# FORM A

**Covering letter of the Annual Audit Report to be filed with the Stock Exchange**

| | | |
|---|---|---|
| 1 | Name of the Company | Lancor Holdings Limited |
| 2 | Annual Financial Statements for the year ended | 31st March 2015 |
| 3 | Type of Audit Observation | Un-qualified |
| 4 | Frequency of Observation | Not Applicable |
| 5 | Signed by | |
| | Ms. Mallika Ravi,<br>Chief Executive Officer | |
| | Mr. K. Srinivasan,<br>Chief Financial Officer | |
| | Mr. Satya Ranjan Dhall,<br>Auditor of the Company | |
| | Mr. R.Sankaranarayanan<br>Chairman, Audit Committee | |

# Notice to the Thirtieth Annual General Meeting

Notice is hereby given that the Thirtieth Annual General Meeting (AGM) of the members of Lancor Holdings Limited will be held on Monday, the 28th September, 2015 at 2:30 pm at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 to transact the following business :

**Ordinary business**

1. To consider and adopt:

   (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.

2. To declare a dividend on equity shares.

3. To appoint a Director in place of Mrs.Sangeetha Shekar (DIN-03344252) who retires by rotation and, being eligible, offer herself for re-appointment.

4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the appointment of M/s.G.M.Kapadia & Co., Chartered Accountants ( Firm Registration No.104767W) as the auditors of the Company in the previous Annual General Meeting held on December 26, 2014 for a term of Three (03) years i.e, till the conclusion of Thirty Second Annual General Meeting (AGM) which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this AGM till the conclusion of next AGM of the Company to be held in the hear 2016 at such remuneration plus service tax, out-of-pocket expenses, etc., as mutually agreed between the Board of Directors of the Company and the Auditors.

**Special business**

5. Ratification of remuneration payable to Cost Auditors

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

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any amendment or reenactment thereof and of any other law for the time being in force, the consent of the members of the Company be and is hereby accorded for the payment of remuneration not exceeding Rs.1,00,000/- (Rupees One Lakh only) plus reimbursement of out of pocket expenses and taxes as may be applicable from time to time to M/s.Sivasankaran & Co., Cost Accountants (Firm Registration No.100662), the Cost Auditors of the Company for the financial year 2015-16.

   **RESOLVED FURTHER THAT** any of the Directors or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, things, matters and to execute all such documents as may be required to give effect to this Resolution."

Registered office : VTN Square,
No.58, G.N.Chetty Road,
T.Nagar, Chennai 600 017

14th August, 2015

**By order of the Board of Directors**for
Lancor Holdings Limited

**Pradeep Kumar Nath**
Company Secretary & Compliance Officer

**Notes**

**The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
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 desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share capital and Debentures) Rules 2014, are requested to write to the Company's Registrar in the prescribed form. Nomination form (SH.13) may be downloaded from Company's Website www.lancor.in
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM
9. Members who are holding shares under more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details
10. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
11. The Register of Members and Share Transfer Books will remain closed on 23rd September, 2015 to 28th September, 2015(both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2015 and the AGM.
12. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 22nd September, 2015. The final dividend is Rs.2/- per equity share, amounting to Re.1/- per equity share post 1:1 bonus issue.
13. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
14. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents, M/s.Cameo Corporate Services Limited, having their Registered Office at "Subramanian Building", No.1, Club House Road, Chennai, 600002.
15. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Pradeep Kumar Nath, Company Secretary, at the Company's registered office.

16. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund.

17. With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communications electronically.

18. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.

19. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

20. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

21. The Notice of the 30th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

22. Members may also note that the Notice of the 30th AGM and the Lancor Annual Report 2014-15 will be available on the Company's website, www.lancor.in, the physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : compsecy@lancor.in

23. Additional information, pursuant to Clause 49 of the Listing Agreement with the stock exchanges, in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.

24. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.

25. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

26. Attendance registration:- Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

**27. Additional information on Directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement**

Mrs.Sangeetha Shekar (DIN-03344252) (Nationality – Indian) born June 20, 1977, holds a B.Tech degree in Chemical Engineering, from BITS, Pillani. She joined the Board on December 02, 2010. She also holds a Masters Degree in Chemical Engineering and a Masters Degree in Computer Science, both from University of Florida, USA. Mrs.Sangeetha Shekar has over Twelve Years of Experience in Information Technology. Shareholding in the Company: 27,53,700 (Post Bonus Issue). Attendance record of the Directors seeking appointment / re-appointment are mentioned in Corporate Governance Report. She does not hold any other Directorship and membership / chairmanship of the Board Committees in any other Company.

28. The Company has appointed Mr.Rabi Narayan Pal, Partner, Rabi Narayan & Associates, Practicing Company Secretary, Chennai to act as the Scrutinizer, for conducting the scrutiny of the votes cast in a fair and transparant manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

**Procedure for E-voting**

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on 25th September, 2015 at 9.00 am and ends on 27th September, 2015 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| **PAN** | **Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)**<br>• **Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field.**<br>• **In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number is 1 then enter RA00000001 in the PAN field.** |
| **DOB** | **Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.** |
| **Dividend Bank Details** | **Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.**<br>• **Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).** |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for **Lancor Holdings Limited**.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xix) The scrutinizer shall immediately after the conclusion of the Annual General meeting first count the votes cast at the meeting and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against , if any, forthwith the Chairman of the Company.

(xx) The results shall be declared within 3 days of the conclusion of the Annual General meeting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.lancor.in and on the website of CDSL within three days of passing if the resolutions at the AGM if the Company and communicated to the BSE Limited, where the equity of the Company is listed.

**Explanatory Statement pursuant to the provision of section 102 of the Companies Act, 2013**

**Item no. 5**

In terms of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as may be amended from time to time, the Company is required to get its cost records audited.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s.Sivasankaran & Co., Cost Accountants (Firm Registration No: 100662) as the Cost Auditors of the Company for the financial year 2015-16. Further, the Board of Directors, on the recommendations of the Audit Committee, have approved the payment of remuneration not exceeding Rs.1,00,000/- (Rupees One Lakh only) plus out of pocket expenses and taxes as may be applicable from time to time to the Cost Auditors for undertaking the cost audit of the Company for the financial year 2015-16. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.
None of the other Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the Ordinary Resolution set out in Item No.5 for approval by the Members.

Registered office : VTN Square,
No.58, G.N.Chetty Road,
T.Nagar, Chennai 600 017

**By order of the Board of Directors**
For Lancor Holdings Limited

**Pradeep Kumar Nath**
Company Secretary & Compliance Officer

14th August, 2015

**Route map to the venue of the AGM**

Quality Inn Sabari, 29, Thirumalai Pillai Road,
T.Nagar, Chennai 600 017

The 30th Annual General Meeting (AGM) of the members of
Lancor Holdings Limited is scheduled on Monday, the 28th September, 2015 at 2:30 pm

# PROXY FORM

*[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]*

## LANCOR HOLDINGS LIMITED

CIN 65921TN1985PLC049092

Registered Office: VTN square, 2nd Floor, No.58, (Old No.104) G.N. Chetty Road, T. Nagar, Chennai – 600 017,
Email ID: compsecy@lancor.in, website: www.lancor.in, Telephone: +91-44-28345880/83, Tele Fax: +91-44-28345884

## 30th Annual General Meeting – 28th September ,2015

| | |
|---|---|
| Name of the member(s) | |
| Registered address | |
| Email | |
| Folio no. / Client ID | |
| DP ID | |

I / We, being the member(s) of …….. shares of the above named Company, hereby appoint

Name : .....Email :.....

Address : .....

..... Signature :.....

***or failing him / her***

Name : .....Email :.....

Address : .....

..... Signature :.....

***or failing him / her***

Name : .....Email :.....

Address : .....

..... Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, 28th September, 2015 at 2:30 pm, at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | Vote *(Optional see Note 2)* (Please mention no. of shares) For | Against | Abstai |
|---|---|---|---|---|
| | **Ordinary business** | | | |
| 1. | a) Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015<br>b) Audited consolidated financial statement of the Company for the financial year ended March 31, 2015<br>the audited consolidated financial statement of the Company for the financial year ended March 31, 2015 | | | |
| 2. | To declare a dividend on equity shares | | | |
| 3. | Appointment of a director in place of Mrs.Sangeetha Shekar (DIN-03344252), who retires by rotation and being eligible, offers herself for re-appointment | | | |
| 4. | Appointment of M/s.G.M.Kapadia & Co., as the auditors of the Company | | | |
| | **Special business** | | | |
| 5. | Ratification of remuneration payable to Cost Auditors | | | |

Signed this …….. day of …….. 2015.

Affix revenue stamp of not less than Re. 1

…… ……

*Signature of the member* *Signature of the proxy holder(s)*

*Notes :* *1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.*

*2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*

## Attendance Slip

*[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]*

**LANCOR HOLDINGS LIMITED**

CIN 65921TN1985PLC049092

Registered Office: VTN square, 2nd Floor, No.58, (Old No.104) G.N. Chetty Road, T. Nagar, Chennai – 600 017,
Email ID: compsecy@lancor.in, website: www.lancor.in, Telephone: +91-44-28345880/83, Tele Fax: +91-44-28345884

**30th Annual General Meeting – 28th September ,2015**

| Folio no. / Client ID | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| No. of Shares held | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 30th Annual General Meeting of the Company at the Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017, on Monday, 28th September, 2015, at 2.30 p.m. IST

…… ……

Name of the member / proxy (in BLOCK letters)

*Signature of the member / proxy*

*Noat:*

*fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.*

| Rered Folio no. / DP ID no. / Client ID no. : | Number of shares held : |
|---|---|

Dear member,

Subject: Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Monday, 28th September, 2015, at 2.30 p.m. IST. The Company has engaged the services of the Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company's website, www.lancor.in.

The e-voting facility is available at the link, https:// www.evotingindia.com

E-voting particulars

| EVEN (e-voting event number) | User ID | Password |
|---|---|---|
| **150822010** | **Please enter your DP ID / C: ID or Folio No.** | **Use your existing password or enter your PAN with Bank A/c. No. / Date of Birth** |

The e-voting facility will be available during the following voting period :

| Commencement of e-voting | End of e-voting |
|---|---|
| 25th September, 2015 at 9:00 a.m. IST | 27th September, at 5:00 p.m. IST |

Please read the instructions printed below before exercising your vote :
These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 28th September, 2015.

LANCOR®

CREATING ENDURING VALUE

30 years of shaping Chennai

**Lancor Holdings Limited,**
VTN Square, 2nd Floor, New No. 58, Old No. 104,
G.N.Chetty Road, T.Nagar, Chennai - 600 017.
Ph: 044-2834 5880 - 84
www.lancor.in

**30TH** ANNUAL REPORT 2014 - 15

| | | |
|---|---|---|
| BOARD OF DIRECTORS | Mr.R.V.Shekar | Chairman, Non Executive |
| | Mr.S.V.Venkatesan | Non Executive & Independent |
| | Mr.R.Sankaranarayananan | Non Executive & Independent |
| | Mr.T.P.Raman | Non Executive & Independent |
| | Mr.Harmohan Sahni | Non Executive & Independent |
| | Mr.S.Sridharan | Non Executive & Non Independent |
| | Mrs.Sangeetha Shekar | Non Executive & Non Independent |
| REGISTERED OFFICE | "VTN" Square, 2nd Floor,<br>58, G.N.Chetty Road, T.Nagar,<br>Chennai – 600 017 | |
| CHIEF EXECUTIVE OFFICER (CEO) | CA.Mallika Ravi | |
| CHIEF FINANCIAL OFFICER (CFO) | Mr.K.Srinivasan | |
| COMPANY SECRETARY & COMPLIANCE OFFICER | CS Pradeep Kumar Nath | |
| AUDITORS | M/s.G.M.Kapadia & Co.,<br>Chartered Accountants,<br>7A, P.M.Tower,No.37, Greams road,<br>Chennai – 600 006 | |
| SOLICITORS | M/s.Raman & Associates, Chennai | |
| BANKERS/FINANCIAL INSTITUTIONS | M/s.The Catholic Syrian Bank Limited<br>M/s. City Union Bank Limited<br>M/s. Axis Bank Limited<br>M/s. HDFC Limited<br>M/s. Axis Finance Limited<br>M/s. LIC Housing Finance Limited | |
| REGISTRAR AND SHARE TRANSFER AGENTS | Cameo Corporate Services Limited<br>"Subramanian Buildings"<br>1, Club House Road, Chennai – 600 002 | |

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| Notice of AGM | Attached |

## MISSION STATEMENT

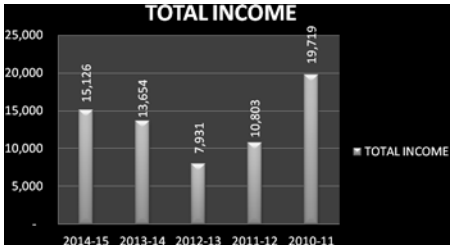
To create profitable developments with enduring value, distinguishing characteristics leading to high customer satisfaction, with full compliance to building standards, rules and regulations.

## FINANCIAL HIGHLIGHTS OF LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND INTEREST IN JOINT VENTURE – PARTNERSHIP FIRM (on consolidated basis)

Rs. In Lakhs(except S.No.1 & 2 )

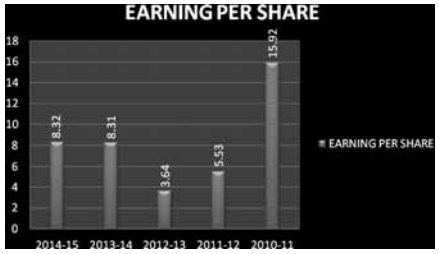
| S.NO. | PARTICULARS | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 |
|---|---|---|---|---|---|---|
| 1 | CONSTRUCTED AREA (SQ.FT) | 3,36,759 | 4,78,795 | 2,60,219 | 2,48,159 | 5,12,363 |
| 2 | CONSTRUCTED AREA LINKED TO SALES (SQ.FT) | 2,97,908 | 2,61,328 | 1,91,283 | 2,58,293 | 5,13,291 |
| 3 | INCOME FROM OPERATIONS | 12,931.06 | 11,307.32 | 5,232.94 | 8,016.01 | 18,054.94 |
| 4 | TOTAL INCOME | 15,126.18 | 13,654.09 | 7,931.00 | 10,802.80 | 19,719.44 |
| 5 | EBIDTA | 5,385.15 | 5,307.23 | 2855.35 | 3721.63 | 5462.74 |
| 6 | INTEREST | 2,387.21 | 2,237.59 | 1576.45 | 784.09 | 553.71 |
| 7 | DEPRECIATION | 326.60 | 269.44 | 233.46 | 249.27 | 260.27 |
| 8 | TAX | 966.36 | 1,115.96 | 276.45 | 1,567.32 | 1,423.59 |
| 9 | NET PROFIT | 1,683.82 | 1,683.51 | 737.84 | 1120.64 | 3224.61 |
| 10 | EQUITY SHARE CAPITAL | 405.00 | 405.00 | 405.00 | 405.00 | 405.00 |
| 11 | NETWORTH | 13,745.26 | 12,646.45 | 11,436.77 | 9,760.67 | 9,110.74 |
| 12 | GROSS FIXED ASSETS | 10,276.07 | 10,462.13 | 10241.27 | 6,912.33 | 6,648.37 |
| 13 | NET FIXED ASSETS | 8,424.33 | 8,748.02 | 8,777.18 | 5,701.95 | 5,694.64 |
| 14 | TOTAL ASSETS | 38,083.87 | 38,908.96 | 32,410.68 | 22,344.43 | 14,740.21 |
| 15 | BOOK VALUE PER SHARE (Rs.) | 67.88 | 62.45 | 56.48 | 48.2 | 44.99 |
| 16 | TURNOVER PER SHARE (Rs.) | 74.69 | 67.42 | 39.17 | 53.35 | 97.38 |
| 17 | EARNINGS PER SHARE (Rs.) | 8.32 | 8.31 | 3.64 | 5.53 | 15.92 |
| 18 | EBIDTA/GROSS TURNOVER (%) | 35.60 | 38.87 | 36 | 34.45 | 27.7 |
| 19 | ROCE (%) | 12.25 | 13.31 | 6.45 | 11.48 | 35.39 |

Rs. in Lakhs




Rs. in Lakhs

Rs.



## DIRECTORS' REPORT TO THE MEMBERS

Dear Member(s),

Your Directors have great pleasure in presenting the Thirtieth Annual Report on the business and operations of your Company together with Audited financial statement of the Company including consolidated financial statement of the Company for the financial year ended 31st March 2015 and the Auditors' report thereon.

### FINANCIAL SUMMARY AND HIGHLIGHTS

(Amount in Rs. Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2014 – 2015 | 2013 – 2014 | 2014 – 2015 | 2013 – 2014 |
| Total Revenue | 10,736.23 | 8,640.80 | 15126.19 | 13,654.09 |
| Expenditure | 6,574.22 | 4,102.74 | 9741.04 | 8,346.86 |
| EBITDA | 4,162.01 | 4,538.06 | 5385.15 | 5,307.23 |
| Interest | 2,127.94 | 1,925.39 | 2387.21 | 2,237.59 |
| Depreciation | 310.12 | 256.73 | 326.60 | 269.44 |
| Profit / (Loss) before tax | 2,178.66 | 2,355.94 | 2650.55 | 2,800.20 |
| Less : Provision for | | | | |
| Current tax | 713.13 | 759.49 | 958.98 | 1,046.09 |
| Deferred tax | (13.91) | 0.77 | (14.97) | 69.87 |
| (Excess) / short provision of Tax earlier year | 3.58 | 0.00 | 22.36 | 0.00 |
| Profit / (Loss) after Tax | 1,475.86 | 1,595.68 | 1684.19 | 1,684.24 |
| Minority Interest | 0.00 | 0.00 | 0.37 | .72 |
| Add : Balance brought forward from | 8,671.64 | 7,709.36 | 8985.21 | 7,935.19 |
| previous year (includes Lancor Projects Ltd) | | | | |
| Less : Prior year adjustments | 20.79 | 0.00 | 20.79 | 0.00 |
| Available for appropriation | 8,374.26 | 9,305.03 | 9,267.04 | 9,618.70 |
| Dividend | 405.00 | 405.00 | 405.00 | 405.00 |
| Tax on dividend | 94.60 | 68.83 | 94.60 | 68.83 |
| Transfer to General Reserve | 147.59 | 159.56 | 147.59 | 159.66 |
| Balance Carried to Balance Sheet | 7,727.08 | 8,671.64 | 8609.93 | 8,985.21 |

### BUSINESS OUTLOOK FOR LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND ASSOCIATE BUSINESS OVERVIEW

There has been no material change in the nature of the business of the Company. The operations of the Company can be categorized into two main verticals:

a) Construction and development of residential and commercial projects
b) Contractual projects

Your Company completed 30 years in January 2015, which is a major milestone. It has been an exciting and glorious journey of 30 years with many milestones created along the way.

Your Company built the brand "Lancor" in the last 3 decades by pioneering some of the finest building concepts and has given South India some of its landmark buildings which include "The Atrium", the first condominium styled residential project in Chennai, Westminster, the first all side glass-curtained wall building in India, Menon Eternity, the first LEED Platinum rated Building in South India, The Central Park and The Courtyard.

The innovation, timely completion of projects and hand over of apartments as per the commitments to our customers and customers responsiveness are the core strengths of your Company, which has made your Company to remain successful.

The fiscal year 2014-15 continued to be subdued for property development business as the Indian economy did not progress much. There were continued challenges and uncertainties in the Real Estate business with high interest rates and negative customer sentiments. The real estate market and customer sentiments work in tandem with the growth of the Indian economy. The GDP of India has been estimated to achieve 7.5% growth this fiscal, which is more than the previous year. With the revival of Indian economy, your Company hopes that the real estate would also start seeing revival but in a very gradual manner.

Though there has been demand for housing, the buyers have been deferring decision to buy homes as they are uncertain of their future, income and employment.

Your Company continues to deliver on its promises to the customers even in a difficult market and has delivered the following projects during the year, as per the commitments made to the customers;

Kiruba Cirrus, Valasaravakkam, Chennai: The project is 100% complete and customers have started living in. The marketing activities have geared up on digital platform to sell the balance number of units and with the sale of Cirrus apartments, the profitability of your Company will get boosted up significantly.

Sonnet Square: All the apartments in Sonnet Square got sold out. The project has been completed in full and customers have occupied the apartments.

Corner Stone: The completion certificate has been obtained and the customers have started taking possession of their apartments for interiors. The revenue of Corner Stone has been recognized to the extent of 61.49% in 2014-15.

TCP Lake Front (TCPLF) Phase I, Sholinganallur, OMR: The construction of 136 apartments across 8 blocks of Phase I of TCPLF is in the finishing stage. Your Company is planning to handover the apartments for interiors to the customers starting September 2015. As the construction is nearing completion, the balance 43 apartments should get sold out in the current financial year.

**The following are the proposed projects to be launched in the current financial year 2015-2016**

**TCP Lake Front, Sholinganllur (Phase II) OMR**

Your Company will be launching Phase II of TCP Lake Front at Sholinganallur in the current financial year 2015-16 comprising of 279 apartments on 2.95 acres of land. The proposal/drawings have already been submitted to the authorities for approval.

The development will comprise of 2 BHK of about 989 sq.ft and 3 BHK with a maximum size of 1,422 sq.ft. This development will generate a revenue of minimum of Rs.150 Crores.

**SUBSIDIARY COMPANIES:**

**LANCOR GST DEVELOPMENT LIMITED/ LANCOR REALTY LIMITED**

The Hon'ble High Court of Judicature at Madras, on 31st March 2015 ordered the merger of Lancor GST Developments Ltd and Lancor Realty Limited with its holding Company, Lancor Holdings Ltd, with appointed date as 01.04.2013.

The accounts have been restated accordingly.

Your Company has obtained the no objection certificate for "wet land conversion" from the Collector for the total extent of 6.27 acres of land that was purchased from L&T.

The first phase of the residential project in the land acquired from L&T in GST Road will be launched during the year,

which has a revenue potential of about Rs.85 Crores.

Building plans are drawn for Phase I comprising of 2 towers each having stilt plus 10 floors with a total of 172 apartments on the land extent of 1.54 acres. The drawings have been submitted to DTCP for approval.

**LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED (LGDL)**

The construction of G block in Lumina is underway and in all it will have 112 apartments and it is expected to be completed by end of this financial year for handover to customers.

Lumina is a well developed residential community today, which offers great living style for the owners and tenants. This project is gaining huge attraction as a good investment opportunity as well.

**LANCOR SRIPERUMBUDUR DEVELOPMENTS LIMITED (LSDL)**

Townsville: The D block of Townsville will be handed over for interiors to the customers in the next few months in the current financial year 2015-16.

**SERVICE COMPANIES:**

**LANCOR MAINTENANCE & SERVICES LIMITED (LMSL)**

During the year, LMSL has taken over the facility management of Sonnet Square, Kiruba Cirrus, Town & Country and Lumina, which will add to their revenue in addition to the other projects of Lancor, which LMSL has been maintaining. As Corner Stone gets completed, the same will also be handed over to LMSL for facility management

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT:**

The Board, in its meeting held on 07th May 2015, considered and recommended issue of 2,02,50,000 Bonus equity shares of Rs.2/- each in the ratio of 1 (one) new equity share for every 1(one) existing equity share held in the Company (with record date 25.06.2015). The issue of bonus share was approved by the members by way of Postal Ballot, the result of which was declared on 15.06.2015. Consequent to the issue of bonus shares, the paid up share capital of the Company increased from Rs. 4,05,00,000 to Rs. 8,10,00,000 consisting of 4,05,00,000 equity shares of Rs.2/- each.

Further, the Board, in its meeting held on 07th May 2015, subject to the approval of members and the Hon'ble High Court of the Judicature at Madras, considered and recommended the amalgamation of two of its wholly owned subsidiaries, namely Lancor Guduvanchery Developments Limited (Transferor Company-1) and Lancor Sriperumbudur Developments Limited (Transferor Company-2) in order to ensure better management of the both the companies as a single entity.

Apart from these, there has been no other material change and commitment effecting the financial position of the Company between the end of the financial year and the date of the report.

**FINANCIAL OVERVIEW**

**STANDALONE**

During the financial year 2014-15, the Company has on a standalone basis, registered total revenues of Rs.1,07,36,23,210/- as compared to Rs.86,40,79,750/- in the previous year, an increase of 24.25 % y-o-y. The Profit before Tax and Profit after Tax have declined by 7.52 %, 7.51 % respectively.

**CONSOLIDATED**

The consolidated revenues of the Company during the financial year 2014-15 was Rs.1,51,26,18,534/-, a growth of 10.78 % from the previous year. The Profit before Tax was higher/(lower) by (5.34%) and Profit after Tax was higher/(lower) (after considering minority interest) by .02 % as compared to the financial year 2013-14.

**DIVIDEND:**

The Board of Directors at its meeting held on 7th May 2015 recommended a final dividend of Rs.2 per equity share, subject to the approval of the members at the ensuing Annual General Meeting of the Company (equivalent to Re.1

per equity share, post issue of 1:1 bonus shares, which was approved by the members by way of Postal Ballot) for the financial year ended 31st March 2015.

The total dividend appropriation (excluding dividend distribution tax) for the current year is Rs. 4.05 crores, as against Rs. 4.05 crores in the previous year.

**TRANSFER TO RESERVE:**

Even though it is not mandatory on the part of the Company under section 123 of the companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 to transfer any specific percentage of its profits to the General reserves of the Company before the declaration of any dividend in any financial year, the Company proposes to transfer voluntarily a sum of Rs.1,47,58,596/- to the General Reserve, out of amount available for appropriation. An amount of Rs.8,40,82,515/- is retained in the surplus.

**CORPORTE SOCIAL RESPONSIBILITY (CSR)**;

As a part of CSR initiative, your Company has extended assistance in building toilets in Sree Sayee Vivekananda Vidhyalaya in North Chennai.

North Chennai generally is in a deprived part of Chennai where Sayee Vivekanandha Vidhyalaya is running a school to benefit the children from the families of low income group. Your Company has identified this school for constructing toilets for the children and during the year we have spent Rs.11.16 lakhs.

During the year, your Company formed a public charitable Trust under the name and style of Lancor Foundation, with a major objective to provide training to enhance the technical skill, knowledge, among the youth engaged or looking for carrer development in the construction sector. After completion of training in tile fixing, masonry, painting, plumbing, electrical, carpentry and other construction related works, the trainees would be self competent either to pursue the occupation or to take up employment.

Your Company has started this initiative with an objective of not only to impart training to the youth and make them employable.

Lancor Foundation has identified a piece of land for constructing a training centre in Sriperumbudur where the in-house training will be given free of cost.

Your Company has funded Rs.26.62 lakhs to Lancor Foundation towards meeting its objectives.

**Board of Directors and its Committees**

**A. Composition of the Board of Directors**

The Board of Directors of the Company comprises of Non Executive Chairman who is a promoter of the Company and Six Non-Executive Directors, including Four Independent Directors. The Company also has one Women Director who is Non Executive. The composition of the Board of Directors is in compliance with Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**B. Meetings**

The Board of Directors duly met Eight (08) times during the year, the details of which are given in the corporate Governance report that forms part of this annual report. In respect of all such meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed under the companies Act,2013.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on March 31, 2015.

**C. Appointment of Director**

Sri. S.Sridharan (DIN: 01773791) who was appointed as an Additional Director in the capacity of a Non – Executive

Director by the Board at their meeting held on 13.11.2014 and his appointment was regularized at the Annual General meeting held on December 26, 2014. The Board of Directors, based on the recommendation of Nomination, Remuneration and Governance Committee, has recommended the appointment of Sri. S.Sridharan as a Non – Executive Director of the Company. We thank the shareholders for their support in confirming Sri. S.Sridharan's (DIN: 01773791) appointment at the Annual General Meeting held on December 26, 2014.

The Companies Act, 2013, provides for the appointment of Independent Directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, all the Independent Directors, ie., Sri.R.Sankaranarayananan (DIN-00172202), Sri. S.V.Venkatesan (DIN 00004010), Sri.T.P.Raman (DIN-00320782), and Sri.Harmohan Sahni (DIN-00046068) were appointed by the shareholders at the last Annual general meeting as required under Section 149(10). Further, according to Sub-section (11) of Section 149, no Independent Director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such Independent Directors. None of the Independent Directors will retire at the ensuing Annual General Meeting.

**D. Re-appointment of Director Retiring by Rotation**

In terms of Section 152 of the Companies Act, 2013, Mrs. Sangeetha Shekar (DIN-03344252) liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors based on the recommendation of Nomination, Remuneration and Governance Committee, has recommended the re-appointment of Mrs. Sangeetha Shekar (DIN-03344252) retiring by rotation.

Brief resumes of the Directors proposed to be appointed / re-appointed have been provided in the note to the Notice convening the Annual General Meeting. Specific information about the nature of their expertise in specific functional areas and the names of the companies in which they hold Directorship and membership / chairmanship of the Board Committees, as stipulated under Clause 49 of the Listing Agreement, have also been included.

**E. Committees of the Board**

The constitution and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee were also aligned with the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013. The Company has also constituted Corporate Social Responsibility Committee, Risk Management Committee.

A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report forming part of the Annual Report.

**F. Performance Evaluation**

Section 134 of the Companies Act, 2013 states that formal evaluation needs to be made by the Board, of its own performance and that of its committees and the individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Directors being evaluated. Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board's evaluation framework.

Pursuant to the provisions of section 134 (3) (p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. None of the Independent Directors is due for re-appointment.

**G. Directors' Responsibility Statement**

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; and

e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

**Changes in Directors and Key Managerial Personnel**

Mr.R.V.Shekar retired as the Managing Director of the Company on September 30, 2014, on attaining the age of 65 years and continuing as the Chairman and Non-.Executive Director of the Company. Mr.R.V.Shekar is a Promoter of the Company and has played a seminal role in contributing to the growth of the Company. The Board places on record its gratitude for the services rendered by Mr.R.V.Shekar during his long association with the Company.

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the appointments of Mrs. Mallika Ravi, Chief Executive Officer, Mr. K.Srinivasan, Chief Financial Officer as key managerial personnel of the Company were formalized with effect from August 08, 2014.

Mr.P.Mahadevan, was appointed as Compliance Officer and Company Secretary of the Company with effect from July 02, 2014, consequent to the resignation of Mr. H.Viswanath, with effect from July 01, 2014. Further Mr.Pradeep Kumar Nath was appointed as Compliance Officer and Company Secretary of the Company with effect from June 23, 2015, consequent to the resignation of Mr.P.Mahadevan, with effect from June 06, 2015.

**Changes in Subsidiaries, Joint Ventures and Associates**

Consequent to the amalgamation of Lancor Realty Limited and Lancor GST Developments Limited with the Company in accordance with the scheme of amalgamation as approved by Hon' ble High Court of Judicature at Madras vide its order dated 31.03.2015, both the Transferor companies ceased to be subsidiary of the Company.

**Significant or Material Orders Passed by Regulators / Courts**

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**Audit Related Matters**

**A. Audit Committee**

In terms of clause 49 of the listing agreement and the provision of Section 177(8) read with Rule 6 of the companies (Meeting of Board and its Powers) Rules 2014 the Company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consisting of three "Non-Executive & Independent Directors" as members having adequate financial and accounting knowledge. The composition, procedures, powers and role/functions of the audit committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

**B. Statutory Auditors**

At the Annual General Meeting of the Company held on December 26, 2014, M/s.G.M.Kapadia & Co., Chartered Accountants (Firm Registration Number 104767W) were re-appointed as the Statutory Auditors of the Company for a period of 3 years, which is subject to annual ratification by the members of the Company in terms of Section 139 of

the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Accordingly, the appointment of M/s.G.M.Kapadia & Co., Chartered Accountants, as the Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a Certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The Audit committee and the Board of Directors recommend the ratification of appointment of M/s.G.M.Kapadia & Co., Chartered Accountants as the Statutory Auditors and to fix their remuneration. The members may ratify the appointment of M/s.G.M.Kapadia & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year 2015-16.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

**C. Secretarial Audit**

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s.V.S.Sowrirajan & Associates, Company Secretaries-in-Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report in Form No.MR.3 for Financial year 2014–15 is annexed herewith, as **Annexure- A.**

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

**D. Cost Audit**

Based on the overall turnover of the Company from all its products and services during the immediately preceding financial year i.e 2013-14 which exceeds Rs.35 Crores but less than Rs.100 Crores, the Company is required to maintain cost records for Construction industry in its books of account. The Cost Compliance Report in Form B, has been issued by M/s. N Sivashankaran, Cost Accountants, for the financial year 2013- 14.

The overall turnover of the Company from all its products and services during the financial year 2014-15 exceeds Rs.100 Crores, therefore in terms of Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and audit the same by a Cost Accountant for the financial year 2015-16. Accordingly, the Audit Committee of the Board at their meeting held on 07.05.2015 appointed M/s.N.Sivashankaran & Co, Practicing Cost Accountant, as the Cost Auditor of the Company for financial year 2015-16. The Audit Committee and the Board of Directors recommend the ratification of appointment of M/s.N.Sivashankaran & Co, Practicing Cost Accountant as the Cost Auditor of the Company and to fix their remuneration.

**E. Internal Financial Controls**

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

**Policy Matters**

**A. Nomination and Remuneration Policy**

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board comprised of appropriately qualified people with wide range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

The Nomination, Remuneration and Governance Committee of the Board of Directors has formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a Director and policy relating to the remuneration for the Directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g* and relevant extracts from the Policy are reproduced in **Annexure B** to this report.

**B. Risk Management Framework**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement , the Board of Directors of the Company has constituted a Risk Management Committee which is entrusted with the task of monitoring and reviewing the risk management plan and procedures of the Company. The Company has developed and implemented a risk management framework detailing the various risks faced by the Company and methods and procedures for identification, monitoring and mitigation of such risks. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards report. At present the Company has not identified any element of risk which may threaten the existence of the Company.

**C. Corporate Social Responsibility Policy**

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

As reported in the last Annual Report the Company has created a registered Trust under the name and style of Lancor Foundation, a non- profit Trust to pursue the corporate social responsibility policy. The Foundation works closely with and supports the Board and the committee in identifying and implementing CSR activities. The Foundation also assists the Board and the committee in reporting progress of deployed initiatives and in making appropriate disclosures on a periodic basis.

In terms of Section 134 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, Rule 9 of the Companies (Accounts) Rules 2014 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the annual report on Corporate Social Responsibility activities of the Company is given in **Annexure - C** to this report.

**D. Vigil Mechanism**

In terms of clause 49 of the listing agreement and the provision of Section 177(9) read with Rule 7 of the companies (Meeting of Board and its Powers) Rules 2014 the Company has duly established a vigil mechanism for stakeholders, Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee of the Company oversee the vigil mechanism. The Company affirms that no personnel has been denied direct access to the Chairman of the Audit Committee.

The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices. The Policy is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

**Other Matters**

**A. Debentures**

During the year under review, the Company has not issued any debentures. As on date, the Company does not have any outstanding debentures.

**B. Bonus Shares:**

The Company on 26th June 2015 issued 2,02,50,000 Bonus shares of Rs.2/- each in the ratio of 1 (one) new equity share for every 1 (one) existing equity share held in the Company. Consequent to the issue of bonus shares, the paid up share capital of the Company increased from Rs. 4,05,00,000 to Rs. 8,10,00,000 consisting of 4,05,00,000 equity shares of Rs.2/- each.

**C. Borrowings**

The Company has outstanding borrowings of Rs.1,50,92,56,513/- during the financial Year ended 31st March, 2015.

**D. Deposits**

The Company has not accepted any deposit in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

**E. Transfer to Investor Education and Protection Fund**

In compliance of Section 205C of the Companies Act, 1956, the dividends pertaining to the financial year 2006-07 which were lying unclaimed with the Company was transferred to the Investor Education and Protection Fund during the financial year 2014- 15. The details of unclaimed dividend transferred to the Investor Education and Protection Fund has been detailed in the Corporate Governance Report forming part of the Annual Report.

**F. Human Resources**

Employee relation continues to be cordial and harmonious at all levels and in all divisions of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and dedication.

As a part of the policy for Prevention of Sexual Harassment in the organization, the Company has in place, an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at work place in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules thereunder. No complaints were received by the Committee during the period under review.

Number of employees as on March 31, 2015 was 83, which include 10 women employees.

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - D** to the Board's Report. No employee of the Company drawing remuneration in excess of the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**F. Credit Rating:**

CRISIL has re-affirmed its rating of **"BBB+"** in respect of company's long term bank loans.

**G. Code of Corporate Governance**

In compliance with the requirement of Clause 49 of the Listing Agreement with the Stock Exchange, a detailed report on Corporate Governance is annexed to this report as **Annexure – I** together a Certificate from M/s.V.S.Sowrirajan & Associates, Company Secretaries-in-Practice, affirming compliance with the said Code.

**H. Code of Conduct**

In compliance with clause 49 of the listing agreement and companies Act,2013 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 *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g* All the Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2015. A declaration to this effect signed by CA Mallika Ravi, the Chief Executive Officer, of the Company forms part of this report.

**I. Management Discussion and Analysis Report**

In accordance with the requirement of the Listing Agreement, the Management Discussion and Analysis Report titled as Management Report is presented in a separate section of the Annual Report.

**J. Extract of Annual Return**

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2014-15 is provided in **Annexure - E** to this report.

**K. Particulars of Loans, Guarantees and Investments**

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in Notes to Standalone Financial Statements.

**L. Related Party Transactions**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for approval on quarterly basis, for the transactions which are of a foreseen and repetitive nature. The Board of Directors of the Company has, on recommendation of the Audit Committee adopted a policy to regulate the transactions between the Company and its related parties in compliance with the applicable provisions of the Companies Act, 2013 and rules made there under and the Listing Agreement. During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. These Policies have been uploaded on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g* The related party transactions undertaken during the financial year 2014 – 15 are detailed in Notes to Accounts of the Financial Statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in form AOC-2 is appended as **Annexure- F** to the Board's Report.

**M. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Lancor Holdings Limited does not carry on any manufacturing activity and accordingly the provision to furnish information as per section 134(3)(m) of the Companies Act 2013, read with the Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars relating to (A) Conservation of energy and (B) Technology Absorption is not applicable.

**Foreign Exchange Earnings and Outgo**

| | | |
|---|---|---|
| Foreign Exchange Earnings | : | Nil |
| Foreign Exchange Outgo | : | Rs.61,095/- |

**N. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates**

As on 31st March 2015, the Company has four subsidiaries viz., Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited and a Joint Venture, Central Park West Venture. There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statement has been prepared in accordance with the relevant accounting standards and a separate statement containing the salient features of the financial statement of its subsidiaries and associate in form AOC- 1 is attached along with the financial statement of the Company as **Annexure -G**

As per the provisions of Section 136 of the Companies Act, 2013 the Company has placed separate audited accounts of its subsidiaries on its website www.lancor.in and copy of separate audited financial statements of its subsidiaries will be provided to the shaholders at their request.

**O. Details in respect of frauds reported by auditors under sub section (12) of section 143 other than those which are reportable to the Central Government;**

There is no such fraud required to be reprted under section 143(12) of the companies Act,2013.

**Q. Green initiatives**

Electronic copies of the Annual Report 2014-15 and Notice of the Thirtieth Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015 and the Notice of the Thirtieth Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company. Copy of the Annual Report is also available on our website (www.lancor.in)

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Listing Agreement, the Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the notice. The instructions for e-voting are provided in the notice.

**P. Additional Information to Shareholders**

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website www.lancor.in) on a regular basis.

**ACKNOWLEDGEMENT**

The Directors would like to place on record their sincere appreciation to the Company's customers, vendors, and bankers, viz., The Catholic Syrian Bank Limited, Axis Bank Limited, City Union Bank Limited, Axis Finance Limited, LIC Housing Finance Limited and HDFC Limited, for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organisation. We thank the Government of India, the state governments and other government agencies for their assistance and cooperation and look forward to their continued support in future. Finally, the Board would like to express its gratitude to the members for their continued trust, cooperation and support.

For and on behalf of the Board of Directors of

**LANCOR HOLDINGS LIMITED**

| | |
|---|---|
| **S V VENKATESAN** | **R SANKARANARAYANANAN** |
| **Director** | **Director** |
| **DIN: 00004010** | **DIN: 00172202** |

Place : Chennai
Date : 14th August, 2015

**V.S.SOWRIRAJAN & ASSOCIATES**
**Company Secretaries in Practice**
**C-2, Vijayrengaa Apartments, 64, West Adayavalanchan Street, Srirangam, Trichy-620006**
**E-mail: vssowrirajan@gmail.com, Mobile : 9444382985**

**No. MR-3**

**Secretarial Audit Report**

**for the financial year ended March 31, 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Lancor Holdings Limited,
**L65921TN1985PLC049092**
"Arihant VTN Square" II Floor, 58 G.N.Chetty Road,
T.Nagar, Chennai, 600017

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Lancor Holdings Limited (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Lancor Holdings Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lancor Holdings Limited ("the Company") for the financial year ended on 31st March 2015 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable as the Company has not raised any Share Capital by Issue of Shares during the financial year under review];

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 [Not Applicable to the Company during the financial year under review];

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any debt securities during the financial year under review];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review];

(vi) The Laws as are applicable specifically to the Company are as under:

a) Transfer of Property Act, 1882

b) Indian Easements Act, 1882,

c) Registration Act, 1908,

d) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996,

e) The Land Acquisition Act, 1894 and,

f) Housing Board Act, 1965.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India [Not Applicable, as the same is not yet notified]

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that –

Based on the information provided to me during the conduct of audit and based on the reports submitted by the Board/Committees from time to time, in my opinion adequate systems, processes and control measures are in place exist in the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition laws and environmental laws.

Compliance by the Company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same is subject to review statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

1. obtained the Order on 31st March 2015 from the Honourable High Court of Judicature at Madras, for the merger of Lancor GST Developments Ltd and Lancor Realty Limited with the holding Company , Lancor Holdings Ltd, with an appointed date from 01.04.2013.
2. Passed a Special Resolution through Postal Ballot on September 12, 2014, under Section 180(1)(c) of the Companies Act, 2013, fixing its borrowings limits at Rs.300,00,00,000/- (Rupees Three Hundred Crores only)

For **V.S.SOWRIRAJAN & ASSOCIATES**

**V.S.SOWRIRAJAN**
**Proprietor**
**FCS 2368/CP6482**

**Place : Chennai**
**Date : 13.08.2015**

To,
The Members,
Lancor Holdings Limited,
**L65921TN1985PLC049092**
"Arihant VTN Square" II Floor, 58 G.N.Chetty Road,
T.Nagar, Chennai, 600017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*For **V.S.SOWRIRAJAN & ASSOCIATES***

***V.S.SOWRIRAJAN***
***Proprietor***
***FCS 2368/CP6482***

Place : Chennai
Date : 13.08.2015

C-2, Vijayrengaa Apartments, 64, West Adayavalanchan Street, Srirangam, Trichy-620006,
E-mail : vssowrirajan@gmail.com Mobile : 9444382985

**Annexure – B**

**REMUNERATION POLICY**

**Purpose of this Policy:**

Lancor holdings Limited (the "Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and rules made there under read with the provisions of Clause 49 of the listing agreement.

The purpose of this Policy is to establish and govern the procedure applicable:

a) To evaluate the performance of the members of the Board.

b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**Role of the Nomination and Remuneration Committee:**

The Committee shall:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;

c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;

d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;

e) To devise a Policy on Board diversity.

**Appointment and removal of Director, KMP and Senior Management:**

**5.1 Appointment criteria and qualification:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board for 0 his / her appointment.

For the appointment of KMP (other than Managing / Whole time Director/CEO) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the CEO is authorised to identify and appoint a suitable person for such position, in consultation with the Board.

**5.2 Term:**

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the Clause 49, as amended from time to time.

Whereas the term of the Key Managerial Personnel (other than the Managing / Whole time Director/CEO) and Senior Management shall be governed by the prevailing HR policies of the Company.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation

criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is available in the website of the Company (www.lancor.in)

**Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

**Remuneration of Managing / Whole-time Director, KMP and Senior Management:**

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Managing Director / CEO of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director/CEO) and Senior Management, based on the standard market practice and prevailing HR policies of the Company.

**Remuneration to Non-executive / Independent Director:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

**Annexure – C**

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE**

**INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. The detailed Corporate Social Responsibility Policy is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*
2. The Composition of the CSR Committee.
   a) Mr.R.Sankaranarayanan, Chairman (Independent Director)
   b) Mr.T.P.Raman, Member (Independent Director)
   c) Mr.S.V.Venkatesan, Member (Independent Director)
3. Average net profit of the Company for last three financial years is Rs.18,89,19,748/-
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : The Company is required to spent Rs.37,78,395/- towards CSR, i.e. 2% of the average net profits mentioned in Point 3 above.
5. Details of CSR spent during the financial year.
   (a) Total amount spent for the financial year; Rs.37,78,395/-
   (b) Amount unspent, if any; Nil

(c) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| S. No. | CSR projector activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other. (2) Specify the State and district where projects or Programs was undertaken. | Amount outlay (budget) project or wise | Amount spent on the projects or programs Subheads: 1. Direct expenditure on Projects or programs 2. Overheads | Cumulative expenditure upto o the reporting period | Amount spent : Direct or through implementing agency. |
| 1 | Building Toilets for school children | Education | Sree Sayee Vivekananda Vidhyalaya in North Chennai | Rs. 10,00,000/- | Rs.11,16,275/- | Rs.11,56,275/- | Directly |
| 2 | Establishment of Skill Training Centre | Promoting education, and employment enhancingvocation skills | Sriperumbudur, Tamilnadu | Rs. 30,00,000/- | Rs.26,62,120/- | Rs.26,62120/- | Lancor Foundation |

*Give details of implementing agency: Lancor Foundation, a public charitable trust with a major objective to pursue the various objectives, as set out in Schedule VII of the Companies Act. Lancor Foundation is in the process of establishing a skill development centre in and around Sriperumbudur.

**1. Responsibility Statement**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company

**For Lancor Holdings Limited**

| | | |
|---|---|---|
| Place : Chennai | Sd/- | Sd/ |
| Date : 14.08.2015 | S.V.Venkatesan<br>( Director)<br>DIN:00004010 | R.Sankaranarayanan<br><br>(Chairman CSR Committee)<br>DIN: 00172202 |

**Annexure – D**

**DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

**A. The ratio of remuneration of each Director to the median employee's remuneration of the Company for the financial year and such other details as prescribed is as given below:**

| Name | Designation | Ratio |
|---|---|---|
| R.V.Shekar | Managing Director (Up to September 30, 2014) | 7.13 |

**B. The percentage of increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial Year 2014-2015.**

| Name | Designation | Ratio |
|---|---|---|
| R.V.Shekar | Managing Director (Up to September 30, 2014) | 0.00 |
| CA.Mallika Ravi | Chief Executive Officer | 0.00 |
| K.Srinivasan | Chief Financial Officer | 0.00 |
| P.Mahadevan | Company Secretary | 0.00 |

**C. The percentage increase in the median remuneration of employees for the financial year 2014-2015 was : Nil**

**D. The number of permanent employees on the rolls of Company as on 31.03.2015 is 83.**

**E. The explanation on the relationship between average increase in remuneration and Company performance:** There has been no increment during the financial year ended 31.03.2015.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

| Name and Designation | CTC (Rs in Lakhs) | % Increase in CTC | PAT(Rs. In Lakhs) | % Increase in PAT |
|---|---|---|---|---|
| R.V.ShekarManaging Director (Up to September 30, 2014 | 57.95 * | Nil | 1,475.86 | (7.52%) |
| CA.Mallika Ravi Chief Executive Officer | 53.28 | Nil | | |
| K.Srinivasan Chief Financial Officer | 22.59 | Nil | | |
| H.Viswanath Company Secretary (April 2014- June 2014) | 0.36 | Nil | | |
| P.MahadevanCompany Secretary(July 2014- March 2015) | 3.88 | Nil | | |

** Includes salary, allowance, value of perquisites, LTA, gratuity, leave encashment (as part of retirement benefits).*

**G. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:**

| Particulars | As at 31st Mar 15 | As at 31st Mar 14 | Variation % |
|---|---|---|---|
| Paid Up Capital | 4,05,00,000/- | 4,05,00,000/- | Nil |
| Closing rate of share at BSE (In Rs.) | 81.00 | 34.55 | 134.44 |
| EPS (In Rs.) | 7.29 | 7.88 | -7.49 |
| Market Capitalization (Rs.in Lakhs ) | 16,402.50 | 6,996.38 | 134.44 |
| Price Earnings Ratio | 11.11 | 4.38 | 153.65 |

**H. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The average increase in salaries of employees other than managerial personnel in 2014-15 was NIL. There was no increase in managerial remuneration as well in the FY 2014-15.

**I. The key parameters for any variable component of remuneration availed by the Directors:** No Director was paid any variable remuneration during the year under review.

**J. The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year:** Not applicable.

**K. Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms that remuneration is as per the Nomination and Remuneration policy of the Company.

Annexure – E

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2015**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | **L65921TN1985PLC049092** |
| 2. | Registration Date | 04.01.1985 |
| 3. | Name of the Company | **LANCOR HOLDINGS LIMITED** |
| 4. | Category/Sub-category of the Company | Company Limited by Shares/Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | LANCOR HOLDINGS LIMITED<br>VTN Square, 58, G N Chetty Road<br>T.Nagar, Chennai – 600 017<br>Phone: 044-28345880 – 84<br>Fax : 044-2834 5885<br>Email : compsecy@lancor.in<br>Website : www.lancor.in |
| 6. | Whether listed Company | Yes, Listed on BSE Limited |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s.Cameo Corporate Services Limited"<br>Subramanian Buildings<br>No.1, Club House Road,<br>Chennai 600 002,<br>Phone No.044-28460390-94, Fax No.28460129,<br>Email: investor@cameoindia.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All** the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % of total turnover of the Company. |
|---|---|---|---|
| 1 | Construction and Development of Properties | 410 | 81.40 |
| 2 | Renting of Commercial Properties | 681 | 13.44 |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| S.No | Name And Address Of The Company | CIN/GLN/PAN | Holding/ Subsidiary / Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Lancor Guduvanchery Developments Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017 | U70200TN2010 PLC078172 | Subsidiary | 100% | Section 2(87) |
| 2 | 2 Lancor Sriperumbudur Developments Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017 | U70200TN2011 PLC080133 | Subsidiary | 100% | Section 2(87) |
| 3 | Lancor Egatoor Developments Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017 | U70109TN2010 PLC078287 | Subsidiary | 100% | Section 2(87) |
| 4 | Lancor Maintenance & Services Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017 | U70101TN1996 PLC036569 | Subsidiary | 99.30% | Section 2(87) |
| 5 | Central Park West Venture(*) VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017 | AAFFC1891G | Joint Venture | 100%* | Section 2(87) |

(*) the obligation in respect of partners viz., Classic Farms (Chennai) Limited and Lancor Maintenance & Services Limited have been complied with and hence the assets and liabilities of the firm vests wholly with Lancor Holdings Limited

**I. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2014] | | | | No. of Shares held at the end of the year[As on 31-March-2015] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter & Promoter Group** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | 12570832 | — | 12570832 | 62.08 | 12570832 | — | 12570832 | 62.08 | — |
| b) Central Govt | — | — | — | — | — | — | — | — | — |
| c) State Govt(s) | — | — | — | — | — | — | — | — | — |
| d) Bodies Corp. | — | — | — | — | — | — | — | — | — |
| e) Banks / FI | — | — | — | — | — | — | — | — | — |
| f) Any other | — | — | — | — | — | — | — | — | — |
| **Sub Total (A1)** | 12570832 | — | 12570832 | 62.08 | 12570832 | — | 12570832 | 62.08 | — |
| (1) **Foreign** | | | | | | | | | |
| a) Individual/ HUF | — | — | — | — | — | — | — | — | — |
| b) Central Govt | — | — | — | — | — | — | — | — | — |
| c) State Govt(s) | — | — | — | — | — | — | — | — | — |
| d) Bodies Corp. | — | — | — | — | — | — | — | — | — |
| e) Banks / FI | — | — | — | — | — | — | — | — | — |
| f) Any other | — | — | — | — | — | — | — | — | — |
| **Sub Total (A2)** | — | — | — | — | — | — | — | — | — |
| **Total shareholding of promotor & promotor Group (A) = (A1 + A2)** | 12570832 | — | 12570832 | 62.08 | 12570832 | — | 12570832 | 62.08 | — |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | 139479 | — | 139479 | 0.69 | 48264 | — | 48264 | 0.24 | — |
| a) Mutual Funds | — | — | — | — | — | — | — | — | — |
| b) Banks / FI | — | — | — | — | — | — | — | — | — |
| c) Central Govt | — | — | — | — | — | — | — | — | — |
| d) State Govt(s) | — | — | — | — | — | — | — | — | — |
| e) Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| f) Insurance Companies | — | — | — | — | — | — | — | — | — |
| g) FIIs | — | — | — | — | — | — | — | — | — |
| h) Foreign Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| i) Others (specify) | — | — | — | — | — | — | — | — | — |
| **Sub-total (B)(1):-** | 139479 | — | 139479 | 0.69 | 48264 | — | 48264 | 0.24 | — |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 4031925 | — | 4031925 | 19.91 | 883258 | — | 883258 | 4.36 | — |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| i) Indian | — | — | — | — | — | — | — | — | — |
| ii) Overseas | — | — | — | — | — | — | — | — | — |
| b) Individuals | — | — | — | — | — | — | — | — | — |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1268440 | 126010 | 1394450 | 6.89 | 2590234 | 122010 | 2712244 | 13.39 | 6.50% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1464204 | — | 1464204 | 7.23 | 2898782 | — | 2898782 | 14.31 | — |
| c) Others (specify) Hindu Undivided Families | 35656 | — | 35656 | 0.18 | 343739 | — | 343739 | 1.70 | — |
| Non Resident Indians | 613219 | — | 613219 | 3.03 | 775378 | — | 775378 | 3.83 | — |
| Overseas Corporate Bodies | — | — | — | — | — | — | — | — | — |
| Foreign Nationals | — | — | — | — | — | — | — | — | — |
| Clearing Members | 235 | — | 235 | 0.00 | 17503 | — | 17503 | 0.09 | — |
| Trusts | — | — | — | — | — | — | — | — | — |
| Foreign Bodies - D R | — | — | — | — | — | — | — | — | — |
| **Sub-total (B)(2):-** | 7413679 | 126010 | 7539689 | 37.23 | 7508894 | 122010 | 7630904 | 37.68 | 0.45 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 7553158 | 126010 | 7679168 | 37.92 | 7557158 | 122010 | 7679168 | 37.92 | — |
| **C. Shares held by Custodian for GDRs & ADRs** | — | — | — | — | — | — | — | — | — |
| **Grand Total (A+B+C)** | 20123990 | 126010 | 20250000 | 100.00 | 20127990 | 122010 | 20250000 | 100.00 | — |

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | |
| 1 | R.V.Shekar | 59,11,607 | 29.19 | — | 59,11,607 | 29.19 | — | — |
| 2 | Shyamala Shekar | 39,05,575 | 19.29 | — | 39,05,575 | 19.29 | — | — |
| 3 | Shwetha Shekar | 13,76,800 | 6.80 | — | 13,76,800 | 6.80 | — | — |
| 4 | Sangeetha Shekar | 13,76,850 | 6.80 | — | 13,76,850 | 6.80 | — | — |

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

There was no change in the Promoters shareholding during the financial year 2014-15.

**D) Shareholding Pattern of top ten Shareholders:**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No of shares | % of total shares of the Company | No of shares | '% of total shares of the Company |
| | | | | | |
| 1 | G CORP PROJECTS PVT LTD | | | | |
| | At the beginning of the year 01-Apr-2014 | 2900000 | 14.3209 | 2900000 | 14.3209 |
| | Sale 09-Jan-2015 | -2900000 | 14.3209 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 2 | G CORP PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 760999 | 3.7580 | 760999 | 3.7580 |
| | Sale 04-Jul-2014 | -73350 | 0.3622 | 687649 | 3.3957 |
| | Sale 11-Jul-2014 | -277649 | 1.3711 | 410000 | 2.0246 |
| | Sale 22-Aug-2014 | -150000 | 0.7407 | 260000 | 1.2839 |
| | Sale 29-Aug-2014 | -260000 | 1.2839 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 3 | RAJESWARI SRIDHARANJT1 : SEETHARAMAN SRIDHARAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 432959 | 2.1380 | 432959 | 2.1380 |
| | Purchase 04-Apr-2014 | 90000 | 0.4444 | 522959 | 2.5825 |
| | Purchase 11-Apr-2014 | 27000 | 0.1333 | 549959 | 2.7158 |

| | | | | | |
|---|---|---|---|---|---|
| | At the end of the Year 31-Mar-2015 | 549959 | 2.7158 | 549959 | 2.7158 |
| | HAVING SAME PAN | | | | |
| | | | | | |
| 3 | RAJESWARI SRIDHARANJT1 : SEETHARAMAN SRIDHARAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 117000 | 0.5777 | 117000 | 0.5777 |
| | Sale 04-Apr-2014 | -90000 | 0.4444 | 27000 | 0.1333 |
| | Sale 11-Apr-2014 | -27000 | 0.1333 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 4 | PURNIMA SEVANTILAL SHETH | | | | |
| | At the beginning of the year 01-Apr-2014 | 168957 | 0.8343 | 168957 | 0.8343 |
| | Sale 09-Jan-2015 | -98957 | 0.4886 | 70000 | 0.3456 |
| | Sale 16-Jan-2015 | -70000 | 0.3456 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| | | | | | |
| 4 | PURNIMA SEVANTILAL SHETH | | | | |
| | At the beginning of the year 01-Apr-2014 | 122200 | 0.6034 | 122200 | 0.6034 |
| | Sale 09-Jan-2015 | -122200 | 0.6034 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| | | | | | |
| 4 | PURNIMA SEVANTILAL SHETH | | | | |
| | At the beginning of the year 01-Apr-2014 | 79138 | 0.3908 | 79138 | 0.3908 |
| | Sale 09-Jan-2015 | -79138 | 0.3908 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 4 | PURNIMA SEVANTILAL SHETH | | | | |
| | At the beginning of the year 01-Apr-2014 | 4250 | 0.0209 | 4250 | 0.0209 |
| | Sale 09-Jan-2015 | -4250 | 0.0209 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 5 | RAJIV CHESETTY . | | | | |
| | At the beginning of the year 01-Apr-2014 | 166634 | 0.8228 | 166634 | 0.8228 |
| | Purchase 30-May-2014 | 3024 | 0.0149 | 169658 | 0.8378 |
| | Purchase 13-Jun-2014 | 9976 | 0.0492 | 179634 | 0.8870 |
| | Purchase 20-Jun-2014 | 1400 | 0.0069 | 181034 | 0.8939 |
| | Purchase 04-Jul-2014 | 50000 | 0.2469 | 231034 | 1.1409 |
| | Sale 11-Jul-2014 | -30000 | 0.1481 | 201034 | 0.9927 |
| | Purchase 17-Oct-2014 | 12429 | 0.0613 | 213463 | 1.0541 |
| | Purchase 24-Oct-2014 | 5671 | 0.0280 | 219134 | 1.0821 |
| | Purchase 31-Oct-2014 | 7769 | 0.0383 | 226903 | 1.1205 |
| | Purchase 07-Nov-2014 | 1100 | 0.0054 | 228003 | 1.1259 |
| | Purchase 14-Nov-2014 | 3400 | 0.0167 | 231403 | 1.1427 |
| | Purchase 21-Nov-2014 | 5446 | 0.0268 | 236849 | 1.1696 |
| | Purchase 28-Nov-2014 | 7649 | 0.0377 | 244498 | 1.2073 |
| | Purchase 05-Dec-2014 | 828 | 0.0040 | 245326 | 1.2114 |
| | Sale 27-Feb-2015 | -1000 | 0.0049 | 244326 | 1.2065 |
| | Sale 13-Mar-2015 | -1000 | 0.0049 | 243326 | 1.2016 |
| | At the end of the Year 31-Mar-2015 | 243326 | 1.2016 | 243326 | 1.2016 |
| | HAVING SAME PAN | | | | |
| | | | | | |
| 5 | RAJIV CHESETTY | | | | |
| | At the beginning of the year 01-Apr-2014 | 18270 | 0.0902 | 18270 | 0.0902 |

| | | | | | |
|---|---|---|---|---|---|
| | Purchase 13-Jun-2014 | 730 | 0.0036 | 19000 | 0.0938 |
| | Purchase 20-Jun-2014 | 4400 | 0.0217 | 23400 | 0.1155 |
| | Purchase 30-Jun-2014 | 1100 | 0.0054 | 24500 | 0.1209 |
| | Purchase 04-Jul-2014 | 1200 | 0.0059 | 25700 | 0.1269 |
| | Purchase 11-Jul-2014 | 500 | 0.0024 | 26200 | 0.1293 |
| | Purchase 18-Jul-2014 | 300 | 0.0014 | 26500 | 0.1308 |
| | Purchase 25-Jul-2014 | 100 | 0.0004 | 26600 | 0.1313 |
| | Purchase 08-Aug-2014 | 400 | 0.0019 | 27000 | 0.1333 |
| | Purchase 05-Sep-2014 | 5500 | 0.0271 | 32500 | 0.1604 |
| | Purchase 12-Sep-2014 | 1030 | 0.0050 | 33530 | 0.1655 |
| | Purchase 19-Sep-2014 | 4470 | 0.0220 | 38000 | 0.1876 |
| | Purchase 30-Sep-2014 | 6000 | 0.0296 | 44000 | 0.2172 |
| | Purchase 03-Oct-2014 | 100 | 0.0004 | 44100 | 0.2177 |
| | Purchase 10-Oct-2014 | 4900 | 0.0241 | 49000 | 0.2419 |
| | Purchase 17-Oct-2014 | 6600 | 0.0325 | 55600 | 0.2745 |
| | Purchase 24-Oct-2014 | 500 | 0.0024 | 56100 | 0.2770 |
| | Purchase 31-Oct-2014 | 920 | 0.0045 | 57020 | 0.2815 |
| | Purchase 07-Nov-2014 | 980 | 0.0048 | 58000 | 0.2864 |
| | Purchase 14-Nov-2014 | 2000 | 0.0098 | 60000 | 0.2962 |
| | Purchase 21-Nov-2014 | 200 | 0.0009 | 60200 | 0.2972 |
| | Purchase 05-Dec-2014 | 1800 | 0.0088 | 62000 | 0.3061 |
| | Purchase 19-Dec-2014 | 1179 | 0.0058 | 63179 | 0.3119 |
| | Purchase 09-Jan-2015 | 500 | 0.0024 | 63679 | 0.3144 |
| | Purchase 16-Jan-2015 | 121 | 0.0005 | 63800 | 0.3150 |
| | Purchase 23-Jan-2015 | 1200 | 0.0059 | 65000 | 0.3209 |
| | Purchase 30-Jan-2015 | 1000 | 0.0049 | 66000 | 0.3259 |
| | Purchase 06-Feb-2015 | 600 | 0.0029 | 66600 | 0.3288 |
| | Purchase 13-Mar-2015 | 100 | 0.0004 | 66700 | 0.3293 |

| | | | | | |
|---|---|---|---|---|---|
| | Purchase 20-Mar-2015 | 400 | 0.0019 | 67100 | 0.3313 |
| | At the end of the Year 31-Mar-2015 | 67100 | 0.3313 | 67100 | 0.3313 |
| | | | | | |
| 6 | VENKAT A | | | | |
| | At the beginning of the year 01-Apr-2014 | 160000 | 0.7901 | 160000 | 0.7901 |
| | Sale 23-Jan-2015 | -30000 | 0.1481 | 130000 | 0.6419 |
| | Sale 30-Jan-2015 | -21160 | 0.1044 | 108840 | 0.5374 |
| | Sale 06-Feb-2015 | -31790 | 0.1569 | 77050 | 0.3804 |
| | Sale 13-Feb-2015 | -9186 | 0.0453 | 67864 | 0.3351 |
| | At the end of the Year 31-Mar-2015 | 67864 | 0.3351 | 67864 | 0.3351 |
| | | | | | |
| 7 | SAMIR N SHAHJT1 : SANGITA SHAH | | | | |
| | At the beginning of the year 01-Apr-2014 | 150179 | 0.7416 | 150179 | 0.7416 |
| | Sale 02-May-2014 | -4600 | 0.0227 | 145579 | 0.7189 |
| | Sale 09-May-2014 | -492 | 0.0024 | 145087 | 0.7164 |
| | Sale 16-May-2014 | -2500 | 0.0123 | 142587 | 0.7041 |
| | Sale 23-May-2014 | -1000 | 0.0049 | 141587 | 0.6991 |
| | Sale 30-May-2014 | -7000 | 0.0345 | 134587 | 0.6646 |
| | Sale 09-Jan-2015 | -15000 | 0.0740 | 119587 | 0.5905 |
| | Sale 27-Feb-2015 | -4000 | 0.0197 | 115587 | 0.5708 |
| | Sale 06-Mar-2015 | -7250 | 0.0358 | 108337 | 0.5349 |
| | Sale 20-Mar-2015 | -9000 | 0.0444 | 99337 | 0.4905 |
| | Sale 27-Mar-2015 | -7050 | 0.0348 | 92287 | 0.4557 |
| | At the end of the Year 31-Mar-2015 | 92287 | 0.4557 | 92287 | 0.4557 |
| | | | | | |
| 8 | SPARROW ASIA DIVERSIFIED OPPORTUNITIES FUND | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year 01-Apr-2014 | 139469 | 0.6887 | 139469 | 0.6887 |
| | Purchase 11-Apr-2014 | 6345 | 0.0313 | 145814 | 0.7200 |
| | Sale 30-Jun-2014 | -9385 | 0.0463 | 136429 | 0.6737 |
| | Sale 04-Jul-2014 | -69125 | 0.3413 | 67304 | 0.3323 |
| | Sale 11-Jul-2014 | -67304 | 0.3323 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 9 | RAVICHANDRAN S KJT1 : SELVAKUMAR T | | | | |
| | At the beginning of the year 01-Apr-2014 | 133651 | 0.6600 | 133651 | 0.6600 |
| | Sale 30-May-2014 | -133651 | 0.6600 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | | | | | |
| 10 | SHASHANK S KHADE | | | | |
| | At the beginning of the year 01-Apr-2014 | 124878 | 0.6166 | 124878 | 0.6166 |
| | Sale 27-Feb-2015 | -5000 | 0.0246 | 119878 | 0.5919 |
| | At the end of the Year 31-Mar-2015 | 119878 | 0.5919 | 119878 | 0.5919 |
| | NEW TOP 10 AS ON (31-Mar-2015) | | | | |
| | | | | | |
| 11 | RAJASHEKAR SWAMINATHAN IYER | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 09-Jan-2015 | 595903 | 2.9427 | 595903 | 2.9427 |
| | At the end of the Year 31-Mar-2015 | 595903 | 2.9427 | 595903 | 2.9427 |
| | HAVING SAME PAN | | | | |
| | | | | | |
| 11 | RAJASHEKAR S IYER | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 09-Jan-2015 | 275788 | 1.3619 | 275788 | 1.3619 |

| | | | | | |
|---|---|---|---|---|---|
| | At the end of the Year 31-Mar-2015 | 275788 | 1.3619 | 275788 | 1.3619 |
| | | | | | |
| 12 | GIRISH GULATI HUF . | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 16-Jan-2015 | 9000 | 0.0444 | 9000 | 0.0444 |
| | Purchase 27-Feb-2015 | 24577 | 0.1213 | 33577 | 0.1658 |
| | Purchase 06-Mar-2015 | 171692 | 0.8478 | 205269 | 1.0136 |
| | At the end of the Year 31-Mar-2015 | 205269 | 1.0136 | 205269 | 1.0136 |
| | | | | | |
| 13 | NALINI DEVI CHESETTY . | | | | |
| | At the beginning of the year 01-Apr-2014 | 50054 | 0.2471 | 50054 | 0.2471 |
| | Purchase 13-Jun-2014 | 11619 | 0.0573 | 61673 | 0.3045 |
| | Purchase 20-Jun-2014 | 6109 | 0.0301 | 67782 | 0.3347 |
| | Purchase 30-Jun-2014 | 8100 | 0.0400 | 75882 | 0.3747 |
| | Purchase 04-Jul-2014 | 1500 | 0.0074 | 77382 | 0.3821 |
| | Purchase 11-Jul-2014 | 32000 | 0.1580 | 109382 | 0.5401 |
| | Purchase 29-Aug-2014 | 5525 | 0.0272 | 114907 | 0.5674 |
| | Purchase 05-Sep-2014 | 12000 | 0.0592 | 126907 | 0.6267 |
| | Purchase 19-Sep-2014 | 23692 | 0.1169 | 150599 | 0.7436 |
| | Purchase 30-Sep-2014 | 20000 | 0.0987 | 170599 | 0.8424 |
| | At the end of the Year 31-Mar-2015 | 170599 | 0.8424 | 170599 | 0.8424 |
| | | | | | |
| 14 | ASHA KRISHNANAND SAWANT | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 09-Jan-2015 | 136595 | 0.6745 | 136595 | 0.6745 |
| | At the end of the Year 31-Mar-2015 | 136595 | 0.6745 | 136595 | 0.6745 |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 15 | SELVAKUMAR TJT1 : ABIRAM S | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 30-May-2014 | 133651 | 0.6600 | 133651 | 0.6600 |
| | At the end of the Year 31-Mar-2015 | 133651 | 0.6600 | 133651 | 0.6600 |
| | | | | | |
| 16 | ANURAG VITHLANI | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 16-Jan-2015 | 73207 | 0.3615 | 73207 | 0.3615 |
| | Purchase 23-Jan-2015 | 26793 | 0.1323 | 100000 | 0.4938 |
| | Purchase 27-Feb-2015 | 5000 | 0.0246 | 105000 | 0.5185 |
| | Purchase 06-Mar-2015 | 7500 | 0.0370 | 112500 | 0.5555 |
| | Purchase 13-Mar-2015 | 11000 | 0.0543 | 123500 | 0.6098 |
| | At the end of the Year 31-Mar-2015 | 123500 | 0.6098 | 123500 | 0.6098 |

**Shareholding of Directors and Key Managerial Personnel**

| Sl No | For each of the Directors and KMP | Shareholding at the beginning of the year | | Date | Change in Shareholding Pattern | Reason | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Mr.R.V. Shekar Managing Director (up to 30.09.2014) | 59,11,607 | 29.193 | 01/04/2014 | No Change | Not Applicable | 59,11,607 | 29.193 |
| | | 59,11,607 | 29.193 | 31/03/2015 | | | | |
| 2 | Mrs. Sangeetha Shekar Non-Executive Director | 13,76,850 | 6.7992 | 01/04/2014 | No Change | Not Applicable | 13,76,850 | 6.7992 |
| | | 13,76,850 | 6.7992 | 31/03/2015 | | | | |
| 3 | Mr. S. Sridharan Non-Executive Director | - | - | 01/04/2014 | No Change | Not Applicable | - | - |
| | | - | - | 31/03/2015 | | | | |
| 4 | Mr. S.V. Venkatesan Non-Executive Independent Director | - | - | 01/04/2014 | No Change | Not Applicable | - | - |
| | | - | - | 31/03/2015 | | | | |
| 5 | Mr. R. Sankaranarayanan Non-Executive Independent Director | 500 | 0.0025 | 01/04/2014 | No Change | Not Applicable | - | - |
| | | 500 | 0.0025 | 31/03/2015 | | | | |
| 6 | Mr. Harmohan Sahni Non-Executive Independent Director | - | - | 01/04/2014 | No Change | Not Applicable | - | - |
| | | - | - | 31/03/2015 | | | | |
| 7 | Mr. T.P. Raman Non-Executive Independent Director | - | - | 01/04/2014 | No Change | Not Applicable | - | - |
| | | - | - | 31/03/2015 | | | | |
| 9 | CA. Mallika Ravi Chief Executive Officer | - | - | 01/04/2014 | No Change | Not Applicable | - | - |
| | | - | - | 31/03/2015 | | | | |
| 10 | Mr. K.Srinivasan Chief Financial Officer | 105 | 0.0005 | 01/04/2014 | No Change | Not Applicable | - | - |
| | | 105 | 0.0005 | 31/03/2015 | | | | |
| 11 | Mr.H.Viswanath | - | - | 01/04/2014 | | Not | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Company Secretary | | | | No Change | Applicable | | |
| | | - | - | 01/07/2015 | | | | |
| 12 | Mr.P.Mahadevan | - | - | 02/07/2014 | | Not | - | - |
| | Company Secretary | - | - | 31/03/2015 | No Change | Applicable | | |

F) **INDEBTEDNESS (In Rupees)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 1,41,68,06,539 | 21,80,050 | - | 1,41,89,86,589 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | 1,41,68,06,539 | 21,80,050 | - | 1,41,89,86,589 |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 1,03,28,39,530 | 3,41,72,144 | - | 1,06,70,11,674 |
| * Reduction | (97,45,61,700) | (21,80,050) | - | (97,67,41,750) |
| **Net Change** | | | | |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 1,47,50,84,369 | 3,41,72,144 | - | 1,50,92,56,516 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | 1,47,50,84,369 | 3,41,72,144 | - | 1,50,92,56,516 |

## XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

**A.** Remuneration to Managing Director, Whole-time Directors and/or Manager:

| *SN.* | *Particulars of Remuneration* | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|
| | | Mr R.V.Shekar, Managing Director(*) | |
| *1* | *Gross salary* | (Rs. In Lakhs) | (Rs. In Lakhs) |
| | *(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961* | 57.95 | 57.95 |
| | *(b) Value of perquisites u/s 17(2) Income-tax Act, 1961* | 3.49 | 3.49 |
| | *(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961* | - | - |
| *2* | *Stock Option* | - | - |
| *3* | *Sweat Equity* | - | - |
| *4* | *Commission*<br>*- as % of profit*<br>*- others, specify…* | - | - |
| *5* | *Others, please specify* | - | - |
| | *Total (A)* | 61.44 | 61.44 |
| | *Ceiling as per the Act* | *5 % of the net profits of the Company calculated as per Section 198 of the companies Act,2013 i.e Rs.108 Lakhs* | |

(*) Includes Rs.27.72 Lakhs paid towards leave encashment and gratuity, upon his retirement.

B. Remuneration to other Directors

| SN | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | | | | | | (In Rs.) |
| 1 | Independent Directors | Mr RSankaranarayananan | Mr SV.Venkatesan | Mr Harmohan Sahni | Mr T.P.Raman | | |
| | Fee for attending Board | 66,668/- | 66,668/- | Nil | 55,556/- | | 1,88,892/- |
| | / Committee meetings Commission | Nil | Nil | Nil | Nil | | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | | Nil |
| | **Total (1)** | **66,668/-** | **66,668/-** | **Nil** | **55,556/-** | | **1,88,892/-** |
| 2 | Other Non-Executive Directors | Mr R.V. Shekar* | Mrs Sangeetha Shekar | Mr S.Sridharan | | | |
| | Fee for attending Board / | 27,778/- | 11,111/- | 27,778/- | | | 66,667/- |
| | Committee meetings | | | | | | |
| | Commission | Nil | Nil | Nil | | | Nil |
| | Others, please specify | Nil | Nil | Nil | | | Nil |
| | **Total (2)** | **27,778/-** | **11,111/-** | **27,778/-** | | | **66,667/-** |
| | **Total (B)=(1+2)** | **94,446** | **77,779** | **27,778** | **55,556/-** | | **2,55,559/-** |
| | **Total Managerial Remuneration(by way of sitting fee for attending Board meeting)** | **94,446** | **77,779** | **27,778** | **55,556/-** | | **2,55,559/-** |
| | Overall Ceiling as per the Act | Within the overall limit as specified under section 197(5) of the companies Act,2013 | | | | | |

*R.V. Shekar continuing as Non-Executive Director of the Company, with effective from October 01, 2014.

C. Remuneration to Key Managerial Personnel

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEOMrs Mallika Ravi | CFO Mr K.Srinivasan | CS* Mr H.Viswanath/ Mr P.Mahadevan | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 47,52,900 | 22,41,120 | 36,000<br>3,88,113 | 72,90,133 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 39,600 | 18,000 | | 1,85,600 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify… | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | 47,92,500 | 22,59,120 | 4,24,113 | 74,75,733 |

* P.Mahadevan has been appointed as Company Secretary in place of H.Viswanath with effect from 28.07.2014

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made,if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | None | | | | |
| Punishment | None | | | | |
| Compounding | None | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | None | | | | |
| Punishment | None | | | | |
| Compounding | None | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | None | | | | |
| Punishment | None | | | | |
| Compounding | None | | | | |

Annexure - F

**FORM NO. AOC.2**
**(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| Sl No. | Particulars | Details |
|---|---|---|
| A | Name(s) of the related party and nature of relationship | Not Applicable |
| B | Nature of contracts/arrangements/transactions | |
| C | Duration of the contracts/arrangements/transactions | |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| E | Justification for entering into such contracts or arrangements or transactions | |
| F | Date of approval by the Board | |
| G | Amount paid as advances, if any | |
| H | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| Sl No. | Particulars | Details | | | | |
|---|---|---|---|---|---|---|
| A | Name(s) of the related party | **Lancor Maintenance and Services Limited** | **Lancor Guduvanchery Development Limited** | **Lancor Sriperumbudur Development Limited** | **Lancor Realty Limited** | **Lancor Egatoor Development Limited** |
| B | Nature of relationship | Subsidiary | Subsidiary | Subsidiary | Subsidiary | Subsidiary |
| C | Nature of contracts/ arrangements/transactions | Maintenance Charge Paid | Deputation of Employees | Deputation of Employees | Reversal of advance received for Properties on account of merger | Reimbursement of Expenses |
| D | Duration of the contracts/ arrangements/transactions | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 |
| E | Salient terms of the contracts or arrangements or transactions including the value, if any: | Transactions at privailing market price Rs.4,93,164 | Transactions at privailing market price Rs.85,05,981 | Transactions at privailing market price Rs.37,42,747 | Transactions at privailing market price Rs.2,66,28,897 | Transactions at privailing market price Rs.11,785 |
| F | Date(s) of approval by the Board, if any | Approved on Quarterly basis | Approved on Quarterly basis | Approved on Quarterly basis | Approved on Quarterly basis | Approved on Quarterly basis |
| | Amount paid as advances, if any: | Nil | Nil | Nil | Nil | Nil |

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

| | |
|---|---|
| **S V VENKATESAN** | **R SANKARANARAYANAN** |
| **Director** | **Director** |
| **DIN:00004010** | **DIN:00172202** |

Place : Chennai
Date : 14th August, 2015

Annexure – G

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Rs. In Lakhs)

| Subsidiary | Reporting period | Reporting currency | Share capital | Reserves & surplus | Total assets | Total Liabilities (Excluding Equity and Reserve and Surplus | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Propose Dividen |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Lancor Maintenance and Services Limited | April – March | INR | 25.18 | 663.03 | 918.13 | 229.92 | 14.06 | 619.21 | 74.00 | 20.84 | 53.17 | Nil |
| Lancor Guduvanchery Developments Limited | April – March | INR | 5.00 | 683.11 | 7,298.89 | 6,610.78 | Nil | 3,162.23 | 481.39 | 160.19 | 321.21 | Nil |
| Lancor Sriperumbudur Developments Limited | April – March | INR | 5.00 | 111.43 | 2,890.17 | 2,773.74 | Nil | 1,038.71 | 192.64 | 63.72 | 128.92 | Nil |
| Lancor Egatoor Developments Limited | April – March | INR | 5.00 | - 2.22 | 2.98 | 0.21 | Nil | Nil | - 0.26 | Nil | -0.26 | Nil |

ts Limited

**Notes:**

1. Lancor Egatoor Development Limited is yet to commence operations
2. No subsidiary has been sold during the year.
3. The following subsidiaries have been dissolved during the year(consequent to amalgamation with Holding Company, i.e Lancor Holdings Limited), hence not disclosed above.

a) Lancor GST Developments Ltd

b) Lancor Realty Limited

**As per our report of even date**
**For G.M.Kapadia & Co**
**Chartered Accountants**
**Firm Regn No.104767W**

**Satya Ranjan Dhall**
**Partner**
**Membership No.214046**

**CA.Mallika Ravi**
**Chief Executive Officer**

**K.Srinivasan**
**Chief Financial Officer**

**R.Sankaranarayananan**
**Director**
**DIN:00172202**

**P.Mahadevan**
**Company Secretary**

**R.V.Shekar**
**Chairman**

**Place : Chennai**
**Date : May 7, 2015.**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Name of associates/Joint Ventures | Associates | Joint Venture |
|---|---|---|
| Latest audited Balance Sheet Date | Nil | 31.03.2015 |
| Shares of Associate/Joint Ventures held by the Company on the year end | - | Not Applicable |
| No. | - | Not Applicable |
| Amount of Investment in Associates/Joint Venture | - | 200.00 |
| Extent of Holding % | - | 100% |
| Description of how there is significant influence | - | Voting Power |
| Reason why the associate/joint venture is not consolidated | - | Not Applicable |
| Net worth attributable to shareholding as per latest audited Balance Sheet | - | 586.41 |
| Profit/(Loss) for the year | - | -18.85 |
| Considered in Consolidation | - | Yes |
| Not Considered in Consolidation | - | Not Applicable |

**Notes:** There were no associates or joint ventures which have been liquidated/ sold during the year.

**As per our report of even date**
**For G.M.Kapadia & Co**
**Chartered Accountants**
**Firm Regn No.104767W**

**Satya Ranjan Dhall**
**Partner**
**Membership No.214046**

**Place : Chennai**
**Date : May 7, 2015.**

**CA.Mallika Ravi**
**Chief Executive Officer**

**K.Srinivasan**
**Chief Financial Officer**

**R.Sankaranarayananan**
**Director**
**DIN:00172202**

**P.Mahadevan**
**Company Secretary**

**R.V.Shekar**
**Chairman**

**Annexure – I**

## REPORT ON CORPORATE GOVERNANCE
**(Pursuant to Clause 49 of the Listing Agreement)**

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company 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 aspect.

The Company aims to create profitable developments with enduring value, distinguishing characteristics leading to high customer satisfaction with full compliance to building standards, rule 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 the regulatory framework through transparency in all its dealings.

Members of the Board and key executives are periodically making disclosures to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company. The Board and top management conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making. The Board was entrusted with the responsibility of ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Our Board has the ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.

We comply with the Securities and Exchange Board of India (SEBI)'s guidelines on corporate governance and the Board periodically reviewing and monitoring the effectiveness of the Company's governance practices and making changes as needed.

**Board diversity**

The Company recognises the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board comprised of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

**Composition of Board of Directors**

The Company is managed by Mrs.Mallika Ravi, Chief Executive Officer (CEO) who is a Key Managerial Personnel (KMP) under the direct control and supervision of the Board of Directors. The Board of Directors of the Company at present, having optimum combination of executive and non-executive Directors with one woman director in the Board.

The current policy is to have an appropriate mix of executive, non executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. The Board of Directors of the Company comprises of Non Executive Chairman, who is a promoter of the Company and Six Non-Executive Directors, including Four Independent Directors. The Board members possess requisite skills,

experience and expertise that are required to take decisions, which are in the best interest of the Company.

None of the Directors is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Independent Directors on the Board are experienced and competent persons,and they actively participate in the Board and Committee meetings.

The Board of Directors meets at least four times a year, with maximum time gap of four months between any two meetings to review the quarterly results and other items in the agenda. Additional meetings were held when necessary. Policy formulation, evaluation of performance and control functions vest with the Board.

The composition of the 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 directorships / committee memberships held by them are as follows.

**Composition of the Board, and Directorships held as on 31st March 2015.**

| Name of the Director | Designation | No. of Board meetings in the year during respective tenure of Directors | | Attendance of Last AGM | No. of Director ships held in the other companies | No. of Board committee memberships held in other companies |
|---|---|---|---|---|---|---|
| | | Held | attended | | | |
| Mr.R.V.Shekar(1) | Chairman, Non Executive | 08 | 08 | Yes | 05 | Nil |
| Mr. S.V.Venkatesan | Director, Non Executive & Independent | 08 | 08 | Yes | 08 | Nil |
| Mr.R.Sankaranarayananan | Director, Non Executive & Independent | 08 | 08 | Yes | 03 | Nil |
| Mr. T.P.Raman | Director, Non Executive & Independent | 08 | 05 | Yes | 01 | Nil |
| Mr.Harmohan Sahni | Director, Non Executive & Independent | 08 | 03 | Yes | 07 | Nil |
| Mrs.Sangeetha Shekar | Director, Non Executive | 08 | 01 | No | Nil | Nil |
| Mr.S. Sridharan (2) | Director, Non Executive | 03 | 03 | No | No | Nil |

(1) Mr. R.V.Shekar, Managing Director retired on the 30th September 2014 and continues to be in the Board as Non Executive Chairman.

(2) The Board of Directors at their meeting held on 13th November 2014, appointed Mr.S.Sridharan, a Chartered Accountant as Additional Director of the Company and his appointment was regularized at the Annual General meeting held on December 26, 2014.

None of the Directors is related to any other director of the Company except Mrs. Sangeetha Shekar, who is related to Mr.R.V.Shekar, Non Executive Chairman of the Company.

Further the Board of Directors would like to inform the members that none of the Directors are disqualified to act as Directors of the Company or any other public Company under section 164 of the companies act read with rule 14 of the Companies (appointment and qualification of Directors) Rules, 2014.

The requisite information as prescribed under clause 49 of the listing agreement is placed before the Board from time to time and are provided as part of the agenda papers of the Board meeting and / or is placed during the course of the meeting.

The Board of Directors met 08 times (including adjourned Board meeting) on 10.05.2014 (Adjourned to and held on 14.05.2014), 30.05.2014, 08.08.2014, 29.09.2014, 13.11.2014, 31.01.2015 and 30.03.2015 in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

The Annual General Meeting for the financial year ended 31st March 2014 was held on December 26, 2014 by giving due notice to the members of the Company and the resolutions passed there at were recorded in the minutes book maintained for the purpose.

**Details of Shareholding of Directors as on March 31, 2015**

| S.NO. | NAME OF THE DIRECTOR | NO. OF EQUITY SHARE |
|---|---|---|
| 1 | Mr.R.V.Shekar | 59,11,607 |
| 2 | Mr. S.V.Venkatesan | Nil |
| 3 | Mr.R.Sankaranarayananan | 500 |
| 4 | Mr. T.P.Raman | Nil |
| 5 | Mr.Harmohan Sahni | Nil |
| 6 | Mrs.Sangeetha Shekar | 13,76,850 |
| 7 | Mr.S. Sridharan | 5,49,959*<br>These shares are held the name of Ms. Rajeswari Sridharan (Wife of Mr. S. Sridharan, DIrector) jointly with Mr. S. Sridharan |

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

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 exchange is forming part of the notice of the Thirtieth Annual general meeting to the shareholders of the Company.

**Limit and tenure of Independent Directorships:**

As per the declaration furnished by the Independent Directors as on 31st March 2015, none of the Independent Director is serving as an Independent Director of more than seven listed companies and none of the Independent Director of the Company is presently serving as a whole time director in any listed Company.

Their tenure of appointment of Independent Directors is well within the maximum terms prescribed in the listing agreement.

**Letter of appointment to Independent Directors:**

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the letter of appointment along with the detailed profile of Independent Directors have been disclosed on the websites of the Company with due intimation to the Stock Exchanges within the prescribed time.

**Performance evaluation of Independent Directors:**

The Board constantly evaluates the contribution of the members and periodically updates with the shareholders about their reappointment in consistent with applicable laws. One of the key functions of the Board is to monitor and review the Board evaluation framework. The criteria for evaluation of performance of Independent Directors has been laid down by the Nomination Committee and the same is annexed to the Annual Report.

The performance evaluation of Independent Directors has been done by the entire Board of Directors (excluding the Director being evaluated) at their meeting held on Monday, March 30, 2015.

**Separate meetings of the Independent Directors:**

Pursuant to clause 49 of the listing agreement and the provision of schedule IV of the companies Act,2013 and the rules made there under, the Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting. The Independent Directors at their meeting held on 30.03. 2015 inter alia reviewed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;

2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.

3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting expect Mr. Harmohan Sahni

**Availability of Information to the Board Members**

Adequate notice to all the Directors was given well in advance to schedule a Board Meetings, agenda and details note on agenda were sent at least seven days in advance to all the Directors. Board Meetings were held at the Registered Office of the Company. Additional meetings of the Board were held when deemed necessary by the Board. The minimum information as required under Clause 49 of the Listing Agreement was being made available to the Board. The Board has unrestricted access to all companies related information. At the Board meetings, Auditors, officers and senior management and representatives who can provide additional insight into the items being discussed are invited.

**Training of Independent Directors:**

As required under listing agreement all new Non Executive Directors appointed to the Board are introduced to our Company culture through appropriate orientation sessions. Presentations were made by our Company's Executive Director and senior management to provide an overview of Company's operations and to familiarize the new Non executive Directors with the Company, organization structure, our service ,Group structure, subsidiaries, Board procedures, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business models etc.

**Stock Option**

The Independent Directors of the Company are not entitled to any stock option of the Company.

**Review of Compliances Report:**

The Board periodically reviews compliance reports of all laws applicable to the Company. Adequate systems and processes commensurate with the size and operations of the Company to monitor and compliance of all applicable laws, rules, regulations and guidelines are in place.

**Replacement of Independent Directors removed or resigned:**

During the year under review no Independent Director has resigned or is removed from the Board of the Company.

**Succession Plan**

In terms of clause 49 of the listing agreement a succession plan is in place for orderly succession for appointments to the Board and to senior management to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

**Familiarisation Programmes**

At the time of their appointment, the Independent Directors are apprised of their role, duties and responsibilities in the Company. A detailed letter of appointment is also issued which set-outs the expectations of the Company, the rights, powers and liabilities of the Independent Directors and the policies of the Company to be adhered by them.

Periodic presentations are made to the Independent Directors on the financial and operational performance of the Company, strategy and business plan, significant process improvements and material business developments among others. The Independent Directors are also regularly updated and informed about material regulatory and statutory developments affecting the Company. The details of familiarisation programmes for the Independent Directors are also disclosed on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

**Committees of the Board of Directors**

In compliance with the requirements of the Listing Agreement and the Companies Act, 2013 and to have a focused attention on specific matters, the Board of Directors has constituted various committees herein under. These Committees are entrusted with such powers and functions as are detailed in their terms of reference.

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination Remuneration and Governance Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

**AUDIT COMMITTEE**

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. It ensures the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are broadly as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Review and monitor the auditor's independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of 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 control 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;
- To review the functioning of the Whistle Blower mechanism;
- 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 and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

There is no such occasion where the Board had not accepted any recommendation of the Audit Committee. Minutes of each audit Committee meetings are placed before the Board for information.

**Powers of Audit Committee**

1. Investigate any activity within its terms of reference
2. Seek information from any employee
1. Obtain outside legal or other professional advice
2. Secure attendance of outsiders with relevant expertise, if it considers necessary

**Review of information by the Audit Committee**

1. Management discussion and analysis of financial position and result of operations
2. Financial statements and draft audit report, including quarterly / half-yearly financial information
3. Reports relating to compliance with laws and to risk management
4. Records of related party transactions
5. Management letters / letters of internal control weaknesses issued by statutory / internal auditors and
6. The appointment, removal and terms of remuneration of the head of the internal audit function

**Meetings**

Clause 49 of the Listing Agreement specifies that the audit Committee should have at least 3 members, of which at least two-thirds should be Independent. Section 177 of Companies Act, 2013 specifies that the Audit Committee should comprise at least three Directors with Independent Directors forming the majority. The Company is in compliance with provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The quorum of the Committee is two Independent Members present or one third of the total members of the Committee, whichever is higher.

**COMPOSITION AND ATTENDANCE**

The Audit Committee of the Board consisting of three "Non-Executive & Independent Directors" as members as detailed below and all members of audit committee are financially literate and having accounting/ related financial management expertise all members have adequate financial and accounting knowledge. The Chairman of the Audit Committee is an Independent Director. Mr. R.Sankaranarayananan, Chairman of the Audit Committee was present at the Annual General Meeting held on December 26, 2014.

The Audit Committee met Six (06) times on 10th May 2014, 29th May 2014, 8th August 2014, 13th November 2014, 28th January 2015 and 30th March 2015 during the financial year, with maximum time gap of four months between any two meetings and the details of the number of meetings held and attendance record of the members are as follows.

| Name of the Director | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. R.Sankaranarayananan, Chairman | 06 | 06 |
| Mr. S.V.Venkatesan, Member | 06 | 06 |
| Mr. T.P.Raman, Member | 06 | 02 |

**Invitees**

Company Secretary is the Compliance Officer of the committee. The Chief Financial Officer and the Head of the Internal Audit Function along with the Statutory Auditors have attended all the Audit Committee Meetings held during the financial year 2014-15 in the capacity of invitees. The Chief Executive Officer is also invited to attend the Committee Meetings.

**STAKE HOLDERS RELATIONSHIP COMMITTEE**

Your Company has constituted a Stake Holders Relationship Committee in line with the Clause 49 of the listing agreement as amended read with section 178(5) of the Companies Act, 2013, comprising with the following members

1. Mr.R.Sankaranarayananan, Chairman
2. Mr.T.P.Raman, Member,
3. Mr.S.V.Venkatesan, Member

Mr.R.Sankaranarayananan, Chairman of the Stake Holders Relationship Committee was present at the Annual General Meeting held on December 26, 2014. The Stakeholders Relationship Committee of the Board of Directors deals with stakeholder relations and security holders' grievances including matters related to transfer, split, consolidation, dematerialisation and re-materialisation of shares, non-receipt of annual report, non-receipt of declared dividend and such other issues as may be raised by the investors from time to time. It ensures that investor grievances / complaints / queries are redressed in a timely and effective manner and to the satisfaction of investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Terms of Reference**

- To look into requests for transfer and transmission of shares.
- To look into requests for the re-materialization of shares
- To issue Duplicate Share Certificate in lieu of the Original Share Certificate.
- To issue Split Share Certificate as requested by the member.
- To take all such steps as may be necessary in connection with the transfer, transmission, split and issue of Duplicate Share Certificate in lieu of the Original Share Certificate
- Stakeholder relations and redressal of security holders' grievances in general and relating to non – receipt of dividends, interest, non - receipt of annual report, etc. in particular.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a Committee.

The quorum for the Committee is any two members present at the meeting. The Stakeholders Relationship Committee has met from time to time to discuss and approve the related matters.

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

**Investor Grievances and Queries**

The queries received and resolved to the satisfaction of investors during the year are as follows:

| Particulars | Balance as on 01.04.2014 | Received during the year | Resolved during the year | Balance as on 31.03.2015 |
|---|---|---|---|---|
| Dematerialisation and Re-materialisation | - | - | - | - |
| SEBI SCORES Website | - | - | - | - |
| Registrar of Companies | - | - | - | - |
| Stock Exchange | - | - | - | - |
| Non-Receipt / Revalidation of Dividend Warrants | - | 1 | 1 | - |
| Miscellaneous * | | 2 | 2 | - |
| | | | | |

* Miscellaneous includes requests for copy of annual reports, request for transport facility to attend annual general meeting, queries on e-voting etc.

** For the pending requests, necessary demand drafts received from the dividend bankers were despatched after the end of the financial year March 31, 2015.

**NOMINATION AND REMUNERATION COMMITTEE**

Your Company has constituted a Nomination and Remuneration Committee in line with the Clause 49 of the listing agreement read with section 178 of the companies Act,2013, under the Chairmanship of Mr.R.Sankaranarayananan. The committee consisting of three Independent Directors Mr.R.Sankaranarayananan, Mr. T.P.Raman and Mr.S.V.Venkatesan as members to decide the structure of the executive director's Remuneration.

Mr.R.Sankaranarayananan, Chairman of the Nomination and Remuneration committee was present at the Annual General Meeting held on December 26, 2014. The Nomination and Remuneration Committee of the Board of Directors recommends the nomination of Directors, carries out evaluation of performance of individual Directors, recommends remuneration policy for Directors, Key Managerial Personnel and other employees and also deals with the governance related matters of the Company. It oversees the implementation of the nomination, remuneration and governance policies of the Company, reviews the effectiveness of such policies from time to time and recommends revisions as and when deemed necessary or expedient.

**Terms of Reference**

1. To identify, review, assess, recommend and lead the process for appointments of Executive, Non-Executive and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and composition, balance of skills, knowledge and experience of the Board and Board Committees and make recommendations to the Board or, where appropriate, the relevant committee with regard to any adjustments that are deemed necessary.
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor and evaluate the performance and effectiveness of the Board and Board Committees and the contribution of each director to the Company. The Committee shall also seek the views of executive Directors on the performance of non-executive Directors.
4. To devise a policy on Board diversity
5. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. To make recommendations to the Board on the following matters:
    a) Re-appointment of any executive and non-executive director at the conclusion of their specified term of office.
    b) Re-election by members of any director who are liable to retire by rotation as per the Company's Articles of Association
    c) Any matters relating to the continuation in office of any director at any time.
7. To formulate a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
8. To define and articulate the Company's overall corporate governance structures and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.
9. To receive reports, investigate, discuss and make recommendations in respect of breaches or suspected breaches of the Company's Code of Conduct.
10. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the code of conduct to employees and Directors.
11. To perform such functions as may be detailed in the Listing Agreement, Companies Act, 2013 and the relevant Rules made there under.

**Meeting and attendance during the year**

The quorum for the meeting shall be any two members present at the meeting. The Nomination and Remuneration Committee has met twice during the financial year 2014-15 and the details are as follow.

| Name of the Director | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. R.Sankaranarayananan, Chairman | 2 | 2 |
| Mr.S.V.Venkatesan | 2 | 2 |
| Mr. T.P.Raman | 2 | 2 |

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

**Remuneration of Directors**

**Executive Directors**

The Nomination and Remuneration Policy contains the criteria for evaluation of the Board, its committees and the Directors. The Policy is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g* and also forms part of the Directors' Report.

The following are the details of remuneration paid/payable to the Directors for the financial year 2014-15

| **Name** | Salary | Perquisites | Contribution to Provident Fund | Commission / Incentive | Sitting Fees | **Total (In Rupees** |
|---|---|---|---|---|---|---|
| Mr.R.V.Shekar, MD | 18,65,081 | 37,06,077 | 2,23,810 | - | - | **57,94,968** |
| **Total** | | | | | | |

Other than Mr.R.V.Shekar who was holding the office of Managing Director up to 30.09.2014, no other Director of the Company had drawn remuneration other than sitting fee. The sitting fees paid to non-executive Directors, was within the limits prescribed under the Companies Act, 2013.

| | |
|---|---|
| (a) All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc. | Nil |
| (b) Details of fixed component and performance linked incentives, along with the performance criteria. | |
| (c) Service contracts, notice period, severance fees. | |
| (d) Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable. | |

Mr.R.V.Shekar was re-appointed as Managing Director at the annual general meeting held on 11th September 2013 for a period of two years with effect from 25th July 2013 and the payment is within the principal terms and conditions as approved by the shareholders and other perquisites as per the policy of the Company. He was not paid any sitting fees for the Board meetings or of any committee of the Board attended by him, during the tenure as the Managing Director

Mr.R.V.Shekar retired from the office of Managing Director with effect from 1st October 2014 and continuing in the Board, as a Non Executive Chairman.

Ms.Mallika Ravi, Chief Executive Officer of the Company was discharging all responsibilities of the management subject to the direct control and supervision of the Board and she has been designated as Key Managerial Personnel (KMP) pursuant to the provisions of the Companies Act 2013.

**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. During the year under report, there was no instance of pecuniary relationship or transactions of the non-executive Directors vis-a-vis the Company which needs disclosure in the Annual Report.

The details of remuneration paid to the Non Executive Directors for the financial year 2014-15 are as under :-

| **Name** | **Commission / Incentive** | **Sitting Fees(In Rupees)** | **Total (In Rupees)** |
|---|---|---|---|
| Mr.R.V.Shekaer | - | 27,778 | 27,778 |
| Mr. S.V.Venkatesan | - | 66,668 | 66,668 |
| Mr.R.Sankaranarayananan | - | 66,668 | 66,668 |
| Mr. T.P.Raman | - | 55,556 | 55,556 |
| Mr.Harmohan Sahni | - | Nil | Nil |
| Mrs.Sangeetha Shekar | - | 11,111 | 11,111 |
| Mr.S.Sridharan | - | 27,778 | 27,778 |
| **Total** | - | **2,55,559** | **2,55,559** |

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Board of Directors is entrusted with the responsibility of formulating and monitoring the Corporate Social Responsibility policy of the Company. The Corporate Social Responsibility Policy is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 135 of the Companies Act, 2013 and relevant rules made there under

**Terms of Reference**

1. Formulation of Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company.
2. Recommend the amount of expenditure to be incurred on the aforesaid activities
3. Monitor the Corporate Social Responsibility policy of the Company from time to time
4. Prepare an annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report
5. Perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made there under and any other applicable legislation

The composition and attendance of the members of the Corporate Social Responsibility Committee are as Follows. The committee consists of three Independent Directors namely, Mr.R.Sankaranarayananan, Mr.T.P.Raman and Mr.S.V.Venkatesan. Mr.R.Sankaranarayananan,is the Chairman of the Committee.

**Meetings**

The quorum for the meeting shall be any two members present at the meeting. The Committee met two times during the financial year 2014-2015 on 29th May 2014 and 30th March 2015.

| Name of the Director | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. R.Sankaranarayananan | 2 | 2 |
| Mr. T.P.Raman | 2 | 1 |
| Mr.S.V.Venkatesan | 2 | 2 |

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

**Risk Management Committee**

In compliance with clause 49 of the listing Agreement the Company during Financial year 2013-14, through its Board of Directors duly constituted a Risk Management Committee. The committee had duly laid down the procedures to inform Board members about the risk assessment and minimization procedures. The roles and responsibilities of the Risk Management Committee is defined in the risk management policy enclosed to the Annual Report.

The committee consists of the Independent Directors, Mr.R.Sankaranarayananan, Mr.T.P.Raman and Mr.S.V.Venkatesan. In order to ensure that management controls risk through means of properly defined frame work, a report on Risk Management and minimization procedures are received from the individual functional heads of the Company and placed before the Committee.

The Risk Management Committee of the Board of the Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the risk management systems of the Company.

Terms of Reference

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
3. Receive reports from, review with, and provide feedback to Management on the categories of risk the Company faces including but not limited to credit, market, liquidity and operational risk, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and Management's views on the acceptable and appropriate levels of those risk exposures.
4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may adversely affect the business of the Company.
5. Oversee and monitor management's documentation of the material risks that the Company faces and update as events change and risks shift.
6. Review reports on any material breach of risk limits and the adequacy of the proposed actions undertaken.
7. In consultation with the Audit Committee, review and discuss with Management:
    a. the key guidelines and policies governing Company's significant processes for risk assessment and risk management; and
    b. Company's major risk exposures and the steps Management has taken to monitor and control such exposures.
8. Report the proceedings of the Committee to the Board or the Audit Committee of the Board at its regular meetings on all matters which fall within its terms of reference.
9. Recommend to the Board or the Audit Committee of the Board as it deems appropriate on any area within its terms of reference where an action or improvement is needed.
10. Review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**Meetings**

The quorum for the meeting shall be any two members present at the meeting. The quorum for the meeting shall be any two members present at the meeting. During the financial year 2014-15, the Committee met once on 30th March 2015

| Name of the Director | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. R.Sankaranarayananan | 1 | 1 |
| Mr. T.P.Raman | 1 | 1 |
| Mr.S.V.Venkatesan | 1 | 1 |

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

**Disclosures**

**Related Party Transactions**

In terms of Clause 49 of the Listing Agreement, the Board of Directors has formulated a Policy on materiality on Related Party Transactions and also dealing with Related Party Transactions which can accessed from the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*. All the related party transactions are periodically placed before the Audit Committee for the approval. The disclosure of related party transactions is part of the Notes to Accounts section of the Annual Report.

**Subsidiary Monitoring Framework**

As on 31st March 2015, the Company has four subsidiaries viz., Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited and a Joint Venture Entity viz., Central Park West Venture. 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. Wherever applicable, Non Executive and Independent Directors of the Company are nominated and inducted in to the Board of Material non-listed Indian Subsidiary Company.

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 Board regularly.

c) A Statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company Board.

As required under clause 49 of the listing agreement, the Company has formulated a policy for determining 'material' subsidiaries and the said policy has disclosed in the Company's website and is available at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

During the year 2014-15 the Company has not disposed of any shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise control over the subsidiary which require approval of the shareholders by way of special resolution.

Except in the ordinary course of business, the Company during the FY 2014-15 has not sold, disposed and leased of assets amounting to more than twenty percent of the assets of the material subsidiary which require prior approval of shareholders by way of special resolution. Pursuant to the scheme of amalgamation as approved by Hon'ble High Court of Judicature at Madras, vide its Order dated 31.03.2015, Lancor Realty Limited and Lancor GST Developments Limited were merged with the Company.

**Code of Conduct**

In compliance with clause 49 of the listing agreement and companies Act,2013 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 *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2015. A declaration to this effect signed by CA Mallika Ravi, Chief Executive Officer, of the Company forms part of this report.

**Confirmation of the Code of Conduct by** Chief Executive Officer

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2015, received from the Senior Management Personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Name : CA Mallika Ravi
Designation : Chief Executive Officer

Place: Chennai
Date: 14.08. 2015

**Code of Conduct for Prevention of Insider Trading**

The Company had earlier adopted a Code of Conduct for Prevention of Insider Trading in terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992. In view of the enactment of SEBI (Prohibition of Insider Trading) Regulations 2015, the Board of Directors of the Company has adopted a new Code of Conduct for Prevention of Insider Trading at its meeting held on 07.05.2015. This code is applicable to all Promoters, Directors, Key Managerial Personnel and Designated Persons. The new Code is available on the website of the Company at *http://www.lancor.in/newdesign/Investor.aspx#.Vd3Cf7V0Z2g*

**Vigil Mechanism/ Whistle Blower Policy**:

In compliance with clause 49 of the listing agreement, the Risk Management Committee/Audit Committee at its meeting held on 30th March 2015, approved an Whistle Blower Policy that provides a formal mechanism for all stakeholders, Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.

**Compliances**

There has been no occurrence of non-compliance of any legal requirements nor has there been any restriction imposed by any stock exchange, SEBI, on any matter relating to the capital market. The Company has complied with the requirements of the stock exchanges / SEBI / any other statutory authority on all matters related to capital markets. There are no material penalties or strictures imposed on the Company by the stock exchanges / SEBI / any other statutory authority relating to the above.

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Annual Report. It includes among others a discussion on the following matters:

- Industry structure and developments
- Risks and concerns
- Discussion on financial performance, with respect to operational performance.

**CEO / CFO Certificate**

The Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification in terms of Clause 49 of the Listing Agreement forms part of the Annual Report.

**Remuneration to Statutory Auditors**

During the financial year 2014-2015, the details of the fees paid to the Statutory Auditors of the Company are as follows:

**(In Rupees)**

| | |
|---|---|
| Audit fees [includes fees for quarterly reviews] | **12,00,000** |
| Other services | **1,85,000** |
| Out of pocket expenses | **Nil** |
| Total (excluding service tax) | **13,85,000** |

**Details of compliance with mandatory requirements:**

The Company has fully complied with all mandatory requirements as furnished in Annexure-XII to the listing Agreement.

**Compliance of Non-Mandatory Requirements**

Clause 49 of the Listing Agreement states that non-mandatory requirements may be implemented as per the Company's discretion. However, disclosures on compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements is as follows:

**The Board**

The Chairman of the Board of Directors is a Non Executive Director and no separate office has been provided to him.

**Shareholders Rights**

The half-yearly declaration of financial performance together with the summary of significant events are not individually disseminated to the shareholders. However, the information on financial and business performance is updated in the 'Investors' section of the Company's website, www.lancor.com, on a quarterly basis.

**Audit Qualifications**

The audited financial statements of the Company for the financial year 2014-2015 do not contain any qualification and the Audit Report does not contain any adverse remarks.

**Separate posts of Chairman and CEO**

The Company has appointed separate persons to the post of Chairman and CEO.

**Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

**Company Information**

## GENERAL BODY MEETINGS

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

| Financial Year | Venue | Date & Time | Special Resolutions |
|---|---|---|---|
| 2013- 2014 | Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 | December 26, 2014 @ 2.30 p.m. | Nil |
| 2012 – 2013 | Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 | September 11, 2013 @ 3.30 p.m | Nil |
| 2011 – 2012 | Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 | July 27, 2012 @ 2.30p.m | Nil |

**Extraordinary General Meeting**

No Extraordinary General Meeting was held during the financial years 2012-2013, 2013-2014 and 2014-2015.

Postal Ballot:

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company passed the following Special Resolutions through Postal Ballot on 15th September 2014.

Mr.V.S.Sowrirajan, Practising Company Secretary was appointed as Scrutinizer for the conduct of postal ballot. Details of voting pattern are given below:

| Description<br><br>(Postal Ballot and E-Voting Combined) | Special Resolution for approval for borrowing in excess of paid up capital and free reserves pursuant to Section 180(1)(c) of Companies Act, 2013 | Special Resolution for approval for creation or charge/ mortgage etc., pursuant to Section 180(1)(a) of Companies Act, 2013 |
|---|---|---|
| No. of valid votes polled (%age) | 98,36,287 | 98,36,287 |
| Votes cast in favour of the resolution (%age) | 98,33,787<br>99.9745% | 98,33,787<br>99.9745% |
| Votes cast against the resolution (%age) | 2,500<br>0.0255% | 2,500<br>0.0255% |

All the above mentioned resolutions as stated in the notice of the postal ballot dated August 08, 2014 have been duly passed and the results were declared on September 12, 2014.

Whether any special resolution is proposed to be conducted through postal ballot: No

**DISCLOSURE:**

**Disclosure of materially significant related party transactions**

The details of the transactions with related parties or concerns, if any, as prescribed in the listing agreement are being placed before the Audit Committee from time to time. Material significant related party transactions during the year 2014-2015 have been given in Note 4.09 of the Notes to accounts to the Annual financial statement. There were no other transactions of material had been entered into by the Company with related parties that had potential conflict nature with the interest of the Company at large in the financial year ended 2014-2015

**Disclosure of Accounting Treatment**

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

**Disclosure to the shareholders:**

As per the requirement of section 152(6) of the Companies Act, 2013, the following Director of the Company is liable to retire by rotation and eligible for reappointment.

**Mrs. S.Sangeetha Shekar**

As required under clause 49.VIII.E of the listing agreement necessary disclosure of relationship between Directors inter-se is annexed to the Annual Report.

As required under clause 49.VIII.E of the listing agreement the Quarterly results and presentations made by the Company to analysts has been disclosed on Company's web-site.

## COMPLIANCE OFFICER

Company Secretary, is the Compliance Officer for complying with the requirements of Securities laws and Listing Agreements with the BSE Limited, the Stock Exchange where equity share of the Company are listed.

## MEANS OF COMMUNICATION:

| | | |
|---|---|---|
| 1 | The Company has designated a separate E-mail ID compsecy@lancor.in for investor servicing. | Investor Servicing |
| 2 | Stock exchange intimations are submitted to BSE through BSE Listing Centre. These results, inter alia are promptly submitted to the Stock Exchanges to enable them display the same on their website. | BSE Listing Centre |
| 3 | The quarterly, half-yearly and annual results are published in The Economic Times, Makkal Kural , regional language newspaper where the registered office of the Company is situated. | Financial Results |
| 4 | All vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations are regularly posted on the website www.lancor.in. The 'Investors' section provides comprehensive and up-to-date information to the shareholders on matters such as shareholding pattern, outcome of Board and general meetings, stock performance, unclaimed equity shares, unclaimed dividend, investor presentations etc. | Website |
| 5 | The presentations made to institutional investors or to the analysts: | No Presentations made to institutional investors or to the analysts during the period under review, |
| 6 | SEBI has initiated Scores for processing the investors complaints in a centralized web based redress systems and online redressal of all the stakeholders complaints. No shareholders complaint have been received through scores during the financial year | SEBI complaints Redressal System (SCORES) |

### Recommendation of Dividend and Dividend Payment Date

The Board of Directors has recommended a dividend of Rs.2/- for each equity share of Rs.2/- which is subject to the approval of the members in the ensuing Annual General Meeting (Re.1/- per equity share of Re.1/- each after the Bonus issue). In terms of Section 123 of the Companies Act, 2013, the dividend amount will be deposited in a separate bank account within 5 days from the date of Annual General Meeting and will be paid to the shareholders within the prescribed time.

**Dividend History**

The dividends declared by the Company post listing of its equity shares on BSE are as follows:

| Financial Year | Rate of Dividend (In%) | Dividend per Share (In Rupee/s) |
|---|---|---|
| 2006-2007 | 10 | 0.20 |
| 2007-2008 | 50 | 1 |
| 2008-2009 | 50 | 1 |
| 2009-2010 | 100 | 2 |
| 2010-2011 | 100 | 2 |
| 2011-2012 | 100 | 2 |
| 2012-2013 | 100 | 2 |
| 2013-2014 | 100 | 2 |

## 9. GENERAL SHAREHOLDER'S INFORMATION

Financial calendar (Tentative)

| | |
|---|---|
| Financial Year | April 01, 2014 to March 31, 2015 |
| Calendar of Board meetings for the financial year (Tentative and subject to change) | |
| First Quarter Result | August 14, 2015 |
| Second Quarter Result | November 13, 2015 |
| Third Quarter Result | February 14, 2016 |
| Fourth Quarter Result | May 30, 2016 |
| Date of Book Closure | 23rd September, 2015 to 28th September, 2015 (Both days included) |
| Annual General Meeting | 30th Annual General metting |
| Date | 28th September,2015 |
| Day | Monday |
| Time | 2.30 pm |
| Venue | Quality Inn Sabari,<br>29, Thirumalai Pillai Road,<br>T.Nagar, Chennai – 600 017 |
| Dividend Payment Date | Within 30 days from the date of Annual General Meeting |
| Stock code | 509048 |
| Listing at | The Company's securities are listed with BSE Exchange Limited, Mumbai and it has paid the respective annual listing fees up-to-date and there are no arrears.<br>There is no share of the Company which remains unclaimed and lying in the escrow account. |
| Demat ISIN | INE572G01025 |
| Listing fee | Annual listing fee for the year 2014 – 2015 has been duly paid to the exchange |
| Outstanding GDRs/ADRs/Warrants or any | As on March 31, 2015 the Company does not have any |

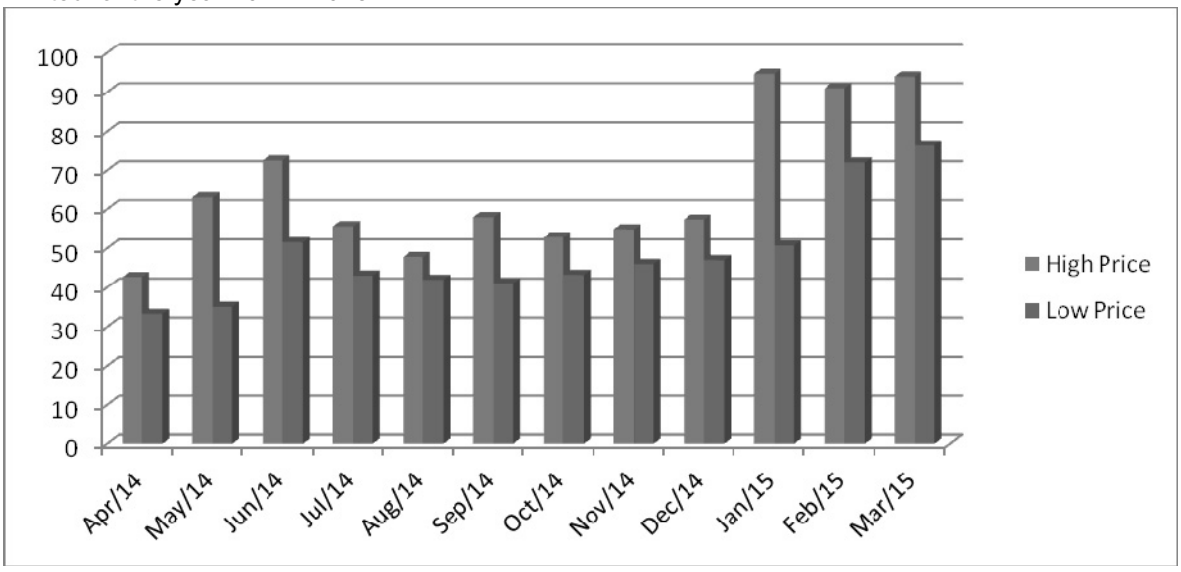
| | |
|---|---|
| Convertible instruments, conversion date and likely impact on equity | Outstanding GDRs/ADRs/Warrants or any Convertible instruments, |
| Reconciliation of Share Capital Audit | In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, reconciliation of Share Capital Audit is conducted every quarter by Mr. Rabi Narayan Pal, Partner, Rabi Narayan & Associates, Company Secretaries reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and the report is forwarded to the Stock Exchanges where the shares of the Company are listed. |
| Custodial Fees | The Company has paid custodial fees for the year 2014-15 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them. The custodial fees for the year 2015-16 to NSDL and CDSL will be paid upon demand. |
| **proceeds from public / rights / preferential issues, etc.,** | The Company does not have any unutilized money raised through Public / Rights / Preferential Issues, etc. |

## STOCK PRICE MOVEMENT

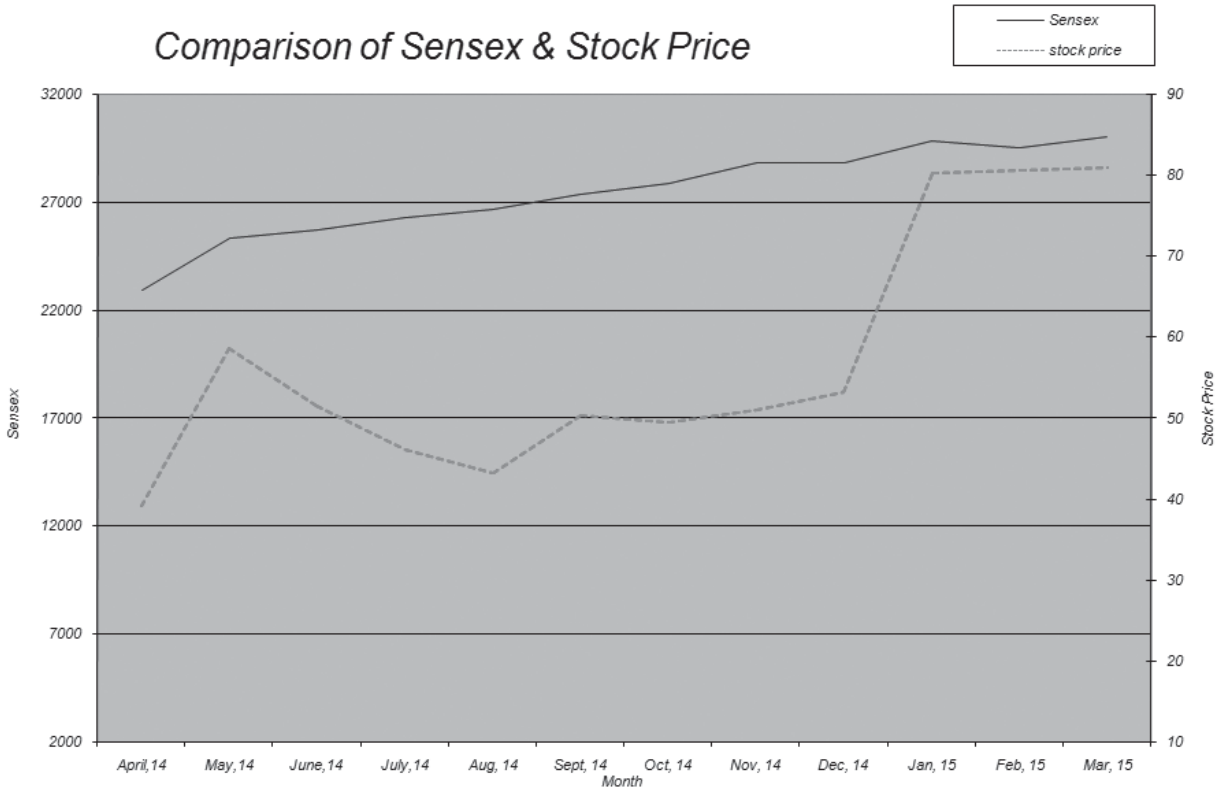
Stock market data for the period of April 01, 2014 to March 31, 2015 and graphical representation of volume of shares traded at BSE for the year 2014 – 2015.

| Month | Price | | Volume |
|---|---|---|---|
| | High | Low | |
| April 2014 | 42.70 | 33.30 | 97,604 |
| May 2014 | 63.00 | 35.10 | 1,87,024 |
| June 2014 | 72.50 | 51.55 | 2,11,412 |
| July 2014 | 55.65 | 43.05 | 8,14,358 |
| August 2014 | 47.80 | 42.00 | 3,51,257 |
| September 2014 | 58.00 | 41.00 | 7,19,276 |
| October 2014 | 52.90 | 43.25 | 1,82,829 |
| November 2014 | 54.90 | 46.00 | 1,39,876 |
| December 2014 | 57.40 | 47.00 | 1,56,473 |
| January 2015 | 94.70 | 50.70 | 82,75,207 |
| February 2015 | 91.00 | 72.00 | 5,47,365 |
| March 2015 | 94.00 | 76.35 | 6,96,751 |

The chart given hereunder plots the movements of the Company's share price on Bombay Stock exchange Limited for the year 2014 - 2015




**The share price performance of the Company vis-à-vis the broad based indices during the financial year 2014- 15 forms part of the Annual Report.**



## DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity shares of the Company are made available for dematerialisation 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 dematerialised upto March 31, 2015 are as under:

| S.No. | Particulars | No. of Shares | % of total issued capital |
|---|---|---|---|
| 1 | Listed Capital | 2,02,50,000 | 100.00 |
| 2 | Held in Dematerialisation form – NSDL | 1,79,48,785 | 88.64 |
| 3 | Held in Dematerialisation form – CDSL | 21,79,205 | 10.76 |
| 4 | Physical shares | 1,22,010 | 0.60 |

,

Considering the advantage of dealing in shares in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialize their shares at the earliest. For further information clarification/ assistance in this regard, please contact M/s.Cameo Corporate Services Limited, the Registrar and Share Transfer Agent or the Company Secretary, Lancor Holdings Limited. As per the directions of SEBI, equity shares of the Company can be traded by all the investors only in dematerilised form. The Company's shares are actively traded on BSE Limited.

## REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Registrar and Share Transfer Agents as detailed bellow: Pursuant to 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

Mr.R.D.Ramasamy, Director
M/s.Cameo Corporate Services Limited
Subramanian Buildings,
No.1, Club House Road,
Chennai 600 002,
Phone No.044-28460390-94, Fax No.28460129,
Email: investor@cameoindia.com

## SHARE TRANSFER SYSTEM

The shares of the Company are traded on the Stock Exchange 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, transfer, transmissions, subdivision, consolidation of shares or any other share related matters and / or change in address are disposed off expeditiously.

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount (In Rupees) | % of Amount |
|---|---|---|---|---|---|
| 1 - 5000 | 2132 | 86.0718 | 715421 | 1430842 | 3.5329 |
| 5001 - 10000 | 144 | 5.8134 | 547368 | 1094736 | 2.703 |
| 10001 - 20000 | 83 | 3.3508 | 643299 | 1286598 | 3.1767 |
| 20001 - 30000 | 32 | 1.2918 | 395422 | 790844 | 1.9527 |
| 30001 - 40000 | 21 | 0.8477 | 374280 | 748560 | 1.8482 |
| 40001 - 50000 | 10 | 0.4037 | 230646 | 461292 | 1.1389 |
| 50001 - 100000 | 17 | 0.6863 | 624602 | 1249204 | 3.0844 |
| 100001 - And Above | 38 | 1.5341 | 16718962 | 33437924 | 82.5627 |
| Total | 2477 | 100 | 20250000 | 40500000 | 100 |

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

CATEGORIES OF SHAREHOLDINGS AS ON MARCH 31, 2015

| S.No. | Catergory of Sharehodlers | No. of Shares held | Percentage of holdings |
|---|---|---|---|
| 1 | Promoters | 1,25,70,832 | 62.08 |
| 2 | Foreign Institutional Investors / Mutual Funds | 48,264 | 0.24 |
| 3 | Body Corporate | 8,83,258 | 4.3 |
| 4 | Individual shareholders holding nominal share capital upto Rs.1 lakh | 27,12,244 | 13.39 |
| 5 | Individual shareholders holding nominal share capital excess of Rs.1 lakh | 28,98,782 | 14.31 |
| 6 | Clearing Members | 17,503 | 0.09 |
| 7 | Hindu Undivided Family | 3,43,739 | 1.70 |
| 8 | Non Resident Indians | 7,75,378 | 3.83 |
| | **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, 2015 are given below:

| Name of the Shareholder | No. of Shares | Percentage of Paid up capital | Category |
|---|---|---|---|
| Mr.R.V.Shekar | 59,11,607 | 29.19 | Promoter |
| Mrs.Shyamala Shekar | 39,05,575 | 19.29 | Promoter |
| Mrs.Sangeetha Shekar | 13,76,850 | 6.80 | Promoter |
| Mrs.Swetha Shekar | 13,76,800 | 6.80 | Promoter |
| Mr.Rajasekhar Swaminathan Iyer | 8,71,691 | 4.30 | Public |
| Mrs.Rajeswari Sridharan | 5,49, 959 | 2.72 | Public |
| Mr.Rajiv Chesetty | 3,10,426 | 1.53 | Public |
| Mr.Girish Gulati H.U.F | 2,05,269 | 1.01 | Public |

**Share capital History**

| Date of Issue | No of Shares Issued | Issue Price (in Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/Scheme/ Bonus/Rights, etc.,) | Cumulative Capital (No. of shares) | Whether Listed, if not listed give reasons thereof |
|---|---|---|---|---|---|
| 04.01.1985 | 2,00,000 | 10.00 | IPO | 2,00,000 | Listed |
| 15.05.1995 | 6,00,000 | 10.00 | Allotment of Bonus Shares in the ratio of 3:1 | 8,00,000 | Listed |
| 25.10.1996 | 24,00,000 | 10.00 | Allotment of Bonus Shares in the ratio of 3:1 | 32,00,000 | Listed |
| 29.09.2007 | 8,50,000 | 10.00 | Issue of shares consequent to the Merger of Lancor G:Corp Properties Limited with the Company | 40,50,000 | Listed |
| 03.12.2007 | 2,02,50,000 | 2.00 | Split of shares of Rs.10/- each, subdivided into shares of Rs.2/- each | 2,02,50,000 | Listed |
| 25.06.2015 | 2,02,50,000 | 2.00 | Allotment of Bonus Shares in the ratio of 1:1 | 4,05,00,000 | Listed |

**TRANSFER OF UNPAID/UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

Members who have not encashed their dividend warrants yet for the 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.

During the financial year 2014 – 15, the Company was required to transfer a sum of Rs.52,280/- (Rupees fifty two thousand two hundred eighty only) to the Investor Education and Protection Fund, pertaining to the dividends declared in the Annual General Meeting held on 30th September, 2007 and which was lying unclaimed for a period of seven years from the date they became due for payment. The Company has transferred an amount of Rs.52,280/- (Rupees fifty two thousand two hundred eighty only) to the Investor Education and Protection Fund on Nov 24, 2014, within the time limits prescribed under the Companies Act, 1956.

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders.

| Financial Year | Date of Declaration | Date of Payment | Last date for claiming unpaid dividend |
|---|---|---|---|
| 2007 – 2008 | 10.09.2008 | 13.09.2008 | 12.09.2015 |
| 2008 – 2009 | 29.09.2009 | 03.10.2009 | 02.10.2016 |
| 2009 – 2010 | 15.01.2010 | 18.01.2010 | 17.01.2017 |
| 2009 – 2010 | 23.07.2010 | 26.07.2010 | 25.07.2017 |

| Financial Year | Date of Declaration | Date of Payment | Last date for claiming unpaid dividend |
|---|---|---|---|
| 2010 – 2011 | 29.07.2011 | 03.08.2011 | 02.08.2018 |
| 2011 – 2012 | 27.07.2012 | 31.07.2012 | 30.07.2019 |
| 2012 – 2013 | 11.09.2013 | 12.09.2013 | 12.09.2020 |
| 2013 – 2014 | 26.12.2014 | 27.12.2014 | 27.12.2021 |

As required under section 124(2) of the Companies Act, 2013 a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person has been placed on the website of the Company within a period of ninety days of making transfer to the Unpaid Dividend Account.

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. Members who have so far not encashed the dividend warrant(s) are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an email to compsecy@lancor.in

**Unclaimed Equity Shares**

In terms of Clause 5A of the Listing Agreement, unclaimed equity shares shall be transferred to an "Unclaimed Suspense Account" opened by the Company for the purpose and the equity shares lying therein shall be dematerialised with a Depository Participant. The voting rights of such equity shares remain frozen till the rightful owner claims the shares.

**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. Certain disputes have arisen with the owners of land with whom the Company has entered into a joint ventures agreement in respect of a Project for which the Company has been defending. The detail of the suit is more fully stated in Note 4.11 to accounts attached to the Auditor's Report.

The Company in compliance with Clause 49XB of the listing agreement periodically submitting a quarterly compliance report to the stock exchanges within 15 days from the close of quarter as per the format given in Annexure I B (up to 30.09.2014) and thereafter in Annexure – XI (wef 01.10.2014) to the Listing Agreement duly signed either by the Compliance Officer or the Chief Executive Officer of the Company.

**Address for Communication**

| For queries relating to Financial Statements | For any other queries |
|---|---|
| **Mr.K.Srinivasan**<br>**Chief Financial Officer**<br>LANCOR HOLDINGS LIMITED<br>VTN Square, 58, G N Chetty Road<br>T.Nagar, Chennai – 600 017<br>Phone: 044-28345880 – 84<br>Fax : 044-2834 5885<br>Email : srinivasan@lancor.in<br>Website : www.lancor.in | **Mr.Pradeep Kumar Nath**<br>**Company Secretary & Compliance Officer**<br>LANCOR HOLDINGS LIMITED<br>VTN Square, 58, G N Chetty Road<br>T.Nagar, Chennai – 600 017<br>Phone: 044-28345880 – 84<br>Fax : 044-2834 5885<br>Email : compsecy@lancor.in<br>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.

## CEO'S DECLARATION ON CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non Executive Directors. As required by clause 49 of the Listing Agreement the Managing Director's declaration on code of conduct is as under.

I, CA. Mallika Ravi, Chief Executive officer of the Company declare and confirm that the Company has in respect of the financial year ended March 31, 2015 received from the senior Management team of the Company and the member of the Board a declaration of the compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the term "senior management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive Directors, including all functional heads. Senior Management Team means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Employees in the Vice President cadre and the Company Secretary as on March 31, 2015.

CA. Mallika Ravi
**C E O**

Place :Chennai
Date: 14.08. 2015

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## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate (As per Clause 49 of the Listing Agreement)

We certify that:

1. We have reviewed the financial statements and cash flow statement of Lancor Holdings Limited for the financial year ended 31st March 2015 and to the best of our knowledge and belief;

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the financial year ended 31st March 2015, which are fraudulent, illegal or violating the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company over financial

reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies.

In our opinion, there are adequate internal controls over financial reporting.

4. We have indicated to the auditors and the audit committee:

   i) significant changes / improvements in internal controls over financial reporting during the financial year ended 31st March 2015

   ii) significant changes in accounting policies made during the financial year ended 31st March 2015, if any have been disclosed in the notes to the financial statements.

   iii) that there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| **Chennai** | **CA. Mallika Ravi** | **K.Srinivasan** |
| **Date: 14.08.2015** | **Chief Executive Officer** | **Chief Financial Officer** |

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## COMPLIANCE CERIFICATE ON CORPORATE GOVERNANCE
**(Under Clause 49 of the Listing Agreement)**

To the Members of **Lancor Holding Limited**

We have examined the compliance of condition of corporate governance by **LANCOR HOLDINGS LIMITED,** for the year ended on March 31, 2014 as stipulated in clause 49 of the listing Agreement of the said Company with stock exchange.

The Compliance of conditions of the listing agreement is the responsibility of the management. Our examination has been limit to the procedure and implementation thereof, adopted by the Company for ensuring 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 official and agents, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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 **V.S.SOWRIRAJAN & ASSOCIATES**

**V.S.SOWRIRAJAN**
**Proprietor**
**FCS 2368/CP6482**

Place : Chennai
Date : 14.08.2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy continues to be down since the last quarters and the expectations were that it would change for better after the new Government came into power. The country has been looking forward for improvement in economy with the Modi Government's announcement on policy changes and investment drive as part of a revival strategy.

Unseasonal rain and forecast of poor monsoon also add to the concern over economic recovery.

Global macro economic factors viz fears of slowdown in China and fall in commodity prices viz energy, metals etc will have its impact on India. The comfort factor is that India is yet to spend huge amounts on infrastructure, which will boost the economy when it happens. The economy will start seeing revival when huge roads and other infrastructure projects start getting implemented and investments by both the Government and private sectors start taking place.

A slew of announcements made by the Prime Minister on 100 smart cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme of 500 cities, Home for All, Digital India, Make in India etc., when implemented should bring in huge economic activity across industries with big boost to investments for new job creation, which will not only help the GDP to grow but will also help the real estate sector as the demand in urban areas will improve over long term.

The near term outlook for the Real Estate Sector still remains negative though the long term outlook due to urbanization, increasing nuclear families and aspirations of young population to buy homes looks positive. In the last few years, the Real Estate investments have not appreciated in value much. The rental yields have also been very low.

The salaried class has not seen increment in the last two years and in fact some of the Corporates have either cut down the salaries or have even retrenched their employees with the result that the salaried employees are not willing to commit themselves in availing home loans for investment into Real Estate.

With the sales slowdown, unsold inventory of residential units have been built up across India. The new launches have also not taken place and many of the developers are not able to deliver the projects on time. However, your Company has not only completed the residential projects viz Kiruba Cirrus, Lumina (E & F blocks), Sonnet Square, Townsville (A, B & C Blocks) on time and obtained completion certificate with all services in place, the customers have also started to live in these projects.

As per Knight Frank Research report, the unsold inventory as at the end of December 2014 is about 42000 residential units as against which your Company's unsold inventory is 131 which is 0.31% of overall Chennai's unsold inventory scenario.

The estimate is that it would take about 12 months for the industry to start seeing signs of recovery. During this time, your Company is looking for ways to remain liquid by containing costs as much as possible.

OPPORTUNITIES

Most of the projects of your Company are in an advanced stage of completion and hence as the market picks up and the sales happen, it will have its positive effect on the cash flows, profitability and debt position of your Company.

RISKS & CONCERN

Labour scarcity, continued rise in materials costs and the existing over supply are the risks that are associated in this business. However, your Company is better positioned as the projects are almost completed and they are developed in locations which are in good growth corridors and City Centers.

The sluggish demand in real estate sector is expected to continue. However, your Company is increasing its marketing efforts by focusing more on digital platforms to tap NRI customers as well and has constant referral schemes to reconnect with the existing customers.

Lancor has a proven track record in servicing its debt obligations and the gearing levels of the Company have always been efficiently managed.

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 of Financial Performance With Respect To Operational Performance**

Following are the key financial takeaways for fiscal 2014 – 2015

- Registered a turnover of Rs.1,07,36,23,210-
  Rs. 87,38,74,561- of revenues from Real Estate Operations
- Rs.14,42,96,144- Revenues from Rental Income
- Net operational cash flows at Rs.12,53,23,355-
- PBT of Rs.21,78,66,235-
- PAT of Rs. 14,75,85,958-
- Debt Equity Ratio as on March 31, 2015 at 1.32
- CRISIL Credit Rating re-affirmed **'BBB+'**

During the year under review the Company has registered an aggregate turnover of Rs.107.36 Crores as against the previous year turnover of Rs.86.40 Crores and posted a net profit of Rs.14.75 Crores as against the previous of Rs.15.95 Crores.

**Material developments in Human Resources / Industrial Relations front, including number of people employed**

Number of employees as on March 31, 2015 was 83 which include 10 women employees and relation remains very cordial.

As per disclosure made by the Senior management to the Board there was no material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. The Code of Conduct for the Board of Directors and the senior management was disclosed on the website of the Company.

## CAUTIONARY STATEMENT

The financial and operational information contained in the Management Report is based on the consolidated operations of the Company unless stated otherwise. Further, statements in the Management Report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations but it is not exhaustive.

Place: Chennai
Date: 14th August, 2015

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF LANCOR HOLDINGS LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **LANCOR HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Governing Bodies of the entities included in the Group and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free frommaterial misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group,and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw your attention to note no. 4.04 (b) of notes to the financial statements relating to circumstances which have been considered for determining the period for capitalization of borrowing cost of one of the subsidiary LancorGuduvancherry Developments Limited. Our opinion is not modified in respect of this matter.

**Other Matters**

We did not audit the financial statements of Lancor Maintenance & Services Limited (subsidiary), whose financial statement reflect total assets of Rs.918.13 lakhs, as at 31st March, 2015, total revenues of Rs.619.21 and net cash flows amounting to Rs.17.78 lakhs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India to whom the Order is applicable we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section143 of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated financial statements.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities– Refer Note Number 4.11 to the consolidated financial statements.
      ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**For G.M.Kapadia & Co.**
**Chartered Accountants**
(Firm Registration No.104767W)

**Satya Ranjan Dhall**
Partner
(Membership No. 214046)

Chennai
Dated: May 07, 2015

## ANNEXURE TO THE AUDITOR'S RPEORT

(Referred to in Paragraph 1 under "Other Legal and Regulatory Requirements" of our report of even date)

i. In respect of the fixed assets of the Holding companies and subsidiary companies incorporated in India:

(a) The respective entities have maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets;

(b) As per the plan and programme of the management fixed assets have been physically verified. The programme of verification, in our opinion and the opinion of the other auditors is reasonable having regard to the size of the Company and nature of its assets. According to the explanation given to us and other auditors no material discrepancies were noticed on such verification;

ii. In respect of the fixed assets of the Holding companies and subsidiary companies incorporated in India:

(a) As explained to us and to the other auditor, the inventory has been physically verified during the year of the respective entities by the management. In our opinion the frequency of verification is reasonable.

(b) As explained to us and to the other auditor, the procedures of physical verification of inventories followed by the management of the respective entities are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and in the opinion of the other auditor, the Company has maintained proper records of inventory of the respective entities and no discrepancies were noticed on verification between the physical stocks and books of accounts.

(d) Asexplained to us and the other auditor, no physical verification of the service Company has been carried out as it does not hold any inventories.

iii. The holding Company have granted loans, secured or unsecured to companies, firms covered in the register maintained under section 189 of the Companies Act 2013.

(a) In case of the companies and firm, as per 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.

(b) As stated above, in case of Companies, as no repayment schedule has been specified, there are no overdue amounts in excess of Rupees one lakh.

iv. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and to the other auditors, there exists an adequate internal control system in holding company and subsidiary companies commensurate with the size of the respective entities and the nature of its business with regards to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, neither we nor the other auditor have observed any continuing failure to correct major weakness in internal controls system;

v. In our opinion and according to the information and explanation given to us and to the other auditor, the holding Company and subsidiary companies have not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the respective entities. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of any of the entities;

vi. We have broadly reviewed the books of account and records maintained by the Holding company and subsidiary Company relating to construction and development activity, pursuant to the order made by the Central Government for the maintenance of cost record under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. As per the information and explanation given to us and other auditor, Central Government has not prescribed maintenance of record under subsection (1) of section 148 for service Companies having maintenance activity, accordingly no cost records are required to be maintained.

vii. According to the records of the company and the information and explanations given to us and other auditor, in respect of the statutory dues of the Holding Company and subsidiary company incorporated in india:

(a) the respective entities have generallybeen regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service

tax, duty of customs, duty of excise, value added tax,cess and other statutory dues applicable to the respective entities. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and other auditor, there are no outstanding disputed dues payable by the Company in case of income tax, wealth tax, sales tax, duty of customs, duty of excise, value added tax and cess except service tax and interest on service tax and penalty as on March 31, 2015;

| Sl. No | Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount (Rs.) |
|---|---|---|---|---|---|
| 1 | Finance Act 1994 | Penalty & interest on Service Tax | February2009 to June 2009 | Custom, Excise and Service Tax Appellate Tribunal | Not yet determined. |
| 2 | Finance Act 1994 | Service Tax | October 2007 to August 2009 | Customs, Excise and Service Tax Appellate Tribunal | 1,56,10,334 (Note 1) |
| 3 | Finance Act 1994 | Service Tax | April 2003 to February 2008 | Customs, Excise and Service Tax Appellate Tribunal | 67,547 |

Note 1: amount is excluding interest and penalty

(c) According to the information and explanation given to us and the other auditor, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956( 1 of 1956 ) and rules made thereunder has been transferred to such fund within time.

viii. The Holding Company and subsidiary companies incorporated in India have neither have consolidated accumulated losses at the end of the financial year nor had incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.

ix. Based on our audit procedure and according to the information and explanation given to us, the Holding Company and subsidiary companies incorporated in India have not defaulted in repayment of dues to the financial institution, bank or debenture holders;

In case of the subsidiary audited by other auditor, as per the information and explanation given to us, the Company has not taken any loan from financial institution, bank and the debenture holders. Hence the question of default in repayment of dues does not arise.

x. According to the information and explanations given to us and the other auditor, the Holding Company and subsidiary company have not given any guarantee for loan taken by others from banks or financial institutions. Accordingly the terms and conditions there of are not prima facie prejudicial to the interests of the Company are not applicable;

xi. In our opinion and opinion of the other auditor, and according to the information and explanations given to us and the other auditor and based on the records examined by us and the other auditor the term loan wherever obtained have been applied by the Holding company and subsidiary companies incorporated in India during the year for the purpose for which the loan were obtained;

xii. During the course of our examination and also examination by other auditor of the books and records of the Holding Company and subsidiary companies incorporated in India, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us and other auditor, no fraud on or by the respective entities have been noticed or reported during the period.

**For G.M.Kapadia & Co.**
**Chartered Accountants**
(Firm Registration No.104767W)

**Satya Ranjan Dhall**
Partner
(Membership No. 214046)

Chennai
Dated: May 07, 2015

## Consolidated Balance Sheet as on 31st March, 2015

*(Figures in Indian Currency)*

| | Notes | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Shareholders' funds** | | | |
| Share capital | 2.01 | 40,500,000 | 40,500,000 |
| Reserves and surplus | 2.02 | 1,334,026,577 | 1,224,145,932 |
| | | 1,374,526,577 | 1,264,645,932 |
| **Minority Interest** | | 466,903 | 429,945 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 2.03 | 1,146,148,815 | 901,875,951 |
| Trade payables | 2.04 | 21,042,857 | 19,917,654 |
| Other long-term liabilities | 2.04 | 157,771,443 | 152,610,643 |
| Long-term provisions | 2.05 | 10,958,931 | 9,570,444 |
| | | 1,335,922,046 | 1,083,974,692 |
| **Current liabilities** | | | |
| Short-term borrowings | 2.06 | 427,570,745 | 438,562,393 |
| Trade payables | 2.07 | 178,451,110 | 225,284,465 |
| Other current liabilities | 2.07 | 424,154,579 | 820,333,188 |
| Short-term provisions | 2.05 | 67,296,007 | 57,666,170 |
| | | 1,097,472,440 | 1,541,846,216 |
| **Total** | | **3,808,387,966** | **3,890,896,785** |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| Tangible assets | 2.08 | 842,111,541 | 874,655,809 |
| Intangible assets | 2.09 | 321,956 | 146,584 |
| Capital work-in-progress | 2.10 | 347,777,040 | 289,484,397 |
| Goodwill on Consolidation | | - | 8,045,413 |
| Non-current investments | 2.11 | 3,701,775 | 3,001,800 |
| Deferred tax assets (net) | 2.12 | 4,852,361 | 2,884,241 |
| Long-term loans and advances | 2.13 | 28,194,547 | 55,983,224 |
| Other non-current assets | 2.15 | 3,000,000 | 7,484,000 |
| | | 1,229,959,219 | 1,241,685,468 |
| **Current assets** | | | |
| Current investments | 2.16 | 405,560 | 6,307,494 |
| Inventories | 2.17 | 2,473,706,984 | 2,376,644,559 |
| Trade receivables | 2.14 | 14,873,807 | 33,054,491 |
| Cash and bank balances | 2.18 | 41,947,026 | 77,737,346 |
| Short-term loans and advances | 2.13 | 45,234,443 | 149,980,078 |
| Other current assets | 2.15 | 2,260,927 | 5,487,348 |
| | | 2,578,428,747 | 2,649,211,317 |
| **Total** | | **3,808,387,966** | **3,890,896,785** |

Summary of significant accounting policies 1
The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

## Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

*(Figures in Indian Currency)*

| | Notes | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Income** | | | |
| Revenue from operations | 3.01 | 1,503,057,527 | 1,359,961,807 |
| Other income | 3.02 | 9,561,007 | 5,447,326 |
| **Total Revenue** | | **1,512,618,534** | **1,365,409,133** |
| **Expenses** | | | |
| Land and land related expenses | 3.03 | 3,242,848 | 144,911,885 |
| Cost of materials and construction expenses | 3.03 | 876,884,623 | 1,143,716,304 |
| Changes in inventories of constructed premies, work-in-progress & construction material | 3.03 | (97,062,426) | (651,167,738) |
| Maintenance expenditure | | 44,455,768 | 49,545,042 |
| Employee benefits expense | 3.04 | 71,570,794 | 74,352,583 |
| Other expenses | 3.05 | 75,012,104 | 73,327,570 |
| **Total Expenses** | | **974,103,711** | **834,685,647** |
| **Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)** | | **538,514,823** | **530,723,487** |
| Depreciation and amortisation expense | 3.06 | 32,659,749 | 26,944,192 |
| Finance costs | 3.07 | 238,720,764 | 223,759,252 |
| **Profit/(loss) before Exceptional, Extraordinary items and Tax and Prior period Items** | | **267,134,311** | **280,020,043** |
| Prior Period Items | 3.08 | 2,078,894 | - |
| **Profit/(loss) before Exceptional, Extraordinary items and Tax** | | **265,055,417** | **280,020,043** |
| Exceptional items | | **-** | **-** |
| **Profit / (loss) before Extraordinary items and Tax** | | **265,055,417** | **280,020,043** |
| Extraordinary items | | **-** | **-** |
| **Profit / (loss) before tax** | | **265,055,417** | **280,020,043** |
| **Tax expenses** | | | |
| Current tax | | 95,897,509 | 89,139,700 |
| Other Current tax | | - | 15,267,556 |
| Deferred tax | | (1,497,414) | 6,987,102 |
| (Excess) / Short Provision for Tax of earlier years | | 2,236,055 | 201,584 |
| **Profit / (loss) for the year from continuing operations(Before adjusting Minority Interest)** | | **168,419,267** | **168,424,100** |
| **Share of profit transferred to Minority Interest** | | 36,957 | 72,468 |
| **Profit/Loss for the period** | | **168,382,309** | **168,351,632** |
| **Earnings per equity share (Nominal Value of share Rs. 2 each)** | | | |
| **Basic & Diluted** | | | |
| Computed on the basis of profit from continuing operations and total operations | 4.02 | 8.32 | 8.31 |
| Significant accounting policies | 1 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

## Consolidated Cash Flow Statement for the year ended March 31, 2015

*(Figures in Indian Currency)*

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit Before Tax from continuing operations | 265,055,418 | 280,020,043 |
| **Profit Before Tax** | **265,055,418** | **280,020,043** |
| Non-cash adjustment to Profit Before Tax: | | |
| Depreciation/amortization on continuing operations | 32,659,749 | 26,944,192 |
| Loss/(profit) on sale of assets | 881,120 | (213,391) |
| Provision for Employee Benefits | 2,043,850 | 628,448 |
| Sundry balances written (back)/Off | 6,523,534 | |
| Interest expense | 238,720,764 | 223,759,252 |
| Interest income | (1,469,117) | (2,228,138) |
| Dividend income | 993,926 | (2,857,297) |
| **Operating profit before working capital changes** | **545,409,244** | **526,053,109** |
| **Movements in working capital:** | | |
| Increase/(decrease) in trade payables | (52,231,687) | 113,827,095 |
| Increase/(decrease) in provisions | (6,683,166) | (93,684) |
| Increase/(decrease)in other current liabilities | (391,017,809) | 90,502,027 |
| Decrease/(increase) in trade receivables | 18,180,684 | (402,715) |
| Decrease/(increase) in inventories | (97,062,425) | (651,167,737) |
| Decrease/(increase) in loans and advances | 132,534,312 | (38,416,788) |
| Decrease/(increase) in other current assets | 7,710,421 | 1,414,051 |
| Cash generated from/(used in) operations | 156,839,574 | 41,715,358 |
| Direct taxes paid (net of refunds) | (83,479,568) | (97,696,294) |
| **Net cash flow from/(used in) operating activities (A)** | **73,360,006** | **(55,980,937)** |
| **Cash flow from investing activities** | | |
| Purchase of fixed assets, including intangible assets and capital advances | (61,823,515) | (34,384,003) |
| Proceeds from sale of fixed assets | 1,391,434 | 837,000 |
| Purchase of current investments | (699,975) | (300,000) |
| Proceeds from sale/maturity of current investments | 5,901,934 | 48,789,617 |
| Interest received | 1,469,117 | 913,929 |
| Dividends received | (993,926) | 2,857,297 |
| **Net cash flow from/(used in) investing activities (B)** | **(54,754,932)** | **18,713,840** |
| **Cash flow from financing activities** | | |
| Proceeds from borrowings | 1,561,864,196 | 649,144,000 |
| Repayment of borrowings | (1,328,582,980) | (330,210,618) |
| Interest paid | (238,720,764) | (223,759,252) |
| Dividends paid on equity shares | (40,500,000) | (40,500,000) |
| Tax on equity dividend paid | (8,455,846) | (6,570,113) |
| **Net cash flow from/(used in) in financing activities (C)** | **(54,395,394)** | **48,104,018** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+ C)** | (35,790,320) | 10,836,921 |
| Cash and cash equivalents at the beginning of the year | 77,737,346 | 66,900,425 |
| **Cash and cash equivalents at the end of the year** | **41,947,026** | **77,737,346** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 299,701 | 233,545 |
| Cheques / drafts on hand | | |
| With banks | | |
| on current account | 36,897,166 | 45,935,347 |
| on deposit account | 4,003,000 | 30,769,015 |
| unpaid dividend accounts* | 747,159 | 799,439 |
| **Total cash and cash equivalents (Note No. 2.18)** | **41,947,026** | **77,737,346** |
| ***Note:*** *Figures in bracket represents outflows* | | |
| Significant accounting policies | 1 | |

*The company can utilize these balances only towards settlement of the respective unpaid dividend

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

**Notes to Consolidated Financial Statements for the year ended March 31, 2015**

**1.01 Corporate information**

Lancor Holdings Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The Company is engaged in construction and sale of residential properties, construction and leasing of commercial properties.

**1.02 Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to section 129(1) of the Companies Act, 2013, the items contained in the enclosed financial statements are in accordance with the Accounting Standards

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current – non current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**Summary of significant accounting policies**

**1.03 Use of estimates**

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

**1.04 Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, non refundable taxes, borrowing costs (if capitalization criteria are met) and directly attributable cost of bringing the asset to its present location and condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**1.05 Depreciation on tangible fixed assets**

Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the fixed assets based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments as mentioned below. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the fixed assets. The written down value of the fixed assets which were expired as on April 1, 2014 has been adjusted net of tax, in the retained earnings.

| | Based on Internal Assessment (WDV - %) | Based on Companies Act (WDV - %) |
|---|---|---|
| Furniture and fixtures | 18.10 | 25.89 |
| Airconditioners | 11.73 - 25.89 | 45.07 |
| Genset | 18.10 | 25.89 |
| Electrical Equipments | 11.29 | 25.89 |
| Vehicles | 45.07 | 31.23 |
| Plant and Machinery | 9.50 - 52.71 | 18.10 - 28.31 |

The depreciation in case of buildings is provided on straight line method and the manner as prescribed in part C of Schedule II to the Companies Act, 2013

Assets costing Rs. 5000 or less individually are fully charged to statement of profit and loss under the head repair and maintenance.

Land which was revalued is stated at the values determined by the valuers.

Capital work in progress incurred up to date of commencement of commercial operation is capitalised.

**1.06 Intangible assets**

Intangible Assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

| | No. of Years |
|---|---|
| Computer Software | 5 |

**1.07 Leases**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Where the Company is lessee- Operating Lease

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

Where the Company is the lessor- Operating Lease

Lease income is recognized in the statement of profit and loss over the lease term on systematic basis which is more representative of time pattern of Companies benefit.

Assets subject to operating leases are included in fixed assets. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**1.08 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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. Where borrowings are specifically for obtaining a qualifying asset for developments, the amounts capitalised is borrowing cost incurred on those borrowings less any income on temporary investment of those borrowings.

Capitalisation of borrowing cost is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing cost is ceased when substantially all the activities necessary to preprare the qualifying asset for its intended use or sale is complete.

Borrowing cost is not capitalised on the purchase of land for development unless activities necessary to prepare the land for development are in progress.

**1.09 Impairment of tangible and intangible assets**

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

**1.10 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition cost of the investment is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**1.11 Inventories**

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

Unsold premises held as inventory 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.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**1.12 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from services

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.The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

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.

Revenue from construction contract is recognised by referrence to the stage of completion of the contract activity at the reporting date of the financial statement. The related contract costs there against are charged to the statement of profit and loss of the year. The stage of completion of the contract is measured by referrence to the proportion that the contract cost incurred for the work performed up to the reporting date bear to the estimated total contract cost for each contract.The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

An expected loss on construction contract is recognised as an expense when it is certain that the cost will exceed the revenue.

Revenue from maintenance service is accounted on accrual basis in terms of respective contract.

Brokerage Income

Brokerage from sale and renting of property is recognised upon the completion of work. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Restaurant Income

Revenue from foods and beverages are recorded net of sales tax / value added tax.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

**1.13 Foreign currency translation**

**Foreign currency transactions and balances**

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences

Exchange differences are recognized as income or as expenses in the period in which they arise.

**1.14 Employee benefits**

a) Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

b) Defined Benefit Plan

The Company operates a defined benefit plan for its employees i.e gratuity liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which it occur in the statement of profit and loss.

c) Short Term Employee Benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss

**1.15 Income taxes**

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

c) 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 statement of profit & loss in the period of enactment of the change.

d) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

e) Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets & deferred taxes liabilities relate to the same taxable entity and the same taxation authority.

**1.16 Earnings Per Share**

a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**1.17 Provisions**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**1.18 Contingent liabilities & Contingent Assets**

a) 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.

b) Contingent Assets are neither recognised nor disclosed

**1.19 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand, demand deposits with banks and other short-term deposits with an original maturity of three months or less.

**1.20 Measurement of EBITDA**

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956 which are equally applicable as per Schedule III to the Companies Act, 2013 ,* the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

| 2.01 Share capital | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Authorized shares** | | |
| 8,03,00,000 (March 31, 2014: 7,52,50,000) equity shares of Rs.2/- each | 160,600,000 | 150,500,000 |
| | **160,600,000** | **150,500,000** |
| **Issued, subscribed & fully paid up equity shares** | | |
| 2,02,50,000 (March 31, 2014: 2,02,50,000) equity shares of Rs.2/- each (fully paid up) | 40,500,000 | 40,500,000 |
| **Total issued, subscribed and fully paid-up share capital** | **40,500,000** | **40,500,000** |

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

| Equity shares | As at March, 31 2015 | | As at March, 31 2014 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the period | 20,250,000 | 40,500,000 | 20,250,000 | 40,500,000 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 20,250,000 | 40,500,000 | 20,250,000 | 40,500,000 |

**b. Rights, preference and restrictions attached to shares:**

**Equity Shares**

The Company has only one class of equity shares having a par value of` Rs.2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

During the year March 31, 2015, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2014: Rs.2).

**c. Details of share holders holding more than 5% shares in the Company**

| | As at March, 31 2015 | | As at March, 31 2014 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Equity shares of Rs. 2 each fully paid | | | | |
| R.V.Shekar | 5,911,607 | 29.19% | 5,911,607 | 29.19% |
| Shyamala Shekar | 3,905,575 | 19.29% | 3,905,575 | 19.29% |
| G Corp Projects Pvt Ltd | - | - | 2,900,000 | 14.32% |
| Sangeetha Shekar | 1,376,850 | 6.80% | 1,376,850 | 6.80% |
| Swetha Shekhar | 1,376,800 | 6.80% | 1,376,800 | 6.80% |

The above share holding is as per the records of the Company, including its register of share holders/members.

**d.** No shares have been issued for consideration other than cash during the immediately preceding five years from the end of the reporting period.

| 2.02 Reserves and surplus | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Capital Reserve on Consolidation | 3,825,969 | 4,465,511 |
| Securities premium account | | |
| Balance as at the beginning of the year | - | - |
| Pursuant to Amalgamation | 124,540,143 | - |
| Balance as at the end of the year | 124,540,143 | - |
| Revaluation reserve | | |
| Balance as at the end of the year | 141,747,452 | 141,747,452 |
| Add: Revaluation Reserve Created on account revaluation of Land | - | - |
| Less: Reversal on account of sale of land | - | - |
| | 141,747,452 | 141,747,452 |
| **General reserve** | | |
| Balance as at the beginning of the year | 179,411,480 | 163,445,547 |
| Add: amount transferred from surplus balance in the statement of profit and loss | 14,758,596 | 15,965,933 |
| Add: Pursuant to amalgamation | 8,750,349 | |
| **Balance at the end of the year** | 202,920,425 | 179,411,480 |

| | | |
|---|---|---|
| **Surplus/(deficit) in the statement of profit and loss** | | |
| Balance at the beginning of the year | 898,521,489 | 793,518,764 |
| Profit for the year | 168,382,309 | 168,351,632 |
| Add: Pursuant to amalgamation | -140,696,362 | - |
| Less: Adjustment towards depreciation as per Schedule II | 496,762 | - |
| Less: Appropriations | | |
| Proposed final equity dividend | 40,500,000 | 40,500,000 |
| Tax on proposed equity dividend | 8,244,847 | 6,882,975 |
| Transfer to general reserve | 14,758,596 | 15,965,933 |
| Short Provision of Tax on Equity Dividend | 1,214,643 | - |
| Total appropriations | 64,718,086 | 63,348,908 |
| **Net surplus in the statement of profit and loss** | 860,992,588 | 898,521,489 |
| **Total reserves and surplus** | **1,334,026,577** | **1,224,145,932** |

**2.03 Long-term borrowings**

| | Non-current portion | | Current portion | |
|---|---|---|---|---|
| | As at March, 31 | As at March, 31 | As at March, 31 | As at March, 31 |
| | 2015 | 2014 | 2015 | 2014 |
| **Term loans** | | | | |
| **Secured** | | | | |
| **From Banks** | | | | |
| Catholic Syrian Bank- Term loan I | - | 243,152,604 | - | 67,688,199 |
| Catholic Syrian Bank- Term Loan II (Machinery) | - | - | - | 962,284 |
| Catholic Syrian Bank- Term Loan III (Vehicle) | - | - | - | 869 |
| Catholic Syrian Bank- Term Loan IV | 60,295,790 | - | 36,889,394 | - |
| Catholic Syrian Bank- Term Loan V | 252,177,499 | | 94,997,092 | |
| Axis Bank-Term Loan - I | - | 99,115,444 | - | 63,154,719 |
| Axis Bank-Term Loan- II | - | 100,552,091 | - | 64,070,130 |
| Axis Bank-Term Loan- III | 205,400,000 | - | 64,000,000 | - |
| City Union Bank Ltd - I | 18,540,138 | 55,037,018 | 23,872,755 | 18,759,182 |
| City Union Bank Ltd - II | - | 92,093,102 | 139,167,597 | 100,033,456 |
| **From Financial Institutions** | | | | |
| Axis Finance Limited-Term Loan- I | 209,735,388 | 150,000,000 | - | - |
| HDFC- Term loan I | - | - | - | 122,205,145 |
| HDFC- Term loan II | 100,000,000 | - | - | |
| HDFC- Term loan III | - | 161,925,692 | - | 27,063,131 |
| LIC Housing Finance Limited | 300,000,000 | - | - | - |
| | **1,146,148,815** | **901,875,951** | **358,926,838** | **463,937,115** |
| ***The above amount includes*** | | | | |
| Amount disclosed under the head 'other current liabilities' (refer note no. 2.07) | - | - | 358,926,838 | 463,937,115 |
| **Net Amount** | **1,146,148,815** | **901,875,951** | **-** | **-** |

The above amount includes aggregate amount of secured borrowings Rs.1,14,61,48,815 (March 31, 2014: 90,18,75,951)

## (a) Nature of Security for secured borrowings :

| Nature of Security | Terms of Repayment |
|---|---|
| i. Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company . | The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal monthly instalments of Rs. 77,34,981 (with 6% increase in montly installments per annum) as per the terms of the loan agreeement. The present applicable rate is 13.75%. The has been repaid in the current year. |
| ii. Term loan II (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortagage of land and building owned by the Company. | The loan is repayable in 60 equal monthly installments amounting to 7,92,000 from the date December 2011. The applicable rate of interest is 15.25% per annum.The loan has been repaid during the current year. |
| iii. Term loan III (Vehicle) from Catholic Syrian Bank Limited is secured by hypothecation of motor car as per the hypothecation agreement. | The total amount of loan sanctioned to the Company is amounting to Rs. 33,87,000. The loan is repayable in 60 equal monthly installments amounting to Rs. 77,500 from the date December, 2011. The applicable rate of interest is 12.50% per annum.The loan has been repaid during the current year. |

| | |
|---|---|
| iv. The Term loan IV from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4 '- Ground, Mezzanine, 2nd & 8th floors of the building measuring 22,127 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited. | The total amount of loan sanctioned to the company is amounting to Rs. 10,00,00,000. The loan is repayable in 30 EMI of Rs. 39.70 lakhs each effective from February 2015. The tenure of the loan is 36 months including repayment holiday of 6 months .The applicable interest is 14.00% i.e.base rate @ 10.50% + 3.50%. |
| v. Term Loan V from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4 '- Ground, Mezzanine, 2nd & 8th floors of the building measuring 22,127 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited. | The total amount of loan sanctioned to the company is amounting to Rs. 34,50,00,000. The repayment schedule is based on monthly rental from BNP Paribas & Sun Edison in respect of Menon Eternity'Building at 165, St. Mary's Road, Alwarpet, Chennai. The tenure of the loan is 60 months effective April, 2015. The applicable rate of interest is 11.50%. |
| vi. Term Loan I from Axis Bank Limited is secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). | The loan is repayable in 30 equal monthly instalments, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 14.00% per annum.i.e base rate @ 10.25% + 3.75%. The Loan has been repaid during the current year. |
| vii. Term Loan II from Axis Bank Limited is secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at " The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). | The total amount of loan sanctioned to the Company is amounting to Rs. 19 crore. The loan is repayable by 30 equal monthly instalment, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%. The Loan has been repaid during the current year. |
| viii. Term loan III from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina" Block D, G & H2 situated at Nellikuppam Road, Kayarambedu Village, Guduvanchery. Charge is created on the total loan amount. | The Loan is repayable by a term of 42 months including moratarium of 12 months from the date of first disbursement. The rate of interest applicable on the said loan is 13.50% per annum (base rate + 3.25%) at monthly rests. |
| ix. Term loan I from City Union Bank Limited is secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company. | The loan sanctioned to the Company amounting to Rs. 10 crore is repayable in 60 equated monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e base rate @ 10.75% + 3.25%. |
| x. Term Loan II from City Union Bank Limited is secured by land measuring 4.02 acres (net area 3.56 acres) & 16.15 acres situated at Sriperumbudur Village, Sriperumbudur Taluk, Kancheepuram District in the name of the company. | The Total Loan of Rs. 20 crores was taken from Bank. The loan is repayable in 18 equal monthly instalments, after a moratorium period of 15 months from June 2013. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25% |

| | | |
|---|---|---|
| xi. | The Term Loan I from Axis Finance Limited is secured by way of a) Exclusive 1st charge by way of registered mortgage on 5.17 acres of non agricultural land at sholinganallur, chennai including project land admeasuring 2.14 acres and all development, present and future over the project land. b) Exclusive 1st charge by way of registered mortgage of 27 cents of non agricultural land at Sholinganallur, Chennai situated adjacent to the project land. c) Exclusive charge on current assets of the project including customer receivables and all other cash flows, both present and future, entered into with various customers/obligors of the borrower. | The loan is repayable in 8 equal quarterly instalments, after an initial moratorium period of 24 months from the 1st disbursement of the loan. The applicable rate of interest is 14.50% per annum payable monthly. |
| xii. | Term Loan I from HDFC Limited is secured by mortagage of plot of land owned by the Company measuring 28.87 acres at Sriperumbudur. | The loan is repayable in nine equal installments at 2.5 crores from the end of 25th month of the date of first disbursement of the loan on March 31, 2012. The applicable rate of interest is 14.60% per annum plus/minus 275 basis points.The loan has been repaid during the year. |
| xiii. | The Term Loan-II from HDFC Limited is secured by Town & Country, Lakeview Gardens, Ramapuram, Sriperumbudur measuring about 26.25 acres of land. | There is a moratorium of 18 months from February, 2015 to July, 2016. Repayment of Rs. 0.55 crores is required from August, 2016 onwards upto January, 2018. EMI of Rs. 0.55 crores, is based on first tranche of Rs. 10 Crores drawn from HDFC Limited. The applicability interest is 13.5%. |
| xiv. | Term loan III from HDFC Limited is secured by mortgage of residential project "Lumina" situated at Kayarambedu Village, Guduvanchery and also secured by present and future scheduled receivables /sale proceeds from the customers of the project " Lumina- Phase-I" owned by the Company. Charge is created on the total loan except for 7 Crore loan amount received during March 2014. Company is in the process of the doing the same. | The loan is repayable to the extent of 30 % each scheduled receivables/sale proceeds from the customers of the property and the period of repayment of said loan is 36 months as per the terms of the loan agreement. The rate of interest applicable on the said loan is linked with HDFC CPLR with negative sped of 350 basis points. The present applicable interest rate is 14.60 %. The loan has been repaid in the current year. |
| xv. | The housing loan taken from LIC Housing Finance Limited is secured by 25 apartments having a built up area of 55,734 sq. ft of our project, "Kiruba Cirrus" at Valasaravakkam, Chennai. | The total loan sanctioned to the company is amounting to Rs.30,00,00,000.The term of the loan is 36 months including moratorium of 18 months. Repayment of Rs. 1.70 crores is required from August, 2016. The last EMI payable in February, 2018 is Rs. 1.10 crores. The applicable interest rate is 14.50%. |

**2.04 Other long-term liabilities**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Trade payables | | |
| Trade payables | 1,945,419 | - |
| Retention Money | 19,097,438 | 19,917,654 |
| | 21,042,857 | 19,917,654 |
| Others | | |
| Security Deposit | 50,600,001 | 50,600,001 |
| Rental Deposits | 107,171,442 | 102,010,642 |
| | 157,771,443 | 152,610,643 |
| | **178,814,300** | **172,528,298** |

**2.05 Provisions**

| | Long-term | | Short-term | |
|---|---|---|---|---|
| | As at March, 31 2015 | As at March, 31 2014 | As at March, 31 2015 | As at March, 31 2014 |
| **Provision for employee benefits** | | | | |
| Provision for gratuity (refer note no. 4.05) | 10,930,519 | 9,570,444 | 108,646 | 4,107,825 |
| Provision for bonus | - | - | 222,900 | 459,916 |
| | 10,930,519 | 9,570,444 | 331,546 | 4,567,741 |
| **Other provisions** | | | | |
| Proposed equity dividend | - | - | 40,500,000 | 40,500,000 |
| Provision for tax on proposed equity dividend | - | - | 8,244,847 | 6,882,975 |
| Provision for Income tax (Net of advance tax) | 28,412 | - | 18,219,614 | 5,715,454 |
| | 28,412 | - | 66,964,461 | 53,098,429 |
| | **10,958,931** | **9,570,444** | **67,296,007** | **57,666,170** |

| 2.06 Short-term borrowings | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Loans repayable on demand** | | |
| **Secured** | | |
| Catholic Syrian Bank | 224,539,709 | 357,370,937 |
| Catholic Syrian Bank - II | 101,190,071 | - |
| Axis Bank - I | - | 4,374,932 |
| Axis Bank - II | 8,368,749 | - |
| Axis Bank - III | - | 18,403,553 |
| City Union Bank I | - | 1,364,911 |
| City Union Bank II | 25,292,237 | 50,594,521 |
| City Union Bank III | 27,554,296 | - |
| **Loans and Advance from Related parties** | | |
| Unsecured | 40,625,683 | 6,453,539 |
| | **427,570,745** | **438,562,393** |

**(a) Nature of Security for secured borrowings :**

| | Nature of Borrowing | Nature of Security |
|---|---|---|
| i. | Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited | Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity" |
| ii. | Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited - Loan II | Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity" |
| iii. | The Overdraft from Axis bank I amounting to Rs.3.00 crore, is repayable in 48 months from August 2012. | Secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). The loan has been repaid during the current year. |
| iv. | Working Capital Loan is repayable on demand from Axis Bank Limited - Loan II | Working Capital loan from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina" Block D, G & H2 situated at Nellikuppam Road, Kayarambedu Village, Guduvanchery. |
| v. | The Overdraft from Axis Bank III sanctioned to the Company amounting to Rs. 5.00 crore, is repayable in 48 months from August 2012. The applicable rate of interest is 13.75% per annum.i.e base rate @ 10% + 3.75%. | Secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at " The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). The Loan has been repaid during the current year. |
| vi. | The loan is repayable in 8 equal quarterly installments of Rs. 62.50 lacs from April, 2014. The applicable rate of interest is 14% per annum.i.e base rate @ 11% + 3%. | Term Loan I from City Union Bank Limited is secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company and 4) Land measuring 3.56 acres situated at Sriperumbudur village.owned by Lancor Sriperumbudur Developments Limited, subsidiary of Lancor Holdings limited. |
| vii. | The Overdraft from City Union Bank Limited sanctioned to the Company amounting to Rs. 5 crore bears interest at 14% per annum.i.e base rate @ 10.75% + 3.25%. | Secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial |

building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

viii. The loan is repayable in 2 equal quarterly installments of Rs. 3.75 crores from March, 2016. The applicable rate of interest is 14% per annum.i.e base rate @ 11% + 3%.

Working capital finance III from the City Union Bank is secured collaterally by 1) "ROMA"-Commercial Building situated at No.10, GST road, Alandur, Chennai-116, 2) "VTN Suare" - Corporate office situated at No.58, GN Chetty road,T. Nagar, Chennai-17 and 3) "CITY TOWER"- Commercial building situated at No.17/7,Nehru nagar, 3rd main road, Adyar, Chennai-20

| 2.07 Other current liabilities | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Trade payables** | | |
| Trade payables | 147,018,857 | 207,170,603 |
| Retention Money | 31,432,252 | 18,113,862 |
| | 178,451,110 | 225,284,465 |
| **Other liabilities** | | |
| Current maturities of long-term borrowings (refer note no. 2.03) | 358,926,838 | 463,937,115 |
| Advances received from customers | 29,970,183 | 326,335,706 |
| Unclaimed dividend | 667,009 | 719,289 |
| Contractually reimbursable expenses | 113,911 | 689,726 |
| Payables on purchase of non current assets | 17,124,153 | 1,259,788 |
| Rental deposits | 5,942,562 | 9,824,062 |
| Other payables | | |
| Statutory payable (TDS, Service Tax, Sales tax) | 6,255,243 | 14,905,038 |
| Interest accrued and due on borrowings | 5,054,681 | 2,383,965 |
| Others | 100,000 | 278,500 |
| | **424,154,579** | **820,333,188** |
| | **602,605,688** | **1,045,617,653** |

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 35,89,26,838 (March 31, 2014: Rs. 46,39,37,115)

**2.08 Tangible Assets**

| | Gross Block | | | | | Depreciation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2014 | Addition | Acquisition | Disposal / Adjustment | As at March 31, 2015 | As at April 1, 2014 | Transfer to Retained Earnings | Acquisition | For the Year | Disposal/ Adjustments | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| **Own Assets:** | | | | | | | | | | | | | |
| Land | 339,589,184 | - | - | - | 339,589,184 | - | - | - | - | - | - | 339,589,184 | 339,589,184 |
| Building | 38,868,694 | - | - | - | 38,868,694 | 3,200,790 | - | - | 633,463 | - | 3,834,253 | 35,034,441 | 35,667,904 |
| Plant & Machinery | 54,456,975 | 139,114 | - | 2,742,795 | 51,853,294 | 10,701,918 | 251,178 | - | 15,007,351 | 1,027,341 | 24,933,106 | 26,920,188 | 43,755,057 |
| Electrical Installation | 1,713,737 | - | - | 375,955 | 1,337,782 | 1,213,352 | - | - | 109,926 | 293,405 | 1,029,873 | 307,909 | 500,385 |
| Air conditioners | 2,154,634 | 44,450 | - | 2,466,348 | -267,264 | 1,306,308 | - | - | 1,036,149 | 2,577,995 | -235,538 | -31,726 | 848,326 |
| Furniture & Fixtures | 12,780,884 | - | - | 3,476,017 | 9,304,868 | 9,225,494 | - | - | 537,876 | 3,070,413 | 6,692,958 | 2,611,910 | 3,555,390 |
| Computers | 5,997,844 | 171,641 | - | 3,647,369 | 2,522,116 | 4,893,603 | 60,839 | - | 682,194 | 3,625,884 | 2,010,752 | 511,364 | 1,104,241 |
| Office Equipment | 2,282,604 | 112,977 | - | 1,200,788 | 1,194,793 | 1,495,503 | 177,073 | - | 320,445 | 1,148,790 | 844,230 | 350,563 | 787,101 |
| Vehicles | 12,285,109 | 1,516,184 | - | 4,427,633 | 9,373,660 | 9,070,646 | 4,430 | - | 1,081,468 | 4,087,214 | 6,069,331 | 3,304,329 | 3,214,463 |
| Total ... .A | **470,129,665** | **1,984,366** | **-** | **18,336,904** | **453,777,127** | **41,107,613** | **493,520** | **-** | **19,408,873** | **15,831,042** | **45,178,965** | **408,598,161** | **429,022,052** |
| **Assets given on Operating Lease:** | | | | | | | | | | | | | |
| Buildings | 433,446,294 | - | - | - | 433,446,294 | 47,019,799 | - | - | 7,259,970 | - | 54,279,769 | 379,166,525 | 386,426,495 |
| Plant & Machinery | 54,935,842 | - | - | - | 54,935,842 | 29,512,914 | - | - | 2,057,749 | 1,586,129 | 29,984,534 | 24,951,309 | 25,422,928 |
| Electrical Installation | 43,260,970 | - | - | - | 43,260,970 | 28,149,319 | - | - | 1,549,347 | - | 29,698,666 | 13,562,304 | 15,111,651 |
| Air Conditioner | 36,162,601 | 618,304 | - | 950,806 | 35,830,099 | 19,104,912 | 473,947 | - | 2,038,144 | 661,124 | 20,955,880 | 14,874,220 | 17,057,689 |
| Furniture & Fixtures | 6,481,995 | - | - | 2,294,462 | 4,187,534 | 5,007,867 | - | - | 66,724 | 1,785,527 | 3,289,064 | 898,469 | 1,474,128 |
| Office Equipment | 183,484 | - | - | - | 183,484 | 42,619 | - | - | 80,312 | - | 122,931 | 60,553 | 140,865 |
| Total ... .B | **574,471,187** | **618,304** | **-** | **3,245,267** | **571,844,224** | **128,837,430** | **473,947** | **-** | **13,052,247** | **4,032,780** | **138,330,844** | **433,513,379** | **445,633,757** |
| Total ... . A+B | **1,044,600,852** | **2,602,670** | **-** | **21,582,172** | **1,025,621,350** | **169,945,043** | **967,467** | **-** | **32,461,120** | **19,863,822** | **183,509,809** | **842,111,541** | **874,655,809** |
| **As At March 31, 2014** | **1,022,547,785** | **24,619,422** | **-** | **2,566,355** | **1,044,600,852** | **145,090,875** | **-** | **-** | **26,796,913** | **1,942,746** | **169,945,042** | **874,655,810** | **877,456,910** |

**Note 1:** Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the fixed assets based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the fixed assets. The written down value of the fixed assets which were expired as on April 1, 2014 has been adjusted net of tax, in the retained earnings amounting to Rs. 4,96,762. In case the Company had continued with the previously assessed useful lives, the charge of depreciation for the current year would have been lower by Rs. 88,95,808.

**Note 2:** Out of total amount of depreciation for the year ended March 31, 2015, depreciation amount Rs. Nil (March 31 2014: Rs. 51,80,577) has been capitalised as indirect expenses in the construction work in progress for the ongoing projects.

**2.09 Intangible Assets**

| | Gross Block | | | | | Amortisation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2014 | Addition | Acquisition | Disposal | As at March 31, 2015 | As at April 1, 2014 | Transfer to Retained Earnings | Acquisition | For the Year | Disposal/ Adjustments | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| Computer software | 1,611,883 | 374,000 | - | - | 1,985,883 | 1,465,299 | - | - | 198,629 | - | 1,663,927 | 321,956 | 146,584 |
| **Total** | **1,611,883** | **374,000** | **-** | **-** | **1,985,883** | **1,465,299** | **-** | **-** | **198,629** | **-** | **1,663,927** | **321,956** | **146,584** |
| **As At March 31, 2014** | **1,579,383** | **32,500** | **-** | **-** | **1,611,883** | **1,318,020** | **-** | **-** | **147,279** | - | **1,465,299** | **146,584** | **455,909** |

| 2.10 Capital Work in Progress | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Opening Capital Work in Progress | 289,484,398 | 280,036,267 |
| Addition during the year | 58,292,642 | 9,448,131 |
| Closing Capital Work in Progress | **347,777,040** | **289,484,397** |
| | | |
| Land Cost | 22,494,448 | 22,494,448 |
| Purchase of material & Construction expenses | 78,443,327 | 67,701,395 |
| Cost of services | 16,805,509 | 16,805,509 |
| Staff welfare expenses | 390,395 | 390,395 |
| Travelling and conveyance | 7,492,261 | 7,492,261 |
| Printing and stationery | 40,617 | 40,617 |
| Communication expenses | 150,378 | 150,378 |
| Repairs and maintenance | 19,620 | 19,620 |
| Business support services | 9,728,148 | 9,728,148 |
| Interest expenses | 96,840,454 | 49,289,744 |
| Depreciation | 111,484 | 111,484 |
| Fringe benefit tax | 26,577 | 26,577 |
| Professional charges | 111,293,984 | 111,293,984 |
| Power and fuel | 358,267 | 358,267 |
| Rates and taxes | 539,492 | 539,492 |
| Other expenses | 3,042,079 | 3,042,079 |
| **Closing Capital Work in Progress** | **347,777,040** | **289,484,398** |

| 2.11 Non-current investments | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Others** | | |
| **Unquoted equity instruments** | | |
| 37,333 (March 31, 2014: 28,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid) | 3,701,775 | 3,001,800 |
| | 3,701,775 | 3,001,800 |
| | | |
| **Aggregate amount of unquoted investments** | 3,701,775 | 3,001,800 |

**2.12 Deferred tax assets/ liabilities(net)**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Deferred tax liability** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | -42,946 | 2,624,616 |
| **Gross deferred tax liability** | **-42,946** | **2,624,616** |
| **Deferred tax asset** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | 933,682 | 988,528 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 3,431,025 | 4,177,185 |
| Provision for doubtful debts and advances | 339,900 | 339,900 |
| Others | 104,808 | 3,245 |
| **Gross deferred tax asset** | **4,809,415** | **5,508,857** |
| **Net deferred tax asset** | **4,852,361** | **2,884,241** |

**2.13 Loans and Advances**

| | | Non-current portion | | Current portion | |
|---|---|---|---|---|---|
| | | As at March, 31 2015 | As at March, 31 2014 | As at March, 31 2015 | As at March, 31 2014 |
| **Capital advances** | | | | | |
| Unsecured, considered good | | - | 462,750 | - | - |
| | (A) | **-** | **462,750** | **-** | **-** |
| **Security deposit** | | | | | |
| Unsecured, considered good | | 15,496,559 | 31,132,239 | 7,260,000 | 23,440,000 |
| | (B) | **15,496,559** | **31,132,239** | **7,260,000** | **23,440,000** |
| **Loan and advances to related parties** | | | | | |
| Unsecured, considered good | | - | - | - | - |
| Advance for Land / Purchase of Property | | - | - | - | 11,205,507 |
| | (C) | **-** | **-** | **-** | **11,205,507** |
| **Other loans and advances** | | | | | |
| **(Advances recoverable in cash or kind)** | | | | | |
| Unsecured, considered good | | | | | |
| Advance for land | | - | - | - | 1,350,000 |
| Advance to suppliers | | 12,690,264 | 18,767,102 | 3,281,304 | 48,518,373 |
| Advance to contractors | | - | 1,636,539 | 221,500 | 17,452,216 |
| Prepaid expenses | | - | - | 893,802 | 1,205,491 |
| Reimbursement expenses | | - | - | 2,994,979 | 3,817,147 |
| Other advances | | - | 100,000 | 27,997,790 | 42,690,836 |
| Doubtful | | - | - | 1,000,000 | 1,000,000 |
| | | 12,690,264 | 20,503,641 | 36,389,375 | 116,034,063 |
| Provision for doubtful advances | | - | | 1,000,000 | 1,000,000 |
| | (D) | **12,690,264** | **20,503,641** | **35,389,375** | **115,034,063** |
| Advance income-tax (net of provision for taxation) | | 7,724 | 3,884,594 | 2,585,068 | 300,508 |
| | (E) | 7,724 | 3,884,594 | 2,585,068 | 300,508 |
| Total (A+B+C+D+E) | | **28,194,547** | **55,983,224** | **45,234,443** | **149,980,078** |

**2.14 Trade Receivables**

| | Non-current portion | | Current portion | |
|---|---|---|---|---|
| | As at March, 31 2015 | As at March, 31 2014 | As at March, 31 2015 | As at March, 31 2014 |
| **Unsecured, considered good unless stated otherwise** | | | | |
| Unsecured, considered good | - | - | 14,873,807 | 33,054,491 |
| | **-** | **-** | **14,873,807** | **33,054,491** |
| Outstanding for a period exceeding six months from the date they are due for payment | - | - | 9,166,641 | 16,417,784 |
| Other receivables | - | - | 5,707,165 | 16,636,707 |
| | **-** | **-** | **14,873,807** | **33,054,491** |
| **Total (A+B)** | **-** | **-** | **14,873,807** | **33,054,491** |

| 2.15 Other Assets: | Non-current portion | | Current portion | |
|---|---|---|---|---|
| | As at March, 31 2015 | As at March, 31 2014 | As at March, 31 2015 | As at March, 31 2014 |
| **Unsecured, considered good unless stated otherwise** | | | | |
| Interest accrued but not due on deposits | - | - | 171,835 | 1,950,313 |
| Income tax refund receivables | - | - | 34,467 | 34,467 |
| Contractually reimbursable expenses | - | - | 2,054,625 | 3,349,608 |
| Unbilled Revenue | - | - | - | 152,960 |
| Deposits with Original Maturity for more than 12 months (2.18) | 3,000,000 | 7,484,000 | - | - |
| | **3,000,000** | **7,484,000** | **2,260,927** | **5,487,348** |

| 2.16 Current investments | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Current investments(valued at lower of cost and fair value, unless stated otherwise)** | | |
| **Unquoted** | | |
| Mutual Funds | | |
| Investments in Birla Sun Life Savings Fund - Inst.-Daily Div Reinvestment | 405,560 | 380,579 |
| {(March 31, 2015: 4043.594 units @ Rs. 100.2970 Per unit) (March 31, 2014: 3,789.647 units @ Rs. 100.4261) (Face value of Rs.100 each)} | | |
| Investment in DWS Ultra Short Term Fund | - | 5,926,915 |
| {(March 31, 2015: Nil (March 31, 2014: 5,91,213.444 units @ 10.0250 per unit ) (Face Value - Rs.10/- each)} | | |
| | 405,560 | 6,307,494 |
| **Aggregate amount of unquoted investments** | **405,560** | **6,307,494** |

| 2.17 Inventories | Current portion | |
|---|---|---|
| | As at March, 31 2015 | As at March, 31 2014 |
| **(a) Constructed premises/ properties held for sale at cost** | | |
| Opening constructed premises held for sale | 1,500,000 | 1,500,000 |
| Add: Transfer from construction work in progress | 29,176,621 | - |
| Less: Sale of constructed premises | 16,825,000 | - |
| **Closing stock of unsold constructed premises** | **13,851,621** | **1,500,000** |
| **(b) Construction materials at Cost** | | |
| Opening construction materials | 48,346,033 | 19,986,331 |
| Add: Purchase of materials | 349,967,427 | 488,175,095 |
| Add: Goods in Transit | - | 1,249,624 |
| Less: Consumption of materials | 360,386,895 | 461,065,017 |
| **Closing construction materials** | **37,926,565** | **48,346,033** |
| **(c) Closing work in progress at cost (under broad head)** | | |
| Land and land related expenses | 681,898,703 | 944,520,922 |
| Material cost | 484,398,411 | 387,467,590 |
| Other construction expenses | 626,701,014 | 453,697,529 |
| Borrowing cost | 440,151,525 | 306,920,728 |
| Approval charges | 101,985,533 | 175,376,135 |
| Professional fee | 27,675,110 | 18,650,437 |
| Power & Fuel | 13,737,244 | 7,199,166 |
| Rates and taxes | 6,204,499 | 7,556,360 |
| Other expenses | 39,176,758 | 25,409,659 |
| | **2,421,928,798** | **2,326,798,526** |
| **Total (a+b+c)** | **2,473,706,984** | **2,376,644,559** |

| 2.18 Cash and Bank Balance | Current portion | |
|---|---|---|
| | As at March, 31 2015 | As at March, 31 2014 |
| **Cash & Cash Equivalents** | | |
| Balances with banks: | | |
| On current accounts | 36,897,166 | 45,935,347 |
| Cash on hand | 299,701 | 233,545 |
| Deposits with original maturity of less than 3 months | 3,000 | 25,353,000 |
| | **37,199,867** | **71,521,892** |
| **Other Bank Balance** | | |
| Deposits with original maturity for more than 12 months (held for guarrantee with bank) | 3,000,000 | 7,484,000 |
| Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank & VAT Authority) | 4,000,000 | 5,416,015 |
| Unpaid dividend account (Earmarked) | 747,159 | 799,439 |
| | **7,747,159** | **13,699,454** |
| Less: Amount disclosed under the head 'other non current asset' (refer note no.2.15) | 3,000,000 | 7,484,000 |
| | **41,947,026** | **77,737,346** |

| 3.01 Revenue from operations | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Revenue from operations** | | |
| Revenue from real estate development | 1,293,106,354 | 1,130,732,401 |
| Contract revenue | - | 15,983,367 |
| Rental income | 145,173,829 | 133,380,931 |
| Project management fee | 1,245,920 | 5,146,963 |
| Maintenance income | 57,461,475 | 69,051,215 |
| Brokerage income | 3,785,028 | 4,239,132 |
| Other operating revenues | 2,284,922 | 1,427,798 |
| | **1,503,057,527** | **1,359,961,807** |

| 3.02 Other Income | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| **Interest Income on** | | |
| Bank Deposits | 772,410 | 1,683,965 |
| Others | 696,707 | 544,173 |
| **Dividend Income On** | | |
| Current investments | | |
| Equity Shares with Catholic Syrian Bank | 28,000 | 42,000 |
| Mutual Funds | 965,926 | 2,815,297 |
| Net gain on sale of current investments | - | - |
| Trade payables written back | 6,486,340 | - |
| Other non - operating income (net of expenses directly attributable to such income) | 611,624 | 361,891 |
| | **9,561,007** | **5,447,326** |

| 3.03 Project development expenses | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| a) Land and land related expenses | 3,242,848 | 144,911,885 |
| | **3,242,848** | **144,911,885** |
| b) Cost of Materials and Construction Expenses | | |
| Purchase of material | 417,413,061 | 489,424,719 |
| Construction expenses | 406,331,157 | 486,287,731 |
| Approval charges | 7,815,558 | 113,962,767 |
| Professional charges | 1,029,054 | 5,669,922 |
| Power and Fuel | 13,279,565 | 6,910,375 |
| Rates and taxes | 3,983,406 | 15,183,124 |
| Other expenses | 27,032,821 | 26,277,667 |
| | **876,884,623** | **1,143,716,304** |

c) Changes in inventories of constructed premises held for sale, work in progress and construction materials

| | | |
|---|---|---|
| **Inventory at the beginning of the year** | | |
| Construction materials | 48,346,033 | 19,986,331 |
| Work in progress | 2,326,798,526 | 1,703,990,490 |
| Constructed premises/ properties for sale | 1,500,000 | 1,500,000 |
| **Inventory at the end of the year** | | |
| Construction material | 37,926,565 | 48,346,033 |
| Work in progress | 2,421,928,799 | 2,326,798,526 |
| Constructed premises/ properties for sale | 13,851,621 | 1,500,000 |
| **Increase or decrease in inventories** | **(97,062,426)** | **(651,167,738)** |
| **Total (a+b+c)** | **783,065,045** | **637,460,451** |

**3.04 Employee Benefit Expense**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Salaries, wages and bonus | 62,352,485 | 65,684,342 |
| Contribution to provident and other fund | 4,764,540 | 5,051,065 |
| Gratuity expense (refer note no. 4.05) | 1,820,950 | 628,448 |
| Staff welfare expenses | 2,632,819 | 2,988,728 |
| | **71,570,794** | **74,352,583** |

**3.05 Other Expenses**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Directors' sitting fees (board meeting) | 310,369 | 87,224 |
| Advertisement and sales promotion | 27,941,673 | 25,078,095 |
| Printing & stationery | 1,353,781 | 1,389,215 |
| Communication costs | 1,730,326 | 1,872,792 |
| Traveling & conveyance | 429,718 | 1,308,263 |
| Vehicle maintenance | 4,830,442 | 4,948,855 |
| Rates & taxes | 3,858,578 | 3,019,126 |
| Legal expenses & professional fees | 6,546,629 | 5,954,594 |
| Repairs & maintenance | | |
| - Building | 4,631,529 | 11,947,056 |
| - Plant & Machinery | 137,899 | 194,954 |
| - Others | 3,392,060 | 2,563,406 |
| Rent | 3,475,170 | 3,820,076 |
| Power and fuel | 1,124,455 | 4,145,839 |
| Insurance | 3,367,265 | 882,182 |
| Payment to auditors (Refer details below) | 2,089,270 | 2,010,225 |
| Brokerage | 1,450,000 | 807,069 |
| CSR Expenses | 4,141,017 | - |
| Loss on sale of fixed assets (net) | 1,294,383 | - |
| Other sundry expenses | 2,907,540 | 3,298,601 |
| | **75,012,104** | **73,327,570** |

**Payment to Auditors**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| As auditor: | | |
| Audit fee | 1,780,000 | 1,950,000 |
| In other Capacity: | | |
| Taxation matters | 202,500 | 60,225 |
| Company law matters | 101,770 | - |
| Other Matters | 5,000 | - |
| | **2,089,270** | **2,010,225** |

**3.06 Depreciation and amortization expense**

| | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Depreciation of tangible assets | 32,461,120 | 26,796,913 |
| Amortization of Intangible assets | 198,629 | 147,279 |
| | **32,659,749** | **26,944,192** |

Note: Out of total amount of depreciation for the year ended 2015, depreciation amounting to Rs.Nil (March 31 2014: Rs. 51,80,577) has been capitalised as indirect expenses in the construction work in progress for the ongoing projects.

| 3.07 Finance Costs | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Interest on borrowings | 264,453,111 | 213,899,395 |
| Interest on Others | 10,886,330 | 188,634 |
| Loan Processing, preclosure & other Charges | 10,627,231 | 9,365,656 |
| Bank Charges & Commission | 304,802 | 305,567 |
| | **286,271,474** | **223,759,252** |
| Less:- Capitalised as part of Capital Work in Progress | 47,550,710 | - |
| | **238,720,764** | **223,759,252** |

| 3.08 Prior Period Items | As at March, 31 2015 | As at March, 31 2014 |
|---|---|---|
| Net impact due to reversal of income from property development and costruction expenses | 2,078,894 | - |
| | **2,078,894** | **-** |

**4.01 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 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. Similarly any excess of the cost of acquisition of shares of subsidiaries over the Company's portion of equity and reserves in subsidiary is treated as goodwill.

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, 2015 | Voting power held as at March 31, 2014 |
|---|---|---|---|
| Lancor Maintenance & Services Limited | India | 99.30% | 99.30% |
| Lancor Egatoor Developments Limited | India | 100% | 100% |
| Lancor Guduvanchery Developments Limited. | India | 100% | 100% |
| Lancor Sriperumbudur Developments Limited | India | 100% | 100% |
| Lancor GST Developments Limited (Amalgamated) | India | 0% | 100% |
| Lancor Realty Limited (Amalgamated) | India | 0% | 100% |

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

| Name of the partnership firm | Profit sharing percentage | Country of incorporation | Contingent Liabilities as at March 31, 2015 | Capital commitments as at March 31, 2015 |
|---|---|---|---|---|
| Central Park West Venture | 100% | India | 1,002,283 | Nil |

The office of Commissioner of service tax has passed an order demanding service tax amounting to Rs. 10,02,283 and an equal amount of penalty on vide order dated July 31, 2014. The entity has filed an appeal before the CESTAT as on November 14, 2014 contesting the demand and the matter is pending.

| 4.02 Earnings Per Share (EPS) | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Basic earning per share amounts is calculated by dividing profit for the year attibutable to the equity share holders by the weighted average number of equity share outstanding during the year. As there are no dilutive instruments outstanding, basic and dilutive earning per shares are identical. | | |
| **Continuing operations & Total operation** | | |
| Net profit / (loss) for the year from continuing operations | 168,382,309 | 168,351,632 |
| Weighted average number of equity shares | 20,250,000 | 20,250,000 |
| Par value per share | 2 | 2 |
| Earnings per share from continuing operations - Basic and Diluted | 8.32 | 8.31 |

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date on which the financial statements are approved by the board of directors.

| 4.03 Details of contract revenue and costs. | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Contract revenue recognised during the year | - | 15,983,367 |
| Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date | - | 14,689,872 |
| Advances received for contracts in progress | - | - |
| Retention money for contracts in progress | - | - |
| Gross amount due from customers for contract work (asset) | 13,970,193 | 16,671,326 |
| Gross amount due to customers for contract work (liability) | - | - |

| 4.04 a) Details of Borrowing cost capitalised | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Borrowing costs capitalised during the year | | |
| - as part of work in progress for property development | 216,394,370 | 187,760,490 |
| - as part of capital work in progress | 47,550,710 | - |
| - as part of purchase of residential property | 14,113,817 | 11,205,508 |
| | 278,058,897 | 198,965,998 |

b) Considering the property development activity of the one of the subsidiary Company (Lancer Guduvanchery Developments Limited) on plot of land at Guduvanchery and especially due to drop in demand, the development has been slowed down. Such delay is considered as part of operating cycle in view of the overall development in the real estate sector. Accordingly the borrowing cost incurred during such period on entire project is capitalized. The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development would be higher then its book value. The auditors have relied upon management's opinion.

**4.05 Gratuity benefit plans**

(i) The Company has one defined benefit plan with respect to gratuity for its employees. Under the gratuity plan, every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972 and the same is payable at the time of separation from the Company or retirement which ever is earlier.

(ii) The present value of the defined benefit obligations and the related current service cost were measured using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.

(iii) The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

Net employee benefit expense recognized in the employee cost

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Current service cost | 1,449,741 | 1,794,134 |
| Interest cost on benefit obligation | 1,206,006 | 1,055,745 |
| Expected return on plan assets | - | - |
| Net actuarial (gain)/loss recognized in the year | (834,797) | (2,221,432) |
| **Net benefit expense** | 1,820,950 | 628,447 |

**Balance sheet**

Benefit asset/liability recognised in the Balance Sheet

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Present value of defined benefit obligation | 11,039,164 | 13,678,268 |
| Fair Value of the Plan Assets | - | - |
| **Liability/(asset) recognised** | 11,039,164 | 13,678,268 |

**Changes in the present value of the defined benefit obligation are as follows:**

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Opening defined benefit obligation | 12,948,989 | 13,196,812 |
| Current service cost | 1,449,741 | 1,794,134 |
| Interest cost | 1,206,006 | 1,055,745 |
| Liability Transfer in | 769,225 | - |
| Benefits paid | (4,500,000) | (146,991) |
| Actuarial (gains)/losses on obligation | (834,797) | (2,221,432) |
| **Closing defined benefit Obligation** | 11,039,164 | 13,678,268 |

**The principal assumptions used in determining gratuity are shown below:**

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Discount rate | 8.00% | 9.31% |
| Expected rate of return on assets | NA | NA |
| Employee turnover | 8.25% | 8.25% |
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Salary Escalation | 9% | 10% |

The estimates of future salary increases considered in actuarial valuation takes in to account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

**4.06 Leases**

**Operating lease: Company as lessee**

The Company has entered into commercial leases on office building. The lease has a life of five years with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. Rental expenses debited to Statement of profit & loss amounting to Rs 34,75,170 (March 31, 2014: Rs.38,20,076)

**Operating lease: Company as lessor**

The Company has entered into commercial property leases on its constructed premises. These non-cancellable leases range for a period between three to fifteen years. Most of the leases are renewable for a further period on mututally agreeable terms and also include escalation clauses.

**Future minimum rentals receivable under non-cancellable operating leases are as follows:**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Rental income credited to statement of profit and loss | 144,964,679 | 133,380,931 |
| Within one year | 86,641,901 | 63,155,084 |
| After one year but not more than five years | 15,181,991 | 43,406,324 |
| More than five years | - | - |
| | 101,823,892 | 106,561,408 |

The future minimum lease rental has been considered above based on the lock in period as per lease agreement entered between the Company and lessee.

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

**4.07 Interest in a joint venture**

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

The Company holds 100.00 % interest in Central Park West Venture(firm), a jointly controlled entity which is involved in construction and sale of residential properties.

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2015 (PY : March 31, 2014) are as follows: (before inter Company elimination)

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Current assets | 253,477 | 1,587,282 |
| Non-current assets | 96,987,575 | 96,638,524 |
| Current liabilities | 4,900,805 | 7,113,856 |
| Non-current liabilities | 33,700,000 | 33,700,000 |
| Revenue from operation | 264,204 | 77,214 |
| Changes in inventories of constructed premises for sale, work-in-progress & construction materials | - | - |
| Finance cost | 635 | 528 |
| Other expenses | 266,757 | 168,436 |
| Profit/(Loss) before tax | (3,188) | (91,750) |
| Income-tax expense | 1,881,459 | - |
| Profit after tax | (1,884,647) | (91,750) |

a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,283 and an equal amount of penalty.

b) The Company has not entered in to any capital commitments in relation to its interest in the partnership firm.

**4.08 Segment information**

Pursuant to enactment of the Companies Act, 2013, the Company has evaluated internal financial controls and risk management systems and as a result has revamped internal reporting system and the organisation's structure. The group's operation is predominantly in the development of residential, commercial and allied activities like property rental, maintenance of property and brokerage on account of sale and leasing of properties. Based on above exercise, the Management is of the view that property rental and other activities which were considered as a separate segment in the previous financial year are related to the main activity and are not to be construed as an independent segment. Accordingly, there are no primary reportable segments as per Accounting Standard 17 As the group is primarily operates in India, it is considered as a single geographical segment.

**4.09 Related party disclosures**

**Names of related parties and related party relationship**

**Joint Ventures**

a) Central park West Venture

**Key Management Personnel (KMP) & relatives**

a) R.V. Shekar

b) Sangeetha Shekar

c) Shwetha Shekar

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| | Year / Period ended | Subsidiary | Key management Personnel | Total |
|---|---|---|---|---|
| **a. Expenditure** | | | | |
| Remuneration paid | | | | |
| R.V.Shekhar | 31-03-2015 | - | 5,794,968 | 5,794,968 |
| | 31-03-2014 | - | 5,898,615 | 5,898,615 |
| Interest paid | | | | |
| R.V.Shekar | 31-03-2015 | . | 1,572,397 | 1,572,397 |
| | 31-03-2014 | . | - | - |
| **b. Income from real estate Development** | | | | |
| Sangeetha shekar | 31-03-2015 | | - | - |
| | 31-03-2014 | - | 3,131,764 | 3,131,764 |
| Shwetha shekar | 31-03-2015 | | - | - |
| | 31-03-2014 | - | 3,131,764 | 3,131,764 |
| **c. Loans / advances given and (receipt) thereof (net)** | | | | |
| Loan from R.V. Shekar | 31-03-2015 | - | 34,172,144 | 34,172,144 |
| | 31-03-2014 | - | - | - |

**4.10 Capital and other commitments**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | | |
| Tangible assets | 15,848,734 | 13,580,747 |
| Intangible assets | - | 150,000 |
| | 15,848,734 | 13,730,747 |

**4.11** Contingent liabilities

The service tax department has reised a demand of Rs.2.23.27.853 along with interest and penalty for the period Feb'09 to Jne'10. The Company has paid the demanded amount except for interest and penalty and it has filed an appeal before the CESTAT dated May 10, 2012 stating that amount received from the customers are not chargeable to service tax prior to July 1, 2010 under various grounds. The matter is pending before the Appekkate Tribunal.

**4.11 Contingent liabilities**

a) The Arbitration proceeding on the "Menon Eternity" is still pending. In this regard the Company has made a claim of Rs. 9,98,47,408 while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing the a rejoinder. As per the interim order dated October 20, 2010 of the sole arbitrator the Company has given possession of the area belonging to the land onwers on receipt of Rs. 4.82 Crores being refundable deposits from them along with the bank guarrantee of Rs. 1.66 Crores to the arbitrator. In view of the management, the claims are frivolous and are not sustainable. Accordingly the company does not acknowledge claims of the land owners.

b) The Company has certain dispute with a lessee which has arisen on termination of lease agreement by the lessee within the lock in period. In terms of the lease agreement the Company has forfeited the deposit amount. The lessee has demanded refund of rental deposit of Rs. 2,18,35,938 excluding interest and damages amounting to Rs. 2,55,78,657. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrived by the order of the single judge , the lessee has filed an appeal before the larger bench and same is pending. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.

c) Other claims other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 45,04,320 (excluding interest). The Company has furnished a bank guarrantee in this regard.

d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarrantee and the matter is pending. In view of the management the increased demand is based revision in the gudieline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.

e) The service tax department has raised a demand of Rs. 15,610,334 and also a penalty of equal amount on Lancor GST Developements Limited for wrong availment of Cenvat Credit. The erstwhile holding Company of Lancor GST Developements Limited has undertaken to reimburse to the Company to the extent of Rs. 3,902,584 in the event the Company is made liable to pay the demand. The matter is pending before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.

f) The office of Commissioner of service tax has passed an order demanding service tax amounting to Rs. 10,02,283 and an equal amount of penalty on vide order dated July 31, 2014. The entity has filed an appeal before the CESTAT as on November 14, 2014 contesting the demand and the matter is pending.

g) Claims against the entity in respect of the Service Tax matter not acknowledged as debt amounting to Rs.1,27,547/- (Previous year-1,27,547/-), against which an amount of Rs.60,000/- has been remitted as pre-deposit as per the direction of CESTAT.

**4.12** As per section 135 of the Companies Act, 2013, to carry out CSR Activities as specified under Schedule VII of the act, the Company formed trust, Lancor Foundation during this year. The Company has spent Rs. 11,16,275/- on its own and has contributed Rs. 30,24,742/- to the trust established by it to carry out the activities as prescribed in the Schedule VII of the Act 2013.

**4.12 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The Company has not received any relevant information from its creditors about their coverage under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). Accordingly no disclosure is made u/s 22 of the Act.

**4.13 Previous year figures**

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

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

## Additional Information for Consolidated Balance Sheet

| Name of the entity | | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|---|---|---|---|---|---|
| | | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit or Loss | Amount |
| 1 | | 2 | 3 | 4 | 5 |
| **Parent Subsidiaries Indian:** | | | | | |
| 1 | Lancor Guduvancherry Developments Limited | 5.00 | 68,810,772 | 19.08 | 32,120,656 |
| 2 | Lancor Sriperumbudur Developments Limited | 0.85 | 11,643,321 | 7.66 | 12,892,026 |
| 3 | Lancor Maintenance and Services Limited | 5.01 | 68,820,951 | 3.16 | 5,316,588 |
| 4 | Lancor Egatoor Developments Limited | 0.02 | 277,538 | -0.02 | -26,441 |
| | | | | | |
| **Foreign:** | | | | | |
| 1 | Not Applicable | | | | |
| | | | | | |
| Minority Interest in all subsidiaries | | 0.03 | 466,903 | 0.02 | 36,957 |
| | | | | | |
| **Joint Ventures (as per proportionate consolidation / investment as per the equity method)** | | | | | |
| **Indian:** | | | | | |
| 1 | Central Park West Venture | 5.72 | 78,640,246 | -1.12 | -1,884,647 |
| | | | | | |
| **Foreign:** | | | | | |
| 1 | Not Applicable | | | | |
| | | | | | |

As per our report of even date attached
For G. M. Kapadia & Co.
Chartered Accountants
Firm Reg No.104767 W

For and on behalf of the Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director
DIN:00172202

R.V.Shekar
Chairman

Date : 07.05.2015
Place : Chennai

P. Mahadevan
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF LANCOR HOLDINGS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **LANCOR HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

   (b) 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.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement. Refer note number 4.11 to the financial statement.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
(Firm Registration No.104767W)

Chennai
Dated: May 07, 2015

Satya Ranjan Dhall
Partner
(Membership No. 214046)

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in Paragraph 1 under "Other Legal and Regulatory Requirements" of our report of even date)

i. (a) The Company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets;

   (b) As per the plan and programme of the management fixed assets have been physically verified. The programmee of verification, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification;

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. The Company has granted unsecured loans to three companies and one firm covered in the register maintained under section 189 of the Act.

   (a) In case of the companies and firm, as per 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.

   (b) As stated above, in case of Companies, as no repayment schedule has been specified, there are no overdue amounts in excess of Rupees one lakh.

iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have

not observed any continuing failure to correct major weakness in internal controls system;

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal

vi. We have broadly reviewed the books of account and records maintained by the Company relating to construction and development activity, pursuant to the order made by the Central Government for the maintenance of cost record under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. (a) Based on the records produced before us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no outstanding disputed dues payable by the Company in case of income tax, wealth tax, sales tax, duty of customs, duty of excise, value added tax and cess except service tax and interest on service tax and penalty as on March 31, 2015;

| Sl. No. | Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount (Rs.) |
|---|---|---|---|---|---|
| 1 | Finance Act 1994 | Penalty & interest on Service Tax | February 2009 to June 2010 | Customs, Excise and Service Tax Appellate Tribunal | Not yet determined. |
| 2 | Finance Act 1994 | Service Tax | October 2007 to August 2009 | Customs, Excise and Service Tax Appellate Tribunal | 1,56,10,334 (Note 1) |

Note 1: amount is excluding interest and penalty

(c) According to the information and explanation given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956 ) and rules made thereunder has been transferred to such fund within time.

viii. 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 (viii) of clause 3 of the order regarding comparison of the net worth with accumulated losses is not applicable.

ix. Based on our audit procedure and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders;

x. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly the terms and conditions there of are not prima facie prejudicial to the interests of the Company are not applicable;

xi. In our opinion, and according to the information and explanations given to us and based on the records examined by us the term loan have been applied for the purpose for which the loan were obtained;

xii. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For G. M. Kapadia & Co.
Chartered Accountants
(Firm Registration No.104767W)

Chennai
Dated: May 07, 2015

Satya Ranjan Dhall
Partner
(Membership No. 214046)

**Balance Sheet as at March 31, 2015**

*(Figures in Indian Currency)*

| | Notes | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Shareholders' funds** | | | |
| Share capital | 2.01 | 40,500,000 | 40,500,000 |
| Reserves and surplus | 2.02 | 1,241,357,277 | 1,045,696,910 |
| | | 1,281,857,277 | 1,086,196,910 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 2.03 | 940,748,815 | 647,857,157 |
| Trade payables | 2.04 | 15,491,385 | 6,993,837 |
| Other long-term liabilities | 2.04 | 124,071,443 | 118,910,643 |
| Long-term provisions | 2.05 | 9,662,614 | 7,711,419 |
| | | 1,089,974,257 | 781,473,056 |
| **Current liabilities** | | | |
| Short-term borrowings | 2.06 | 412,748,457 | 434,288,904 |
| Trade payables | 2.07 | 115,579,299 | 148,312,364 |
| Other current liabilities | 2.07 | 197,848,992 | 545,297,236 |
| Short-term provisions | 2.05 | 63,038,784 | 56,543,412 |
| | | 789,215,533 | 1,184,441,915 |
| **Total** | | **3,161,047,068** | **3,052,111,881** |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| Tangible assets | 2.08 | 831,198,706 | 556,793,340 |
| Intangible assets | 2.09 | 305,956 | 93,662 |
| Capital Work-in-Progress | 2.12 | 250,797,190 | 9,243,339 |
| Non-current investments | 2.10 | 25,301,775 | 25,951,451 |
| Deferred tax assets (net) | 2.11 | 3,800,782 | 3,795,966 |
| Long-term loans and advances | 2.13 | 15,061,852 | 391,765,632 |
| Other Non Current Assets | 2.15 | 3,000,000 | 67,274,660 |
| | | 1,129,466,261 | 1,054,918,050 |
| **Current assets** | | | |
| Inventories | 2.16 | 1,656,053,746 | 1,652,312,316 |
| Trade receivables | 2.14 | 4,122,345 | 23,466,765 |
| Cash and bank balances | 2.17 | 22,877,890 | 44,157,585 |
| Short-term loans and advances | 2.13 | 342,615,935 | 243,816,679 |
| Other current assets | 2.15 | 5,910,891 | 33,440,486 |
| | | 2,031,580,807 | 1,997,193,830 |
| **Total** | | **3,161,047,068** | **3,052,111,881** |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

**Statement of Profit & Loss for the year ended March 31, 2015**

*(Figures in Indian Currency)*

| | Notes | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Income** | | | |
| Revenue from operations | 3.01 | 1,034,804,567 | 779,895,356 |
| Share of profit / (loss) from investment in partnership firm | 4.07 | (1,884,647) | (91,750) |
| Other income | 3.02 | 40,703,290 | 84,276,144 |
| **Total Revenue** | | **1,073,623,210** | **864,079,750** |
| **Expenses** | | | |
| Land and land related expenses | | 3,242,848 | 144,977,660 |
| Cost of materials and construction expenses | 3.03 | 528,598,569 | 555,108,226 |
| Changes in inventories of constructed premies, work-in-progress & construction material | 3.04 | (3,741,430) | (419,092,958) |
| Employee benefits expense | 3.05 | 63,960,962 | 63,522,186 |
| Other expenses | 3.06 | 65,361,488 | 65,759,503 |
| **Total Expenses** | | **657,422,437** | **410,274,617** |
| **Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)** | | **416,200,774** | **453,805,133** |
| Depreciation and amortization expense | 3.07 | 31,012,335 | 25,672,650 |
| Finance costs | 3.08 | 165,243,311 | 192,538,841 |
| **Profit/(loss) before Exceptional, Extraordinary items, prior period items and tax** | | **219,945,129** | **235,593,642** |
| Prior Period item | 3.09 | 2,078,894 | - |
| **Profit/(loss) before Exceptional, Extraordinary items and Tax** | | **217,866,235** | **235,593,642** |
| Exceptional items | | - | - |
| **Profit / (loss) before Extraordinary items and Tax** | | **217,866,235** | **235,593,642** |
| Extraordinary items | | - | - |
| **Profit / (loss) before tax** | | **217,866,235** | **235,593,642** |
| **Tax expenses** | | | |
| Current tax | | 71,312,546 | 75,851,750 |
| Deferred tax | 2.11 | (1,390,498) | 76,681 |
| (Excess) / Short Provision for Tax of earlier years | | 358,228 | 97,633 |
| **Profit / (loss) for the year from continuing operations** | | **147,585,958** | **159,567,578** |
| **Earnings per equity share (Nominal Value of share Rs. 2 each)** | | | |
| **Basic & Diluted** | | | |
| Computed on the basis of profit from continuing and total operations | 4.02 | 7.29 | 7.88 |
| Significant accounting policies | 1 | | |

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

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

**Cash Flow Statement for the period ended March 31, 2015**

*(Figures in Indian Currency)*

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit Before Tax from Continuing Operations | 217,866,234 | 235,593,642 |
| **Profit Before Tax** | **217,866,234** | **235,593,642** |
| Non-cash Adjustment to Profit Before Tax: | | |
| Share of (profit)/loss from investment in partnership firm | 1,884,647 | 91,750 |
| Depreciation/amortization on continuing operation | 31,012,335 | 25,672,650 |
| Sundry balances written (back)/off | (6,384,518) | - |
| Provision for Gratuity | 1,669,617 | 518,941 |
| Provision for Bonus | 214,500 | - |
| Loss/(profit) on sale of assets | 881,120 | (213,391) |
| Interest expense | 161,593,347 | 192,538,841 |
| Interest income | (33,623,913) | (83,872,253) |
| Dividend income | (166,869) | (42,000) |
| Operating profit before working capital changes | 374,946,499 | 370,288,180 |
| Movements in working capital: | | |
| Increase/(decrease) in trade payables | (18,005,537) | 61,269,072 |
| Increase/(decrease) in provisions | (4,903,062) | (9,478) |
| Increase/(decrease)in other liabilities | (135,498,287) | 95,234,175 |
| Decrease/(increase) in trade receivables | 19,454,749 | 3,715,288 |
| Decrease/(increase) in inventories | (3,741,430) | (419,092,958) |
| Decrease/(increase) in loans and advances | (80,609,028) | 181,826,604 |
| Decrease/(increase) in other current assets | 35,663,560 | 1,414,051 |
| Cash generated from/(used in) operations | 187,307,464 | 294,644,932 |
| Direct taxes paid (net of refunds) | (61,984,109) | (69,993,867) |
| **Net cash flow from/(used in) operating activities (A)** | **125,323,355** | **224,651,065** |
| **Cash flow from investing activities** | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (59,884,586) | (33,236,926) |
| Proceeds from sale of fixed assets | 1,391,434 | 837,000 |
| Purchase of investments | (699,975) | - |
| Interest received | 29,973,949 | 30,974,513 |
| Dividends received | 166,869 | 42,000 |
| **Net cash flow from/(used in) investing activities (B)** | **(29,052,308)** | **(1,383,413)** |
| **Cash flow from financing activities** | | |
| Proceeds from borrowings | 986,299,591 | 299,586,862 |
| Repayment of borrowings | (896,029,667) | (259,588,811) |
| Interest paid | (161,593,347) | (192,538,841) |
| Dividends paid on equity shares | (40,500,000) | (40,500,000) |
| Tax on equity dividend paid | (8,455,846) | (6,570,113) |
| **Net cash flow from/(used in) in financing activities (C)** | **(120,279,269)** | **(199,610,903)** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+ C)** | (24,008,222) | 23,656,749 |
| Cash and cash equivalents at the beginning of the year | 44,157,585 | 20,500,836 |
| Lancor GST Developments Limited | 11,092 | - |
| Lancor Realty Limited | 2,717,435 | - |
| **Cash and cash equivalents at the end of the year** | **22,877,890** | **44,157,585** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 162,334 | 191,800 |
| Cheques / drafts on hand | - | - |
| With banks | | |
| on current account | 17,968,396 | 13,912,026 |
| on deposit account | 4,000,000 | 29,254,320 |
| unpaid dividend accounts* | 747,159 | 799,439 |
| **Total cash and cash equivalents (Note No.2.17)** | **22,877,890** | **44,157,585** |
| Significant accounting policies | 1 | |

*The company can utilize these balances only towards settlement of the respective unpaid dividend

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

## Notes to the Financial Statements

### 1.01 Corporate information

Lancor Holdings Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The Company is engaged in construction and sale of residential properties, construction and leasing of commercial properties. The scheme of Amalgamation of Lancor GST Developments Limited (LGSTDL) and the Lancor Realty Limited (LRL) with the Company was sanctioned by the High Court of Judicature of Madras vide its order dated March 31, 2015. The scheme has became effective on April 15, 2015. The scheme has been given effect in the financial statements for the year ended March 31, 2015. (Refer Note No. 4.01)

### 1.02 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to section 129(1) of the Companies Act, 2013, the items contained in the enclosed financial statements are in accordance with the Accounting Standards

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current – non current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
**Summary of significant accounting policies**

### 1.03 Use of estimates

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

### 1.04 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, non refundable taxes, borrowing costs (if capitalization criteria are met) and directly attributable cost of bringing the asset to its present location and condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### 1.05 Depreciation on tangible fixed assets

Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the fixed assets based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments as mentioned below. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the fixed assets. The written down value of the fixed assets which were expired as on April 1, 2014 has been adjusted net of tax, in the retained earnings.

| | Based on Internal Assessment (WDV - %) | Based on Companies Act (WDV - %) |
|---|---|---|
| Furniture and fixtures | 18.10 | 25.89 |
| Airconditioners | 11.73 - 25.89 | 45.07 |
| Genset | 18.10 | 25.89 |
| Electrical Equipments | 11.29 | 25.89 |
| Plant and Machinery | 9.50 - 52.71 | 18.10 - 28.31 |

The depreciation in case of buildings is provided on straight line method and the manner as prescribed in part C of Schedule II to the Companies Act, 2013

Assets costing Rs. 5000 or less individually are fully charged to statement of profit and loss account under the head repair and maintenance.

Land which was revalued is stated at the values determined by the valuers.

Capital work in progress incurred up to date of commencement of commercial operation is capitalised.

**1.06 Intangible assets**

Intangible Assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

| | No. of Years |
|---|---|
| Computer Software | 5 |

**1.07 Leases**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Where the Company is lessee- Operating Lease

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

Where the Company is the lessor- Operating Lease

Lease income is recognized in the statement of profit and loss over the lease term on systematic basis which is more representative of time pattern of Companies benefit.

Assets subject to operating leases are included in fixed assets. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**1.08 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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. Where borrowings are specifically for obtaining a qualifying asset

for developments, the amounts capitalised is borrowing cost incurred on those borrowings less any income on temporary investment of those borrowings.

Capitalisation of borrowing cost is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing cost is ceased when substantially all the activities necessary to preprare the qualifying asset for its intended use or sale is complete.

Borrowing cost is not capitalised on the purchase of land for development unless activities necessary to prepare the land for development are in progress.

**1.09 Impairment of tangible and intangible assets**

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

**1.10 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition cost of the investment is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**1.11 Inventories**

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

Unsold premises held as inventory 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.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**1.12 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from services

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.The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

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.

Revenue from construction contract is recognised by referrence to the stage of completion of the contract activity at the reporting date of the financial statement. The related contract costs there against are charged to the statement of profit and loss of the year. The stage of completion of the contract is measured by referrence to the proportion that the contract cost incurred for the work performed up to the reporting date bear to the estimated total contract cost for each contract.The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

An expected loss on construction contract is recognised as an expense when it is certain that the cost will exceed the revenue.

Brokerage Income

Brokerage from sale and renting of property is recognised upon the completion of work. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

**1.13 Foreign currency translation**

**Foreign currency transactions and balances**

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences

Exchange differences are recognized as income or as expenses in the period in which they arise.

**1.14 Employee benefits**

a) Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

b) Defined Benefit Plan

The Company operates a defined benefit plan for its employees i.e gratuity liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which it occur in the statement of profit and loss.

c) Short Term Employee Benefit

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.

**1.15 Income taxes**

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

c)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 statement of profit & loss in the period of enactment of the change.

d) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

e) Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets & deferred taxes liabilities relate to the same taxable entity and the same taxation authority.

**1.16 Earnings Per Share**

a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**1.17 Provisions**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**1.18 Contingent liabilities & Contingent Assets**

a) 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.

b) Contingent Assets are neither recognised nor disclosed

**1.19 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand, demand deposits with banks and other short-term deposits with an original maturity of three months or less.

**1.20 Measurement of EBITDA**

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956 which are equally applicable as per Schedule III to the Companies Act, 2013 ,* the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

**Notes to the Financial Statements**

*(Figures in Indian Currency)*

| **2.01 Share capital** | **As at March 31, 2015** | **As at March 31, 2014** |
|---|---|---|
| **Authorized shares** | | |
| 8,03,00,000 (March 31, 2014: 7,52,50,000) equity shares of Rs.2/- each | 160,600,000 | 150,500,000 |
| | 160,600,000 | 150,500,000 |
| **Issued, subscribed & fully paid up equity shares** | | |
| 2,02,50,000 (March 31, 2014: 2,02,50,000) equity shares of Rs.2/- each (fully paid up) | 40,500,000 | 40,500,000 |
| **Total issued, subscribed and fully paid-up share capital** | 40,500,000 | 40,500,000 |

**b. Rights, preference and restrictions attached to shares:**

**Equity shares**

The Company has only one class of equity shares having a par value of` Rs.2 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

During the year March 31, 2015, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2014: Rs.2).

**c. Details of share holders holding more than 5% shares in the Company**

| | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2014 |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Equity shares of Rs. 2 each fully paid | | | | |
| R.V.Shekar | 5,911,607 | 29.19% | 5,911,607 | 29.19% |
| Shyamala Shekar | 3,905,575 | 19.29% | 3,905,575 | 19.29% |
| G Corp Projects Pvt Ltd | - | - | 2,900,000 | 14.32% |
| Sangeetha Shekar | 1,376,850 | 6.80% | 1,376,850 | 6.80% |
| Shwetha Shekar | 1,376,800 | 6.80% | 1,376,800 | 6.80% |

The above share holding is as per the records of the Company, including its register of share holders/members.

**d.** No shares have been issued for consideration other than cash during the immediately preceding five years from the end of the reporting period.

*(Figures in Indian Currency)*

| **2.02 Reserves and surplus** | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| **Securities premium account** | | |
| Balance as at the beginning of the year | - | - |
| Add: Pursuant to the Scheme of Amalgamation (Refer Note No. 4.01) | 124,540,143 | - |
| Balance as at the end of the year | 124,540,143 | - |
| **Revaluation reserve** | | |
| Balance as at the beginning of the year | - | - |
| Add: Pursuant to the Scheme of Amalgamation (Refer Note No. 4.01) | 141,747,452 | - |
| Balance as at the end of the year | 141,747,452 | - |
| **General reserve** | | |
| Balance as at the beginning of the year | 178,532,696 | 162,575,938 |
| Add: Amount transferred from surplus balance in the statement of profit and loss | 14,758,596 | 15,956,758 |
| Add: Pursuant to the Scheme of Amalgamation (Refer Note No. 4.01) | 9,070,860 | - |
| Balance at the end of the year | 202,362,152 | 178,532,696 |
| **Surplus/(deficit) in the statement of profit and loss** | | |
| Balance at the beginning of the year | 867,164,214 | 770,936,369 |
| Profit for the year | 147,585,958 | 159,567,578 |
| Add: Pursuant to the Scheme of Amalgamation (Refer Note No. 4.01) | -176,827,794 | - |
| Less: Adjustment towards depreciation as per Schedule II | 496,762 | - |
| Less: Appropriations | | |
| Proposed final equity dividend | 40,500,000 | 40,500,000 |
| Tax on proposed equity dividend | 8,244,847 | 6,882,975 |
| Short Provision of Tax on Equity Dividend | 1,214,643 | - |
| Transfer to general reserve | 14,758,596 | 15,956,758 |
| Total appropriations | 64,718,086 | 63,339,733 |
| **Net surplus in the statement of profit and loss** | 772,707,530 | 867,164,214 |
| **Total reserves and surplus** | **1,241,357,277** | **1,045,696,910** |

| 2.03 Long-term borrowings | Non-current portion | | Current portion | |
|---|---|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| **Term loans** | | | | |
| **Secured** | | | | |
| **From Banks** | | | | |
| Catholic Syrian Bank- Term loan I | - | 243,152,604 | - | 67,688,199 |
| Catholic Syrian Bank- Term Loan II (Machinery) | - | - | - | 962,284 |
| Catholic Syrian Bank- Term Loan III (Vehicle) | - | - | - | 869 |
| Catholic Syrian Bank- Term loan IV | 60,295,790 | - | 36,889,394 | - |
| Catholic Syrian Bank- Term loan V | 252,177,499 | | 94,997,092 | |
| Axis Bank-Term Loan -I | - | 99,115,444 | - | 63,154,719 |
| Axis Bank-Term Loan- II | - | 100,552,091 | - | 64,070,130 |
| City Union Bank Ltd - Term Loan I | 18,540,138 | 55,037,018 | 23,872,755 | 18,759,182 |
| **From Financial Institutions** | | | | |
| Axis Finance Limited-Term Loan- I | 209,735,388 | 150,000,000 | - | - |
| HDFC- Term loan I | - | - | - | 122,205,145 |
| HDFC- Term loan II | 100,000,000 | - | - | - |
| LIC Housing Finance Limited | 300,000,000 | - | - | - |
| | 940,748,815 | 647,857,157 | 155,759,241 | 336,840,528 |
| Amount disclosed under the head 'other current liabilities' (refer note no. 2.07) | - | - | 155,759,241 | 336,840,528 |
| **Net amount** | 940,748,815 | 647,857,157 | - | - |

The above amount includes aggregate amount of secured borrowings Rs. 94,07,48,815 (March 31, 2014: Rs. 64,78,57,157/-)

**(b) Nature of Security and terms of repayment for secured borrowings :**

| | Nature of Security | Terms of Repayment |
|---|---|---|
| i. | Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company. | The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal monthly instalments of Rs. 77,34,981 (with 6% increase in monthly installments per annum) as per the terms of the loan agreement. The present applicable rate is 13.75%. The has been repaid in the current year. |
| ii. | Term loan II (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortagage of land and building owned by the Company. | The loan is repayable in 60 equal monthly installments amounting to 7,92,000 from the date December 2011. The applicable rate of interest is 15.25% per annum.The loan has been repaid during the current year. |
| iii. | Term loan III (Vehicle) from Catholic Syrian Bank Limited is secured by hypothecation of motor car as per the hypothecation agreement. | The total amount of loan sanctioned to the Company is amounting to Rs. 33,87,000. The loan is repayable in 60 equal monthly installments amounting to Rs. 77,500 from the date December, 2011. The applicable rate of interest is 12.50% per annum.The loan has been repaid during the current year. |
| iv. | The Term loan IV from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4 '- Ground, Mezzanine, 2nd & 8th floors of the building measuring 22,127 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area.3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited. | The total amount of loan sanctioned to the company is amounting to Rs. 10,00,00,000. The loan is repayable in 30 EMI of Rs. 39.70 lakhs each effective from February 2015. The tenure of the loan is 36 months including repayment holiday of 6 months .The applicable interest is 14.00% i.e.base rate @ 10.50% + 3.50%. |
| v. | Term Loan V from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4 '- Ground, Mezzanine, 2nd & 8th floors of the building | The total amount of loan sanctioned to the company is amounting to Rs. 34,50,00,000. The repayment schedule is based on monthly rental from BNP Paribas & Sun Edison in respect of Menon Eternity Building at 165, St. Mary's Road, |

| | | |
|---|---|---|
| | measuring 22,127 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited. | Alwarpet, Chennai. The tenure of the loan is 60 months effective April, 2015. The applicable rate of interest is 11.50% |
| vi. | Term Loan I from Axis Bank Limited is secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). | The loan is repayable in 30 equal monthly instalments, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 14.00% per annum.i.e base rate @ 10.25% + 3.75%. The Loan has been repaid during the current year. |
| vii. | Term Loan II from Axis Bank Limited is secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at " The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). | The total amount of loan sanctioned to the Company is amounting to Rs. 19 crore. The loan is repayable by 30 equal monthly instalment, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%. The Loan has been repaid during the current year. |
| viii. | Term loan I from City Union Bank Limited is secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company. | The total amount of loan sanctioned to the Company was amounting to Rs. 10 crore. The loan is repayable in 60 equal monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e base rate @ 10.75% + 3.25%. |
| ix. | The Term Loan I from Axis Finance Limited is secured by way of a) Exclusive 1st charge by way of registered mortgage on 5.17 acres of non agricultural land at sholinganallur, chennai including project land admeasuring 2.14 acres and all development, present and future over the project land. b) Exclusive 1st charge by way of registered mortgage of 27 cents of non agricultural land at sholinganallur, Chennai situated adjacent to the project land. c) Exclusive charge on current assets of the project including customer receivables and all other cash flows, both present and future, entered into with various customers/obligors of the borrower. | The loan is repayable in 8 equal quarterly instalments, after an initial moratorium period of 24 months from the 1st disbursement of the loan. The applicable rate of interest is 14.50% per annum payable monthly. |
| x. | Term Loan I from HDFC Limited is secured by mortagage of plot of land owned by the Company measuring 28.87 acres at Sriperumbudur. | The loan is repayable in nine equal installments at 2.5 crores from the end of 25th month of the date of first disbursement of the loan on March 31, 2012. The applicable rate of interest is 14.60% per annum plus/minus 275 basis points.The loan has been repaid during the year. |
| xi. | The Term Loan-II from HDFC Limited is secured by Town & Country, Lakeview Gardens, Ramapuram, Sriperumbudur measuring about 26.25 acres of land | There is a moratorium of 18 months from February, 2015 to July, 2016. Repayment of Rs. 0.55 crores is required from August, 2016 onwards upto January, 2018. EMI of Rs. 0.55 crores, is based on first tranche of Rs. 10 Crores drawn from HDFC Limited. The applicability interest is 13.5% |
| xii. | The housing loan taken from LIC Housing Finance Limited is secured by 25 apartments having a built up area of 55,734 sq. ft of our project, "Kiruba Cirrus" at Valasaravakkam, Chennai. | The total loan sanctioned to the company is amounting to Rs.30,00,00,000. The term of the loan is 36 months including moratorium of 18 months. Repayment of Rs. 1.70 crores is required from August, 2016. The last EMI payable in February, 2018 is Rs. 1.10 crores. The applicable interest rate is 14.50%. |

| 2.04 Other long-term liabilities | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| Trade payables | | |
| Retention money | 15,491,385 | 6,993,837 |
| | 15,491,385 | 6,993,837 |
| Others | | |
| Rental deposits | 107,171,442 | 102,010,642 |
| Security Deposit | 16,900,001 | 16,900,001 |
| | 124,071,443 | 118,910,643 |
| | **139,562,828** | **125,904,480** |

| 2.05 Provisions | Long-term | | Short-term | |
|---|---|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| **Provision for employee benefits** | | | | |
| Provision for gratuity (refer note no. 4.05) | 9,641,220 | 7,711,419 | 108,646 | 4,099,605 |
| Provision for bonus | - | - | 222,900 | 435,916 |
| | 9,641,220 | 7,711,419 | 331,546 | 4,535,521 |
| **Other provisions** | | | | |
| Provision for Taxation | 21,394 | - | 13,962,391 | 4,624,916 |
| Proposed equity dividend | - | - | 40,500,000 | 40,500,000 |
| Provision for tax on proposed equity dividend | - | - | 8,244,847 | 6,882,975 |
| | 21,394 | - | 62,707,238 | 52,007,891 |
| | 9,662,614 | 7,711,419 | 63,038,784 | 56,543,412 |

| 2.06 Short-term borrowings | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| **Loans repayable on demand** | | |
| **Secured** | | |
| **From Banks** | | |
| Catholic Syrian Bank | 224,539,709 | 357,370,937 |
| Catholic Syrian Bank - Loan II | 101,190,071 | - |
| Axis Bank I | - | 4,374,932 |
| Axis BanK II | - | 18,403,553 |
| City Union Bank I | - | 1,364,911 |
| City Union Bank II | 25,292,237 | 50,594,521 |
| City Union Bank III | 27,554,296 | - |
| **Loans and Advance from Related parties** | | |
| Unsecured - from subsidiary | - | 2,180,050 |
| Unsecured - from Director | 34,172,144 | - |
| | 412,748,457 | 434,288,904 |

**(a) Nature of Security for secured borrowings :**

| Nature of Borrowing | Nature of Security |
|---|---|
| i Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited | Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity" |
| ii Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited - Loan II. | Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity". Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited. |
| iii The Overdraft from Axis bank I amounting to Rs. 3.00 crore, is repayable in 48 months from August 2012. | Secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). The loan has been repaid during the current year. |

| | | |
|---|---|---|
| iv | The Overdraft from Axis Bank II sanctioned to the Company amounting to Rs. 5.00 crore, is repayable in 48 months from August 2012. The applicable rate of interest is 13.75% per annum.i.e base rate @ 10% + 3.75%. | Secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at "The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future). The Loan has been repaid during the current year. |
| v | The loan is repayable in 8 equal quarterly installments of Rs. 62.50 lacs from April, 2014. The applicable rate of interest is 14% per annum.i.e base rate @ 11% + 3%. | Term Loan I from City Union Bank Limited is secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company and 4) Land measuring 3.56 acres situated at Sriperumbudur village owned by Lancor Sriperumbudur Developments Limited, subsidiary of Lancor Holdings limited. |
| vi | The Overdraft from City Union Bank Limited sanctioned to the Company amounting to Rs. 5 crore bears interest at 14% per annum.i.e base rate @ 10.75% + 3.25%. | Secured by mortagage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company. |
| vii | The loan is repayable in 2 equal quarterly installments of Rs. 3.75 crores from March, 2016. The applicable rate of interest is 14% per annum.i.e base rate @ 11% + 3%. | Working capital finance III from the City Union Bank is secured collaterally by 1) "ROMA"-Commercial Building situated at No.10, GST road, Alandur, Chennai-116, 2) "VTN Suare" - Corporate office situated at No.58, GN Chetty road, T. Nagar, Chennai-17 and 3) "CITY TOWER"- Commercial building situated at No.17/7, Nehru nagar, 3rd main road, Adyar, Chennai-20. |
| viii | The loan is to be repayable on demand. | The loan is received from director and the same is unsecured. |

**2.07 Other current liabilities**

| | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| **Trade payables** | | |
| Trade payables | 103,998,232 | 134,391,546 |
| Retention money | 11,581,067 | 13,920,818 |
| | 115,579,299 | 148,312,364 |
| **Other liabilities** | | |
| Current maturities of long-term borrowings (refer note no. 2.03) | 155,759,241 | 336,840,528 |
| Advances received from customers | 14,311,256 | 191,819,202 |
| Unclaimed dividend | 667,009 | 719,289 |
| Contractually reimbursable expenses | 113,911 | 310,870 |
| Payables on purchase of non current assets | 17,124,153 | 1,259,788 |
| Rental deposits | 5,604,320 | 9,492,320 |
| Other payables | | |
| Statutory payable (TDS, Service Tax, Sales tax) | 4,269,102 | 4,576,739 |
| Others | - | 278,500 |
| | 197,848,992 | 545,297,236 |
| | **313,428,291** | **693,609,599** |

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 15,57,59,241 (March 31, 2014: Rs.33,68,40,528)

**2.08 Tangible Assets**

| | Gross Block | | | | | Depreciation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2014 | Addition | Disposal / Adjustments | Amalgamation | As at March 31, 2015 | As at April 1, 2014 | Transfer to Retained Earnings | Amalgamation | For the Year | Disposal/ Adjustments | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| **Own Assets:** | | | | | | | | | | | | | |
| Land | 56,282,736 | - | - | 283,306,448 | 339,589,184 | - | - | - | - | - | - | 339,589,184 | 56,282,736 |
| Building | 6,056,562 | - | - | 25,548,322 | 31,604,883 | 878,497 | - | 1,978,076 | 526,352 | - | 3,382,925 | 28,221,958 | 5,178,064 |
| Plant & Machinery | 48,834,930 | 139,114 | 2,742,795 | - | 46,231,249 | 8,487,856 | 251,178 | - | 14,128,854 | 1,027,341 | 21,840,547 | 24,390,702 | 40,347,074 |
| Electrical Installation | 1,706,452 | - | 375,955 | - | 1,330,497 | 1,206,065 | - | - | 109,926 | 293,405 | 1,022,587 | 307,910 | 500,387 |
| Air conditioners | 2,421,898 | 44,450 | 2,466,348 | - | - | 1,541,845 | - | - | 1,036,149 | 2,577,995 | - | - | 880,053 |
| Furniture & Fixtures | 12,745,986 | - | 3,476,017 | | 9,269,969 | 9,193,726 | - | - | 537,876 | 3,070,413 | 6,661,189 | 2,608,780 | 3,552,260 |
| Computers | 5,396,601 | 117,941 | 3,647,369 | 110,500 | 1,977,673 | 4,404,501 | 60,839 | 99,212 | 596,330 | 3,625,884 | 1,534,998 | 442,675 | 992,100 |
| Office Equipment | 1,932,726 | 112,977 | 1,200,788 | 80,217 | 925,132 | 1,239,032 | 177,073 | 49,913 | 294,111 | 1,148,790 | 611,339 | 313,793 | 693,694 |
| Vehicles | 11,309,963 | - | 4,427,633 | - | 6,882,330 | 8,545,022 | 4,430 | - | 578,046 | 4,087,214 | 5,040,285 | 1,842,045 | 2,764,941 |
| Total ... .A | **146,687,853** | **414,482** | **18,336,904** | **309,045,486** | **437,810,918** | **35,496,545** | **493,520** | **2,127,201** | **17,807,645** | **15,831,042** | **40,093,870** | **397,717,047** | **111,191,308** |
| **Assets given on Operating Lease:** | | | | | | | | | | | | | |
| Buildings | 433,446,294 | - | - | - | 433,446,294 | 47,019,798 | - | - | 7,259,970 | - | 54,279,767 | 379,166,527 | 386,426,496 |
| Plant & Machinery | 54,935,842 | - | - | - | 54,935,842 | 29,512,913 | - | - | 2,057,749 | 1,586,129 | 29,984,532 | 24,951,310 | 25,422,929 |
| Electrical Installation | 43,260,970 | - | - | - | 43,260,970 | 28,149,319 | - | - | 1,549,347 | - | 29,698,666 | 13,562,304 | 15,111,651 |
| Air Conditioner | 35,891,442 | 618,304 | 950,806 | - | 35,558,940 | 18,865,480 | 473,947 | - | 2,038,144 | 661,124 | 20,716,447 | 14,842,494 | 17,025,962 |
| Furniture & Fixtures | 6,481,995 | - | 2,294,462 | - | 4,187,534 | 5,007,867 | - | - | 66,724 | 1,785,527 | 3,289,063 | 898,470 | 1,474,128 |
| Office Equipment | 183,484 | - | - | - | 183,484 | 42,619 | - | - | 80,312 | - | 122,930 | 60,554 | 140,865 |
| Total ... .B | **574,200,027** | **618,304** | **3,245,267** | **-** | **571,573,064** | **128,597,995** | **473,947** | **-** | **13,052,247** | **4,032,780** | **138,091,406** | **433,481,658** | **445,602,032** |
| Total ... . A+B | **720,887,880** | **1,032,786** | **21,582,171** | **309,045,486** | **1,009,383,982** | **164,094,539** | **967,467** | **2,127,201** | **30,859,892** | **19,863,822** | **178,185,275** | **831,198,706** | **556,793,340** |
| **As at March 31, 2014** | **699,777,101** | **23,677,135** | **2,566,355** | **-** | **720,887,881** | **140,458,225** | **-** | **-** | **25,579,063** | **1,942,746** | **164,094,542** | **556,793,336** | **559,318,873** |

**Note 1:** Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the fixed assets based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the fixed assets. The written down value of the fixed assets which were expired as on April 1, 2014 has been adjusted net of tax, in the retained earnings amounting to Rs. 4,96,762. In case the Company had continued with the previously assessed useful lives, the charge of depreciation for the current year would have been lower by Rs. 82,00,862

**Note 2:** Out of total amount of depreciation for the year ended March 31, 2015, depreciation amount Rs. Nil (March 31 2014: Rs. 51,80,577) has been capitalised as indirect expenses in the construction work in progress for the ongoing projects.

**2.09 Intangible Assets**

| | Gross Block | | | | | Amortisation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2014 | Addition | Disposal | Amalgamation | As at March 31, 2015 | As at April 1, 2014 | Transfer to Retained Earnings | Amalgamation | For the Year | Disposal/ Adjustments | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| Computer software | 1,092,147 | 354,000 | - | 106,073 | 1,552,220 | 998,485 | - | 95,337 | 152,443 | - | 1,246,264 | 305,956 | 93,662 |
| **Total** | **1,092,147** | **354,000** | **-** | **106,073** | **1,552,220** | **998,485** | **-** | **95,337** | **152,443** | **-** | **1,246,264** | **305,956** | **93,662** |
| **As at March 31, 2014** | **1,059,647** | **32,500** | **-** | **-** | **1,092,147** | **904,898** | **-** | **-** | **93,587** | - | **998,485** | **93,662** | **154,749** |

| 2.10 Non-current investments | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| **Trade investments (valued at cost)** | | |
| **Unquoted equity instruments** | | |
| **Investment in subsidiaries** | | |
| 50,000 Equity shares (March 31, 2014: 50,000) of Rs. 10 each fully paid up in Lancor Guduvanchery Developments Ltd | 500,000 | 500,000 |
| 50,000 Equity shares (March 31, 2014: 50,000) of Rs. 10 each fully paid up in Lancor Egatoor Developments Ltd | 500,000 | 500,000 |
| 50,000 Equity shares (March 31, 2014: 50,000) of Rs. 10 each fully paid up in Lancor Sriperumbudur Developments Ltd | 500,000 | 500,000 |
| Nil Equity shares (March 31, 2014: 96,000) of Rs. 10 each fully paid up in Lancor GST Devlopments Limited | - | 849,651 |
| **Others** | | |
| Investment in Capital of partnership firm Central Park West Venture | 20,000,000 | 20,000,000 |
| | 21,500,000 | 22,349,651 |
| **Other investments (valued at cost)** | | |
| **Unquoted Equity Instruments** | | |
| **Investment in subsidiaries** | | |
| 2,50,000 Equity shares (March 31, 2014: 2,50,000) of Rs. 10 each fully paid up in Lancor Maintenance & Services Limited | 100,000 | 100,000 |
| Nil Equity shares (March 31, 2014: 50,000) of Rs. 10 each fully paid up in Lancor Realty Limited | - | 500,000 |
| **Others** | | |
| 37,333 (March 31, 2014: 28,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid) | 3,701,775 | 3,001,800 |
| | 3,801,775 | 3,601,800 |
| **Aggregate amount of unquoted investments** | **25,301,775** | **25,951,451** |

**Investments in partnership firm (Central Park West Venture)**

| Name of the partner and share in profits(%) | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| Lancor Holdings Limited | 100 | 100 |
| Lancor Maintenance & Services Limited | - | - |
| Clasic Farms (Chennai) Limited | - | - |
| **Total capital of the firm** | 41,000,000 | 41,000,000 |

Note: As per the deed of partnership, the Clasic Farms (Chennai) Limited and Lancor Maintenance & Services Limited had guaranteed profits in the projects "The Central Park West" and "The Central Park South". Apart from the said two projects, the partners other than Lancor Holdings Limited (the Company) do not have any interest in the profit/loss of the entity.

| 2.11 Deferred tax assets/ liabilities(net) | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| Deferred tax liability | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | -42,946 | 489,444 |
| Others | - | - |
| Gross deferred tax liability | -42,946 | 489,444 |
| Deferred tax asset | | |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 3,417,935 | 3,945,510 |
| Provision for doubtful debts and advances | 339,900 | 339,900 |
| Gross deferred tax asset | 3,757,835 | 4,285,410 |
| Net deferred tax asset | **3,800,782** | **3,795,966** |

| 2.12 Capital Work-in-Progress | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|
| Opening Capital Work In Progress | 9,243,339 | - |
| Add: Pursuant to the Scheme of Amalgamation (Refer Note No. 4.01) | 183,610,259 | - |
| Add: Other Additions during the Year | 57,943,592 | 9,243,339 |
| Closing Capital Work In Progress | 250,797,190 | 9,243,339 |
| | | |
| Material cost | 6,879,652 | 2,872,880 |
| Other construction expenses | 12,756,569 | 6,370,459 |
| Cost of services | 16,805,509 | - |
| Staff welfare expenses | 390,395 | - |
| Rates and Taxes | 257,042 | - |
| Travelling and conveyance | 7,492,261 | - |
| Printing and stationery | 40,617 | - |
| Communication expenses | 150,378 | - |
| Repairs and maintenance | 19,620 | - |
| Miscellaneous expenses | 620,627 | - |
| Business support services | 9,728,148 | - |
| Professional fees | 109,145,223 | - |
| Interest expenses | 86,373,088 | - |
| Depreciation | 111,484 | - |
| Fringe benefit tax | 26,577 | - |
| | - | - |
| | 250,797,190 | 9,243,339 |

| 2.13 Loans and Advances | | Non-current portion | | Current portion | |
|---|---|---|---|---|---|
| | | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| **Capital advances** | | | | | |
| Unsecured, considered good | | - | 460,750 | - | - |
| | (A) | - | 460,750 | - | - |
| **Security deposit** | | | | | |
| Unsecured, considered good | | 15,061,852 | 30,560,452 | 7,260,000 | 23,440,000 |
| | (B) | 15,061,852 | 30,560,452 | 7,260,000 | 23,440,000 |
| **Loan and advances to related parties** (refer note no. 4.08) | | | | | |
| Unsecured, considered good | | - | 356,571,731 | 312,917,406 | 148,647,437 |
| | (C) | - | 356,571,731 | 312,917,406 | 148,647,437 |
| **Other loans and advances** | | | | | |
| **(Advances recoverable in cash or kind)** | | | | | |
| Unsecured, considered good | | | | | |
| Advance for land | | - | - | - | 1,350,000 |
| Advance to suppliers | | - | - | - | 15,823,346 |
| Advance to contractors | | - | 1,636,539 | 196,500 | 17,277,216 |
| Prepaid expenses | | - | - | 856,493 | 1,035,797 |
| Other advances | | - | - | 18,800,469 | 36,193,975 |
| Doubtful | | - | - | 1,000,000 | 1,000,000 |
| | | - | 1,636,539 | 20,853,462 | 72,680,334 |
| Provision for doubtful advances | | - | - | 1,000,000 | 1,000,000 |
| | (D) | - | 1,636,539 | 19,853,462 | 71,680,334 |
| Advance income-tax (net of provision for taxation) | | - | 2,536,160 | 2,585,068 | 48,908 |
| | (E) | - | 2,536,160 | 2,585,068 | 48,908 |
| Total (A+B+C+D+E) | | **15,061,852** | **391,765,632** | **342,615,935** | **243,816,679** |

**2.14 Trade Receivables**

| | Current portion | |
|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 |
| **Unsecured, considered good unless stated otherwise** | | |
| Unsecured, considered good | 4,122,345 | 23,466,765 |
| | 4,122,345 | 23,466,765 |
| Outstanding for a period exceeding six months from the date they are due for payment | 783,565 | 10,200,579 |
| Other receivables | 3,338,781 | 13,266,186 |
| | 4,122,345 | 23,466,765 |

**2.15 Other Assets:**

| | Non-current portion | | Current portion | |
|---|---|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| **Unsecured, considered good unless stated otherwise** | | | | |
| Interest accrued but not due on advances | - | 59,790,660 | - | 28,031,732 |
| Interest accrued and due on advances | - | - | 3,649,964 | - |
| Interest accrued but not due on deposits | - | - | 171,835 | 1,871,719 |
| Income Tax refund receivables | - | - | 34,467 | 34,467 |
| Contractually reimbursable expenses | - | - | 2,054,625 | 3,349,608 |
| Unbilled Revenue | - | - | - | 152,960 |
| Deposits with Original Maturity for more than 12 months (refer note no.2.17) | 3,000,000 | 7,484,000 | - | - |
| | 3,000,000 | 67,274,660 | 5,910,891 | 33,440,486 |

**2.16 Inventories**

| | Current portion | |
|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 |
| **(a) Constructed premises held for sale at cost** | | |
| Opening constructed premises held for sale | 1,500,000 | 1,500,000 |
| Add: Transfer from construction work in progress | 29,176,621 | - |
| Less: Sale of constructed premises | 16,825,000 | - |
| **Closing stock of unsold constructed premises** | 13,851,621 | 1,500,000 |
| **(b) Construction materials at Cost** | | |
| Opening construction materials | 21,405,731 | 15,278,066 |
| Add: Purchase of materials | 259,492,609 | 227,766,663 |
| Less: Consumption of materials | 248,110,633 | 221,638,998 |
| **Closing construction materials** | 32,787,707 | 21,405,731 |
| **(c) Closing work in progres at cost (under broad head)** | | |
| Land and land related expenses | 488,360,883 | 738,334,913 |
| Material cost | 313,307,539 | 242,699,389 |
| Other construction expenses | 373,538,980 | 245,065,071 |
| Borrowing cost | 294,274,018 | 217,688,265 |
| Approval charges | 78,999,003 | 149,109,818 |
| Professional fee | 27,675,110 | 18,650,437 |
| Power & Fuel | 9,318,767 | 4,642,113 |
| Rates and taxes | 4,813,540 | 1,993,125 |
| Other expenses | 19,126,578 | 11,223,454 |
| | 1,609,414,418 | 1,629,406,585 |
| **Total (a+b+c)** | **1,656,053,746** | **1,652,312,316** |

| 2.17 Cash and Bank Balance | Current portion | |
|---|---|---|
| | As at March 31, 2015 | As at March 31, 2014 |
| **Cash & Cash Equivalents** | | |
| Balances with banks: | | |
| On current accounts | 17,968,396 | 13,912,026 |
| On fixed deposit | - | 24,750,000 |
| Cash on hand | 162,334 | 191,800 |
| | 18,130,731 | 38,853,826 |
| **Other Bank Balance** | | |
| Deposits with original maturity for more than 3 months but less than 12 months (held for guarrantee with bank) | 4,000,000 | 4,504,320 |
| Deposits with original maturity for more than 12 months (held for guarrantee with bank) | 3,000,000 | 7,484,000 |
| Unpaid dividend account (Earmarked) | 747,159 | 799,439 |
| | 7,747,159 | 12,787,759 |
| Less: Amount disclosed under the head 'other non current asset' (refer note no.2.15) | 3,000,000 | 7,484,000 |
| | 22,877,890 | 44,157,585 |

| 3.01 Revenue from operations | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| **Revenue from operations** | | |
| Revenue from real estate development | 873,874,561 | 613,911,302 |
| Rental income | 144,296,144 | 132,776,291 |
| Project management fee | 600,107 | 5,146,963 |
| Employee deputation charges | 12,248,728 | 12,077,433 |
| Contract revenue | - | 15,983,367 |
| Brokerage income | 3,785,028 | - |
| | **1,034,804,567** | **779,895,356** |

| 3.02 Other Income | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| **Interest income on** | | |
| Bank deposits | 764,385 | 1,547,961 |
| Subsidiaries | 32,426,217 | 81,780,119 |
| Others | 433,311 | 544,173 |
| **Dividend income on** | | |
| Current investments | | |
| Equity Shares with Catholic Syrian Bank | 28,000 | 42,000 |
| Mutual Funds | 138,869 | - |
| Trade payables written back | 6,486,340 | - |
| Other non - operating income (net of expenses directly attributable to such income) | 426,168 | 361,891 |
| | 40,703,290 | 84,276,144 |

| 3.03 Cost of Materials and Construction Expenses | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Purchase of materials | 259,492,609 | 227,766,663 |
| Construction expenses | 246,362,476 | 202,742,047 |
| Approval charges | 7,183,453 | 104,724,863 |
| Professional charges | 1,029,054 | 5,669,922 |
| Power and Fuel | 4,922,826 | 3,671,173 |
| Rates and taxes | 2,037,762 | 1,803,136 |
| Other expenses | 7,570,389 | 8,730,423 |
| | **528,598,569** | **555,108,226** |

| 3.04 Changes in Inventories of constructed premies held for sale, work in progress and construction material | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| **Inventory at the beginning of the year** | | |
| Construction materials | 21,405,731 | 15,278,066 |
| Work in progress | 1,629,406,585 | 1,216,441,292 |
| Constructed premises for sale | 1,500,000 | 1,500,000 |
| **Inventory at the end of the year** | | |
| Construction materials | 32,787,707 | 21,405,731 |
| Work in progress | 1,609,414,418 | 1,629,406,585 |
| Constructed premises for sale | 13,851,621 | 1,500,000 |
| **Increase / (decrease) in inventories** | **(3,741,430)** | **(419,092,958)** |

| 3.05 Employee Benefits Expense | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Salaries, wages and bonus | 55,735,684 | 56,187,746 |
| Contribution to provident and other fund | 4,229,157 | 4,340,272 |
| Gratuity expense (refer note no. 4.05) | 1,669,617 | 518,941 |
| Staff welfare expenses | 2,326,504 | 2,475,227 |
| | **63,960,962** | **63,522,186** |

| 3.06 Other Expenses | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Directors' sitting fees | 255,559 | 65,000 |
| Advertisement and sales promotion | 23,131,721 | 19,777,856 |
| Printing & stationery | 1,163,615 | 1,252,316 |
| Communication costs | 1,449,294 | 1,472,579 |
| Traveling & conveyance | 323,113 | 1,122,350 |
| Vehicle maintenance | 4,756,518 | 4,796,076 |
| Rates & taxes | 3,283,650 | 2,683,592 |
| Legal expenses & professional fees | 6,039,632 | 5,487,752 |
| Repairs & maintenance | | |
| - Building | 5,124,693 | 12,751,116 |
| - Plant & Machinery | 97,335 | 194,954 |
| - Others | 3,431,875 | 2,499,595 |
| Rent | 3,442,170 | 3,820,076 |
| Power and fuel | 3,592,491 | 3,986,569 |
| Insurance | 663,460 | 833,881 |
| Payment to auditors (refer details below) | 1,385,000 | 1,215,000 |
| Brokerage | - | 744,562 |
| CSR Expenses (refer note no. 4.12) | 3,778,395 | - |
| Loss on sale of fixed assets (net) | 1,294,383 | - |
| Other sundry expenses | 2,148,584 | 3,056,231 |
| | **65,361,488** | **65,759,503** |

| **Payment to auditors** | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| As auditor: | | |
| Audit fee | 1,200,000 | 1,050,000 |
| In other Capacity: | | |
| Taxation matters | 185,000 | 165,000 |
| | **1,385,000** | **1,215,000** |

| 3.07 Depreciation and amortization expense | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Depreciation of tangible assets | 30,859,892 | 25,579,063 |
| Amortisation of Intangible assets | 152,443 | 93,587 |
| | 31,012,335 | 25,672,650 |

| 3.08 Finance Costs | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Interest on borrowings | 204,396,495 | 186,836,127 |
| Interest to others | 3,355,665 | 188,634 |
| Loan processing, preclosure & other charges | 4,814,280 | 5,291,466 |
| Bank charges & commission | 227,581 | 222,614 |
| | 212,794,021 | 192,538,841 |
| Less:- Capitalised as part of Capital Work in Progress | 47,550,710 | - |
| | **165,243,311** | **192,538,841** |

| 3.09 Prior Period Item | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Net impact due to reversal of income from property development and costruction expenses | 2,078,894 | - |
| | **2,078,894** | **-** |

**Notes to the Financial Statements**

**4.01 Notes on Scheme of Amalgamation with Lancor GST Developments Limited and Lancor Realty Limited**

The Scheme of Amalgamation of Lancor GST Developments Limited (LGSTDL) and the Lancor Realty Limited (LRL) with the Company was sanctioned by the High Court of Judicature of Madras vide its order dated March 31, 2015. The Appointed Date of the amalgamation is April 1, 2013, while it became effective on April 15, 2015.

A) Amalgamation of Lancor GST Developments Limited (LGSTDL) with the Company

a) LGSTDL was engaged in the business of real estate development and was a wholly owned subsidiary of the Company.

b) Pursuant to the Scheme of Amalgamation in accordance with section 391 - 394 of the Companies Act, 1956 as approved by the shareholders of the Company and subsequently sanctioned by the High Court of Judicature of Madras vide their order dated March 31, 2015, LGSTDL has been amalgamated and all assets and liabilities are transferred to and vested in the Company with effect from April 1, 2013 (the Appointed Date).

c) During the transition period i.e. from the Appointed Date to the Effective Date, LGSTDL carried on the aforesaid business activities including all statutory compliances in “trust” in its own name but for and on behalf of the Company. The transactions carried out by LGSTDL during the aforesaid period have been incorporated in the books of the Company on sanctioning of the said Scheme.

d) The said scheme has been given effect to in the accounts under the “Pooling of Interest Method” as prescribed by the Accounting Standard 14 on Amalgamation as prescribed under section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies Accounts (Rules), 2014.

e) In accordance with the scheme, the assets and liabilities, securities premium and revaluation reserve of LGSTDL as at April 1, 2013 along with subsequent additions and deletions up to March 31, 2014 have been recorded at their book values. In terms of Scheme of amalgamation, as the LGSTDL is a wholly owned subsidiary of the Company, it has not issued any shares. Accordingly, equity share capital of LGSTDL and investments in equity shares of LGSTDL has been adjusted and the resultant balance amount of Rs. 87,50,349 has been adjusted to general reserve of the Company. Similarly the contingent liability as on appointed date also for the period appointed date to March 31, 2014 is disclosed.

f) The profit or loss of LGSTDL from appointed date April 1, 2013 to March 31, 2014 have been transferred to Surplus/(deficit) in the statement of profit and loss of the Company. The operations of the LGSTDL during the year April 1, 2014 to March 31, 2015 have been accounted for in the current year’s statement of profit and loss of the Company. The debit balance in the Surplus/(deficit) in the statement of profit and loss of LGSTDL as at April 1, 2014 amounting to Rs. 20,50,96,903 has been included in the Surplus/(deficit) in the statement of profit and loss of the Company.

g) The Company is in the process of transferring the documents, agreements, title deeds for the properties, balance in staff benefit schemes etc. in its own name.

B) Amalgamation of Lancor Realty Limited (LRL) with the Company

a) LRL was engaged in the business of brokerage from sale or renting of immovable property and was a wholly owned subsidiary of the Company.

b) Pursuant to the Scheme of Amalgamation in accordance with section 391 - 394 of the Companies Act, 1956 as approved by the shareholders of the Company and subsequently sanctioned by the High Court of Judicature of Madras vide their order dated March 31, 2015, LRL has been amalgamated and all assets and liabilities are transferred to and vested in the Company with effect from April 1, 2013 (the Appointed Date).

c) During the transition period i.e. from the Appointed Date to the Effective Date, LRL carried on the aforesaid business activities including all statutory compliances in "trust" in its own name but for and on behalf of the Company. The transactions carried out by LRL during the aforesaid period have been incorporated in the books of the Company on sanctioning of the said Scheme.

d) The said scheme has been given effect to in the accounts under the "Pooling of Interest Method" as prescribed by the Accounting Standard 14 on Amalgamation as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies Accounts (Rules), 2014.

e) In accordance with the scheme, the assets and liabilities of LRL as at April 1, 2013 along with subsequent additions and deletions up to March 31, 2014 have been recorded at their book values. In terms of Scheme of amalgamation, as the LRL is a wholly owned subsidiary of the Company, it has not issued any shares.Accordingly, equity share capital of LRL and investments in equity shares of LRL has been adjusted and as the resultant difference amount is zero, no amount has been adjusted to general reserve of the Company. Similarly the contingent liability as on appointed date also for the period appointed date to March 31, 2014 is disclosed.

f) The general reserve and the profit or loss of LRL from appointed date April 1, 2013 to March 31, 2014 have been transferred to general reserve and Surplus/(deficit) in the statement of profit and loss of the Company respectively. The operations of the LRL during the year April 1, 2014 to March 31, 2015 have been accounted for in the current year's statement of profit and loss of the Company. The general reserve balance and credit balance in the Surplus/(deficit) in the statement of profit and loss of LRL as at April 1, 2014 amounting to Rs. 3,20,511 and Rs. 2,82,69,109 respectively has been included in the general reserve and Surplus/(deficit) in the statement of profit and loss of the Company.

g) The Company is in the process of transferring the documents, agreements, title deeds for the properties, balance in staff benefit schemes etc. in its own name.

**4.02 Earnings Per Share (EPS)**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|

Basic earning per share amounts is calculated by dividing profit for the year attibutable to the equity share holders by the weighted average number of equity share outstanding during the year. As there are no dilutive instruments outstanding, basic and dilutive earning per shares are identical.

**Continuing operations & Total operation**

| | | |
|---|---|---|
| Net profit / (loss) for the year from continuing operations | 147,585,958 | 159,567,578 |
| Weighted average number of equity shares | 20,250,000 | 20,250,000 |
| Par value per share | 2 | 2 |
| Earnings per share from continuing operations - Basic and Diluted | 7.29 | 7.88 |

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date on which the financial statements are approved by the board of directors.

**4.03 Details of contract revenue and costs**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Contract revenue recognised during the year | - | 15,983,367 |
| Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date | - | 14,689,872 |
| Advances received for contracts in progress | - | - |
| Retention money for contracts in progress | - | - |
| Gross amount due from customers for contract work (asset) | 13,970,193 | 16,671,326 |
| Gross amount due to customers for contract work (liability) | - | - |

**4.04 Details of Borrowing cost capitalised**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Borrowing costs capitalised during the year | | |
| - as part of work in progress for residential property development | 148,495,239 | 146,066,293 |
| - as part of capital work in progress | 47,550,710 | - |
| | 196,045,949 | 146,066,293 |

### 4.05 Gratuity benefit plans

(i) The Company has one defined benefit plan with respect to gratuity for its employees. Under the gratuity plan, every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Graturity Act, 1972 and the same is payable at the time of separation from the Company or retirement which ever is earlier.

(ii) The present value of the defined benefit obligations and the related current service cost were measured using the projected unit credit method, whith actuarial valuation being carried out at each balance sheet date.

(iii) The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

Net employee benefit expense recognized in the employee cost

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Current service cost | 1,158,014 | 1,348,912 |
| Interest cost on benefit obligation | 1,099,606 | 910,158 |
| Expected return on plan assets | - | - |
| Net actuarial( gain)/loss recognized in the year | (588,003) | (1,740,130) |
| **Net benefit expense** | 1,669,617 | 518,940 |

**Balance sheet**

Benefit asset/liability recognised in the Balance Sheet

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Present value of defined benefit obligation | 9,749,865 | 11,811,023 |
| Fair Value of the Plan Assets | - | - |
| **Liability/(asset) recognised** | 9,749,865 | 11,811,023 |

**Changes in the present value of the defined benefit obligation are as follows:**

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Opening defined benefit obligation | 11,811,023 | 11,376,977 |
| Current service cost | 1,158,014 | 1,348,912 |
| Interest cost | 1,099,606 | 910,158 |
| Liability Transfer in | 769,225 | - |
| Benefits paid | (4,500,000) | (84,894) |
| Actuarial (gains)/losses on obligation | (588,003) | (1,740,130) |
| **Closing defined benefit Obligation** | 9,749,865 | 11,811,023 |

**The principal assumptions used in determining gratuity are shown below:**

| | Gratuity | |
|---|---|---|
| | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Discount rate | 8.00% | 9.31% |
| Expected rate of return on assets | NA | NA |
| Employee turnover | 8.25% | 8.25% |
| Mortality | India Assured Lives Mortality (2006-08) Ultimate | India Assured Lives Mortality (2006-08) Ultimate |
| Salary Escalation | 9% | 10% |

(i) The estimates of future salary increases considered in actuarial valuation takes in to account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

## 4.06 Leases

### Operating lease: Company as lessee

The Company has entered into commercial leases on office building. The lease has a life of five years with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. Rental expenses debited to Statement of profit & loss amounting to Rs 34,42,170 (March 31, 2014: Rs.38,20,076)

### Operating lease: Company as lessor

The Company has entered into commercial property leases on its constructed premises. These non-cancellable leases range for a period between three to fifteen years. Most of the leases are renewable for a further period on mututally agreeable terms and also include escalation clauses.

**Future minimum rentals receivable under non-cancellable operating leases are as follows:**

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Rental income credited to statement of profit and loss | 144,296,144 | 132,776,291 |
| Within one year | 86,410,145 | 62,901,892 |
| After one year but not more than five years | 15,104,205 | 43,222,094 |
| More than five years | - | - |
| | 101,514,350 | 106,123,986 |

The future minimum lease rental has been considered above based on the lock in period as per lease agreement entered between the Company and lessee.

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

### 4.07 Interest in a joint venture

In compliance with the Accounting Standard relating to 'Financial Reporting of Interest in Joint Ventures' (AS 27), as prescribed in the accounting standards notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014, the Company has interest in a jointly controlled entity (Partnership Firm).

The Company holds 100% interest in Central Park West Venture(firm), a jointly controlled entity which is involved in construction and sale of residential properties.

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2015 ( March 31, 2014) are as follows: (before inter Company elimination)

| | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Current assets | 253,477 | 1,587,282 |
| Non-current assets | 96,987,575 | 96,638,525 |
| Current liabilities | 4,900,805 | 7,113,856 |
| Non-current liabilities | 33,700,000 | 33,700,000 |
| Revenue from operation | 264,204 | 77,214 |
| Cost of Materials and Construction expenses | - | - |
| Changes in inventories of constructed premises, work-in-progress & construction materials | - | - |
| Finance cost | 635 | 528 |
| Other expenses | 266,757 | 168,436 |
| Profit before tax | (3,188) | (91,750) |
| Income-tax expense | 1,881,459 | - |
| Profit/(loss) after tax | (1,884,647) | (91,750) |

a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,283 and an equal amount of penalty.

b) The Company has not entered in to any capital commitments in relation to its interest in the partnership firm.

## 4.08 Segment information

Pursuant to enactment of the Companies Act, 2013, the Company has evaluated internal financial controls and risk management systems and as a result has revamped internal reporting system and the organisation's structure. The group's operation is predominantly in the development of residential, commercial and allied activities like property

rental, maintenance of property and brokerage on account of sale and leasing of properties. Based on above exercise, the management is of the view that property rental and other activities which were considered as a separate segment in the previous financial year are related to the main activity and are not to be construed as an independent segment. Accordingly, there are no primary reportable segments as per Accounting Standard. 17 As the group is primarily operates in India, it is considered as a single geographical segment.

**4.09 Related party disclosures**

**Names of related parties and related party relationship**

**Subsidiaries**

a) Lancor Maintenance & Services Limited
b) Lancor Guduvanchery Developments Limited
c) Lancor Egatoor Developments Limited
d) Lancor Sriperumbudur Developments Limited
e) Lancor Realty Limited (refer note no. 4.01)
f) Lancor GST Developments Limited (refer note no. 4.01)

**Joint Ventures**

a) Central Park West Venture

**Key Management Personnel (KMP) & relatives**

a) R.V. Shekar
b) Sangeetha Shekar
c) Shwetha Shekar

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Particulars | Year ended | Subsidiaries | Joint venture | Key management personnel | Total |
|---|---|---|---|---|---|
| **a. Expenditure** | | | | | |
| Remuneration paid | | | | | |
| R.V.Shekar | 31-03-15 | - | - | 5,794,968 | 5,794,968 |
| | 31-03-14 | - | - | 5,898,615 | 5,898,615 |
| Interest paid | | | | | |
| R.V.Shekar | 31-03-15 | - | - | 1,572,397 | 1,572,397 |
| | 31-03-14 | - | - | - | - |
| **Maintenance charges paid** | | | | | |
| Lancor Maintenance and Services Limited | 31-03-15 | 493,164 | - | - | 493,164 |
| | 31-03-14 | 943,434 | - | - | 943,434 |
| **b.Income** | | | | | |
| **Income from real estate development** | | | | | |
| Sangeetha shekar | 31-03-15 | - | - | - | - |
| | 31-03-14 | - | - | 3,131,764 | 3,131,764 |
| Shwetha shekar | 31-03-15 | - | - | - | - |
| | 31-03-14 | - | - | 3,131,764 | 3,131,764 |
| **Income From Employee Deputation** | | | | | |
| Lancor Guduvanchery Developments Limited | 31-03-15 | 8,505,981 | - | - | 8,505,981 |
| | 31-03-14 | 8,437,617 | - | - | 8,437,617 |
| Lancor Sriperumbudur Developments Limited | 31-03-15 | 3,742,747 | - | - | 3,742,747 |
| | 31-03-14 | 3,639,816 | | - | 3,639,816 |

| | | | | | |
|---|---|---|---|---|---|
| **Interest income:** | | | | | |
| Lancor Guduvanchery Developments Limited | 31-03-15 | 25,273,317 | - | - | 25,273,317 |
| | 31-03-14 | 30,026,288 | - | - | 30,026,288 |
| Lancor Sriperumbudur Developments Limited | 31-03-15 | 7,152,902 | - | - | 7,152,902 |
| | 31-03-14 | 2,146,542 | | - | 2,146,542 |
| Lancor GST Developments Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | 49,607,289 | - | - | 49,607,289 |
| **c. Advances received towards sale of properties** | | | | | |
| Lancor Realty Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | 26,628,897 | - | - | 26,628,897 |
| **d. Loans/advances given and (receipt) thereof (net)** | | | | | |
| Lancor Guduvanchery Developments Limited | 31-03-15 | 59,857,802 | - | - | 59,857,802 |
| | 31-03-14 | (155,995,240) | - | - | (155,995,240) |
| Lancor Sriperumbudur Developments Limited | 31-03-15 | 103,172,087 | - | - | 103,172,087 |
| | 31-03-14 | (46,154,075) | - | - | (46,154,075) |
| Lancor Maintenance & Services Limited | 31-03-15 | 2,180,050 | - | - | 2,180,050 |
| | 31-03-14 | (3,052,287) | - | - | (3,052,287) |
| Central Park West Venture | 31-03-15 | | 1,228,296 | - | 1,228,296 |
| | 31-03-14 | | 3,424,621 | - | 3,424,621 |
| Lancor GST Developments Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | 5,419,143 | - | - | 5,419,143 |
| Lancor Realty Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | (347,937) | - | - | (347,937) |
| R.V. Shekar | 31-03-15 | - | - | 34,172,144 | 34,172,144 |
| | 31-03-14 | - | - | - | - |
| **e. Reimbursements** | | | | | |
| Lancor Egatoor Developments Limited | 31-03-15 | 11,785 | - | - | 11,785 |
| | 31-03-14 | 6,540 | - | - | 6,540 |
| **f. Trade Receivables** | | | | | |
| Lancor Sriperumbudur Developments Limited | 31-03-15 | 630,479 | - | - | 630,479 |
| | 31-03-14 | 992,735 | - | - | 992,735 |
| Lancor Guduvanchery Developments Limited | 31-03-15 | 2,052,626 | - | - | 2,052,626 |
| | 31-03-14 | 2,378,232 | - | - | 2,378,232 |
| **g. Closing Balances** | | | | | |
| **Unsecured loans and advances** | | | | | |
| Lancor Sriperumbudur Developments Limited | 31-03-15 | 112,990,757 | - | - | 112,990,757 |
| (inclusive of interest receivable) | 31-03-14 | 8,038,614 | - | - | 8,038,614 |
| Lancor Guduvanchery Developments Limited | 31-03-15 | 165,991,234 | - | - | 165,991,234 |
| (inclusive of interest receivable) | 31-03-14 | 132,295,256 | - | - | 132,295,256 |
| Central Park West Venture | 31-03-15 | - | 37,564,808 | - | 37,564,808 |
| | 31-03-14 | - | 36,336,512 | - | 36,336,512 |
| Lancor Egatoor Developments Limited | 31-03-15 | 20,572 | | | 20,572 |
| | 31-03-14 | 8,787 | | | 8,787 |
| Lancor Maintenance and Services Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | (2,180,050) | - | - | (2,180,050) |
| Lancor GST Developments Limited | 31-03-15 | - | - | - | - |
| | 31-03-14 | 416,362,391 | - | - | 416,362,391 |
| (inclusive of interest receivable) | | | | | |
| Loan from R.V. Shekar | 31-03-15 | 34,172,144 | - | - | 34,172,144 |
| | 31-03-14 | - | - | - | - |

| 4.10 Capital and other commitments | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | | |
| Tangible assets | 15,848,734 | 7,586,987 |
| Intangible assets | - | 150,000 |
| | 15,848,734 | 7,736,987 |

**4.11 Contingent liabilities**

a) The Arbitration proceeding on the "Menon Eternity" is still pending. In this regard the Company has made a claim of Rs. 9,98,47,408 while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing a rejoinder. As per the interim order dated October 20, 2010 of the sole arbitrator the Company has given possession of the area belonging to the land onwers on receipt of Rs. 4.82 Crores being refundable deposits from them along with the bank guarrantee of Rs. 1.66 Crores to the arbitrator. In view of the management, the claims are frivolous and are not sustainable. Accordingly the company does not acknowledge claims of the land owners.

b) The Company has certain dispute with a lessee which has arisen on termination of lease agreement by the lessee within the lock in period. In terms of the lease agreement the Company has forfeited the deposit amount. The lessee has demanded refund of rental deposit of Rs. 2,18,35,938 along with interest and damages amounting to Rs. 2,55,78,657. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrived by the order of the single judge , the lessee has filed an appeal before the larger bench and same is pending. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.

c) Other claims other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 45,04,320 (excluding interest). The Company has furnished a bank guarrantee in this regard.

d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarrantee and the matter is pending. In view of the management the increased demand is based revision in the gudieline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.

e) The service tax department has raised a demand of Rs.2,23,27,853 along with interest and penalty for the period Feb'09 to Jun'10. The Company has paid the demanded amount except for interest and penalty and it has filed an appeal before the CESTAT dated May 10, 2012 stating that amount received from the customers are not chargable to serice tax prior to July 1, 2010 under various grounds. The matter is pending before the Appellate Tribunal.

f) The service tax department has raised a demand of Rs. 15,610,334 and also a penalty of equal amount on Lancor GST Developements Limited (refer note no. 4.01) for wrong availment of Cenvat Credit. The erstwhile holding Company of Lancor GST Developements Limited has undertaken to reimburse to the Company to the extent of Rs. 3,902,584 in the event the Company is made liable to pay the demand. The matter is pending before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.

**4.12** As per section 135 of the Companies Act, 2013, to carry out CSR Activities as specified under Schedule VII of the act, the Company formed a trust in the name of Lancor Foundation during this year. The Company has spent Rs. 11,16,275/- on its own and has contributed Rs. 26,62,120/- to the trust established by it to carry out the activities as prescribed in the Schedule VII of the Act 2013.

**4.13 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

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.

| 4.14 Value of imports calculated on CIF basis | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Construction Materials | 40,175,547 | 32,944,835 |
| | 40,175,547 | 32,944,835 |

| 4.15 Expenditure in foreign currency | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|---|---|
| Travelling and conveyance | 61,095 | 276,789 |
| | 61,095 | 276,789 |
| The foreign currency exposure of the Company | Nil | Nil |

**4.16 Details of Loan given covered under section 186(4) of the Companies Act, 2013**

| | Particulars | Lancor Guduvanchery Developments Limited | Lancor Sriperumbudur Developments Limited |
|---|---|---|---|
| | | (wholly owned subsidiary of the company) | |
| a) | Nature of the Transactions | Loan | Loan |
| b) | Date of Loan | Various dates during the year | |
| c) | Nature of entity with Address | Unlisted Entity situated at VTN Square, 2nd Floor, No. 58 G.N. Chetty Road, T. Nagar, Chennai - 600 017 | |
| d) | Amount of the loan given during the year | 501,712,918 | 126,847,252 |
| e) | Time period for which it is made, rate of interest and maturity period | The amount of the loan are repayable on demand by the above subsidiary companies from internal accrual / external sources. The rate charged to the loan is 14% per annum. | |
| f) | Purpose of loan | for working capital requirements | |

**4.17 Disclosure as per Clause 32 of the Listing agreement with Stock Exchange**

| Name of the Party | Relationship | Closing balance as at March 31, 2015 | Maximum balance during the year 2015 | Closing balance as at March 31, 2014 | Maximum balance during the year 2014 |
|---|---|---|---|---|---|
| Lancor Maintenance & Services Limited | Subsidiary | - | 48,531,564 | - | 4,001,529 |
| Lancor Reality limited | Subsidiary | - | - | - | 1,746,075 |
| Lancor Guduvanchery Developments Limited | Subsidiary | 165,129,399 | 332,341,293 | 105,271,597 | 329,800,461 |
| Lancor Egatoor Developments Limited | Subsidiary | 20,572 | 20,572 | 8,787 | 8,787 |
| Lancor Sriperumbudur Developments Limited | Subsidiary | 110,202,628 | 112,990,757 | 7,030,541 | 54,276,927 |
| Lancor GST Development Limited | Subsidiary | - | - | 356,571,731 | 356,571,731 |
| | | 275,352,599 | 493,884,186 | 468,882,656 | 746,405,510 |

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

## 4.18 Previous year figures

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

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Reg No.104767 W

**Satya Ranjan Dhall**
Partner
Membership No. 214046

Date : May 7, 2015
Place: Chennai

For and on behalf of the Board of Directors

**CA. Mallika Ravi**
Chief Executive Officer

**R.Sankaranarayanan**
Director

**R.V.Shekar**
Chairman

**K.Srinivasan**
Chief Financial Officer

**P. Mahadevan**
Company Secretary

Clubhouse Actual Photograph

Clubhouse Actual Photograph

LUMINA
guduvanchery

town & country
Sriperumbudur