} (Face value of Rs. 10 each)}	7,652,867	—
Investment in ICICI Prudential Interval Fund II Quarterly Plan A Institutional Dividend {{{(300,000 units @ Rs.10 per unit) (PY-Nil)}} (Face value of Rs. 10 each)}	3,000,000	—
	10,652,867	—
SCHEDULE 5:		
CURRENT ASSETS, LOANS & ADVANCES		
A CURRENT ASSETS		
Cash on hand	17,814	80,878
Balance with scheduled banks in Current Accounts	8,999,504	6,028,875
	9,017,318	6,109,753
Sundry Debtors (unsecured and considered good)		
Outstanding for a period of		
More than six months	6,288,538	1,617,984
Less than six months	4,974,441	15,063,367
(Debts Due from companies under the same management Lancor Holding Limited Rs. Nil (PY-Rs. 5,461,085) (Maximum Balance -Rs.19,529,358 (PY-Rs. 10,481,768)		
	11,262,979	16,681,351
Other Current Assets		
Deposits	702,000	702,000
	20,982,297	23,493,104
B LOANS & ADVANCES		
Advances to Company under the same management		
Advance to Lancor Maintenance & Services Limited (Maximum Balance - Rs. 413,587 (PY - Nil)	28,963	—
Advance to Lancor Realty Limited (Maximum Balance - Rs. 38,445 (PY - Rs. 48,581)	—	38,445
Expenses Recoverable From Customers	20,438	23,733
Advance Given for Purchase of Property	—	2,925,000
Other Advances	4,753	4,760
Prepaid Expenses	38,151	19,583
Advance Income Tax (Net of provisions)	1,899,703	1,572,632
	1,992,008	4,584,153
Total (A + B)	22,974,305	28,077,257

Schedules Forming Part of Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31,	
	2011	2010
SCHEDULE 6:		
CURRENT LIABILITIES AND PROVISIONS		
A CURRENT LIABILITIES		
Sundry Creditors	278,450	676,605
Liabilities for Duties and Taxes	668,697	611,003
Advances Received From Customers	—	62,805
	947,147	1,350,413
B. PROVISIONS		
Provision for Employees Benefit	1,645,577	2,652,428
	1,645,577	2,652,428
Total (A + B)	2,592,724	4,002,841

Schedules Forming Part of Profit and Loss Account for the year ended March 31, 2011

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2011	2010
SCHEDULE 7:		
OTHER INCOME		
Dividend Income from Mutual Funds	318,204	16,807
Profit on Sale of Buildings	—	565,010
Miscellaneous Income	139,462	—
Excess Liabilities/Provisions no longer reqd	1,326,874	—
	1,784,540	581,817
SCHEDULE 8:		
EMPLOYEE COSTS		
Salary and Bonus	11,115,422	11,592,408
Contribution to Provident Fund	782,425	676,451
Staff Welfare	798,282	283,919
	12,696,129	12,552,778
SCHEDULE 9:		
ADMINISTRATION AND OTHER OVERHEADS		
Recruitment Expenses	140,390	—
Printing & Stationery	54,699	20,015
Communication Expenses	309,557	277,897
Travelling & Conveyance Expenses	21,807	11,749
Professional and Consultancy Charges	513,000	272,423
Rent, Rates and taxes	991,070	1,094,345
Electricity Charges	257,315	146,662
Repairs & Maintenance		
Building	289,584	313,249
Plant & Machinery	19,157	19,188
Others	14,874	13,898
Vehicle Maintenance Expenses	90,427	121,669
Brokerage	—	58,200
Office & Sundry Expenses	27,176	21,585
Payment to Auditors		
Statutory Audit Fee	165,450	110,300
Tax Audit Fee	55,150	55,150
Other Services	—	55,150
	2,949,656	2,591,480

SCHEDULE No 10:**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011 -****1. SIGNIFICANT ACCOUNTING POLICIES:**

The Company's accounting policies are as follows:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

b) USE OF ESTIMATES:

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

c) FIXED ASSETS:**i) INTANGIBLE ASSETS:**

Intangible assets are recognized only if they are separately identifiable and the Company receives the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortization less impairment loss.

Intangible assets comprise of Computer Software. The aggregate consideration paid to develop Computer Software is disclosed under the fixed asset schedule.

ii) TANGIBLE ASSETS:

The fixed assets are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

d) METHOD OF DEPRECIATION/AMORTIZATION:

i) The intangible assets are amortized over a period of five years.

ii) Depreciation on Fixed Assets is provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

e) ACCOUNTING FOR CONTRACTS MANAGED:

The Company adopts accrual system of accounting.

Income in the nature of project management fee is recognized on proportionate completion method.

f) INVESTMENTS

a) Long term investments in shares are valued at cost. The provision for diminution in the value of long term investment is made if such a diminution is other than temporary in nature.

b) Current investments are stated at lower of cost or fair value.

g) EMPLOYEE BENEFITS:

a. Defined Contribution Plans

Lancor Projects Limited

Contributions paid/payable to defined contribution plan comprising of Provident Funds to employees is recognised in the Profit and Loss Account each year.

b. Defined Benefit Plans

Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

c. Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

h) LEASES:

Lease arrangements where the risk and rewards incident to the ownership of the asset substantially vest with the lessor are recognized as operating lease.

As Lessee - Operating Lease:

Lease rentals in respect of assets taken on operating lease are charged to profit and loss account over the lease term on systematic basis which is more representative of the time pattern of the Companies benefit.

i) TAXATION:

i) Provision for current tax is made on the basis of the taxable profit computed for the current accounting period (Reporting Period) in accordance with the Income Tax Act, 1961.

ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

j) IMPAIRMENT:

The carrying amounts of asset are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

k) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized where an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

2. CONTINGENT LIABILITIES:

Claims not acknowledged as debt - Nil (Previous year - Nil)

3. The details required to be disclosed as per Para 4C and Para 4D of part II of schedule VI to the Companies Act, 1956 have been furnished to the extent it's applicable to the Company

	As at 31-03-2011	As at 31-03-2010
Expenditure in Foreign Currency	Nil	Nil

Lancor Projects Limited
4. REVISED ACCOUNTING STANDARD 15:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at 31st March 2011.

Sl. No.	Category	As at 31st March 2011 [Gratuity (Rs.)]	As at 31st March 2010 [Gratuity (Rs.)]
1.	Change in benefit obligations:		
	Projected benefit obligations at beginning of the year	1,276,154	1,164,327
	Current Service Cost	287,231	93,146
	Interest Cost	102,092	545,685
	Benefits Paid / Liability Transfer out	(77,885)	Nil
	Actuarial (Gain) / Loss	32,785	(527,004)
	Projected benefit obligations at end of the year	1,620,377	1,276,154
2	Change in plan assets:		
	Plan assets at the beginning of the year	Nil	Nil
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / (Loss)	Nil	Nil
	Contributions	Nil	Nil
	Benefits Paid	Nil	Nil
	Plan assets at the end of the year	Nil	Nil
3	Reconciliation of present value of the obligation and the fair value of plan assets		
	Fair Value of plan assets at the end of the year	Nil	Nil
	Present value of the defined benefit obligations at the end of the year	1,620,377	1,276,154
	Liability / (Asset) recognized in the Balance Sheet	1,620,377	1,276,154
4	Cost for the year		
	Current Service Cost	287,231	93,146
	Interest Cost	102,092	545,685
	Expected return on plan assets	Nil	Nil
	Actuarial (Gain) / Loss	32,785	(527,004)
	Net Cost recognised in the Profit and Loss Account	422,108	111,827
5	Assumptions		
	Interest rate for discount	8.25%	8%
	Estimated rate of return on plan assets	N.A.	N.A.
	Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
	Salary Escalation	10%	10%

5. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as under:

Particulars	2010-11	2009-10
	Basic and Diluted	Basic and Diluted
Profit after tax as per Profit & Loss Account.	5,924,022	8,107,572
Weighted average number of Equity shares outstanding	50,000	50,000
EPS (Rupees) of face value Rs.10/-	118.48	162.55

6. DEFERRED TAX ASSETS:

Particulars	Deferred Tax Liabilities/Assets as at 31.03.2011	Deferred Tax Liabilities/Assets as at 01.04.2010
Deferred Tax Liabilities		
Total Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets		
a) Difference Between Book and Tax Depreciation	190,194	128,962
b) Disallowance under sec 43 B of Income Tax Act-Gratuity	130,431	884,769
c) Disallowance under 43 B of Income Tax Act-Bonus	7,787	16,791
Total Deferred Tax Assets	328,413	1,030,522
Deferred Tax Assets / (Liabilities) (Net)	328,413	1,030,522

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the cumulative net deferred tax assets as at 31st March 2011 of Rs.328,413 and Rs.702,109 has been debited to the profit & Loss account.

7. RELATED PARTY DISCLOSURE:

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Controlled by:

- Lancor Holdings Limited

B. Fellow Subsidiaries:

- Lancor Maintenance & Services Limited
- Lancor Realty Limited
- Lancor Guduvanchery Developments Limited

C. Entities under the significant control \ influence of Directors \ Shareholders:

- R.V. Shekar
- Shyamala Shekar
- Central Park West Venture

Particulars of transactions with the Related Parties

(In Rupees)s

Particulars	Controlled by	Under the Significant influence of Directors \ Shareholders	Joint Venture	Total
INCOME				
Project Management fee Lancor Holdings Limited	15,999,055 (15,624,185)			238,753,515 (21,663,805)
Central Park west Venture	7,874,460 (6,039,620)			
Advance for purchase of Property Lancor Holdings Limited	Nil (2,925,000)			Nil (2,925,000)
CLOSING BALANCE				
- Lancor Holdings Limited	Nil (5,461,085)	Nil	Nil	Nil (5,461,085)

Note: Details of debits/credits in the nature of reimbursements are not included in the above.

8. SEGMENT INFORMATION:

The Company's business activity falls within a single Primary Business Segment (i.e Project Management Service), as per Accounting Standard 17 on 'Segment Reporting' disclosures requirements are not applicable.

9. Following investments were purchased and sold during the year.

Sl. No.	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
1	HDFC Cash Management Treasury Advantage fund	1,520,358.51	15,251,476.17	757,474.870	7,598,609.17
2	HDFC FMP 100D Nov 2010(1) Series XV11*	757,473.956	7,598,600.00	757,473.956	7,598,600.00
3	Investment in ICICI Prudential Interval Fund II Quarterly Plan A Institutional Dividend.	300,000	3,000,000.00	—	—

10. The Companies significant lease arrangements in terms of Accounting Standard on "Leases" (AS 19) are in respect of Operating Leases for office premises. The Company has paid a rent deposit equivalent to ten months' rent. These leasing arrangements are Non-cancelable in nature.

Particulars	For the Year ended 31st March 2011 Amount (In Rs.)	For the Year ended 31st March 2010 Amount (In Rs.)
Rental Expenses debited to Profit and Loss Account.	988,880	1,092,155
Not later than one year	938,510	988,880
Later than one year and not later than five years	Nil	938,510
Later than five years	Nil	Nil

11. The Company is in the process of compiling the relevant information from its creditors about their coverage under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). None of the enterprises have responded till date regarding their status under the said Act.

12. Previous year's figures have been regrouped, reclassified and recast wherever necessary to confirm with those of the current year.

As per our Report of even date
For G. M. KAPADIA & CO.
 Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
 Partner

R.V.Shekar - Director

Shyamala Shekar - Director

Chennai
 Dated: June 3, 2011

Chennai
 Dated: June 3, 2011

BOARD OF DIRECTORS

R.V. Shekar
A.V.Rajaraman
Mallika Ravi
K.Srinivasan

REGISTERED OFFICE

“VTN SQUARE”, 2nd FLOOR
58, G N Chetty Road
T. Nagar
Chennai – 600 017

BANKERS

The Catholic Syrian Bank Ltd

AUDITORS

G.M.Kapadia & Co.
Chartered Accountants, Chennai

REPORT OF THE BOARD OF DIRECTORS

To the members,

Your Directors have great pleasure in presenting the First Annual Report together with Audited Accounts of the Company for the period ended 31st March, 2011 and the Auditors' report thereon.

FINANCIAL RESULTS AND BUSINESS OUTLOOK

Your Company was incorporated on 22nd November, 2010 and the financial statements have been prepared for the period upto 31st March, 2011. This being the first year of operation, disclosure of previous year figures can not be provided.

The outlook for the Company is bright, since it proposes to develop, the 8.15 acres of land purchased in the name of the Company as a residential development with very good margin. On the basis of allowable FSI on this land the Company can build approximately 7.25 lakhs square feet of super built up area which would facilitate construction and maintenance of 600 apartments of 1200 square feet of average size, for which good demand exists at a reasonable price. The Company also proposes to purchase of another 7 acres of adjoining land, which would yield further development of another approximately 550 apartments leading to the Company's continued presence in Guduvanchery for a minimum period of 5 years.

FIXED DEPOSITS

Your Company has not accepted any public deposit during the year under report and as such, no amount on account of principal or interest on public deposit was outstanding as on date Balance Sheet.

DIVIDEND

Your Directors have not recommended any dividend during the year under review.

SUBSIDIARIES /JOINT VENTURES

Your Company is the wholly owned subsidiary of Lancor Holdings Limited and there are no Subsidiary and joint venture Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required particulars are furnished below.

CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable to this Company.

RESEARCH AND DEVELOPMENT:

Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There are no foreign exchange earning and outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors confirm that they had:

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit / Loss of the Company for that period;

- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. prepared the Accounts on a going Concern basis.

DIRECTORATE

The Board of Directors of the Company consists of Mr. R.V.Shekar, Mr.A.V.Rajaraman, Mrs.Mallika Ravi and Mr. K.Srinivasan, who are nominees of Lancor Holdings Limited.

Mr. R.V.Shekar, Mr.A.V.Rajaraman, and Mr. K.Srinivasan, who are nominees of Lancor Holdings Limited are the first Directors of the Company. They being first Directors hold office as such till the conclusion of the ensuing Annual General Meeting. Further the Board of Directors at their meeting held on 02-12-2010 had appointed Mrs.Mallika Ravi as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.38 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mrs.Mallika Ravi for the office of Director of the Company. Your Directors recommend the resolution as set out in item No.3,4,5 and 6 of the notice convening annual general meeting for approval of the shareholders.

AUDITORS

The retiring auditors, M/s.G.M.Kapadia & Co., Chartered Accountants, Chennai have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Board of Directors recommend to the members to consider his appointment as statutory auditors and fix their remuneration.

The Auditors Report to the members does not contain any qualification or adverse remarks.

EMPLOYEES

There were no employees covered under section 217 (2A) of the Companies Act, 1956

ACKNOWLEDGEMENT

Your Directors place on records their sincere gratitude for the sustained support it has received from shareholders and Government Agencies.

For and on behalf of the Board of Directors
Lancor Guduvanchery & Developments Limited

CA.Mallika Ravi
Director

R.V. Shekar
Director

Place : Chennai

Dated : 3rd June, 2011

**AUDITOR'S REPORT TO THE MEMBERS OF
LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED**

1. We have audited the attached Balance Sheet of **LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED** as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year under review 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.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow statement account dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED as on March 31, 2011 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No. 104767 W

Place : Chennai
Date : 3rd June, 2011

Satya Ranjan Dhal
Partner
Membership No 241206

ANNEXURE

Re: LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) The Company does not have any Fixed Assets. In view of the same the sub clauses i(a), i(b), i(c) of clause 4 of the Order regarding Fixed Assets are not applicable.

- (ii)
 - (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - (b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventory and no discrepancies were noticed on verification between the physical stocks and books of accounts.

- (iii)
 - (a) As informed to us, the company has not granted 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, the sub clause (iii)(b), regarding nature of terms and conditions of such loans, sub clause (iii)(c), regarding regularity of repayment of such loans/interests and sub clause (iii)(d) regarding overdue amount in case of such loans, of clause 4 of the Order are not applicable.
 - (b) The Company has taken unsecured loan from one Company covered in the register maintained under section 301 Companies Act, 1956. The maximum amount involved during the year was Rs.100,284,316 and the year end balance of such loan was Rs. 100,284,316
 - (c) In our opinion the terms and conditions on which loan has been taken from the Company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
 - (d) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.
 - (e) As stated above, no repayment schedules have been specified and there are no other due amounts in excess of Rupees one lakh.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

- (v)
 - (a) Based on the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) According to sub clause (v) (b) of clause 4 of the Order, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence there is no question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.

- (vii) In our opinion, as the Company has been incorporated on November 22, 2010 and since the paid-up capital and free reserve is not exceeding rupees fifty lacs and average turnover of the Company exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year is not applicable, hence the question of having an internal audit system commensurate with its size and nature of business does not arise.

- (viii) According to the information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. Accordingly the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable. No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess, which have not been deposited on account of any dispute.
- (x) In our opinion, as the Company has been incorporated on November 22, 2010, the requirement of sub clause (x) of clause 4 of the Order is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from bank and financial institution nor issued any debentures. Hence the question of default in repayment of dues to banks or financial institutions or default in payment of debenture holders does not arise.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the sub clause (xiv) of clause 4 of the Order is not applicable to the Company.
- (xv) As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanation given to us as the Company has not taken any term loans, the question of utilization of loan for which the loan has taken is not is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we are of opinion that no funds raised on short term basis has been used for long term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act. Hence reporting whether the price of which shares have been issued are not prejudicial to the interest of the Company is not required.
- (xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.
- (xx) As the Company has not raised money by public issue hence the sub clause (xx) of the clause 4 of the Order is not applicable to the Company.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed during the course of our audit.

For **G.M. Kapadia and Co.**
Chartered Accountants
Firm Registration No. 104767 W

Place : Chennai
Date : 3rd June, 2011

Satya Ranjan Dhal
Partner
Membership No 241206

Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	As at March 31, 2011
I SOURCES OF FUNDS		
Shareholders' funds		
Share Capital	1	500,000
Reserves & Surplus		—
Loan Funds		
Secured loans		—
Unsecured Loans	2	100,284,316
		100,784,316
Application of Funds		
Fixed Assets		
Gross Block		—
Less : Accumulated Depreciation / Amortisation		—
Net Block		—
Investments		—
Deferred Tax Asset (Refer Note No 6 of Schedule 6)		16,365
Current Assets, Loans and Advances	3	
Inventories		100,606,592
Sundry Debtors		—
Cash & Bank balances		499,615
Other Current Assets		—
Loans & Advances		—
		101,106,207
Current Liabilities and Provisions	4	
Current Liabilities		402,595
Provisions		—
		402,595
Net Current Assets		100,703,612
Profit and Loss Debit Balance		64,339
		100,784,316

The Schedules referred to above and the Notes to Accounts form an Integral part of Balance Sheet

As per our Report of even date
For G. M. KAPADIA & CO.
Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
Partner

R.V.Shekar
Director

CA. Mallika Ravi
Director

Chennai
Dated: 3rd June, 2011

Chennai
Dated: 3rd June, 2011

Profit and Loss Account for the period November 22, 2010 to March 31, 2011

(Figures in Indian Currency)

Particulars	Schedule No.	Period ended March 31, 2011
Income		—
Expenditure		
Administration and Other Overheads	5	80,319
Finance Expenses		385
		80,704
Profit/(Loss) Before Tax		(80,704)
Less: Tax expenses:		
- Current Tax		—
- Deferred Tax (Net)		(16,365)
Profit/(Loss) After Tax		(64,339)
Balance Carried to Balance Sheet		(64,339)
No. of Equity shares outstanding during the year		50,000
Earnings Per Share of Rs.10 each (Basic & Diluted) (Refer Note 5 of Schedule 6)		(1.29)
Significant Accounting Policies and Notes to Accounts	6	

The Schedules referred to above and the Notes to Accounts form an Integral part of Profit & Loss Account

As per our Report of even date
For G. M. KAPADIA & CO.
Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
Partner

R.V.Shekar
Director

CA. Mallika Ravi
Director

Chennai
Dated: 3rd June, 2011

Chennai
Dated: 3rd June, 2011

CASH FLOW FOR THE PERIOD ENDED 31st MARCH, 2011

(Figures in Indian Currency)

	Period ended 31st March 2011
A. Cash Flow from Operating Activities:	
Net Profit before tax & extraordinary items	(80,704)
Adjusted for:	
Non Cash Charges:	
Operating Profits before Working Capital changes	(80,704)
Changes in Working Capital	
(Increase) / Decrease in Inventories	(100,606,592)
(Increase) / Decrease in Loans & Advances	—
Increase / (Decrease) in Current liabilities	402,595
Cash generated from Operations	(100,284,701)
Income Tax Refund	—
Taxes paid	—
Net Cash Flow from Operating Activities	(100,284,701)
B. Cash Flow from Investing Activities	—
Net Cash Realised in Investing Activities	—
C. Cash Flow from Financing Activities	
Proceeds from issuance of Share capital	500,000
Proceeds from borrowings	100,284,316
Net Cash Realised in Financing Activities	100,784,316
Net Changes in Cash or Cash Equivalents (A+B+C)	499,615
Cash and Cash Equivalents - Opening balance	—
Cash and Cash Equivalents - Closing balance	499,615
Components of cash and Cash Equivalents	
In current Account	499,615
	499,615
<i>Note: (i) Figures in bracket represents outflows</i>	
<i>(ii) Cash & Cash Equivalent as per Schedule-3 of the Financial Statement</i>	

As per our Report of even date
For G. M. KAPADIA & CO.
Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
Partner

R.V.Shekar
Director

CA. Mallika Ravi
Director

Chennai
Dated: 3rd June, 2011

Chennai
Dated: 3rd June, 2011

Schedules Forming Part of Balance Sheet as at March 31, 2011

(Figures in Indian Currency)

Particulars	As at March 31, 2011
Schedule 1: Share Capital	
Authorised Capital	
50,000 Equity Shares of Rs. 10 each	500,000
	500,000
Issued, Subscribed and Paid up Capital	
50,000 Equity Shares of Rs. 10 each	500,000
	500,000
Schedule 2: Unsecured Loans	
Other Loan and Advances	
From Others	100,284,316
	100,284,316
Schedule 3: Current Assets, Loans and Advances	
Current Assets	
Land and Construction Work in Progress at Cost	
Expenditure incurred towards	
Cost of Land	100,000,000
Government Approval Charges	184,155
Other Expenses	422,437
	100,606,592
Cash & Bank balances	
Balance with Scheduled bank in Current Account	499,615
	499,615
Total	499,615
Schedule 4: Current Liabilities and Provisions	
Current Liabilities	
Sundry Creditors	
Micro, Small and Medium enterprises	—
Other than Micro, Small and Medium enterprises	352,519
Liabilities for Duties and Taxes	25,259
Other Current Liabilities	24,817
	402,595
Provisions	
Total	402,595

Schedules to Profit & Loss Account for the period ended March 31, 2011

(Figures in Indian Currency)

Particulars	Period ended March 31, 2011
Schedule 5: Administration And Other Overheads	
Pre-incorporation Expenses	52,744
Auditors Remuneration:	
Statutory Audit Fees	27,575
	80,319

SCHEDULE No 6:**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2011 -****A. SIGNIFICANT ACCOUNTING POLICIES:**

The Company's accounting policies are as follows:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

b) USE OF ESTIMATES:

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

c) INVENTORIES

Inventory comprises of property under construction (work in progress) and stock of construction materials.

Cost of construction/ development material is valued at lower of cost or net realizable value. Work-in-Progress comprises of cost of acquisition of land, if any, construction & development expenses, and borrowing cost. Necessary provisions are considered if net realizable value of premises is less than cost. The Company values the cost of inventories on FIFO basis.

d) RECOGNITION OF REVENUE & EXPENDITURE OF PROPERTY DEVELOPMENT BUSINESS:

- i. The Company adopts the accrual system of accounting. Revenue is recognised as and when there is a reasonable certainty of its ultimate realisation.
- ii. Revenue from real estate properties under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate properties and is accounted on percentage completion method. Sales consideration comprises, the aggregate amounts of the sales price of the land and the development consideration as per the agreements entered into with the buyer and is recognised as a percentage of the construction cost incurred for work performed upto the reporting date bear to the estimated construction cost of the project.
- iii. The expenditure incurred is accumulated under the head work-in-progress and collections are accumulated and carried forward under the head advance received from customers.

e) TAXATION:

- i) Provision for current tax is made on the basis of the taxable profit computed for the current accounting period (Reporting Period) in accordance with the Income Tax Act, 1961.
- ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

f) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized where an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

B NOTES TO ACCOUNTS

1. a) The Company was incorporated on November 22, 2010. Since this is the first year of operation of the Company, disclosure of previous year figure does not arise.
- b) Expenses incurred for the incorporation of the Company have been charged to revenue.

2. CONTINGENT LIABILITIES:

Claims against the Company not acknowledged as debt - Nil

3. The details required to be disclosed as per Para 4C and Para 4D of part II of schedule VI to the Companies Act, 1956 have been furnished to the extent it's applicable to the Company

	As at 31-03-2011
Expenditure in Foreign Currency	Nil

4. RELATED PARTY DISCLOSURE:

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Controlled by:

- Lancor Holdings Limited

B. Fellow Subsidiaries:

- Lancor Maintenance & Services Limited
- Lancor Realty Limited
- Lancor Projects Limited

C. Entities under the significant control \ influence of Directors \ Shareholders:

- R.V. Shekar

Particulars of transactions with the Related Parties

(Figures in Indian currency)

Particulars	Controlled by	Under the Significant influence of Directors \ Shareholders	Fellow Subsidiaries	Total
Equity Contribution				
- Lancor Holdings Limited	500,000			500,000
OTHER TRANSACTIONS				
Loan Received				
- Lancor Holdings Limited	100,284,316			100,284,316
CLOSING BALANCE				
- Lancor Holdings Limited	100,284,316			100,284,316

Note: Details of debits/credits in the nature of reimbursements are not included in the above.

5. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to equity shareholders by weighted average number of Equity shares outstanding during the year as under:

Particulars	Year Ended March, 31 2011
Profit after tax as per Profit and Loss account	(64,339)
Weighted average number of Equity Shares outstanding	50,000
EPS (Rupees) of Face value Rs10/-	(1.29)

6. DEFERRED TAX ASSETS

Particulars	Deferred Tax Liabilities/Assets as at 31.03.2011
Deferred Tax Liabilities	
Total Deferred Tax Liabilities	Nil
Deferred Tax Assets	
a) Disallowed under Sec.35D of Income Tax Act -Preliminary Expenses	6,180
b) Unabsorbed Business Loss	10,185
Total Deferred Tax Assets	16,365
Deferred Tax Assets / (Liabilities) (Net)	16,365

7. The Company is in the process of compiling the relevant information from its creditors about their coverage under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). None of the enterprises have responded till date regarding their status under the said Act.

8. Segment Information:

As the Company's business activity falls within a single Primary Business Segment and one Geographical Segment, as per Accounting Standard 17 on 'Segment Reporting' disclosure requirements are not applicable.

As per our Report of even date
For G. M. KAPADIA & CO.
 Chartered Accountants

For and on behalf of the Board

Satya Ranjan Dhal
 Partner

R.V.Shekar
 Director

CA. Mallika Ravi
 Director

Chennai
 Dated: 3rd June, 2011

Chennai
 Dated: 3rd June, 2011

From :

Name :

Address :

Email ID :

Contact No :

To

M/S. Cameo Corporate Services Limited
Unit : "Subramanin Building"
No.1, Club House Road
Chennai – 600 002.

Dear Sir(s),

Date : _____

Folio No. : _____

DP ID : _____

Client ID : _____

No of Equity ShareHolder : _____

Ref: Dividend Mandate for NECS

Name of the Bank	
Branch Name	
Bank A/c Typr (SB A/c / Current A/c)	
Bank A/c No.	
Bankers MICR ECS Code No.	
Banker IFSC Code No.	
Full Address of the Bank	
Pin code	

- Please enclose photocopy of a cheque or a cancelled cheque, if any, for our reference, otherwise, you may furnish your banker's MICR ECS code correctly, without fail.
- The present mandate for ECS will supersede my earlier bank instruction, if any.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsibility expected of me as a participant under the scheme.

(Signature of the Shareholders)

DP ID

Client ID

Registered Folio No.*

No. of Shares

I / We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

being a member(s) of LANCOR HOLDINGS LIMITED do hereby appoint _____ of _____ in the district of _____ (or failing him _____ of _____ in the district of _____ as my / our proxy and to vote for me / us on my / our behalf at the 26th Annual General Meeting of the Company scheduled to be held on Friday, the 29th day of July 2011 at 02.30 p.m. at Quality Inn Sabari, (Riviera – 6th Floor), 29, Thirumalai Pillai Road, T.Nagar, Chennai-600017 and at any adjournment thereof.

Signed by the said _____ this _____ day of _____ 2011

Affix
Re. 1
Revenue
Stamp

* As applicable for investor holding shares in physical form

Note: The proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID

Client ID

Registered Folio No.*

No. of Shares

I / We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

I hereby record my presence at the 26th Annual General Meeting of the Company at Quality Inn Sabari, (Riviera - 6th Floor), 29, Thirumalai Pillai Road, T.Nagar, Chennai-600017 on 29th day of July 2011 at 02.30 p.m.

Member's / Proxy's Signature

* as applicable for investor holding shares in physical form

