

Annual Report
2011-12



Together we can.



Lok Housing And Constructions Limited

Board of Directors

MR. DARSHAN L. GANDHI

Chairman & Managing Director

MS. NAINA M. SHAH

Executive Director

MR. CHIMAN J. SANGHAVI

Director

MR. SUDEEP S. ROY

Director

AUDITORS :

M/s. Bhupendra Shroff & Co.

Chartered Accountants

LEGAL ADVISORS :

M/s. Pravin Mehta and Mithi & Co.

M/s. Udewadia Udeshi & Argus Partners

BANKERS :

State Bank of India

UCO Bank

Union Bank of India

COMPANY SECRETARY :

Mr. Vijay B. Sharma

REGISTERED OFFICE :

4, Lok Bhavan, Ground Floor,

Lok Bharati Complex,

Marol Maroshi Road,

Andheri (E), Mumbai - 400 059

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Letter from the Chairman

Dear Shareholders,

At Lok Housing, we believe that success is all about energy, determination, perseverance and team work, which has not only helped us in our efforts towards mitigating the difficult time, but also prepared us for taking your company into the next level. I sincerely express my gratitude to all stakeholders for reposing their trust and confidence in me and also for extending essential support. This has given me enough confidence to move forward pursuing the vision, mission and principles laid down by the founder Chairman, Late Shri Lalit Gandhi for the company and consolidating our activities.

The overall economic scenario in the last year was not very encouraging. As far as the real estate industry is concerned, after a steady market conditions for couple of years, the last year has once again seen some sluggishness. Also, the process initiated by the Government of Maharashtra for amending the Development Control Regulations has resulted into tremendous delay in granting approvals for various real estate projects in Mumbai and this has also affected your company. I would like to mention that the recent amendments in the Development Control Regulations have brought transparency in the utilisation of Floor Space Index (FSI) in the city of Mumbai. Further, the recent proposal by the State Government to set-up an Housing Regulatory Body is a welcome move and hopefully would bring in greater transparency and accountability in real estate business.

Update on operations

We, at Lok Housing, will continue to focus our efforts to serve the people, meetings their housing aspirations - across all segments, especially the mass and affordable housing segment where the demand for quality homes is most pressing and urgent. Despite the slow down in the market conditions, affordable housing segment still continues to receive encouraging response for booking of flats.

Despite various hurdles, your company has sustained its operations and performance during the last year. I had, in my earlier address to you, mentioned that your company has worked out some joint venture arrangement for the development of Phase-II of Lok Nirman project at Khar and the last phase of Lok Everest project at Mulund. I wish to inform you that we have already obtained necessary permissions for Phase-II of Lok Nirman and have

recently launched the same in Joint venture with Rustomjee Group. In the meanwhile, the company has also launched Phase-III of its popular housing project “Lok Nagari” at Ambarnath in Joint Venture with Sankalp Realty Pvt Ltd and received very encouraging response for booking of flats. The last phase of Lok Everest project is also expected to be launched at the earliest. Launching of these projects has given necessary impetus for accelerating the momentum in our activities, The company is also putting vigorous efforts not only in preserving its existing land bank but also creating value addition to it, which I am sure will result into ensuring sustainability and growth opportunities for the company in the years to come. I am also happy to inform you that the company had earlier settled and paid the entire dues of 20 banks and financial institutions and settlement process with only one remaining bank is expected to be achieved very shortly.

Remaking of Mumbai

The company is making vigorous efforts to promote the socio-economic cause of redevelopment of dilapidated buildings in the Island City of Mumbai and hopeful that the project will take some shape in the current year. Your company has substantial stake in the share holding of Remaking of Mumbai Development Ltd, which is the holding company for Remaking of Mumbai Housing Infrastructure & Finance Ltd (ROMHIF) which is involved in the implementation of redevelopment of dilapidated buildings in the Kalbadevi-Chira Bazar area. Though the commencement of this project may take some more time, but in the long-run, the company may reap immense benefits out of this project.

On a concluding note

Before I conclude, I take this opportunity to thank all our business associates, bankers, creditors, Government of Maharashtra, local governing bodies, and our valued customers for their continued support and co-operation. I would also extend my sincere thanks to the staff members for their support. Dear Shareholders, While expressing my gratitude to you all for your ungrudging support, I assure you that all efforts will be put in to bring back the glory that your company had enjoyed. I am confident that our road map for the future will be bright and a rewarding journey for all of us.

Thank you.

Darshan L. Gandhi

Notice

NOTICE is hereby given that the **27TH ANNUAL GENERAL MEETING** of Lok Housing And Constructions Limited will be held at 4.00 p.m. on Saturday, the **22nd September, 2012** at **M.C. GHIA HALL, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai 400 001** to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Darshan L. Gandhi who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED THAT Shri Sudeep S. Roy who was appointed as an Additional Director with effect from 9th February, 2012 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing candidature of Shri Sudeep S. Roy for the office of a Director, be and is hereby appointed as a Director, liable to retire by rotation.”

By Order of the Board
Sd/-

Place: Mumbai.

Dated: 7th August, 2012.

Vijay B. Sharma
Company Secretary

NOTES FOR MEMBERS' ATTENTION :

1. THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 OF THE NOTICE SET OUT ABOVE, IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 18th September, 2012 to 22nd September, 2012 (both

days inclusive).

5. Shareholders holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with Share Certificates to the Company.
6. Shareholders are requested to bring their copies of Annual Report to the Meeting. Copies of the Annual Report may not be available for distribution to Shareholders at the venue.
7. Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the venue.
8. Members having any queries relating to Annual Report are requested to send their queries at the Registered Office of the Company at least seven days before the date of the Meeting to enable the Management to be prepared with the replies.
9. **NOMINATION OF PHYSICAL SHARES:** Members holding shares in physical form are advised to nominate a person to whom his/her shares in the Company shall vest in the event of his/her death.
10. Members holding shares in dematerialized form are requested to bring their respective Client ID and DP ID Numbers at the venue, for identification.
11. The Company has paid Listing Fee for the Financial Year 2012-2013 to Bombay Stock Exchange Ltd. The Company's shares are listed only on Bombay Stock Exchange Ltd.
12. The Company has paid Annual Custodian Fees for the Financial Year 2012-2013 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
13. The Company's Registrar & Transfer Agents are:
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078.
Tel. No. : 25946970. • Fax No. : 25946969.
E-MAIL: rnt.helpdesk@linkintime.co.in
14. In pursuant to “Go-Green Drive”, Ministry of Corporate Affairs (MCA) Circular no. 17/2011 and 18/2011 dated 21 April, 2011 and 29 April, 2011 respectively and SEBI Circular No. CIR/CFD/DIL/7/2011 dated October 05, 2011, the companies are allowed to send communication to shareholders electronically. The Company welcomes the Green initiative of MCA and SEBI and intends to deliver all documents / communications to its shareholders through email to all those shareholders who have registered their email address for the purpose. We request you to register your email_id with your Depository Participant and/or Registrar & Transfer Agent of the Company i.e. Link Intime India Pvt. Ltd. and kindly update also email_id as and when there is a change in it. Kindly make this joint effort a grand success in the perspective of conservation of healthy environment.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956:**Item No. 4 :**

Shri Sudeep S. Roy has been appointed as an Additional Director on 9th February, 2012 under the provisions of Section 260 of the Companies Act, 1956 read with Article 91 of the Articles of Association of the Company. Shri Sudeep S. Roy vacates such office at 27th Annual General Meeting. However, being eligible, Shri Sudeep S. Roy offers himself for appointment of Ordinary and Independent Director.

The Company has received a notice in writing from a member, under Section 257 of the Companies Act, 1956, together with the requisite deposit signifying his intention, proposing the appointment of Shri Sudeep S. Roy, as candidate for office of the Director, liable to retire by rotation.

The Board hereby recommends resolution vide Item No.4 for approval of the Shareholders.

Except Shri Sudeep S. Roy, none of the other Directors of the Company is concerned or interested in this Resolution.

By Order of the Board

Sd/-

Vijay B. Sharma
Company Secretary

Place: Mumbai.

Dated: 7th August, 2012.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of Listing Agreement) :

(i) Name of Director	Mr. Darshan L. Gandhi
Date of Birth	12 th October, 1973
Age	38 years
Date of Appointment	27 th February, 2007.
Nature of expertise in specific functional areas	Wide and rich experience of core construction activities and related marketing function.
Qualification	B.E. (Civil) from IIT, Mumbai.
Directorships held in other public Companies (excluding foreign companies)	1) Remaking of Mumbai Housing Infrastructure & Finance Ltd. - Chairman 2) LGNC Limited - Chairman 3) Lok Holdings & Constructions Ltd. - Chairman 4) Remaking of Mumbai Development Ltd. - Chairman
Committee position held in other Companies	Member in Audit Committee of Remaking of Mumbai Housing Infrastructure & Finance Ltd.
No. of shares :	
(a) Own	40,125
(b) For other persons on beneficial basis	-
(ii) Name of Director	Mr. Sudeep S. Roy
Date of Birth	9 th September, 1947
Age	64
Date of Appointment	9 th February, 2012
Nature of expertise in specific functional areas	Joined Indian Revenue Service in 1971. Worked in various capacities in the Income -Tax Dept. including Deputy Director(Investigation), Commissioner of Income-Tax. Was on Deputation with Food Corporation of India as CVO Eastern Zone. Finally retired as Chief Commissioner of Income Tax from Kolkata Zone in September 2007.
Qualification	M.A (Modern History), Bachelor In Law, M.B.A(U.K.), PHD(On Public Distribution System)
Directorships held in other public Companies (excluding foreign companies)	—
Committee position held in other Companies	—
No. of shares :	
(a) Own	Nil
(b) For other persons on beneficial basis	Nil

Directors' Report

TO THE MEMBERS

Your Directors hereby present their Twenty-seventh Annual Report on the business operations of the Company along with the audited statement of accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

	Year ended March 31 st	
	2012	2011
Income	2,839.36	2,917.27
Profit / (Loss) before tax	193.20	127.00
Provision for taxation		
a) Current Tax	40.70	25.30
b) Deferred Tax	26.30	30.70
c) Excess Tax Provision of earlier years	—	(30.86)
Net Profit / (Loss) After Tax	126.20	101.86
Add : Balance brought forward	5,289.69	5,187.83
Balance Carried to balance sheet	5,415.89	5,289.69

2. DIVIDEND:

Your Directors do not recommend any dividend for Financial Year ended 31st March, 2012.

3. REVIEW OF OPERATIONS:

The Indian economy witnessed significant ups and downs in the year gone by and the country struggles to remain one of the fastest growing economy in the world. The surging inflation, higher cost of credit rising, global economic prices and raw material costs, prices of crude oil coupled with deficit budget and rising subsidies bill, all have cumulative impact on the economy and same is reflected in the figures of the GDP growth for the current financial year of the country. The challenges poised by global economy in the past such as financial melt-down, down-turn, sub-prime crisis and their effects are the events of the past. The Indian economy has remarkable resilience to accomplish targeted GDP growth

in the coming years.

Since past two years, real estate markets across the world were volatile and uncertain and Indian economy is not exception. However favourable demographics viz., large young employed population and disposable income in their hands are the strong drivers of the Indian real estate market, particularly boost to the residential sector.

While the Company shall continue its broad policy for development of its projects independently, it will also explore joint venture arrangements wherever necessary. In that direction Company has entered into joint venture with Rustomjee Group for development of Phase-II of Lok Nirman Project at Khar, Mumbai and also with Sankalp Reality Pvt. Ltd. for development of Phase-III, Lok Nagari Project at Ambarnath.

In the process all endeavors are being made for value addition to the existing land bank of the Company.

The Company had settled and fully paid dues of 20 Banks and Financial Institutions. The only Bank which is remained to be settled is State Bank of India with whom settlement is expected to be concluded shortly.

“Remaking of Mumbai Housing Infrastructure & Finance Ltd. (ROMHIF) has submitted its proposal to redevelop around 30 acres of land (362 buildings and over 8000 tenements) in the Kalbadevi-Chira Bazar area in ‘C’ Ward of Mumbai. It proposes to demolish these old and dilapidated buildings and in their place construct high rise structure in the ear-marked plots. Your Company has 49% stake in the shareholding of Remaking of Mumbai Development Ltd. which is the holding Company for ROMHIF which intends to develop this Pilot project of 30 acres and then increasing its size to 232 acres in the ‘C’ Ward of Mumbai. In this front, the Management is undeterred in pursuing with the concerned authorities and stakeholders in this realm.

During the year under review, the Company achieved total income of ₹ 2,839.36 lacs as against ₹ 2,917.27 lacs in the previous year. During the year, Company has earned Net Profit after tax of ₹ 126.20 lacs against Net Profit of ₹ 101.86 lacs in the previous year.

4. FIXED DEPOSITS:

The Company has not accepted/renewed any Fixed Deposits during the year under review. The Company had no outstanding Fixed Deposits at the close of the year under review.

5. IN-HOUSE MANUFACTURING ACTIVITIES:

During the year under review, Company has attained turnover of ₹ 141.47 lacs by sale of concrete blocks, against ₹ 168.09 lacs in the previous year.

6. DIRECTORS' RESPONSIBILITY STATEMENT:-

In terms of section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) The directors have 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;
- (iv) The directors have prepared the annual accounts on a going concern basis.

7. CORPORATE GOVERNANCE:

During the year under review, your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance stipulated in Clause 49 of the Listing Agreement have been complied with. A separate Report on Governance along with the Auditors' Certificate on its compliance, forms part of this Report and is annexed hereto.

8. DIRECTORS:

Shri Darshan L. Gandhi, Director of the Company shall be retiring at the ensuing Annual General Meeting and he is eligible, for re-appointment.

Shri Sudeep S. Roy, was appointed as an Additional Director of the Company on 9th February, 2012 under Section 260 of the Companies Act, 1956 and he shall hold office upto the

date of the ensuing Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received together with requisite amount of deposit from a Member, signifying his intention to propose Shri Sudeep S. Roy as Director of the Company at the ensuing Annual General Meeting.

Shri Mayank R. Gandhi resigned as a Director on 12th August, 2011. The Board places on record its appreciation of the services rendered by him during his tenure on the Board.

9. AUDITORS' REPORT :

Notes to the Accounts are self-explanatory and therefore, do not call for any further clarification or explanation with respect to qualifications made by the Auditors in their Report.

10. AUDITORS:

The Company's Auditors, M/s. Bhupendra Shroff & Co., Chartered Accountants, Mumbai will hold office upto the conclusion of the 27th Annual General Meeting and are eligible for re-appointment.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information relating to Conservation of Energy, Technology Absorption etc. pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not provided as the same is not applicable to the Company.

Foreign Exchange earnings are Nil. Outgo on account of traveling expenses and Professional Fees during the year under review are Nil.

12. PARTICULARS OF EMPLOYEES:

During the year under review, there is no employee who was in receipt of remuneration, which, in the aggregate, was not less than the sum prescribed under Section 217(2A) of the Companies Act, 1956. Hence, information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not forming part of this report.

13. PERSONNEL:

The Directors wish to place on record their sincere appreciation for the outstanding contribution and devoted services of employees at all levels of the Company during the year under review.

14. ACKNOWLEDGMENTS:

The Directors acknowledge the valued co-operation and continued support extended to the Company by its Bankers, Financial Institutions and various other lenders. The Directors also place on record their gratitude to various departments of Government of Maharashtra and Government of India and authorities of different Municipal Corporations of Maharashtra, Bombay Stock Exchange Ltd., Securities And Exchange Board of India and the Advisors for their valuable co-operation.

And to you our Shareholders, we are deeply grateful for the confidence and faith which you have always placed in us.

For and on behalf of the Board of Directors

Sd/-

DARSHAN L. GANDHI
Chairman & Managing Director

Place: Mumbai.

Dated: 7th August, 2012.

Corporate Governance Report

(1) Corporate Governance - Philosophy :

The Company's philosophy of Corporate Governance is aimed at the attainment of highest level of transparency and accountability in all facets of its operations and assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations towards all its stakeholders, employees and government.

(2) Board of Directors :

(A) Size and Composition of Board :

The Board of the Company at present comprises of Four Directors out of which, Two are Independent and Non-Executive Directors. The Chairman of the Board is an Executive Director. The constitution of the Board as on 31st March, 2012 is as under:

Name	Executive/Non-Executive/ Independent
Mr. Darshan L. Gandhi	Executive – Chairman & Managing Director
Mr. Chiman J. Sanghavi	Non-Executive, Independent
Mr. Sudeep S. Roy*	Non-Executive, Independent
Ms. Naina M. Shah	Executive

* Mr. Sudeep S. Roy was appointed as Director of the Company on 9th February, 2012.

**Mr. Mayank R. Gandhi, Director of the Company resigned on 12th August, 2011.

(B) Board Meetings held during the Financial Year 2011-2012:

During the Financial Year ended 2011-2012, five Board Meetings were held on 12th May, 2011, 30th June, 2011, 11th August, 2011, 14th November, 2011 and 9th February, 2012. The time gap between any two meetings was less than four months.

Attendance of each Director at the Board meetings, last Annual General Meeting and Number of Directorships in other Companies, and Chairmanship/Membership of Committee of each Director in the Company, and in various companies, are as detailed hereunder :

Name of the Director	Attendance Particulars		No. of directorships and Committee memberships/chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships*	Committee Chairmanships*
Mr. Darshan L. Gandhi	4	Yes	4	2	—
Mr. Chiman J. Sanghavi	4	Yes	—	—	3
**Mr. Mayank R. Gandhi	3	No	—	—	—
Ms. Naina M. Shah	5	Yes	—	1	—
*** Mr. Sudeep S. Roy	—	No	—	2	—

* This excludes Directorships held in Foreign Companies and Private Limited Companies.

** Mr. Mayank R. Gandhi, Director of the Company resigned on 12th August, 2011.

*** Mr. Sudeep S. Roy, was appointed as Director of the Company on 9th February, 2012.

(C) Code of Conduct :

The Board of Directors of the Company have laid down Code of Conduct for all the Members and Senior Management Personnel of the Company for the year under review. All the Directors and Senior Management Personnel have confirmed

their adherence to the provisions of this Conduct. A Declaration to this effect duly signed by Chairman & Managing Director is annexed hereto.

(3) Audit Committee:

Terms of reference :

The terms of reference of the Audit Committee include the matters specified under Clause 49 of the Listing Agreement entered into with the Stock Exchange as well as those in Section 292-A of the Companies Act, 1956 and inter-alia includes the following :

1. Supervision of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to :
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualification in Draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow-up thereon.
9. 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.
10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. 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.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
13. To mandatorily review the following information :
 - a) Management discussion and analysis of financial condition and results of operations.
 - b) Statement of significant related party transactions submitted by the management.
 - c) Management letters / letters of internal control weaknesses.
 - d) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 - e) Internal Audit Reports relating to Internal Control weakness.
14. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Agreement and Companies Act, 1956.

Composition of the Audit Committee:

The Audit Committee comprises of 2 Independent Non-Executive Directors and 1 Executive Director. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee met on 9/5/2011, 27/6/2011, 4/8/2011, 10/11/2011 and 2/2/2012 (Total 5 Meetings).

Details of the composition of the Audit Committee and the attendance at the Meetings held are as follows :

Name	Position	Meetings held	Meetings Attended
Mr. Chiman J. Sanghavi	Chairman	5	5
Mr. Darshan L. Gandhi	Member	5	4
*Mr. Mayank R. Gandhi	Member	5	3
**Mr. Sudeep S. Roy	Member	5	-

* Mr. Mayank R. Gandhi resigned on 12th August, 2011 as Director of the Company and subsequent as a Member of the Audit Committee.

** Mr. Sudeep S. Roy, Director of the Company was appointed as Member of the Audit Committee in place of Mr. Mayank R. Gandhi by the Board at its meeting held on 9th February, 2012.

(4) Remuneration Committee :

The remuneration policy is based on review of achievements on periodical basis which is in consonance with prevalent industry practice. The terms of reference of Remuneration Committee are to review and recommend the remuneration payable to the Managing Director and the Executive Director based on definite performance criteria, subject to the provisions of the Companies Act, 1956 and Schedule XIII of the said Act, approval of the Shareholders, and consent of the Central Government, if any.

The Remuneration Committee comprises of Mr. Chiman J. Sanghavi - Chairman, and Mr. Sudeep S. Roy as Members. Mr. Mayank R. Gandhi, a Member of Remuneration Committee resigned as Director of the Company on 12th August, 2011 and subsequent as a Member of the Remuneration Committee.

Details of Remuneration to the Directors for the year :

The Non-executive Directors do not receive any remuneration except sitting fee @ ₹ 2,000/- and re-imburement of other out-of-pocket expenses for each Board Meeting attended by them.

Details of compensation paid / payable to the Directors for the year ended 31st March, 2012 is as follows:

(Amount in ₹)

Name	Salary	Perquisites & Other Allowances	Sitting Fees	Total
Mr. Darshan L. Gandhi	Nil	Nil	Nil	Nil
Ms. Naina M. Shah	Nil	Nil	Nil	Nil
Mr. Chiman J. Sanghavi	Nil	Nil	8,000	8,000
Mr. Sudeep S. Roy	Nil	Nil	Nil	Nil
Mr. Mayank R. Gandhi	Nil	Nil	6,000	6,000
Total	Nil	Nil	14,000	14,000

(5) Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee, *inter alia*, approves issue of duplicate share certificates, oversees and review all matters connected with share transfer, transmission, etc. The committee also looks into redressal of shareholders complaints, related to share transfer/transmission, non-receipt of share certificates, non-receipt of annual reports, non-receipt of dividend, etc. The Committee oversees the performance of the Registrar & Transfer Agents and recommend measures for overall improvements in the quality of shareholders'/investors' services.

At the beginning of the year, there were no pending investor complaints. During the year, the Company has received 20 requests for change of address, issue of duplicate share certificates, transfer / transmission of shares and other miscellaneous requests. All

the requests have been dealt with appropriately.

The above statistics do not include inquiries initiated through regulatory authority. All inquiries have been properly & timely responded. However, no regulatory communication towards closure of these inquiries have been received by the Company.

Details of the composition of the Shareholders'/Investors' Grievances Committee and the attendance at the Meetings held are as follows :

Name	Position	Meetings held	Meetings Attended
Mr. Chiman J. Sanghavi	Chairman	15	13
Ms. Naina M. Shah	Member	15	15
Mr. Darshan L. Gandhi	Member	15	15

Mr. Vijay B. Sharma, Company Secretary, continues to be the Compliance Officer of the Company.

(6) Management Discussion and Analysis Report :

a) Industry structure and Outlook :

With the liberalization and opening up of the economy, large number of corporate and multinational companies have entered into the housing construction activities. This has been instrumental for the housing construction industry getting more and more organized and structured and as a result, the industry has started adopting new standards in terms of quality, professionalism, timely delivery and after-sales-service. In the changing scenario, even the players in the un-organized sector are compelled to adopt the changes in the industry and therefore the housing industry has become not only competitive but also customer-services oriented, which has enormously benefited the end-user customer and promote long term interest of Housing Industry. Using the latest technology, methods, and providing better service to the clients is become concomitant of the real estate industry.

The change is observed in the current financial year, the shifting in the demand from high cost and large size luxury specification houses to moderate and low profile houses, the new units will be needed over the next decade to meet the demand among middle and lower middle income group and same will be concentrated in 8 to 10 tier II and tier III city in the country and such cities will emerge as growth centre.

Of late, builders and developers are offering schemes of constructing bungalows and row houses in the hinterland of nature as a second home on affordable price with luxurious amenities which is attracting the investors from Tier-I and Tier-II city.

The housing construction industry has also started adopting new design technology for better earthquake resistance. Further, due to improvement in the quality of basic materials as well as introduction of new finishing materials, the overall quality and appearance of the finished products has been improved substantially. The housing construction industry has also started adopting mechanized construction methods which help speedier completion of the projects.

To enhance quality basic comforts, endeavours are made by Builders and Developers to provide in the residential and commercial complex basic necessities such as continuous water supply, un-interrupted electricity, fire-fighters/fire-extinguishers, etc.

b) Strengths, Opportunities, Weaknesses And Threats:

i) Strengths :

- Capability to carry out large scale construction.
- Professional Management.
- In-house set up for architectural designs, project services and marketing.
- Number of options to finance housing and real estate projects such as Initial Public Offering (IPOs), Foreign Direct Investment (FDI), Venture Capital, Private Equity, Alternative Investment Market (AIM).
- Large population base, rising disposable income, rapid urbanization, nucleus families.
- One of the fastest growing real estate markets in the world.

ii) Opportunities :

- Adequate demand for housing, especially in the real user-segment.
- As a parallel development, besides FDI, real estate funds are expected to pump money into the real estate sector.
- Prevalent government policies to encourage and promote housing construction Industry.

- Rapid urbanisation.
- Proposed law to reform the unregulated construction industry, enables the future deals more obvious and transparent, in turn it attracts great deal of capital, particularly from the upper and middle income categories.
- Entrance of real estate mutual funds in the capital market. Simultaneously to spur reforms in the property market.
- The shifting in the demand from big houses to small houses is an opportunity for the Company.
- Witnessing tremendous growth in Tier-I and Tier-II cities.

iii) Weaknesses :

- Housing sector is not accorded the status of an industry.
- Rent Control Act.

iv) Threats :

- Rising prices of basic and ancillary inputs.
- Increased competition due to entry of multinational and other foreign bodies through Foreign Direct Investment route.
- Proposed Bill on reform on unregulated construction and real estate industry may create legal intricacies which lead to market distortion and may discourage inflow of capital in the industry from the enthusiastic entrepreneur.
- Imposition of Vat/Service Tax on sale transaction which increase the cost of the product for the customer.
- Approvals required from multiple agencies are now highly time consuming and circuitous procedures lead to project delays and affect the marketability of the projects.
- Economic slowdown may impact the growth of real estate sector.
- Interest rates and credit squeeze reality sector may create financial bottle-necks in the long run.
- The pressure is on all the factors of cost of production which has cascading effect on the cost of construction.

The general policies either at national level or state level providing sufficient impetus to construction and real estate industry, on-going reforms may prove to be boon for constructions and real estate industry.

c) Outlook :

The experts in housing industry believe that future of the industry is having huge potential to grow.

The housing industry is taking cue for the following positives :

- Increase of urban population in the years to come.
- Development of new urban areas, horizontal growth of Tier II and III cities, and effective utilization of prime land in large Tier I cities.
- Increase in number of middle class families.
- Expected increase in working population.
- Expected increase in income levels.
- Several other factors, such as rising incomes, evolving preferences. Emergence of nucleus families, tax incentives and home loan at competitive rates.
- Demographic and economies reform are driving India's growth. India's work force, on its way to becoming the youngest in the world, is expected to grow continuously over the next three to four decades.

The Company is mainly focusing on construction of mass housing complexes with all basic and social infrastructural facilities with an objective to provide shelter to all segments of the society. The demand for housing in "Actual-user-Segment" is rising in Mumbai and its extended suburbs, where the Company is developing its major housing projects.

d) Risk and Concerns :

Even though, the Company has been so far successful in getting bookings for flats in its various mass housing projects in the initial launch period, after creating the basic infrastructural facilities, the changing trend in the housing sector whereby the customers prefer purchase of ready flats than booking of flats at the ground level is one of the major concern.

In the changed scenario, the Company is necessitated to either ply its financial resources which further squeezes its liquidity position, or hive-off its on-going new projects to other developers for the timely completion of projects. This entails element

of financial risk till the flats are booked. The alternative way is to embrace Joint Venture Model for project.

To contain inflationary elements in the economy, the Government of India and Reserve Bank of India has initiated fiscal and monetary measures. One of them is to increase the rate of interest which has direct impact on the loan disbursement by the Banks and Finance Companies.

VAT and Service Tax added in cost cascading effect in booking of residential and commercial properties. Further Banks and Finance Companies check minutely documents submitted for the disbursement of loans, making the process cumbersome and deter the sanctions of the loans.

e) Internal Control Systems and their adequacy :

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded and reported correctly.

A strong internal audit function and effective Audit Committee of the Board have strengthened the Internal Control within the organisation.

f) Material developments in Human Resources :

In mass housing business activities, role of employees is very vital. The Company's motto is to function economically, achieve the planned target in time and deliver quality products. Economy-Time-Quality aspects are pervasive in all activities of the Company.

As policy, the Chairman frequently conducts meetings of employees to appraise them about future plans of the Company. This provides an open forum for staff to express their views on various matters. It provides valuable feedback to assess opportunities, threats, strengths and weaknesses. The growth and development of the organisation is based on growth and development of human resources though it is long, painstaking process, but it is committed goal of the organisation.

- To bring the competence of the employees, the policy of investing in knowledge, training and development is continued and is being reviewed and followed regularly. Deserving employees are observed minutely and objectively for appreciation in terms of promotions and monetary rewards.

The number of persons directly employed by the Company is 111.

Cautionary Note :

Certain Statements in the Management Discussion and Analysis Report may be forward-looking and are stated as required by applicable laws and regulations. Many factors and variables may affect the actual results which could be different from that the Directors envisage in terms of the future performance and outlook.

(7) Disclosures :

(a) Related party transactions :

Details of related party transactions entered into by the Company are included in the Notes to the Accounts No. 22.11. Such transactions are in the normal course of business and do not have potential conflict in the interests of the Company at large.

(b) Senior Management :

The Senior Management has made disclosures to the Board relating to all material, financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interests of the Company at large.

(c) Accounting Standards :

The Company follows the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.

(d) Risk Mitigation :

The Board periodically reviews the Company's risk profile and the Management plans to mitigate the potential risks.

The sales and project execution policy is liberally designed in such a manner so as to accommodate the new rules in execution of projects and such policy will not be a hurdle in the process of completion of the projects.

The Company has made efforts to boost sales by participating in the trade-fairs and exhibitions.

(e) Mandatory Requirements :

The Company has complied with mandatory requirements as stipulated in Clause 49 of the Listing Agreement.

(f) Adoption of non-mandatory requirements in the Listing Agreement :

The Company has adopted non-mandatory requirements as regards to provisions;

(a) Remuneration Committee

(b) Publication of Quarterly Results in the newspapers.

In respect of the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

(g) Statutory compliance, penalties and strictures :

There has been no instance of non-compliance by the Company on any matter related to capital markets and hence the question of penalties being imposed on the Company by the Stock Exchange or The Securities And Exchange Board of India or any Statutory Authority does not arise.

(8) Secretarial Audit Report :

As stipulated by the Securities And Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Secretarial Audit to 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. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange and is also placed before the Board of Directors. The audit, *inter alia*, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(9) General Body Meetings:

The details as to the timings, date and venue of the last three Annual General Meetings are as follows:

Year	Date	Time	Venue
2009	20th July, 2009	10:30 a.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.
2010	27th September, 2010	4:00 p.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.
2011	26th August, 2011	4:00 p.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001.

There was no resolution requiring use of postal ballots at above mentioned Annual General Meetings. At the ensuing Annual General Meeting, there is no Resolution proposed to be passed through postal ballot.

Special Resolutions passed through the Postal Ballot procedure :

During the financial year 2011-2012, No Special Resolution is passed through Postal Ballot.

Brief Resume of Directors :

A Brief Resume of Mr. Darshan L. Gandhi and Mr. Sudeep S. Roy are given in the accompanying Notice convening the Annual General Meeting of the Company.

(10) Means of Communication :

During the year under review, the quarterly results of the Company are published in 'The Free Press Journal', 'Navshakti' in compliance with the provisions of Clause 41 of the Listing Agreement. As the results of the Company are published in the newspapers. Half-yearly reports are not sent to each household of shareholders. The quarterly results approved at Board Meetings. The proceedings of the Annual /General Meetings are submitted to the Stock Exchange shortly after the conclusion of the meeting. No presentations were made to the institutional investors or to analysts during the year under review.

(11) CEO / CFO Certification :

The CEO / CFO / Senior Manager (Accounts, Finance & Taxation) of the Company have certified to the Board as required under Clause 49(V) of the Listing Agreement.

(12) Shareholders' General Information :
i. Annual General Meeting:
Details of Annual General Meeting :

Day, Date & Time :	Saturday, 22 nd September, 2012 and 4:00 p.m.
Venue :	'M.C. GHIA' Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20, K. Dubhash Marg, Mumbai 400 001.

ii. Financial Year : April to March.

iii. Financial Calendar for 2012-2013 (tentative) :

Financial results for Financial Year 2012-2013	Publication in newspaper
▪ First quarter Results for Quarter ending 30 th June, 2012.	2 nd week of August, 2012
▪ Second quarter Results for Quarter ending 30 th September, 2012.	2 nd week of November, 2012
▪ Third quarter Results for Quarter ending 31 st December, 2012.	2 nd week of February, 2013
▪ Fourth quarter Results for Year ending 31 st March, 2013.	2 nd week of May, 2013

iv. Dates of Book Closure : 18th September, 2012 to 22nd September, 2012 (both days inclusive).

v. Dividend Payment Date : Not Applicable.

vi. Stock Exchanges where listed : Bombay Stock Exchange Limited

vii. Stock Code : (500256)

Demat ISIN No. : INE367C01011.

viii. Stock Market Price Data for the year 2011-2012 :

Month	Bombay Stock Exchange Ltd. *		SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	34.90	24.50	19,811.14	18,976.19
May, 2011	26.00	22.50	19,253.87	17,786.13
June, 2011	23.50	19.70	18,873.39	17,314.38
July, 2011	24.00	19.60	19,131.70	18,131.86
August, 2011	20.35	13.50	18,440.07	15,765.53
September, 2011	18.80	14.60	17,211.80	15,801.01
October, 2011	16.50	14.00	17,908.13	15,745.43
November, 2011	16.70	13.20	17,702.26	15,478.69
December, 2011	14.40	9.05	17,003.71	15,135.86
January, 2012	19.93	9.35	17,258.97	15,358.02
February, 2012	19.95	16.10	18,523.78	17,061.55
March, 2012	18.55	13.00	18,040.69	16,920.61

* Source : Daily stock prices from BSE official website.

ix. Registrar & Transfer Agents : LINK INTIME INDIA PVT. LTD.

Address for correspondence : C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078.

Tel. Nos. : 25946970.

Fax No. : 91-22-25946969.

Email : rnt.helpdesk@linkintime.co.in

The Telephone No. of the

Registered Office of the Company : 40494949

The Fax no. is : 29201727

Email : lokshares@rediffmail.com

x. Share Transfer System

Transfer of Shares in physical form is processed and approved as per provisions of the Companies Act, 1956 and guidelines laid down under Listing Agreement. As per SEBI guidelines, the Company has offered the transfer cum demat facility to the Shareholders so that Shareholders/Transferees can dematerialise their shares. In this regard, the Company has complied with all the rules, regulations

and procedures as prescribed under the law.

Pursuant to SEBI (Depository & Participants) Regulations, 1996, Certificates have been received from a Company Secretary in Practise for dematerialization of the shares and for conducting Secretarial Audit on quarterly basis for reconciliation of the shares/ Share capital of the Company.

The Company also complied with the provisions of the Clause 47 (C) of the Listing Agreement.

xi. Distribution of shareholding as at 31st March, 2012 :

No. of shares	Shareholders		Shareholding	
	Numbers	% to Total Holders	Number of shares	% to Capital
1 - 500	28162	84.98	4200795	8.99
501 - 1000	2416	7.29	1995143	4.27
1001 - 2000	1244	3.75	1924184	4.12
2001 - 3000	429	1.29	1104611	2.36
3001 - 4000	218	0.66	794245	1.69
4001 - 5000	170	0.51	815833	1.75
5001 - 10000	274	0.83	2104188	4.50
10001 & above	227	0.69	33810292	72.32
Total	33140	100.00	46749291	100.00

xii. Shareholding pattern as at 31st March, 2012 :

Category	Number of shares held		Total	
	Physical Shares	Demat Shares	No of Shares	% to Total
Promoters, Directors & their relatives/associates	0	25341886	25341886	54.21
Mutual Funds & UTI	27500	1800	29300	0.06
Banks, FIs., Insurance Companies, * (Central/State Govt., Institutions / Non-Govt. Institutions)	9600	0	9600	0.02
Foreign Institutional Investors	0	5000	5000	0.01
NRIs, OCBs, Foreign Companies, ADRs/GDRs	100	1571585	1571685	3.36
Others	622472	19169348	19791820	42.34
Total	659672	46089619	46749291	100.00

xiii. Break up shares in Physical and Demat form as on 31st March, 2012 :

	No. of Shares	Percentage of shares
Physical Segment	659672	1.41
Demat Segment :		
NSDL	39062226	83.56
CDSL	7027393	15.03
Total	46749291	100.00

xiv. Outstanding GDRs/ADRs/OFIs/FCCBs/Warrants : Nil.

xv. Information about Subsidiary Company : N.A.

- xvi. **Plant Locations** : J-66, Plot No. 256, MIDC, Addl. Industrial Area, Murbad, Thane - 421 401.
- xvii. **Address for correspondence** : Regd. Office : 4, Lok Bhavan, Ground Floor, Lok Bharati Complex, Marol Maroshi Road, Andheri(E), Mumbai 400 059.
Tel. No. : 40494949 | Fax No. : 29201727
- xviii. **Auditors' Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement :**

To

The Members of Lok Housing and Constructions Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Lok Housing And Constructions Ltd. (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and behalf of
Bhupendra Shroff & Co.
Chartered Accountants
Sd/-
B.N. Shroff
Partner
Membership No.: 5039

Place : Mumbai.

Dated : 7th August, 2012.

DECLARATION

I, Darshan L. Gandhi, Chairman & Managing Director of Lok Housing And Constructions Ltd. do hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board for the year ended 31st March, 2012.

For **Lok Housing And Constructions Ltd.**

Place : Mumbai.

Dated : 7th August, 2012.

Sd/-
(Darshan L. Gandhi)
Chairman & Managing Director

Auditors' Report

To The Members of

LOK HOUSING AND CONSTRUCTIONS LIMITED.

We have audited the Balance Sheet of LOK HOUSING AND CONSTRUCTIONS LIMITED as at 31st March, 2012 and the Statement of Profit & Loss of the Company for the year ended on that date annexed there to. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper Books of Account as required by law have been kept by the Company so far as appears from our examination of Books of the Company;
 - c. The Balance Sheet and the Statement of Profit & Loss and Cash Flow statement referred to in this report are in agreement with the Books of Account.
 - d. In our opinion the Balance Sheet, the Statement of Profit & Loss and Cash Flow statement dealt with by this

report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;

- e. On the basis of the confirmations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being appointed as directors of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our knowledge and according to the information and explanation given to us the said Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement read together with the notes there on attached thereto give the information required by the Companies Act, 1956 in the manner so required and, *Subject to provision for interest and other charges payable upon final settlement particularly with State Bank Of India, which is in advance stage of negotiation, the amount thereof being unascertainable.* (See Notes 5.2.1, 5.3.1 and 5.3.2 to Accounts.) give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of the the Statement of Profit & Loss of the Profit of the Company for the year ended on that date and;
 - iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **BHUPENDRA SHROFF & CO.,**

Chartered Accountants

Firm No. 101458W

B. N. SHROFF

Partner

Membership No. 5039

Mumbai,

Date : 7th August, 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph (1) of our Report of even date)

- 1a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1b. As per the information and explanations given to us physical verification of fixed assets has been carried out at regular intervals and we have been informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its fixed assets.
- 1c. During the year, the Company has not disposed of any substantial / major part of fixed assets.
- 2a. As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- 2b. In our opinion and according to the information and explanations given to us the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.
- 2c. The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- 3a. As per the information furnished, the Company has outstanding unsecured advances given aggregating to ₹ 4.72 lacs (previous year ₹ 365.76 lacs) to 1 party (previous year 1 party) listed in the register maintained under Section 301 of the Companies Act, 1956, *the terms of which are prima facie prejudicial to the interest of the Company.*
- 3b. As per the information furnished, the Company has no loans taken (previous year nil) from any party (previous year no party) listed in the register maintained under Section 301 of the Companies Act, 1956, the terms of which are prima facia not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control procedures.
- 5a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- 5b. In our opinion and according to the information and explanations given to us, there are no transactions exceeding the value of ₹ five lacs each which have been made at prices which are unreasonable having regard to prevailing market prices at the relevant time.
6. In our opinion, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the Clause (vi) of the order is not applicable.
7. The Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business. However the same need to be strengthened.
8. As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company. On our verification and as per information and explanation given to us such accounts and records have been made and maintained.
- 9a. According to the information and explanations given to us and the records examined by us, the Company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise-duty, cess and other statutory dues wherever applicable. Undisputed arrears of statutory dues outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable are as under:

Nature of dues	Period	Undisputed Tax Amount (₹ in lacs)
Income tax	F.Y. 2008-09	20.59
Income tax	F.Y. 2010-11	20.82
Mvat Sales Tax	F.Y. 2010-11	0.47
Service Tax	F.Y. 2010-11	1.42

- 9b. According to the records of the Company, dues of sales tax, income-tax, customs, wealth-tax, excise duty, cess (excluding interest) which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Nature of dues	Period	Forum	Disputed Tax Amount (₹ in lacs)
Income tax	F.Y. 2005-06	CIT(A)	11.59
Income tax	F.Y. 2006-07	ITAT	7,568.88
Income tax	F.Y. 2006-07	A.O.	282.00
Income tax	F.Y. 2007-08	CIT (A)	5,936.15
Income tax	F.Y. 2007-08	A.O.	198.00
Income tax	F.Y. 2008-09	CIT(A)	1,045.41
Income tax	F.Y. 2008-09	ITAT	26.46

Please refer to note no. 15.5 of notes to accounts, regarding non provision of interest u/s 220 of the Income Tax Act, 1961.

10. There are no accumulated losses of the Company as on 31st March, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has defaulted in repayment of dues to financial institutions, banks and debenture holders, and as per the Company's records the amount outstanding in this respect are as under:

Sr. No.	Name of Institution / Bank	Amount of due o/s on 31-03-2012 (₹ in lacs)	Over due since
1.	State Bank of India	4,961.59	14-12-2007

For the above purpose we have relied on figures as reflected in the books of account of the Company. The figures as claimed by the Banks / Financial Institutions are not available to us as the same are being disputed.

12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, provisions of any special statute applicable

to chit fund /nidhi / mutual benefit fund/ society are not applicable to the Company.

14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or Financial Institutions.
16. In our opinion and according to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose of which they are obtained.
17. According to the information and explanations given to us and on the basis of an overall examination the balance sheet of the Company, in our opinion no funds raised on short-term basis have been used for long-term investment. Similarly no long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, during the year the Company has converted 22,00,000 optionally convertible share warrants into equity shares at ₹ 40/- per warrant (including a premium of ₹ 30/-) on preferential basis to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the year, the Company has not issued any debentures.
20. According to the information and explanations given to us, during the year the Company has not raised any money by way of public issues.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **BHUPENDRA SHROFF & CO.,**
Chartered Accountants
Firm No. 101458W

B. N. SHROFF
Partner

Mumbai,
Date : 7th August, 2012

Membership No. 5039

Balance Sheet

as at 31st March, 2012

	Note No.	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
EQUITY & LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	"2"	4,674.93	4,454.93
Reserves and Surplus	"3"	16,253.30	15,353.76
Money received against share warrants	"4"	—	333.34
		20,928.23	20,142.03
NON CURRENT LIABILITIES			
Deferred tax liabilities (net)		896.06	869.76
		896.06	869.76
CURRENT LIABILITIES			
Short term borrowings	"5.1"	543.59	579.95
Trade Payables	"5.2"	5,088.87	5,135.27
Other current liabilities	"5.3"	12,186.44	12,989.80
Short term provisions	"5.4"	1,151.50	1,142.46
		18,970.40	19,847.48
	TOTAL	40,794.70	40,859.28
ASSETS			
NON CURRENT ASSETS			
Fixed assets	"6"	102.25	111.49
Non current investments	"7"	832.49	594.01
Long term loans and advances	"8"	2,019.90	1,793.96
Other non-current assets	"9"	34.49	34.49
		2,989.13	2,533.95
CURRENT ASSETS			
Current Investments			
Inventories	"10"	33,345.27	34,011.59
Trade receivables	"11"	2,845.98	2,467.43
Cash and cash equivalents	"12"	377.13	521.20
Short term loans and advances	"13"	1,237.19	1,290.62
Other current assets	"14"	—	34.49
		37,805.57	38,325.33
	TOTAL	40,794.70	40,859.28
SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS			

As per our report of even date attached

 For BHUPENDRA SHROFF & CO.
Chartered Accountants

 B. N. SHROFF
Partner

 Place : Mumbai
Date : 7th August, 2012

On behalf of the Board

 DARSHAN L. GANDHI
Chairman & Managing Director

 VIJAY B. SHARMA
Company Secretary

 NAINA M. SHAH
Executive Director

Statement of Profit and Loss

for year ended 31st March, 2012

	Note No.	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
REVENUE			
Revenue from operations	"16"	2,804.93	2,877.19
Other income	"17"	34.43	40.08
TOTAL REVENUE		2,839.36	2,917.27
EXPENSES			
Cost of sales	"18"	2,569.05	2,357.65
Change in inventories of finished goods	"19"	(4.66)	14.65
Other expense	"20"	32.72	22.03
Depreciation and amortization expense	"21"	49.05	395.94
TOTAL EXPENSES		2,646.16	2,790.27
PROFIT / (LOSS) BEFORE TAX		193.20	127.00
Tax Expense:			
Current tax		40.70	25.30
Deferred tax		26.30	30.70
Excess Tax Provision of earlier year		—	(30.86)
PROFIT / (LOSS) FOR THE YEAR		126.20	101.86
Earning Per Share (EPS)			
– Basic (Face Value per Share Rs. 10/-)		0.270	0.229
– Diluted (Face Value per Share Rs. 10/-)		0.270	0.224
SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS			

As per our report of even date attached
For BHUPENDRA SHROFF & CO.
Chartered Accountants

B. N. SHROFF
Partner

Place : Mumbai
Date : 7th August, 2012

On behalf of the Board

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

VIJAY B. SHARMA
Company Secretary

Cash Flow Statement

for the period ended, 31st March 2012
(Pursuant to amendment to clause 32 of the Listing Agreement)

	Inflow / (Outflow) 31-3-2012 ₹ in Lacs	Inflow / (Outflow) 31-3-2011 ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) After Tax and Extraordinary Items	126.20	101.86
Adjustments for :		
– Depreciation and amortization expense	49.05	395.94
– Profit on Sale of Fixed Assets	(0.08)	(0.08)
– Income Tax (Current Tax)	40.70	25.30
– Income Tax (Excess Provision of earlier years)	—	(30.86)
– Deferred Tax Adjustment	26.30	30.70
	115.97	420.99
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for :		
– Trade and Other Receivables	(325.11)	1,949.23
– Inventories	666.32	(291.71)
– Trade Payables & Other liabilities	(917.78)	(1,799.93)
	(576.57)	(142.41)
CASH GENERATED FROM OPERATIONS	(334.40)	380.45
Direct Taxes Paid	(225.94)	(882.40)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(560.34)	(501.95)
EXTRAORDINARY ITEMS	—	—
NET CASH FROM OPERATING ACTIVITIES	(560.34)	(501.95)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
– Purchase of Fixed Assets	(5.33)	(9.84)
– Sale of Fixed Assets	0.08	0.09
– Purchase of Investments	(238.48)	—
NET CASH USED IN INVESTING ACTIVITIES	(243.73)	(9.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
– Proceeds from issue of Share Warrants (including Premium)	660.00	499.98
NET CASH IN FINANCING ACTIVITIES	660.00	499.98
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(144.07)	(11.72)
CASH AND CASH EQUIVALENTS AS AT 31st, March (Opening Balance)	521.20	532.92
CASH AND CASH EQUIVALENTS AS AT 31st, March (Closing Balance)	377.13	521.20

As per our report of even date attached

On behalf of the Board

For BHUPENDRA SHROFF & CO.
Chartered Accountants

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

B. N. SHROFF
Partner

VIJAY B. SHARMA
Company Secretary

Place : Mumbai
Date : 7th August, 2012

Notes to Financial Statements

as on 31st March 2012

1 ACCOUNTING POLICIES

Basic Accounting :

- 1.1 Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956, except in the case of items which are uncertain in nature and not possible to quantify.
- 1.2 **Revenue Recognition :**
- 1.2.1 The Company, in respect of its construction activity, follows substantial completed contract method of accounting. Under this method profit in respect of units sold is recognised only when the work in respect of the relevant units are substantially completed, which is determined on technical estimates as certified by management. The auditors have relied upon such management certificate.
- 1.2.2 Revenue recognition in respect of transactions for sale of properties / development rights is done on the date of execution of agreement and the same are subject to conclusion of formalities such as conveyance and compliance of applicable legal formalities.
- 1.2.3 Revenue recognition in respect of constructed premises is on the basis of booking done by the prospective customer and the same is subject to execution of registered sale deed under the Maharashtra Ownership Flats Act (MOFA) and payment of consideration.
- 1.2.4 Sales in respect of a particular project is accounted, net of cancellation, during the same accounting period.
- 1.2.5 The completion status of a project at the end of each accounting period, the estimated cost for completion of the construction and development work relating to the units sold, which are considered for profit are estimated on the basis of technical evaluation and are so certified by the management. The auditors have relied upon such management certificate.

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
2 SHARE CAPITAL		
2.1 Authorised Share Capital		
6,50,00,000 Equity Shares of ₹ 10/- each	6,500.00	6,500.00
2,00,00,000 Preference Shares of ₹ 1/- each	200.00	200.00
	6,700.00	6,700.00
2.2 Issued, Subscribed & Paid Up Capital		
4,67,49,291 (Previous Year 4,45,49,291) Equity Shares of ₹ 10/- each fully paid up.	4,674.93	4,454.93
2.2.1 Particulars of movement in Share Capital (no. of shares)		
Equity Share Capital		
– Opening Balance	44,549,291	42,882,691
– Add : Increase due to conversion of share warrants	2,200,000	1,666,600
– Closing Balance	46,749,291	44,549,291
2.2.2 Particulars of movement in Share Capital (Amount in ₹ lacs)		
Equity Share Capital		
– Opening Balance	4,454.93	4,288.27
– Add : Increase due to conversion of share warrants	220.00	166.66
– Closing Balance	4,674.93	4,454.93

- 2.2.3 During the year the Company has converted 22,00,000 (previous year 16,66,600) optionally convertible share warrants into equity shares at ₹ 40/- per warrant (including a premium of ₹ 30/-) on preferential basis to parties and companies covered in the register maintained under section 301 of the Act.
- 2.3 There is no variation, change, restriction or special status to the equity shares issued by the Company. The equity shares have the rights and covenants as prescribed in the Companies Act, 1956.

2.4 Particulars of persons holding more than 5% of Equity shares

Name of the Entity / Shareholder		No. of equity shares held (current year) % of holding	No. of equity shares held (previous year) % of holding
LGNC Limited	(in numbers)	18,827,791	19,227,791
	(in %)	40.27%	43.16%
Saturn Trading Pvt Ltd.	(in numbers)	3,870,800	1,670,800
	(in %)	8.28%	4.64%

- 2.5 During the year under review the Company has not bought back any shares.
- 2.6 Shares reserved for issue under options and contracts/commitments - Nil.
- 2.7 In the period of five years immediately preceding the date of Balance Sheet, the Company has not allotted any shares without payment being received in cash, nor has it issued any shares by way of bonus shares, nor has it bought back any shares, save and except issue of 1,92,27,791 equity shares of ₹ 10/- each fully paid up issued for consideration other than cash on account of Merger-amalgamation of Lok Shelters Ltd. with the Company.
- 2.8 The Company had, in past issued warrants which were convertible in to equity shares. During the year 11,33,400 warrants have lapsed and the application money of ₹ 10/- per warrant is forfeited and transferred to capital reserve. As on the date of Balance Sheet there are no pending warrants.
- 2.9 There are no unpaid calls on the equity share capital of the Company.

	Current Year 31-3-2012 ₹ in Laacs	Previous Year 31-3-2011 ₹ in Laacs
3 RESERVES AND SURPLUS		
Classification in terms of character		
Capital Reserve	1,352.34	1,239.00
Securities Premium	6,723.77	6,063.77
General Reserve	2,761.30	2,761.30
Surplus balance in Statement of Profit and Loss	5,415.89	5,289.69
	16,253.30	15,353.76
3.1 Particulars of movement in Capital Reserve		
– Opening Balance	1,239.00	1,239.00
– Add : Forfeiture of share warrants	113.34	—
– Closing Balance	1,352.34	1,239.00
3.2 Particulars of movement in Securities Premium		
– Opening Balance	6,063.77	5,563.79
– Add : Receipt during the year	660.00	499.98
– Closing Balance	6,723.77	6,063.77
3.3 Particulars of movement in General Reserves		
– Opening Balance	2,761.30	2,761.30
– Add : Appropriation	—	—
– Closing Balance	2,761.30	2,761.30
3.4 Particulars of movement in the Statement of Profit & Loss		
– Opening Balance	5,289.69	5,187.83
– Profit / (Loss) for the year	126.20	101.86
– Closing Balance	5,415.89	5,289.69

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
4 MONEY RECEIVED AGAINST SHARE WARRANTS		
– Optionally Convertible Warrants	—	333.34
4.1 Particulars of movement in Optionally Convertible Share warrants (no. of shares)		
– Opening Balance	3,333,400	5,000,000
– Less : Conversion of share warrants into shares	(2,200,000)	(1,666,600)
– Less : Forfeiture of share warrants on expiry	(1,133,400)	—
– Closing Balance	—	3,333,400
4.2 During the year 11,33,400 warrants were not exercised and have lapsed, consequently application money of ₹ 10/- per warrant is forfeited and transferred to capital reserve.		
5 CURRENT LIABILITIES		
Classification in terms of character		
– Short term borrowings	543.59	579.95
– Trade payables	5,088.87	5,135.27
– Other current liabilities	12,186.44	12,989.80
– Short term provisions	1,151.50	1,142.46
	18,970.40	19,847.48
5.1 Short term borrowings		
5.1.1 Classification in terms of character		
– Loans repayable on demand		
# from banks	243.59	379.95
# from other parties	300.00	200.00
	543.59	579.95
5.1.2 Classification of Short term borrowings in terms of security		
– Secured short term borrowings	543.59	579.95
	543.59	579.95

5.1.3 Secured short term loan from Banks - ₹ Nil (previous year ₹ 95.75 lacs) is taken from UCO Bank. This demand loan facility is repayable on demand and the same is secured by fixed deposits placed with the same bank. The Fixed Deposits are taken out of funds earmarked for payment to customers. The rate of interest on these short term loans is 9.5% pa.

5.1.4 Secured short term loan from Banks - ₹ 243.59 lacs (previous year ₹ 284.20 lacs) is taken from State Bank of India. This overdraft facility is repayable on demand and the same is secured by fixed deposits placed with the same bank. The Fixed Deposits are taken out of funds earmarked for payment to customers. The rate of interest on this short term loans / overdraft facility is 10.5% pa.

5.1.5 The above loans are not personally guaranteed by directors or any other persons. There is no default in repayment of the said loans.

5.1.6 Secured Short Term loans from other parties - ₹ 300 lacs (previous year ₹ 200 lacs) taken from Sankalp Realty Pvt. Ltd. This loan is repayable on demand and the same is secured by premises belonging to M/s. Lok Builders which is a sister concern. The rate of interest on this short term loan is Nil.

5.2 Trade payables

5.2.1 Trade Payables include a sum of ₹ 4,360 lacs (previous year ₹ 4,365 lacs) payable to Mr. Suresh Thanawala and others. This sum is overdue since 15-09-2008 however no provision for interest on delayed payment as per the terms of agreement with Mr. Suresh Thanawala has been made because the Company is under re-negotiation with Mr. Suresh Thanawala and others. The same will be provided as and when the claims are settled and to that extent the Company has Contingent Liability the amount of which is unascertainable. As per the agreement with Mr. Suresh Thanawala and others he has a charge over the Company's property at Turbhe.

		Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
5.3	Other current liabilities		
	Classification in terms of character		
	– Advance from customers	3,089.13	3,253.75
	– Unpaid matured loans - Banks & Financial Institutions	4,961.59	4,580.29
	– Unpaid matured loans - others	735.89	742.83
	– Other payables	3,399.83	4,412.93
		12,186.44	12,989.80

- 5.3.1 Unpaid matured loans - Banks & Financial Institutions amounting to ₹ 4,961.59 lacs (previous year ₹ 4,580.29 lacs) is due to State Bank of India. The same is secured by mortgage of immovable property belonging to the Company situated at Turbhe, Ambarnath and Lok Sarita (Andheri). Provision for interest due on this loan has been made at 14% p.a. being the last contractual rate of interest. No provision is being made for interest on unpaid interest as also for any penal interest and other charges. The loan is over due since 14-12-2007.
- 5.3.2 The balance in the above mentioned loan of State Bank of India as per the Company's books of accounts as on 31-03-2012 is ₹ 4,961.59 lacs (previous year ₹ 4,580.29 lacs) (including interest provision of ₹ 2,238.02 lacs (previous year ₹ 1,856.72 lacs). This balance is based on the settlement arrived at with the Bank vide its letter dated 14th June 2006. As per the said settlement the entire dues to the Bank was to be paid off by 14th December, 2007 to which the Company has not adhered. The Company is in continuous dialogue with the Bank to settle the dues. The Company has not received any formal notice terminating the settlement. The Company has also not received any balance confirmation from the Bank. As per the legal advice received by the Company, the settlement agreement dated 14th June 2006 is valid, subsisting and binding on the parties till date. In view of the facts as mentioned herein it is not possible to ascertain whether the Bank has withdrawn the concessions granted in the settlement of 14th June 2006. Accordingly the final liability towards this Bank loan is not ascertainable. The Company has to that extent unascertainable contingent liability towards any additional claim which may be made by the Bank against this loan liability or also towards withdrawal of any concessions granted vide settlement terms dated 14th June 2006.
- 5.3.3 Unpaid matured loans - Others, represents defaulted loans taken by the Company. These loans are unsecured. These loans are overdue since 1998-99. The Company has provided interest @18% p.a. on outstanding principal loans. The Company has defaulted in repayment of Unpaid matured loans - Others, taken from various parties, the outstanding principal loan is ₹ 175.27 lacs (previous year ₹ 177.77 lacs) and outstanding interest is ₹ 550.17 lacs (previous year ₹ 520.51 lacs) .
- 5.3.4 Unpaid matured loans - others includes Hire Purchase Finance ₹ 10.44 lacs (previous year ₹ 44.55 lacs), secured by hypothecation of leased assets. These were originally secured against leased assets in respect of which lease term have expired and asset retained by lessees.
- 5.3.5 The Company is in the process of restructuring and renegotiating its outstanding unsecured loans. Consequently provision for interest due on the outstanding unsecured loans has been made on simple interest basis at rate which is consistent with the trend at which other unsecured loans are restructured and renegotiated, and not at the original /last contracted rate of interest, further no provision for interest is being made on the unpaid interest amount. On account payments made by the Company to its lenders are first apportioned towards unpaid principal, instead of unpaid interest, without the consent of the lenders, this practice would result in to reduction in provision for probable interest liability.
- 5.3.6 The Company in the past has entered into settlement with several lenders. The Company has failed to meet its commitment in respect of one its lender, Ranbaxy Laboratories Ltd. The agreed liability in respect of Ranbaxy Laboratories Ltd., as reflected in the Books of Accounts of the Company is ₹ 60 lacs (previous year ₹ 60 lacs). The waiver of interest liability in terms of the settlement with Ranbaxy Laboratories Ltd amounting to ₹ 21.77 lacs was credited to Work in Progress account. In the opinion of the Company the revised liabilities as per the settlement with this lender is still valid and subsisting as the Company has not received any legal notice for termination of the settlement from the concerned Lenders.
- 5.3.7 In case of disputed /defaulted loans taken by the Company, provision for interest due on the outstanding secured loans has been made at the last contractual rate of interest. No provision is being made for interest on unpaid interest as also for any penal interest and other charges.

- 5.3.8 The Company has obtained legal advise that the overdue bills discounted amounts and the construction loans received from customers are not considered as Deposits in terms of section 58A of the Companies Act, 1956. Accordingly they are classified as other payables under current liabilities.
- 5.3.9 The balances in overdue secured and unsecured loans are subject to confirmation. The management has been advised that for tactical reasons not to obtain confirmations from its lenders as the same would impact the negotiation position of the Company. The Company has also requested the auditors not to directly write to the lenders to obtain confirmations. The auditors have relied on the judgment of the management in this regard.

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
5.4 Short term provisions		
Classification in terms of character		
– Provision for employee benefits	133.53	149.40
– Others		
# Provision for taxation	1,017.97	993.06
	1,151.50	1,142.46

- 5.5 The balances in trade payables, secured and unsecured loans are subject to confirmation. During the year under review balances in the accounts of the several trade payables and other current liabilities have been written off, as in the opinion of the management the same are no longer payable. The auditors have relied on the judgment of the management in this regard.
- 5.6 The provision for tax for the year is made considering the provision of Minimum Alternative Tax (MAT). While working out the provision of tax it is assumed that the claim made by the Company during financial year 2006-07 and 2007-08, though rejected at original assessment level, will be upheld and decided in favour of the Company, resulting in the Company's eligibility to set off losses returned in those years. If the tax dispute of financial year 2006-07 and 2007-08 are finally not decided in favour of the Company then the provision for tax for the year will be higher by ₹ 229 Lacs (previous year ₹ 56 lacs) and the resulting profit after tax lower by similar amount.

6. FIXED ASSETS

₹ in Lacs

Classification	Gross Block			Depreciation / Amortisation				Net Block	
	As at 31-03-11	Addition/ (disposal)	As at 31-03-12	As at 31-03-11	Deletion / Disposal	For the year	As at 31-03-12	As at 31-03-12	As at 31-03-11
Land	28.89	—	28.89	—	—	—	—	28.89	28.89
Building	172.08	—	172.08	135.93	—	3.45	139.38	32.70	36.15
Plant & Equipment	96.71	2.27	98.98	83.02	—	2.20	85.22	13.76	13.69
Furniture & Fixtures	43.10	—	43.10	35.98	—	1.29	37.27	5.83	7.12
Vehicles	29.43	—	29.43	22.76	—	2.00	24.76	4.67	6.67
Office Equipments	75.51	0.85	76.36	65.24	—	1.48	66.72	9.64	10.27
Others- Computers	196.51	(7.44)	189.07	187.81	9.64	4.14	182.31	6.76	8.70
Total	642.23	(4.32)	637.91	530.74	9.64	14.56	535.66	102.25	111.49
Previous year	2,369.18	(6.40)	2,362.78	1,906.07	16.23	361.45	2,251.29	111.49	463.11

- All Fixed Assets are stated at cost of acquisition less accumulated depreciation.
- Depreciation on fixed assets has been provided under Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- Depreciation on additions to fixed assets has been charged from the date when they were first put to use.
- The Company does not have any intangible assets or Capital work in progress.
- The Company has nether given nor taken any assets under financial or operating lease.

- 6 The Company has not acquired any fixed assets through business combinations.
7 There has been no revaluation / reduction in any fixed assets during the immediately preceding five years.
8 No borrowing cost is being capitalised to Fixed Assets in accordance with AS 16.
9 No adjustment on account of fluctuation in foreign currencies have been effected to Fixed Assets in accordance with AS 11.

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
7 NON CURRENT INVESTMENTS		
7.1 Classification in terms of character		
– Investment in Equity Instruments	594.01	594.01
– Investment in Joint Venture	238.48	—
	832.49	594.01
7.2 Particulars of Investment in equity instruments		
Unquoted		
Trade Investments		
(In Associate's and Group concerns)		
– 10,00,000 shares (10,00,000) Lok Realty Corporation Ltd. (Face value ₹ 10/- each)	100.00	100.00
– 200 shares (200) Lok Estate & General Maintenance Ltd. (Face value ₹ 10/- each)	0.02	0.02
– 8,000 shares (8000) Shangri-la Golf & Health Resorts Pvt. Ltd. (Face value ₹ 10/- each)	0.80	0.80
– 1,96,000 shares (1,96,000) Remaking of Mumbai Development Ltd. (Face value ₹ 10/- each)	492.94	492.94
Non-trade Investments		
(In other concerns)		
– 1,012 shares (1,012) The Shamrao Vithal Co.op Bank Ltd. (Face value ₹ 25/- each)	0.25	0.25
	594.01	594.01
7.3 Particulars of Investment in joint venture		
Trade Investments		
(In Joint Venture)		
Share in Lok Nagari Developers- a joint venture (AOP) formed to develop a property at Ambernath	238.48	—
	238.48	—
7.4 Classification in terms of Nature		
– Non Trade	0.25	0.25
– Trade Investment	832.24	593.76
	832.49	594.01

- 7.5 All the above shares are fully paid up and the Company has no further obligations towards them.
7.6 Investments are valued at their respective cost of acquisition.
7.7 Of the above investments, except investment in The Shamrao Vithal Co. Op. Bank Ltd., other investment are in companies under same management / group companies.
7.8 Aggregate amount of un-quoted investments - ₹ 832.49 lacs (previous year ₹ 594.01 lacs).
7.9 Aggregate amount of provision for diminution in value of investments ₹ Nil.

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
8 LONG TERM LOANS AND ADVANCES		
8.1 Classification in terms of character		
– Other loans and advances	2,019.90	1,793.96
	2,019.90	1,793.96

8.2 All the above long term loans and advances are unsecured and considered good for recovery.

8.3 Long term loans and advances include ₹ Nil due from directors and other officers of the Company or entities in which directors and other officers of the Company are interested.

9 OTHER NON CURRENT ASSETS		
9.1 Classification in terms of character		
– Others (- as specified)	34.49	34.49
	34.49	34.49

9.2 All the above non-current assets are unsecured and considered good for recovery.

9.3 Other non-current assets include ₹ Nil due from directors and other officers of the Company or entities in which directors and other officers of the Company are interested.

9.4 Other Non-current assets include -		
– Unamortised Expenses - Miscellaneous Expenses	34.49	34.49
	34.49	34.49

10 INVENTORIES		
10.1 Classification in terms of character		
– Raw materials	46.02	102.25
– Raw materials (C&BP)	13.67	13.97
– Work in progress	33,206.34	33,820.79
– Finished goods (C&BP)	26.13	21.47
– Stock in trade (Completed units)	53.11	53.11
	33,345.27	34,011.59

10.2 Inventory is valued at lower of market value or cost of acquisition. All direct expenses in respect of acquisition and clearance of title of such inventory are included in the cost of such inventory.

10.3 Construction materials are valued at cost.

10.4 Work in progress are valued at costs, consisting of land development rights, construction, development, administration, marketing and finance expenses or market value whichever is lower. For this purpose items of the same project are compared in totality.

10.5 Finished goods are valued at cost consisting of land development rights, construction, development, administration, marketing and finance expenses or market value whichever is lower. For this purpose items of the same project are compared in totality.

10.6 The Company has undertaken an exercise to evaluate the impairment of each inventory. On the basis of such exercise, the management is of the opinion that all the inventories which are carried over in the Balance Sheet are at their full realizable value. The auditors have relied on the judgment of the management as to the impairment of inventories.

		Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
11	TRADE RECEIVABLES		
11.1	Classification in terms of character		
	– Aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for payment	1,791.57	1,871.79
	– Others	1,054.41	595.64
		2,845.98	2,467.43

11.2 All the above trade receivables are unsecured, but considered good for recovery.

11.3 Trade receivables include ₹ 830 lacs (previous year ₹ Nil) due from directors and other officers of the Company or entities in which directors and other officers of the Company are interested.

11.4 The balances in receivables are subject to confirmation. The management is of the opinion that all the receivables reflected in the financial statements are fully realizable and that there is no impairment in them. During the year under review balances in the accounts of the several receivables have been written off because in the opinion of the management the same are no longer receivable. The auditors have relied on the judgment of the management in this regard.

11.5 Amount of provision for doubtful debts ₹ Nil.

12	CASH AND CASH EQUIVALENTS		
12.1	Classification in terms of character		
	– Balances with banks	36.75	69.06
	– Cash on hand	9.48	6.87
	– Others - Fixed Deposits with bank	330.90	445.27
		377.13	521.20
12.2	The above includes		
	– Balances with banks to the extent held as margin money or security, against short term loans from banks	330.90	445.27

12.3 Fixed deposit with Bank Includes deposits of ₹ 270.32 lacs (previous year ₹ 176.58 lacs) with maturity of more than 12 months.

13	SHORT TERM LOANS AND ADVANCES		
13.1	Classification in terms of character		
	– Loans and advances to related parties	4.72	365.76
	– Other loans and advances	1,232.47	924.86
		1,237.19	1,290.62

13.2 All the above short term loans and advances are unsecured, but considered good for recovery.

13.3 The above short term loans and advances given are without interest.

13.4 Short term loans and advances include ₹ 4.72 lacs (previous year ₹ 365.76 lacs) due from entity in which directors of the Company are interested.

14	OTHER CURRENT ASSETS - Misc Exp. to the extent not written off		
14.1	Classification in terms of character		
	– Others (as specified)	—	34.49
		—	34.49
14.2	Other Current assets include -	—	34.49
	– Unamortised Expenses - Miscellaneous Expenses	—	34.49

		Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
15	CONTINGENT LIABILITIES AND COMMITMENTS		
15.1	Contingent Liabilities		
	– Claims against the Company not acknowledged as debt	See notes below	See notes below
	– Guarantees	—	—
	– Others	—	—
15.2	Commitments		
	– Estimated amount of contracts remaining to be executed on capital account and not provided for	—	—
	– Uncalled liability on shares and other investments which are partly paid.	—	—
	– Others	—	—
		—	—
15.3	In respect of all the loans, secured and unsecured, (which are not re-negotiated) no provision has been made for compound interest and penal interest. The same will be accounted for on final settlement of the accounts with the lenders. To that extent Company has Contingent Liability which is unascertainable.		
15.4	No provision has been made in respect of contractual delays, lapses and defaults committed by the Company in respect of various contracts in the course of business. These delays, defaults and lapses are generally accepted to occur in the real estate development business and generally settled amicably by the parties. No provision for any probable / additional cost, compensation or penalties are being made by the Company, to that extent the Company has a Contingent Liability, which is unascertainable.		
15.5	The Company has received demand from the Income Tax Department for ₹ 75.69 crores and ₹ 59.36 crores in respect of financial year 2006-07 and 2007-08 respectively. The Company has disputed the above demands and the matter is pending at appellate stage with appropriate authorities. Since the matter is disputed the Company has not provided for these liabilities in its books, to that extent the Company has a Contingent Liability. The above figure does not include interest payable u/s. 220 of the Indian Income Tax Ac, 1961, which will be concluded depending on the outcome of the appeal as well at the point of time when the outcome is decided and taxes paid by the Company, to that extent the Contingent Liability is unascertainable.		
15.6	The Company is in dispute with the Income Tax department on several counts, these disputes pertain to different accounting periods and are pending before different appellate authorities. The aggregate demand raised by the Income Tax department for which disputes are pending is ₹ 150.69 crores, against these disputed demand the Company has provided liability to the extent of ₹ 6.64 crores. The balance contingent liability of ₹ 144.05 crores is not provided for.		
15.7	Attention is also invited on Note numbers 5.2.1 and 5.3.2 to arrive the total picture of contingent liabilities.		
16	REVENUE FROM OPERATIONS		
	– Sale of Projects /Properties	2,609.26	2,720.73
	– Sale of Products (C&BP Division)	141.22	167.84
	– Other operating revenues	54.45	(11.38)
		2,804.93	2,877.19
17	OTHER INCOME		
	– Interest Income	34.43	40.08
		34.43	40.08
18	COST OF SALES		
	– Construction Division	2,356.64	2,190.44
	– C& BP Division	212.41	167.21
		2,569.05	2,357.65

		Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
18.1	CHANGE IN INVENTORIES OF WORK IN PROGRESS AND COST OF SALES (Construction Division)		
	– Opening inventory of finished goods, work in progress and stock in trade	33,820.79	33,563.40
	– Add: Expenses Incurred during the year		
	Land / Land related expenses	349.87	502.41
	Development & Construction Expenses	20.47	547.97
	Administration Expenses	758.52	627.15
	Marketing Expenses	107.40	278.68
	Finance Expenses	505.93	491.62
		35,562.98	36,011.23
	– Less: Closing inventory of finished goods, work in progress and stock in trade	33,206.34	33,820.79
		2,356.64	2,190.44
18.1.1	LAND/LAND RELATED EXPENSES		
	– Land/Land Development Rights	8.88	35.00
	– Land Related Expenses	340.99	467.41
		349.87	502.41
18.1.2	DEVELOPMENT & CONSTRUCTION EXPENSES		
	– Materials Consumed :		
	– Opening Stock of Materials	102.25	105.45
	– Add: Purchases during the year	100.07	137.23
		202.32	242.68
	– Less: Closing stock of raw material	46.02	102.25
		156.30	140.43
	– Labour cost	206.67	200.56
	– Other Construction Expenses	168.83	161.23
	– Add/(Less) : Provision for Cost to complete substantially completed Units (Net of Opening & Closing)	(511.33)	45.75
		20.47	547.97
18.1.3	ADMINISTRATION EXPENSES		
	– Salaries and Wages	298.75	316.15
	– Contribution to Provident and other funds	37.25	25.80
	– Staff Welfare Expenses	4.78	3.67
	– Services & Professional Fees	315.84	210.11
	– Travelling & Conveyance	15.65	10.58
	– Electricity Charges	11.86	15.94
	– Postage, Telegram & Telephone	5.11	6.27
	– Printing & Stationery	7.95	9.87
	– Insurance	0.81	0.67
	– Repairs & Maintenance	13.87	12.28
	– Miscellaneous Expenses	46.65	15.81
		758.52	627.15

	Current Year 31-3-2012 ₹ in Lacs	Previous Year 31-3-2011 ₹ in Lacs
18.1.4 MARKETING EXPENSES		
– Advertisements and Sales Promotion Expenses	107.40	278.68
	107.40	278.68
18.1.5 FINANCE EXPENSES		
– Interest expense	505.93	491.62
	505.93	491.62
18.2 COST OF SALES (C&BP DIVISION)		
– Consumption of Raw Materials	159.12	122.54
– Other Manufacturing Expenses	25.33	21.57
– Administration & Selling Expenses	27.49	22.46
– Finance Charges	0.47	0.64
Total Cost of Sales - C&BP Division	212.41	167.21
19 CHANGE IN INVENTORIES OF FINISHED GOODS		
– Opening inventory of finished goods (C&BP Division)	21.47	36.12
– Less: Closing inventory of finished goods (C&BP Division)	(26.13)	(21.47)
	(4.66)	14.65
20 OTHER EXPENSE		
– Listing Fees & filing fees	1.97	1.11
– Donation	15.75	12.10
– Auditors Remuneration	14.05	8.27
– Miscellaneous expenses	0.95	0.55
	32.72	22.03
21 DEPRECIATION AND AMORTISATION EXPENSES		
– Depreciation	14.56	17.34
– Preliminary Expenses Written off	34.49	34.49
– Goodwill Amortised	—	344.11
	49.05	395.94
22 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE VI		
22.1 Particulars of Raw Materials consumed		
A. Construction Division		
– Cement	17.71	31.97
– Steel	6.47	7.51
– Others	132.12	100.95
Total	156.30	140.43

		31-3-2012 ₹ in Lacs	31-3-2011 ₹ in Lacs
	B. Cement & Building Production Division		
	– Cement	58.50	54.70
	– Sand	22.08	4.82
	– Metal	14.98	16.18
	– Grit	63.56	46.84
	Total	159.12	122.54
22.2	Particulars of Production		
	A. Cement & Building Production Division		
	– 125 mm Solid	12.59	8.36
	– 140 mm Solid	90.66	100.50
	– 190 mm Solid	20.56	37.56
	– 90 mm Solid	28.25	13.90
	Total	152.06	160.32
22.3	Particulars of Inventories		
	Raw Materials		
	A. Construction Division		
	– Cement	0.59	0.97
	– Steel	2.30	3.50
	– Others	43.13	97.78
	Total	46.02	102.25
	B. Cement & Building Production Division		
	– Cement	0.82	2.13
	– Sand	1.42	—
	– Metal	0.85	0.52
	– Grit	0.50	1.29
	– Others	10.08	10.03
	Total	13.67	13.97
	Work in Progress		
	– Land Development Rights, Construction, Development, Administrative Marketing and Finance Expenses	33,206.34	33,820.79
	Total	33,206.34	33,820.79
	Finished Goods		
	A. Construction Division		
	– Completed Units	53.11	53.11
	Total	53.11	53.11

		31-3-2012 ₹ in Lacs	31-3-2011 ₹ in Lacs
	B. Cement & Building Production Division		
	– 250 mm Hollow	0.06	0.06
	– 190 mm Solid	2.29	6.50
	– 140 mm Hollow	0.24	0.24
	– 140 mm Solid	12.13	6.35
	– 125 mm Solid	2.90	2.04
	– 90 mm Solid	3.02	0.23
	– Uni Paver	0.09	0.09
	– Uni Paver half	0.01	0.01
	– Broken blocks	5.39	5.95
	Total	26.13	21.47
22.4	Particulars of Sales		
	A. Construction Division		
	– Residential Units and development Rights	2,609.26	2,720.73
	– Other recoveries and operating income	48.17	(16.64)
	Total	2,657.43	2,704.09
	B. Cement & Building Production Division		
	– 190 mm Solid	22.09	30.96
	– 140 mm Solid	83.98	107.11
	– 125 mm Solid	11.42	6.40
	– 90 mm Solid	23.32	23.58
	– Broken blocks	0.66	0.04
	– Other recoveries and operating income	6.28	5.26
	Total	147.75	173.35
22.5	Particulars of Imported and Indigenous consumption		
	– Consumption of Indigenous raw material, spares and components	315.42	262.97
	– Consumption of Imported raw material, spares and components	—	—
	Total Value of consumption	315.42	262.97
	– Percentage of consumption of Indigenous raw material, spares and components to total consumption	100.00%	100.00%
	– Percentage of consumption of Imported raw material, spares and components to total consumption	—	—
		100.00%	100.00%
22.6	Expenditure in Foreign Currency	—	—
22.7	Earnings in Foreign Currency	—	—

	31-3-2012 ₹ in Lacs	31-3-2011 ₹ in Lacs
22.8 Payments to the auditor		
– As auditors	8.43	5.52
– For taxation matters	2.81	1.65
– For other services	2.81	1.10
Total	14.05	8.27
22.9 Managerial Remuneration		
Remuneration to directors in accordance with the conditions specified in the schedule XIII of the Companies Act,1956, Rs. Nil (Previous year Rs. Nil).		
	Year Ended 31-03-2012 ₹ in Lacs	Year Ended 31-03-2011 ₹ in Lacs
22.10 Segment Information		
1. Segment Revenue		
(net sale/ income from each segment should be disclosed under this head)		
a) Construction & Real Estate Development	2,609.26	2,720.73
b) Cement Product Division	141.47	168.09
Total	2,750.73	2,888.82
Less: Inter segment revenue	0.25	0.25
Net sales/ income from operations	2,750.48	2,888.57
2. Segment Results		
(Profit (+)/ (Loss) (-) before tax and interest from each segment)#		
a) Construction & Real Estate Development	978.75	501.19
b) Cement Product Division	(66.45)	(15.19)
Total	912.30	486.00
Less: i) Interest **	720.81	377.05
Add : i) Other un-allocable income net off unallocable expenditure	1.71	18.05
Total Profit Before Tax	193.20	127.00
# Profit/ (Loss) before tax and after interest in case of segments having operations which are primarily of financial nature.		
** Other than the interest pertaining to the segments having operations which are primarily of financial nature.		
3. Capital Employed ***		
(Segment assets- Segment Liabilities)		
a) Construction & Real Estate Development	20,957.31	20,299.30
b) Cement Product Division	34.50	118.49
c) Unallocated	832.49	594.01
Total	21,824.30	21,011.80
*** Capital Employed is inclusive of Long Term Debts		

22.11 Related party disclosure

List of related parties and relationships

- a **Key Management Personnel** Mr. Darshan L. Gandhi
Ms. Naina M. Shah
- b **Relative of Key Management Personnel** Ms. Rajani L. Gandhi
Ms. Shraddha D. Gandhi
Late Mr. Lalit C. Gandhi
Mr. Tarak L. Gandhi
- c **Associates** LGNC Ltd.
Lok Realty Corporation Ltd.
Remaking of Mumbai Development Ltd.
Saturn Trading Pvt. Ltd.
Lok Builders
Lok Nagari Developers
Lok and Jaydeep

Transactions with related parties during the year and balances as on 31st March, 2012.

(₹ in Lacs)

Nature of Transactions	Ref in (a)	Ref in (b)	Ref in (c)	Total
PURCHASES				
SALES	—	—	1,093.48	1,093.48
INCOME				
Other Service charges	—	—	5.72	5.72
EXPENSES				
Remuneration	—	2.70	—	2.70
INVESTMENTS				
Investment in JV	—	—	238.48	238.48
OUTSTANDING				
Payables	8.10	173.70	56.00	237.80
Receivables	—	—	830.00	830.00
Loans and advances	—	—	4.72	4.72

23 Previous year figures are re-grouped and re-classified wherever necessary.

As per our report of even date attached

For BHUPENDRA SHROFF & CO.
Chartered Accountants

B. N. SHROFF
Partner

Place : Mumbai
Date : 7th August, 2012

On behalf of the Board

DARSHAN L. GANDHI
Chairman & Managing Director

NAINA M. SHAH
Executive Director

VIJAY B. SHARMA
Company Secretary



LOK HOUSING AND CONSTRUCTIONS LTD.

Registered Office : 4, Lok Bhavan, Ground Floor, Lok Bharati Complex,
Marol Maroshi Road, Andheri (E), Mumbai 400 059.

7th August, 2012

Dear Shareholder(s),

Sub : Green Initiative of Ministry of Corporate Affairs- Registration of E-mail address.

As a responsible corporate citizen, the Company supports the 'Green Initiative' taken by the Ministry of Corporate affairs (MCA) vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. SEBI has also issued Circular No. **CIR/CFD/DIL/7/2011 October 05, 2011** on similar lines to support to "Green Initiative- Drive" In terms of the said Circulars, the Company will henceforth effect electronic delivery of documents including Annual Reports, Notice of Meeting etc. to the Members at the e-mail address registered for this purpose.

For supporting the above 'Green Initiative'

Please intimate your email address to your DP and/or Company's R & T Agent. The same will be deemed to be your registered email address for sending Annual Reports, Notices, and other official documents etc. electronically to the Members.

In absence of the Registered email address on the records of DP and/ or Company's R & T Agent, Physical Copy of Annual Reports, Notices /Documents will be delivered to you as per current practice as followed under applicable laws, rules and regulations.

Please also note that the Annual Report and other documents which are sent electronically to shareholders will also be displayed on the Company's website www.lokhousing.com

Registrar & Transfer Agents:

Link Intime India Pvt. Ltd

Unit : Lok Housing And Constructions Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai – 400 078

Tel : 25946970 • Fax : 91-22-25946969

E-mail : rnt.helpdesk@linkintime.co.in

For LOK HOUSING AND CONSTRUCTIONS LIMITED

Sd/-

Vijay B. Sharma

Company Secretary

LOK HOUSING AND CONSTRUCTIONS LTD.

Registered Office : 4, Lok Bhavan, Ground Floor, Lok Bharati Complex,
Marol Maroshi Road, Andheri (E), Mumbai 400 059.



Attendance Slip

To be handed over at the entrance of the Meeting venue

Name of the Member(s) 1) _____ Folio No. : _____ No. of Shares held _____
2) _____ Dp Id* No.: _____ Client Id* No.: _____

In the case of Proxy, Name of Proxy _____
I hereby record my presence at the **TWENTY-SEVENTH ANNUAL GENERAL MEETING** at **'M.C. GHIA HALL**, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai 400 001' at 4:00 p.m. on Saturday, the 22nd September, 2012.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Notes : 1) Member/Joint Members are requested to bring the attendance slip with them.
* 2) Applicable to the Members whose shares are held in dematerialised form.



LOK HOUSING AND CONSTRUCTIONS LTD.

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Proxy Form

Name of the Member(s) 1) _____ Folio No. : _____ No. of Shares held _____
2) _____ Dp Id* No.: _____ Client Id* No.: _____

I/We _____

being a Member/Members of LOK HOUSING AND CONSTRUCTIONS LTD., hereby appoint _____ of _____

(or failing him / her) _____ of _____

(or failing him / her) _____ of _____

as my / our Proxy to attend and vote for me/us and on my/our behalf at the Twenty-seventh Annual General Meeting of the Company to be held at 4:00 p.m. on Saturday, the 22nd September, 2012.

Signed this _____ day of _____, 2012
Signed by the said _____ of _____

Affix Re. 1
Revenue
Stamp

NOTE (S) :

1. The proxy need NOT be a member.
2. The proxy form signed across revenue stamp should reach Company's registered office at least 48 hours before the scheduled time of meeting.
3. Company reserve the right to ask for identification of the proxy.
4. Proxy cannot speak at the meeting or vote on a show of hands.

Book-Post



If undelivered return to:

Lok Housing And Constructions Limited
4, Lok Bhavan, Lok Bharati Complex,
Marol Maroshi Road, Marol,
Andheri (East), Mumbai 400 059