

Annual Report 2012-13

Building Momentum



Lok Housing And Constructions Limited

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Board Of Directors

MR. DARSHAN L. GANDHI

Chairman & Managing Director

MS. NAINA M. SHAH

Executive Director

MR. CHIMAN J. SANGHAVI

Independent Director

MR. SUDEEP S. ROY

Independent Director

AUDITORS :

M/s. BHUPENDRA SHROFF & CO.

Chartered Accountants

LEGAL ADVISORS :

M/s. PRAVIN MEHTA AND MITHI & CO.

M/s. UDWADIA UDESHI & ARGUS PARTNERS

BANKERS :

State Bank of India

UCO Bank

Union Bank of India

COMPANY SECRETARY & COMPLIANCE OFFICER :

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,

I would like to extend a warm welcome to each one of you to the 28th Annual General Meeting of our company. Looking back, I feel happy that the measures adopted by the company, over the last couple of years, are showing positive results towards the turn-around.

As you all know, the overall economic scenario has not been very positive, and real estate sector is not an exception. However, the actual user segment is not much affected. Since company's projects are located on prime and desired locations in the Central and Western suburbs, the company has been able to get encouraging response for booking of flats in its projects, despite of slow-down in the market.

Update on operations

You will be happy to note that despite the slow-down, your company has not only sustained its operations but also improved performance during the last year. The total income during the year stood at ₹ 6,426.89 lacs as against ₹ 2,839.36 lacs last year. I am also glad to mention that construction of Phase-III of company's popular affordable housing project, "Lok Nagari" at Ambernath in Joint Venture with Sankalp Realty Pvt Ltd and two buildings in Lok Nirman project at Khar in joint venture with Rustomjee Group are progressing well. The company is also expecting to receive approval of plans for the last phase of Lok Everest project at Mulund very soon. I am confident that launching of these projects would further improve the performance of the company in the coming years. The company is also exploring possibilities of undertaking development of the remaining potentials in its various township projects, arising out of the newly introduced guidelines in the Development Control Regulations

and by consolidating the goodwill of the customers that has been created over a period of time.

The company is also putting vigorous efforts towards preserving its existing land bank and creating value addition to it, which I am sure will offer sustainability and growth opportunities for the company in the coming years.

The positive note on the debt settlement front is that the Company had arrived at a Settlement with State Bank of India, the only one bank that had remained to be settled and paid, out of 21 banks and financial institutions. The payments are being made to State Bank of India as per the settlement.

On a concluding note

Before I conclude, let me express my sincere thanks to 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 like to express my thanks to my colleague Directors and staff members for their support.

Dear Shareholders, while expressing my gratitude to each one of you for your whole-hearted support, which has given me enough strength and confidence in steering the company. I would like to re-assure you that all necessary measures are being adopted for consolidating the operations, while sincerely pursuing the vision, mission and principles laid down by the Founder Chairman, Late Shri Lalit Gandhi for the company in true spirits. I am looking forward to your continued support and co-operation in my endeavours.

Thank you all once again,

Darshan L Gandhi

Notice

NOTICE is hereby given that the **28TH ANNUAL GENERAL MEETING** of Lok Housing And Constructions Limited will be held at 4:00 p.m. on Thursday, the **19th September, 2013** 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, 2013 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 Chiman J. Sanghavi 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 in accordance with the provisions of the Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any statutory modifications, or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of **Shri Darshan L. Gandhi** as a Managing Director of the Company for a period of five years w.e.f. 1st April, 2013 to 31st March, 2018, with a liberty to the Board of Directors to alter and vary terms and conditions of employment, with mutual consent, applicable to him as a Managing Director of the Company.

RESOLVED FURTHER THAT the Remuneration package of Managing Director will be considered and decided at appropriate time at the recommendation of Remuneration Committee on terms which is agreeable to the Managing Director and the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps which are proper and expedient to give effect to this Resolution and authorize Director, Company Secretary or any Officer in this matter."

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

"RESOLVED THAT in accordance with the provisions of the Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act,

1956 and any statutory modifications, or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of **Ms. Naina M. Shah** as Executive Director of the Company for a period of five years w.e.f. 1st April, 2013 to 31st March, 2018, with a liberty to the Board of Directors to alter and vary terms and conditions of employment, with mutual consent, applicable to her as Executive Director of the Company.

RESOLVED FURTHER THAT the Remuneration package of the Executive Director will be considered and decided at appropriate time at the recommendation of Remuneration Committee on terms which is agreeable to the Executive Director and the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps which are proper and expedient to give effect to this Resolution and authorize Director, Company Secretary or any Officer in this matter."

6. **SHIFTING OF REGISTER OF MEMBERS, ANNUAL RETURNS, CERTIFICATES, ETC.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members, the copies of Annual Returns, the copies of certificates and documents required to be annexed with the Annual Returns under Section 161 of the Companies Act, 1956, and/or any of the other related documents are being kept at the Registered Office of the Company at 4, Lok Bhavan, Ground Floor, Lok Bharati Complex, Marol Maroshi Road, Andheri(East), Mumbai 400 059, such records shall hereafter be kept and maintained at the Registered Office of the Registrar & Transfer Agent of the Company viz. **Link Intime India Pvt. Ltd.**, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 from such date as may be determined by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this Resolution."

7. **"RIGHTS ISSUE" OF EQUITY SHARES:**

To consider and if thought fit to pass, with or without modifications, the following resolution as **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment there to re-enactment thereof), (the “Act”) and any other law for the time being in force and the provisions in the Memorandum and Articles of Association of the Company, the Guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Listing Agreements entered into by the Company with the Stock Exchanges and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, Stock Exchanges, Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”), Government of India and other concerned authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities on **LOK HOUSING AND CONSTRUCTIONS LTD.** while granting such approvals, permissions and sanctions, which may be agreed to by the Board of the Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof), the Board of Directors of the Company be and is hereby authorised to create, offer and issue to the equity shareholders of the Company as on the ‘Record Date’ (to be fixed by Board of Directors for the purpose), equity shares in the ratio of 1:2 i.e. one equity share will be issued against two equity shares held by the Shareholder; on premium as may be determined by the Board and such other terms and conditions as may be mentioned in the draft Letter of Offer to be issued by the Company in respect of the “Rights Issue”.

Further, subject to the above mentioned approvals, the Board be and is hereby authorized for and on behalf of the Company:

- a) to dispose off and offer to any persons whether or not these persons are shareholders of the company, from time to time, such of the Securities as are not subscribed, in such manner, as the Board may deem fit in its absolute discretion;
- b) to decide on the terms of the issue of Securities, including the form, timing, issue price, number of shares, allottees under the issue;
- c) to enter into and execute all such agreements/ arrangements as the case may be with any lead managers, underwriters, stabilising agents, advertisers, anchor investors, bankers, escrow bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries (the “Agencies”) in relation to the Issue of Securities and to remunerate any of the Agencies for their services in any manner including

payment of commission, brokerage, fee or the like, to enter into or execute all such agreements / arrangements / Memorandum of Understanding / documents with any authorities / agencies, listing of the shares / securities (including the resultant equity shares to be issued as per the terms of the issue of the said Securities) on any Indian Exchange (s) as the Board may in its absolute discretion deem fit;

- d) to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit,
- e) to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements or documents;
- f) to delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or the Chairman or any other Director or any other Officer or Officers of the Company; and
- g) to carry on such other acts, deeds, compliances or formalities in connection with or incidental to such Right Issue.”

8. **INCREASE IN THE AUTHORISED SHARE CAPITAL AND ALTERATION OF THE CAPITAL CLAUSE ‘V’ IN MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

To consider and if thought fit to pass, with or without modifications, the following resolution as **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 16 read with Section 94 and other applicable provision, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) the authorised share capital of the Company be increased from ₹67,00,00,000/- (Rupees Sixty-seven Crores Only) divided into 6,50,00,000 (Six Crores Fifty Lacs) equity shares of ₹10/- (Rupees Ten Only) each and 2,00,00,000/- (Two Crores) preference shares of ₹1/- (Rupee One Only) each to ₹73,00,00,000/- (Rupees Seventy-three Crores Only) divided into 7,10,00,000 (Seven Crores Ten Lacs) equity shares of ₹10/- (Rupees Ten Only) each and 2,00,00,000/- (Two Crores) preference shares of ₹1/- (Rupee One Only) each by creation of 60,00,000 (Sixty Lacs) equity shares of ₹10/- (Rupees Ten Only) each and Clause V(a) of Memorandum of Association of the Company be and is hereby altered as follows :

- V. (a) The authorized share capital of the Company is ₹ 73,00,00,000/- (Rupees Seventy-three Crores Only) divided into 7,10,00,000 (Seven Crores Ten Lacs Only) equity shares of ₹10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crores only) preference shares of ₹1/- (Rupee One only) each.

RESOLVED FURTHER THAT the Board and Company Secretary of the Company be and is hereby authorized to take all such decisions and actions and to do all such acts, deeds, matters and things which are expedient and relevant in the above matter."

By Order of the Board

Sd/-

Vijay B. Sharma
Company Secretary

Place : Mumbai

Dated : July 23, 2013.

NOTES FOR MEMBERS' ATTENTION :

1. **THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 4, 5, 6, 7 AND 8 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 16th September, 2013 to 19th September, 2013 (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 2013-2014 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 2013-2014 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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
16. 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 Nos. 4 & 5 :

The tenure of Shri Darshan L. Gandhi as Managing Director and Ms. Naina M. Shah as Executive Director of the Company got expired on 31st March, 2013. It would be in the interests of the Company that Shri Darshan L. Gandhi and Ms. Naina M. Shah should be re-appointed as Managing Director and Executive Director respectively for a further period of five years w.e.f. 1st April, 2013 to 31st March, 2018.

At present, Shri Darshan L. Gandhi and Ms. Naina M. Shah do not draw any remuneration package. This is in the perspective of quantum of profits and amount of remuneration package approved by the Shareholders in the financial year 2008-2009 and applicable provisions of the Schedule XIII of the Companies Act, 1956. Further, the Board is making endeavours along-with devoted workforce of the organization to augment revenues and generate sufficient profits to pay remuneration to the Managing Director and Executive Director in commensurate with the efforts they are putting in operations, Management and allied functions to steer out the Company in difficult times.

Shri Darshan L. Gandhi and Ms. Naina M. Shah are interested in the Resolutions set out respectively at Item Nos. 4 and 5 of the Notice which pertain to their respective re-appointments. Except the above, none of the other Directors of the Company is, any way, concerned or interested in these Resolutions.

This may be treated as an abstract of the terms of appointment of Shri Darshan L. Gandhi and Ms. Naina M. Shah under Section 302 of the Companies Act, 1956.

The Board recommends the Resolutions set out at Item Nos. 4 & 5 of the Notice for your approval.

Item No. 6 :

The statutory records of the Company viz; the Register of Members, Index of Members, copies of the Annual Returns, the copy of the certificates and documents required to be annexed thereto u/s.161 of the Companies Act, 1956 and/or any other related documents are presently being maintained and kept at the Registered Office of the Company i.e. 4, Lok Bhavan, Ground Floor, Lok Bharati Complex, Marol Maroshi Road, Andheri (East), Mumbai 400 059. Section 163 of the Companies Act, 1956 provides that the above referred records and documents of the Company can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, by passing Special Resolution.

In view of above, with the approval of the Members, above mentioned documents and records shall be kept at the Registered Office of the Registrar & Transfer Agent of the

Company viz. Link Intime India Pvt. Ltd., at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078. The aforesaid documents, Registers, etc. may be inspected by the Members or such other persons who are entitled to do so, between 2:30 p.m. to 4:30 p.m. on any working day when office of the Registrar & Transfer Agent is opened, except when the books are closed under the applicable provisions of the Companies Act and/or Clause of the Listing Agreement.

The Board recommends the Special Resolution at Item No.6 of the accompanying Notice for the Members.

The copy of the Special Resolution shall be given in advance to ROC, Maharashtra, Mumbai.

None of the Directors are in any way concerned in the passing of this Resolution.

Item No. 7 :

The “Rights Issue” is proposed to fund the existing projects, new projects, debt repayment, working capital requirements and to meet the various other financial needs and business requirements of the company. The resolution is required to be passed under Section 81 and 81 (1A) of the Company Act, 1956. The Board of Directors recommends the passing of this resolution. None of the directors except to the extent of their entitlement to apply for rights and additional shares under the proposed “Rights Issue,” is concerned or interested in the passing of this resolution.

Item No. 8 :

The proposed Rights Issue creates need to increase the authorized capital. As existing authorized capital is not sufficient to accommodate the proposed Rights Issue.

The proposed increase in authorised capital is inevitable and are in the interests of the Company. Your Directors recommend the Resolution at Item No.8 of the accompanying Notice for the Members.

No Directors are in any way concerned or interested in passing of this Resolution except as Shareholders to the extent of their shareholding.

By Order of the Board

Sd/-

Vijay B. Sharma
Company Secretary

Place : Mumbai.

Dated : July 23, 2013.

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

(i) Name of Director	Shri Chiman J. Sanghavi
Date of Birth	4th September, 1944
Age	68 years.
Date of Appointment	16th May, 2001.
Nature of expertise in specific functional areas	Shri Chiman J. Sanghavi is associated with Lok Housing And Constructions Ltd. as a Director since the incorporation of the Company. Thereafter, he was an Executive Director of the Company for more than a decade. Since last 12 years he has been functioning as an Ordinary Director. Apart from his association with the Company since the day of incorporation, he is simultaneously looking after, since last 36 years, a Group of Companies which is manufacturing and dealing in Kitchen Equipments, Commercial Catering & Food Service Equipments for Hotels and Restaurants.
Qualification	B. Sc.
Directorships held in other public Companies (excluding foreign companies)	Nil.
Committee position held in other Companies	Nil.
No. of shares :	
(a) Own	6,010
(b) For other persons on beneficial basis	-
(ii) Name of Director	Mr. Darshan L. Gandhi
Date of Birth	12th October, 1973
Age	39 years
Date of Appointment	27th February, 2007.
Nature of expertise in specific functional areas	Shri Darshan L. Gandhi is a qualified Civil Engineer from I.I.T. Mumbai and associated with the Lok Group Companies since 1995-1996. He has wide and rich experience of core construction activities and sound exposure to functions related to finance, market operations and administration.
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	-

(iii) Name of Director	Ms. Naina M. Shah
Date of Birth	25th May, 1949.
Age	64 years.
Date of Appointment	1st April, 1992
Nature of expertise in specific functional areas	Ms. Naina M. Shah is a B.E. Architect, with 39 years of experience. She has been actively associated with the Company since 25 years, and as an Executive Director for the last 22 years. She looks after the Sales, Marketing and Operational functions of the Company.
Qualification	B.E. (Architect)
Directorships held in other public Companies	Nil.
Committee position held in other Companies	Nil.
No. of shares :	
(a) Own	1,36,610
(b) For other persons on beneficial basis	---

Directors' Report

TO THE MEMBERS

Your Directors hereby present their Twenty-eighth Annual Report on the business operations of the Company along with the audited statement of accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

	(₹ in lacs)	
	YEAR ENDED MARCH 31 ST	
	2013 (Audited)	2012 (Audited)
Income	6,426.89	2,839.36
Profit before Exceptional and Extra-ordinary items and Tax	1,709.11	193.20
Exceptional Items	4,538.41	---
Profit / (Loss) before tax	(2,829.30)	193.20
Provision for taxation		
a) Current Tax	375.00	40.70
b) Deferred Tax	(1,289.00)	26.30
Net Profit / (Loss) After Tax	(1,915.30)	126.20
Add : Balance brought forward	5,415.89	5,289.69
Balance Carried to balance sheet	3,500.59	5,415.89

2. DIVIDEND:

In view of outstanding financial obligations and loss suffered during the year, your Directors do not recommend any Dividend for the Financial year 2012-2013.

3. REVIEW OF OPERATIONS:

The fiscal year ended 31st March, 2013, has witnessed new set of challenges and new set of opportunities, both are happening with speed and unpredictability on the echelon of the economic scenario. To grow, survive and succeed every economic entity needs to understand mechanics of fast changing challenges and opportunities in the context in which they are operating. This is the new reality.

GDP growth of India is slow-down. Political stability, and implementation of policy decisions and economic reforms are matter of alarm.

The country is going to face general elections shortly; political logjam in anticipation of elections cannot be ruled out. The economic reforms are announced by the Government to improve the position of balance of payment and sovereign credit ratings of the country in the world. Depreciated Rupee has aroused the interest of the NRIs to invest in the real estate sector of India.

The Company is focused on improvisation productivity reducing the debts and utilizing its cash flows effectively in the direction of execution and completion of the projects to sustain, survive and grow in the dynamic and ever-changing parameters related to political-economic-social has impact on real estate activities.

The Company's project Phase II of Lok Nirman at Khar, Mumbai and Phase III of Lok Nagari project at Ambernath are Joint Ventures with Rustomjee Group and M/s. Sankalp Realty Pvt. Ltd. respectively are in progress.

The Company has settled with its major lender, State Bank of India, and have started making payment of installments as per Settlement.

During the year under review, the Company achieved total income of ₹ 6,426.89 lacs as against ₹ 2,839.36 lacs in the previous year. The Company has earned ₹ 2,623.11 lacs whereas in previous year it has earned ₹ 126.20 Lacs. However Company has recognized Extra-Ordinary item in the current financial year, item pertaining to the earlier accounting period, i.e. the Company has settled its outstanding liabilities with State Bank of India, additional interest obligation of ₹ 4,538.41 lacs. Hence due to such Extra-Ordinary item of expense, Company's financial statement shows net loss of ₹ 1,915.30 lacs.

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, in the business of concrete blocks, Company has attained turnover of ₹ 141.89 lacs against ₹ 141.47 lacs in the previous year and has suffered loss of ₹ 87.64 lacs against ₹ 66.45 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 loss 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 Chiman J. Sanghavi, Director of the Company shall be retiring at the ensuing Annual General Meeting and he is eligible, for re-appointment.

The tenure of **Shri Darshan L. Gandhi** as Managing Director and **Ms. Naina M. Shah** as Executive Director expired on 31st March, 2013. The Board of Directors in their Meeting held on 1st April, 2013 re-appointed them as Managing Director and Executive Director respectively w.e.f. 1st April, 2013 for a period of five years.

9. AUDITORS' REPORT :

Notes to the Accounts are self-explanatory and therefore, do not call for any further clarification or explanation.

10. AUDITORS:

The Company's Auditors, M/s. Bhupendra Shroff & Co., Chartered Accountants, Mumbai will hold office upto the conclusion of the 28th Annual General Meeting and are eligible for re-appointment.

11. COST AUDITOR :

Ms. Shraddha Mahadik, Cost Accountant by profession has been appointed as a Cost Auditor pursuant to Section

233B of the Companies Act, 1956 to conduct Cost Audit for the financial year 2012-2013.

12. 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.

13. 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.

14. 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.

15. 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.

on behalf of the Board of Directors

Sd/-

DARSHAN L. GANDHI
Chairman & Managing Director

Place : Mumbai.

Dated : July 23, 2013.

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, 2013 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

(B) Board Meetings held during the Financial Year 2012-2013 :

During the Financial Year ended 2012-2013, five Board Meetings were held on 14th May, 2012, 7th August, 2012, 11th August, 2012, 9th November, 2012 and 14th February, 2013. 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	5	Yes	4	2	-
Mr. Chiman J. Sanghavi	4	Yes	-	-	3
Ms. Naina M. Shah	5	Yes	-	1	-
Mr.Sudeep S. Roy	1	Yes	-	2	-

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

(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. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect is true and fair position and that sufficient and credible information is disclosed.
2. Recommending the appointment and removal of external auditors fixation of audit fee and also approval for payment for any other services.
3. Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
4. Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
5. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
 - a. any changes in accounting policies and practices;
 - b. major accounting entries based on exercise of judgment by management;
 - c. qualifications in draft audit report;
 - d. significant adjustments arising out of audit;
 - e. the going concern assumption;
 - f. compliance with accounting standards;
 - g. compliance with stock exchange and legal requirements concerning financial statements;
 - h. any related party transaction as per Accounting Standard 18.
6. Reviewing the Company's financial and risk management policies.
7. Disclosure of contingent liabilities.
8. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
9. Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
10. Discussion with internal auditors of any significant findings and follow-up thereon.
11. 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.
12. Looking into the reasons for substantial defaults in payments to the lenders and creditors.
13. Reviewing compliances as regards the Company's Whistle Blower Policy.

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 Audit Committee invites such of the Executives of the Company, as it considers appropriate.

The Company Secretary acts as the Secretary of the Committee.

The Audit Committee met on 10/5/2012, 7/8/2012, 11/8/2012, 8/11/2012 and 11/2/2013 (Total Five 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	5
Mr. Sudeep S. Roy	Member	5	0

(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.

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-imbursement 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, 2013 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	2,000/-	2,000/-
Total	Nil	Nil	10,000/-	10,000/-

(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 8 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	11	11
Ms. Naina M. Shah	Member	11	11
Mr. Darshan L. Gandhi	Member	11	11

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, cooking gas, 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.
- Culture of nuclear family extended periphery of urban and suburban which enhance the scope of real estate activities. Rise in per capita income of such families create aspiration of quality of life.
- 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.
- The growth of new nuclear families out of split of joint families has extended the urban locality into extended suburbs which enhances the scope of development of real estate. Your Company is well placed to maximize the social economic trends of rapid urbanization emerging and aspiration of quality lifestyle of nuclear families due to rise in per capita income.
- 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 ploy 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.

We believe that people are the most valuable assets of the Company as they contribute to the accomplishment of the business objectives. It is the Company's promises to deliver the culture that enhances employees morale. Facilitates effective performance through personal and professional development and challenges the employees potential.

All the endeavours are made at the site and office to motivate the employees to participate effectively in support of the Company's principles, values and visions to meet the enshrined goals of the organization.

The Company continued to knit in the core values namely customer focus, sustain the growth, total quality and integrity and all action and human resources practices. The business dynamics and challenges for increasing the need to focus and retaining the right talent while pruning the Company's cost effectiveness. Focusing on running the lean and efficient outfit. The idea is retaining the best talent through transfer and meritocratic evolution process. 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 108.

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. 23.11. 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 i.e. Publication of Quarterly Results in the newspapers. With respect to other non-mandatory requirements, the Board has taken cognizance of the same and take appropriate action.

(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), Mr. Lalit K. Jain, 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
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.
2012	22nd September, 2012	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 2012-2013, No Special Resolution is passed through Postal Ballot.

Brief Resume of Directors :

A Brief Resume of Mr. Darshan L. Gandhi, Ms. Naina M. Shah and Mr. Chiman J. Sanghavi 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. 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 :

Pursuant to the provisions of Sub-clause V of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., the Managing Director (CEO) and Deputy General Manager (Accounts, Finance & Taxation) (CFO) had issued a Certificate to the Board for the financial year ended 31st March, 2013.

(12) Shareholders' General Information :

i. Annual General Meeting:

Details of Annual General Meeting :

Day, Date & Time :	Thursday, the 19th September, 2013 and 4:00 p.m.
Venue :	'M.C. GHIA' Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai 400 001.

ii. Financial Year : April to March.

iii. Financial Calendar for 2013-2014 (tentative) :

Financial results for Financial Year 2013-2014	Publication in newspaper
First quarter Results for Quarter ending 30th June, 2013.	2nd week of August, 2013
Second quarter Results for Quarter ending 30th September, 2013.	2nd week of November, 2013
Third quarter Results for Quarter ending 31st December, 2013.	2nd week of February, 2014
Fourth quarter Results for Year ending 31st March, 2014.	2nd week of May, 2014

iv. Dates of Book Closure : 16th September, 2013 to 19th September, 2013 (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 2012-2013 :

Month	Bombay Stock Exchange Ltd. *		SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2012	16.20	12.80	17664.10	17010.16
May, 2012	15.90	11.80	17432.33	15809.71
June, 2012	13.49	11.20	17448.48	15748.98
July, 2012	17.50	12.47	17631.19	16598.48
August, 2012	14.59	12.05	17972.54	17026.97
September, 2012	17.33	12.20	18869.94	17250.80
October, 2012	18.95	14.20	19137.29	18393.42
November, 2012	16.65	13.75	19372.70	18255.69
December, 2012	18.11	14.30	19612.18	19149.03
January, 2013	28.30	18.05	20203.66	19508.93
February, 2013	21.95	18.05	19966.69	18793.97
March, 2013	20.90	13.75	19754.66	18568.43

* 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 : 40494949.
Registered Office of the Company
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 i.e. Mr. Lalit K. Jain 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, 2013 :

No. of shares	Shareholders		Shareholding	
	Numbers	% to Total Holders	Number of shares	% to Capital
1 - 500	26621	84.97	3957537	8.47
501 - 1000	2283	7.29	1884501	4.03
1001 - 2000	1163	3.71	1791106	3.83
2001 - 3000	410	1.31	1056452	2.26
3001 - 4000	197	0.63	710250	1.52
4001 - 5000	163	0.52	781018	1.67
5001 - 10000	250	0.80	1897864	4.06
10001 & above	242	0.77	34670563	74.16
Total	31329	100.00	46749291	100.00

xii. Shareholding pattern as at 31st March, 2013 :

Category	Number of shares held		Total	
	Physical Shares	Demat Shares	No of Shares	% to Total
Promoters, Directors & their relatives / associates	0	25011886	25011886	53.50
Mutual Funds & UTI	26400	1800	28200	0.06
Banks, Fls., Insurance Companies, * (Central/State Govt., Institutions / Non-Govt. Institutions)	6400	50	6450	0.01
Foreign Financial Institutional	3200	0	3200	0.00
NRIs, OCBs, Foreign Companies, ADRs/GDRs	100	1700455	1700555	3.64
Others	617272	19381728	19999000	42.79
Total	653372	46095919	46749291	100.00

xiii. Break up shares in Physical and Demat form as on 31st March, 2013 :

	No. of Shares	Percentage of shares
Physical Segment	653372	1.40
Demat Segment : NSDL	39073272	83.58
CDSL	7022647	15.02
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, 2013, 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
Firm Registration No.101458W

Sd/-
B.N. Shroff
Partner
Membership No.: 5039

Place : Mumbai.
Dated : July 23, 2013

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, 2013.

For Lok Housing And Constructions Ltd.

Place : Mumbai.
Dated : July 23, 2013

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

Independent Auditors' Report

To the Members of
LOK HOUSING AND CONSTRUCTIONS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of LOK HOUSING AND CONSTRUCTIONS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Bhupendra Shroff & Co.**
Chartered Accountants
Firm No.: 101458W

B.N.Shroff
Partner
Membership No.: 5039

Mumbai, July 23, 2013

The Annexure referred to in paragraph 7 of the Our Report of even date to the members of LOK HOUSING AND CONSTRUCTIONS LIMITED on the accounts of the Company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

- 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 ₹ 6.49 lacs (previous year ₹ 4.72 lacs) to 3 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 not prejudicial to the interest of the Company.
- 3b. As per the information furnished, the Company has not taken loans (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 facie 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, 2013 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	15.59
Income tax	F.Y. 2010-11	20.82
Income tax	F.Y. 2011-12	35.07

- 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. 2004-05	CIT(A)	11.59
Income tax	F.Y. 2006-07	CIT(A)	3.21
Income tax	F.Y. 2006-07	CIT(A)	282.00
Income tax	F.Y. 2007-08	CIT(A)	198.00
Income tax	F.Y. 2008-09	CIT(A)	1,045.41
Income tax	F.Y. 2008-09	ITAT	26.46
Income tax	F.Y. 2009-10	CIT(A)	1,662.34

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, 2013. The Company has incurred cash loss during the financial year covered by our audit but not in the immediately preceding financial year.
11. During the year, repayment of dues to financial institutions and banks are partly made and as per the Company's records the amount due in this respect is as under:

Sr. No.	Name of Institution / Bank	Amount of due o/s on 31-03-2013 (₹ in lacs)	Over due since
1.	State Bank of India	833.00	31-03-2013

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 of 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, the Company has not made any preferential allotment of shares during the year.
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
Membership No.: 5039

Mumbai, July 23, 2013

Balance Sheet

as at March 31, 2013

Particulars	Note No.	Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	"2"	4,674.93	4,674.93
Reserves and Surplus	"3"	14,338.00	16,253.30
		19,012.93	20,928.23
NON CURRENT LIABILITIES			
Long term borrowings	"4"	7,018.36	-
Deferred tax liabilities (net)		366.01	896.06
		7,384.37	896.06
CURRENT LIABILITIES			
Short term borrowings	"5.1"	-	243.59
Trade payables		6,909.37	5,088.87
Other current liabilities	"5.2"	8,559.11	12,486.44
Short term provisions	"5.3"	666.44	1,151.51
		16,134.92	18,970.41
TOTAL		42,532.22	40,794.70
ASSETS			
NON CURRENT ASSETS			
Fixed assets	"6"	99.28	102.25
Non current investments	"7"	593.99	594.01
Long term loans and advances	"8"	2,184.59	2,019.91
Other non-current assets	"9"	-	34.49
		2,877.86	2,750.66
CURRENT ASSETS			
Current Investments	"10"	789.61	238.48
Inventories	"11"	33,154.07	33,345.27
Trade receivables	"12"	3,770.51	2,845.98
Cash and cash equivalents	"13"	92.95	377.13
Short term loans and advances	"14"	1,847.22	1,237.18
		39,654.36	38,044.04
TOTAL		42,532.22	40,794.70
SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS			

As per our audit report of even date.

For BHUPENDRA SHROFF & CO.,

Chartered Accountants

DARSHAN L. GANDHI
Chairman & Managing Director

B. N. SHROFF
Partner

On behalf of the Board

NAINA M. SHAH
Executive Director

VIJAY B. SHARMA
Company Secretary

Place : Mumbai

Date : July 23, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

Particulars	Note No.	Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
REVENUE			
Revenue from operations	"16"	6,417.24	2,804.93
Other income	"17"	9.65	34.43
TOTAL REVENUE		6,426.89	2,839.36
EXPENSES			
Cost of sales	"18"	4,657.66	2,569.05
Change in inventories of finished goods	"19"	(7.65)	(4.66)
Other expense	"20"	21.03	32.72
Depreciation and amortization expense	"21"	46.74	49.05
TOTAL EXPENSES		4,717.78	2,646.16
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		1,709.11	193.20
Exceptional items	"22"	4,538.41	-
PROFIT / (LOSS) BEFORE TAX		(2,829.30)	193.20
Tax Expense:			
Current tax		375.00	40.70
Deferred tax		(1,289.00)	26.30
PROFIT / (LOSS) FOR THE YEAR		(1,915.30)	126.20
Earning Per Share (EPS)			
- Basic (Face Value per Share ₹ 10/-)		(4.10)	0.27
- Diluted (Face Value per Share ₹ 10/-)		(4.10)	0.27
SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS			

As per our audit report of even date.

For BHUPENDRA SHROFF & CO.,

Chartered Accountants

B. N. SHROFF

Partner

Place : Mumbai

Date : July 23, 2013

On behalf of the Board

DARSHAN L. GANDHI
Chairman & Managing Director

VIJAY B. SHARMA

Company Secretary

NAINA M. SHAH
Executive Director

Cash Flow Statement

for the period ended March 31, 2013

(Pursuant to amendment to clause 32 of the Listing Agreement)

	Inflow / (Outflow) 31-3-2013 (₹ in lacs)	Inflow / (Outflow) 31-3-2012 (₹ in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) After Tax And		
Extraordinary Items	(1,915.30)	126.20
Adjustments For :		
- Depreciation and amortization expense	46.74	49.05
- Exceptional item	4,538.41	-
- Profit on Sale of Fixed Assets	-	(0.08)
- Income Tax (Current Tax)	375.00	40.70
- Deferred Tax Adjustment	(1,289.00)	26.30
	3,671.15	115.97
OPERATING PROFIT BEFORE WORKING		
CAPITAL CHANGES	1,755.85	242.17
Adjustments For :		
- Trade and Other Receivables	(1,805.04)	(325.11)
- Inventories	191.20	666.32
- Trade Payables & Other liabilities	1,212.05	(917.78)
	(401.79)	(576.57)
CASH GENERATED FROM OPERATIONS	1,354.06	(334.40)
Direct Taxes Paid	105.79	(225.94)
Cash Flow Before Extraordinary Items	1,459.85	(560.34)
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	1,459.85	(560.34)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	(9.28)	(5.33)
- Sale of Fixed Assets	-	0.08
- Purchase of Investments	(551.11)	(238.48)
NET CASH USED IN INVESTING ACTIVITIES	(560.39)	(243.73)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from issue of Share Warrants (including Premium)	-	660.00
- Increase / (Decrease) in Long Term Borrowings (including provision for interest)	(1,183.64)	-
NET CASH IN FINANCING ACTIVITIES	(1,183.64)	660.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(284.18)	(144.07)
CASH AND CASH EQUIVALENTS AS AT 31st, March (Opening Balance)	377.13	521.20
CASH AND CASH EQUIVALENTS AS AT 31st, March (Closing Balance)	92.95	377.13

As per our audit report of even date.

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 : July 23, 2013

Notes to Financial Statement

for the year ended March 31, 2013

1. ACCOUNTING POLICIES

Basic Accounting :

- 1.1 Financial statements are prepared under historical cost convention on accrual basis in accordance with requirements of the Companies Act, 1956, except in case of items which are uncertain in nature and are 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 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 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ 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 4,67,49,291) Equity Shares of ₹10/- each fully paid up.	4,674.93	4,674.93
2.2.1 Particulars of movement in Share Capital (no. of shares)		
Equity Share Capital		
- Opening Balance	46,749,291	44,549,291
- Add : Increase due to conversion of share warrants	-	2,200,000
- Closing Balance	46,749,291	46,749,291
2.2.2 Particulars of movement in Share Capital (Amount in ₹)		
Equity Share Capital		
- Opening Balance	4,674.93	4,454.93
- Add : Increase due to conversion of share warrants	-	220.00
- Closing Balance	4,674.93	4,674.93

- 2.2.3 During the year there has not been any change in the Equity Share Capital of the Company. However, during the previous year the Company had converted 22,00,000 optionally convertible share warrants into equity shares at ₹ 40/- per warrant (including a premium of ₹ 30/-), which were issued 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)	18,497,791	18,827,791
	(in %)	39.57%	40.27%
Saturn Trading Pvt. Ltd.	(in numbers)	3,870,800	3,870,800
	(in %)	8.28%	8.28%

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 The Company had in the past issued warrants which were convertible into equity shares. During the year Nil (previous year 11,33,400) warrants have lapsed. As on the date of Balance Sheet there are no pending warrants.

2.8 There are no unpaid calls on the equity share capital of the Company.

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
3	RESERVES AND SURPLUS		
	Classification in terms of character		
	Capital Reserve	1,352.34	1,352.34
	Securities Premium	6,723.77	6,723.77
	General Reserve	2,761.30	2,761.30
	Surplus balance in Statement of Profit and Loss	3,500.59	5,415.89
		14,338.00	16,253.30
3.1	Particulars of movement in Capital Reserve		
	- Opening Balance	1,352.34	1,239.00
	- Add : Forfeiture of share warrants	-	113.34
	- Closing Balance	1,352.34	1,352.34
3.2	Particulars of movement in Securities Premium		
	- Opening Balance	6,723.77	6,063.77
	- Add : Receipt during the year	-	660.00
	- Closing Balance	6,723.77	6,723.77
3.3	Particulars of movement in General Reserves		
	- Opening Balance	2,761.30	2,761.30
	- Closing Balance	2,761.30	2,761.30
3.4	Particulars of movement in Profit & Loss Account (Reserve)		
	- Opening Balance	5,415.89	5,289.69
	- Profit / (Loss) for the year	(1,915.30)	126.20
	- Closing Balance	3,500.59	5,415.89

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
4	LONG TERM BORROWINGS		
4.1	Classification in terms of character		
	- Term Loans:		
	# from banks	7,018.36	-
	Total Term Loan	7,018.36	-
4.2	Classification in terms of security		
	- Secured long term borrowings	7,018.36	-
	Total Term Loan	7,018.36	-

- 4.3.1 The Company has entered into a Corporate Debt Restructuring (CDR) with State Bank of India in respect of its debts due to them. As per the CDR the total debt along with accrued interest, penal interest etc. has been renegotiated and settled for a sum of ₹ 95 crores with an additional sum of ₹ 20 crores payable to State Bank of India in the event of the Company acquiring certain clearance in respect of properties belonging to the Company and to that extent the Company has a Contingent liability. Out of the restructured debt of ₹ 95 crores, ₹ 25 crores is due and payable before 31-03-2013, of which the Company has paid ₹ 16.67 crores. Thus ₹ 8.33 crores has become overdue. The remaining sum of ₹ 70 crores is to be paid in 15 quarterly instalments of ₹ 4.65 crores commencing from March 2014 to September 2017. Interest payable on this restructured debt is at prevailing bank base rate which at present is 10 % p.a.
- 4.3.2 The terms of the CDR with State Bank of India are also subject to the Company paying specified instalments on time, failure of which entitles the bank to have all the rights and remedies available to it prior to the compromise settlement and to that extent the Company has a contingent liability.
- 4.3.3 The above loan is secured by registered mortgage of the Company's properties at Ambernath and by equitable mortgage in respect of Company's properties at Turbhe and Mandale.

5	CURRENT LIABILITIES		
	Classification in terms of character		
	- Short term borrowings	-	243.59
	- Trade payables	6,909.37	5,088.87
	- Other current liabilities	8,559.11	12,486.44
	- Short term provisions	666.44	1,151.51
		16,134.92	18,970.41
5.1	Short term borrowings		
5.1.1	Classification in terms of character		
	- Loans repayable on demand		
	# from banks	-	243.59
		-	243.59
5.1.2	Classification of Short term borrowings in terms of security		
	- Secured short term borrowings	-	243.59
		-	243.59

- 5.1.3 Secured short term loan from Banks- ₹ Nil (previous year ₹243.59 lacs) was taken from State Bank of India. This overdraft facility was repayable on demand and the same was secured by fixed deposits placed with the same bank. The fixed deposits were made out of funds earmarked for payment to customers. The rate of interest on this short term loans / overdraft facility was 10.5% pa.
- 5.1.4 The above loans are not personally guaranteed by directors or any other persons. There is no default in repayment of the said loans.

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
5.2	Other current liabilities		
	Classification in terms of character		
	- Current maturity of long term debt	465.00	-
	- Advance from customers	3,316.55	3,323.18
	- Unpaid matured loans - Banks & Financial Institutions	833.00	4,961.59
	- Unpaid matured loans - others	773.91	735.89
	- Other payables	3,170.65	3,465.78
		8,559.11	12,486.44
5.2.1	Current maturity of long term debt- ₹ 465 lacs (previous year ₹ Nil is due to State Bank of India.		
5.2.2	Unpaid matured loans - Banks & Financial Institutions- ₹ 833 lacs (previous year ₹4,961.59 lacs) are due to State Bank of India.		
5.2.3	Attention is invited to Note number 4.3.1and 4.3.2 to arrive at terms of debt due to State Bank of India.		
5.2.4	Unpaid matured loans - Others, represents loans taken by the Company, where it has defaulted in its payment. These loans are unsecured. These loans are overdue since 1998-99. The Company provides simple interest @18% p.a. on the outstanding principal amount. The outstanding principal loan is ₹ 173.28 lacs (previous year ₹ 175.28 lacs) and unpaid outstanding interest provided till date is ₹ 590.19 lacs (previous year ₹ 550.17 lacs).		
5.2.5	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 @18% p.a. Interest is not provided at the original /last contracted rate and also no provision for interest is 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 results in reduction in the provision for probable interest liability.		
5.2.6	The Company had entered into debt re-settlement with Ranbaxy Laboratories Ltd. However the Company has failed in its re-structured debt obligations to Ranbaxy Laboratories Limited. At the time of resettlement the Company had received benefit of interest waiver amounting to ₹ 21.77 lacs which was credited to Work in Progress account. In the opinion of the Company the revised liabilities as per the settlement with Ranbaxy Laboratories Limited is valid and subsisting, because the Company has not received any legal notice from the concerned Lender for termination of the settlement. The liability in respect of Ranbaxy Laboratories Ltd., as reflected in the Books of Accounts of the Company is ₹ 70.77 lacs (previous year ₹ 60 lacs).		
5.2.7	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.		
5.2.8	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 ongoing negotiations 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 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
5.3 Short term provisions		
Classification in terms of character		
- Provision for employee benefits	139.04	133.54
- Others		
# Provision for taxation	527.40	1,017.97
	666.44	1,151.51

- 5.4 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.

6 FIXED ASSETS

(₹ in lacs)

Classification	Gross Block			Depreciation / Amortisation				Net Block	
	As at 31-03-12	Addition / (disposal)	As at 31-03-13	As at 31-03-12	Deletion / Disposal	for the year	As at 31-03-13	As at 31-03-13	As at 31-03-12
Land	28.89	-	28.89	-	-	-	-	28.89	28.89
Building	102.07	-	102.07	69.36	-	3.11	72.47	29.60	32.71
Plant & Equipment	98.99	6.20	105.19	85.23	-	2.37	87.60	17.59	13.76
Furniture & Fixtures	43.29	-	43.29	37.46	-	1.05	38.51	4.78	5.83
Vehicles	29.43	-	29.43	24.76	-	1.40	26.16	3.27	4.67
Office Equipments	76.36	1.85	78.21	66.72	-	1.48	68.20	10.01	9.64
Others- Computers	189.06	1.23	190.29	182.31	-	2.84	185.15	5.14	6.75
Total	568.09	9.28	577.37	465.84	-	12.25	478.09	99.28	102.25
Previous year	572.41	(4.32)	568.09	460.92	9.64	14.56	465.84	102.25	111.49

- 1 All Fixed Assets are stated at cost of acquisition less accumulated depreciation.
- 2 Depreciation on fixed assets has been provided under Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- 3 Depreciation on additions to fixed assets has been charged from the date when they were first put to use.
- 4 The Company does not have any intangible assets or Capital work in progress.
- 5 The Company has neither 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 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
7	NON CURRENT INVESTMENTS		
7.1	Classification in terms of character		
	- Investment in Equity Instruments	593.99	594.01
		593.99	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 Pvt. Ltd. (Face value ₹ 10/- each)	100.00	100.00
	- Nil shares (200) Lok Estate & General Maintenance Ltd. (Face value ₹ 10/- each)	-	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
		593.99	594.01
7.3	Classification in terms of Nature		
	- Non Trade Investment	0.25	0.25
	- Trade Investment	593.74	593.76
		593.99	594.01
7.4	All the above shares are fully paid up and the Company has no further obligations towards them.		
7.5	Investments are valued at their respective cost of acquisition.		
7.6	Of the above investments, except investment in The Shamrao Vithal Co op Bank Ltd., other investmant are in companies under same management / group companies.		
7.7	Aggregate amount of un-quoted investments - ₹ 593.99 lacs (previous year ₹ 594.01 lacs).		
7.8	Aggregate amount of provision for diminution in value of investments ₹ Nil.		
8.	LONG TERM LOANS AND ADVANCES		
8.1	Classification in terms of character		
	- Other loans and advances	2,184.59	2,019.91
		2,184.59	2,019.91
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.		

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
9	OTHER NON CURRENT ASSETS		
9.1	Classification in terms of character		
	- Others (- as specified)	-	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
10	CURRENT INVESTMENTS		
10.1	Classification in terms of character		
	- Investment in Joint Venture & Partnership Firm	789.61	238.48
		789.61	238.48
10.2	Particulars of Investment in Joint Venture - & Partnership Firm		
	Trade Investments		
	(In Joint Venture & Partnership Firm)		
	Lok Amber Developers- a Joint Venture (AOP) formed to develop a property at Ambernath Villa	157.50	-
	Lok Enterprises - a Partnership Firm, 24.50% share in profit	-	-
	Lok Fortune JV - a Joint Venture (AOP) formed to develop property at Khar	-	-
	Lok Nagari Developers- a Joint Venture (AOP) formed to develop a property at Ambernath	132.11	238.48
	Lok Sarita Developers- a Joint venture (AOP) formed to develop a property at Andheri	500.00	-
		789.61	238.48
10.3	Name of Joint Venture - Association of Person - Lok Amber Developers		
	Name of Memebers - Association of Person	% of shares	% of shares
	1. Lok Housing and Constructions Ltd.	50%	-
	2. Nath Properties Pvt. Ltd.	50%	-
10.4	Name of Joint Venture - Association of Person - Lok Fortune JV		
	Name of Memebers - Association of Person	% of shares	% of shares
	1. Lok Housing and Constructions Ltd.	40%	40%
	2. Fortune Partners	60%	60%
10.5	Name of Joint Venture - Association of Person - Lok Nagari Developers		
	Name of Memebers - Association of Person	% of shares	% of shares
	1. Lok Housing and Constructions Ltd.	50%	25%
	2. Sankalp Realty Pvt. Ltd.	50%	50%
	3. Lok Associates	-	25%
10.6	Name of Joint Venture - Association of Person - Lok Sarita Developers		
	Name of Memebers - Association of Person	% of shares	% of shares
	1. Lok Housing and Constructions Ltd.	50%	-
	2. Accel Realtors Pvt. Ltd.	50%	-
10.7	Classification in terms of Nature		
	- Trade Investment	789.61	238.48
		789.61	238.48

- 10.8 Investments are valued at their respective cost of acquisition.
- 10.9 Of the above investments, investment of ₹ 789.61 lacs (previous year ₹ 238.48 lacs) are in companies under same management / group companies.
- 10.10 Aggregate amount of un-quoted investments - ₹ 789.61 lacs (previous year ₹ 238.48 lacs).
- 10.11 Aggregate amount of provision for diminution in value of investments ₹ Nil.
- 10.12 The Company has an obligation to make an additional investments in the joint venture depending on the financial needs of the joint venture from time to time, amount unascertainable .

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
11	INVENTORIES		
11.1	Classification in terms of character		
-	Raw materials	34.52	46.02
-	Raw materials (C&BP Division)	21.56	13.67
-	Work in progress	33,011.10	33,206.34
-	Finished goods (C&BP Division)	33.78	26.13
-	Stock in trade (Completed units)	53.11	53.11
		33,154.07	33,345.27

- 11.2 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.
- 11.3 Construction materials are valued at cost.
- 11.4 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.
- 11.5 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.
- 11.6 The Company regularly undertakes 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.

12	TRADE RECEIVABLES		
12.1	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	1,458.53	1,791.57
-	Others	2,311.98	1,054.41
		3,770.51	2,845.98

- 12.2 All the above trade receivables are unsecured, but considered good for recovery.
- 12.3 Trade receivables include ₹ 1,870 lacs (previous year ₹ 830 lacs) due from joint ventures where the Company is a Co-venturer. Trade receivables due from directors, other officers of the Company or entities in which directors and other officers of the Company are interested ₹ 224.75 lacs (previous year ₹ Nil).

12.4 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.

12.5 Amount of provision for doubtful debts ₹ Nil.

	Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
13 CASH AND CASH EQUIVALENTS		
13.1 Classification in terms of character		
- Balances with banks	46.45	36.75
- Cash on hand	22.16	9.48
- Others - Fixed Deposits with bank	24.34	330.90
	92.95	377.13
13.2 The above includes		
- Balances with banks to the extent held as margin money or security, against short term loans from banks	-	330.90

13.3 Fixed deposit with Bank Includes deposits of ₹ 3.31 lacs (previous year ₹ 270.32 lacs) with maturity of more than 12 months.

14 SHORT TERM LOANS AND ADVANCES		
14.1 Classification in terms of character		
- Loans and advances to related parties	6.49	4.72
- Other loans and advances	1,840.73	1,232.46
	1,847.22	1,237.18

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

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

14.4 Short term loans and advances include ₹ 6.49 lacs (previous year ₹ 4.72 lacs) due from the joint venture where the Company is a co-venturer.

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		
# Arrears of Preference share dividend	-	-
	-	-
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	See notes below	See notes below
	-	-

- 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 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 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 ₹ 32.29 crores, against these disputed demand the Company has provided liability to the extent of ₹ 86.39 lacs. The balance contingent liability of ₹31.43 crores is not provided.
- 15.6 Attention is also invited on Note numbers 4.3.1 and 4.3.2 to arrive the total picture of contingent liabilities.
- 15.7 **OBLIGATIONS:**
- 15.7.1 The Company has obligation to deliver completed premises, where it has entered in to agreement with customers to sell premises under construction.
- 15.7.2 The Company has obligation to get certain sanctions, approvals, clearances, development rights, in respect of properties where it has entered in to joint venture arrangement. The estimated cost of this obligation are unascertainable.
- 15.7.3 Attention is also invited on Note numbers 10.12 to arrive at the total picture of obligations.

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
16	REVENUE FROM OPERATIONS		
	- Sale of Projects / Properties	6,268.00	2,609.26
	- Sale of Products (C&BP Division)	141.72	141.22
	- Other operating revenues	7.52	54.45
		6,417.24	2,804.93
17	OTHER INCOME		
	- Interest Income	9.65	34.43
		9.65	34.43
18	COST OF SALES		
	- Construction Division	4,428.24	2,356.64
	- C&BP Division	229.42	212.41
		4,657.66	2,569.05
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	33,206.34	33,820.79
	- Add : Expenses Incurred during the year		
	Land / Land related Expenses	2,652.42	349.87
	Development & Construction Expenses	22.88	20.47
	Administration Expenses	831.56	758.52

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
	Marketing Expenses	124.17	107.40
	Finance Expenses	601.97	505.93
		37,439.34	35,562.98
	- Less: Closing inventory of finished goods, work in progress and stock in trade	33,011.10	33,206.34
	Cost of Sales - Construction Division	4,428.24	2,356.64
18.1.1	LAND/LAND RELATED EXPENSES		
	- Land/Land Development Rights	2,230.00	8.88
	- Land Related Expenses	422.42	340.99
		2,652.42	349.87
18.1.2	DEVELOPMENT & CONSTRUCTION EXPENSES		
	- Materials Consumed :		
	- Opening Stock of Materials	46.02	102.25
	- Add: Purchases during the year	115.72	100.07
		161.74	202.32
	- Less: Closing stock of raw material	34.52	46.02
		127.22	156.30
	- Labour cost	129.14	206.67
	- Other Construction Expenses	87.93	168.83
	- Add/(Less) : Provision for Cost to complete substantially completed Units (Net of Opening & Closing)	(321.41)	(511.33)
		22.88	20.47
18.1.3	ADMINISTRATION EXPENSES		
	- Salaries and Wages	331.98	298.75
	- Contribution to Provident and other funds	29.11	37.25
	- Staff Welfare Expenses	8.33	4.78
	- Services & Professional Fees	375.90	315.84
	- Travelling & Conveyance	28.27	15.65
	- Electricity Charges	14.28	11.86
	- Postage, Telegram & Telephone	4.89	5.11
	- Printing & Stationery	8.49	7.95
	- Insurance	0.83	0.81
	- Repairs & Maintainance	12.60	13.87
	- Miscellaneous Expenses	16.88	46.65
		831.56	758.52
18.1.4	MARKETING EXPENSES		
	- Advertisements and Sales Promotion Expenses	124.17	107.40
		124.17	107.40

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
18.1.5	FINANCE EXPENSES		
-	Interest expense	601.97	505.93
		601.97	505.93
18.2	COST OF SALES (C&BP DIVISION)		
-	Consumption of Raw Materials	178.97	159.12
-	Other Manufacturing Expenses	29.87	25.33
-	Administration & Selling Expenses	20.41	27.49
-	Finance Charges	0.17	0.47
	Cost of Sales - C&BP Division	229.42	212.41
19	CHANGE IN INVENTORIES OF FINISHED GOODS		
-	Opening inventory of finished goods (C&BP Division)	26.13	21.47
-	Less: Closing inventory of finished goods (C&BP Division)	(33.78)	(26.13)
		(7.65)	(4.66)
20	OTHER EXPENSE		
-	Listing Fees & filing fees	1.24	1.97
-	Donation	4.70	15.75
-	Auditors Remuneration	14.05	14.05
-	Miscellaneous expenses	1.04	0.95
		21.03	32.72
21	DEPRECIATION AND AMORTISATION EXPENSES		
-	Depreciation	12.25	14.56
-	Preliminary Expenses Written off	34.49	34.49
		46.74	49.05

22 EXCEPTIONAL EXPENSE

- 22.1 There was a dispute with State Bank of India since 2006, and consequently the Company had not provided for compounded interest, penal interest and other charges levied by State Bank of India. During September 2012 the Company arrived at Corporate Debt Restructuring (CDR) with State Bank of India, pursuant to which the debt to State Bank of India is settled for ₹ 95 crores. Before the CDR, the outstanding liability of State Bank of India in the books of Company was at ₹ 49.61 crores. The reinstatement of State Bank of India's liability from ₹ 49.61 crores to ₹ 95 crores has resulted into an additional provision of interest and other obligations, which has been charged to the Profit and Loss Account during the current year as exceptional items.

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
23	ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE VI		
23.1	Particulars of Raw Materials consumed		
	A. Construction Division		
	- Cement	6.24	17.71
	- Steel	2.37	6.47
	- Others	118.62	132.12
	Total	127.23	156.30
	B. Cement & Building Production Division		
	- Cement	65.46	58.50
	- Sand	30.58	22.08
	- Metal	15.37	14.98
	- Grit	67.56	63.56
	Total	178.97	159.12
23.2	Particulars of Production		
	Cement & Building Production Division		
	- 190 mm Solid	16.62	20.56
	- 140 mm Solid	94.23	90.66
	- 125 mm Solid	27.24	12.59
	- 90 mm Solid	15.43	28.25
	Total	153.52	152.06
23.3	Particulars of Inventories		
	Raw Materials		
	A. Construction Division		
	- Cement	0.54	0.59
	- Steel	-	2.30
	- Others	33.98	43.13
	Total	34.52	46.02
	B. Cement & Building Production Division		
	- Cement	1.08	0.82
	- Sand	4.71	1.42
	- Metal	1.24	0.85
	- Grit	5.61	0.50
	- Others	8.92	10.08
	Total	21.56	13.67
	Work in Progress		
	- Land Development Rights, Construction, Development, Administrative Marketing and Finance Expenses	33,011.10	33,206.34

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
	Finished Goods		
	A. Construction Division		
	- Completed Units	53.11	53.11
	Total	53.11	53.11
	B. Cement & Building Production Division		
	- 250 mm Hollow	0.06	0.06
	- 190 mm Solid	2.39	2.29
	- 140 mm Hollow	0.24	0.24
	- 140 mm Solid	18.98	12.13
	- 125 mm Solid	1.10	2.90
	- 90 mm Solid	5.88	3.02
	- Uni Paver	0.09	0.09
	- Uni Paver half	0.01	0.01
	- Broken blocks	5.03	5.39
	Total	33.78	26.13
23.4	Particulars of Sales		
	A. Construction Division		
	Residential Units and development Rights	6,268.00	2,609.26
	Other recoveries and operating income	9.17	48.17
	Total	6,277.17	2,657.43
	B. Cement & Building Production Division		
	- 190 mm Solid	14.47	22.09
	- 140 mm Solid	86.71	83.98
	- 125 mm Solid	28.81	11.42
	- 90 mm Solid	11.45	23.32
	- Broken blocks	0.45	0.66
	- Other recoveries and operating income	-1.65	6.28
	Total	140.24	147.75
23.5	Particulars of Imported and Indigenous consumption		
	- Consumption of Indigenous raw material, spares and components	306.20	315.42
	- Consumption of Imported raw material, spares and components	-	-
	Total Value of consumption	306.20	315.42
	- 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%

		Current year 31-3-2013 (₹ in lacs)	Previous year 31-3-2012 (₹ in lacs)
23.6	Expenditure in Foreign Currency	-	-
23.7	Earnings in Foreign Currency	-	-
23.8	Payments to the auditor		
	- As auditors	8.43	8.43
	- For taxation matters	2.81	2.81
	- For other services	2.81	2.81
		14.05	14.05
23.9	Managerial Remuneration		
	Remuneration to directors in accordance with the conditions specified in the schedule XIII of the Companies Act, 1956, ₹ Nil (previous year ₹ Nil).		
23.10	Segment Information		
	1. Segment Revenue		
	(net sale/ income from each segment should be disclosed under this head)		
	a) Construction & Real Estate Development	6,268.00	2,609.26
	b) Cement Product Division	141.89	141.47
	Total	6,409.89	2,750.73
	Less: Inter segment revenue	0.17	0.25
	Net sales/ income from operations	6,409.72	2,750.48
	2. Segment Results		
	(Profit (+)/ (Loss) (-) before tax and interest from each segment)#		
	a) Construction & Real Estate Development	2,906.10	978.75
	b) Cement Product Division	(87.64)	(66.45)
	Total	2,818.46	912.30
	Less: i) Interest **	1,097.97	720.81
	Add: i) Other un-allocable income		
	net off unallocable expenditure	(11.38)	1.71
	Total Profit Before Tax	1,709.11	193.20
	# 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	25,067.24	20,957.31
	b) Cement Product Division	(53.52)	34.50
	c) Unallocated	1,383.60	832.49
	Total	26,397.32	21,824.30
	*** Capital Employed is inclusive of Long Term Debts		

23.11 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	Mrs. Rajani L. Gandhi Mrs. Shraddha D. Gandhi Late Mr. Lalit C. Gandhi Mr. Tarak L. Gandhi
c)	Associates and Joint Ventures	LGNC Ltd. Lok Realty Corporation Pvt. Ltd. Remaking of Mumbai Development Ltd. Saturn Trading Pvt. Ltd. Lok Enterprises L. L. Builders Lok Nagari Developers (Joint Venture) Lok and Jaydeep (Joint Venture) Lok Sarita Developers (Joint Venture) Lok Amber Developers (Joint Venture) Lok Fortune Joint Venture

Transactions with related parties during the year and balances as on 31st March, 2013.

(₹ in lacs)

Nature of Transactions	Ref in (a)	Ref in (b)	Ref in (c)	Total
PURCHASES	-	-	-	-
SALES				
Current Year	-	-	4,814.47	4,814.47
(Previous Year)	-	-	(1,093.48)	(1,093.48)
INCOME				
Other Service charges				
Current Year	-	-	7.30	7.30
(Previous Year)	-	-	(5.72)	(5.72)
EXPENSES				
Remuneration				
Current Year	-	4.90	-	4.90
(Previous Year)	-	(2.70)	-	(2.70)

(₹ in lacs)

Nature of Transactions	Ref in (a)	Ref in (b)	Ref in (c)	Total
INVESTMENTS				
Investment in Joint Venture				
Current Year	-	-	789.61	789.61
(Previous Year)	-	-	(238.48)	(238.48)
OUTSTANDING				
Payables				
Current Year	5.59	173.05	329.66	508.30
(Previous Year)	(8.10)	(173.70)	(56.00)	(237.80)
Receivables				
Current Year	-	-	2,094.75	2,094.75
(Previous Year)	-	-	(830.00)	(830.00)
Loans and advances				
Current Year	-	-	6.49	6.49
(Previous Year)	-	-	(4.72)	(4.72)

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

As per our audit report of even date.

For BHUPENDRA SHROFF & CO.,

Chartered Accountants

B. N. SHROFF

Partner

Place : Mumbai

Date : July 23, 2013

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 Limited

LOK HOUSING AND CONSTRUCTIONS LIMITED

Regd. Office: 4, Lok Bhavan, Lok Bharati Complex,
Marol Maroshi Road, Andheri (E), Mumbai – 400 059

July 23, 2013

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 LTD.

Sd/-

(Vijay B. Sharma)

Company Secretary

NOTES

[illegible]

[illegible]

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-EIGHTH 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 Thursday, the 19th September, 2013.

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.

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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-eighth Annual General Meeting of the Company to be held at 4:00 p.m. on Thursday, the 19th September, 2013.

Signed this _____ day of _____, 2013.

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.

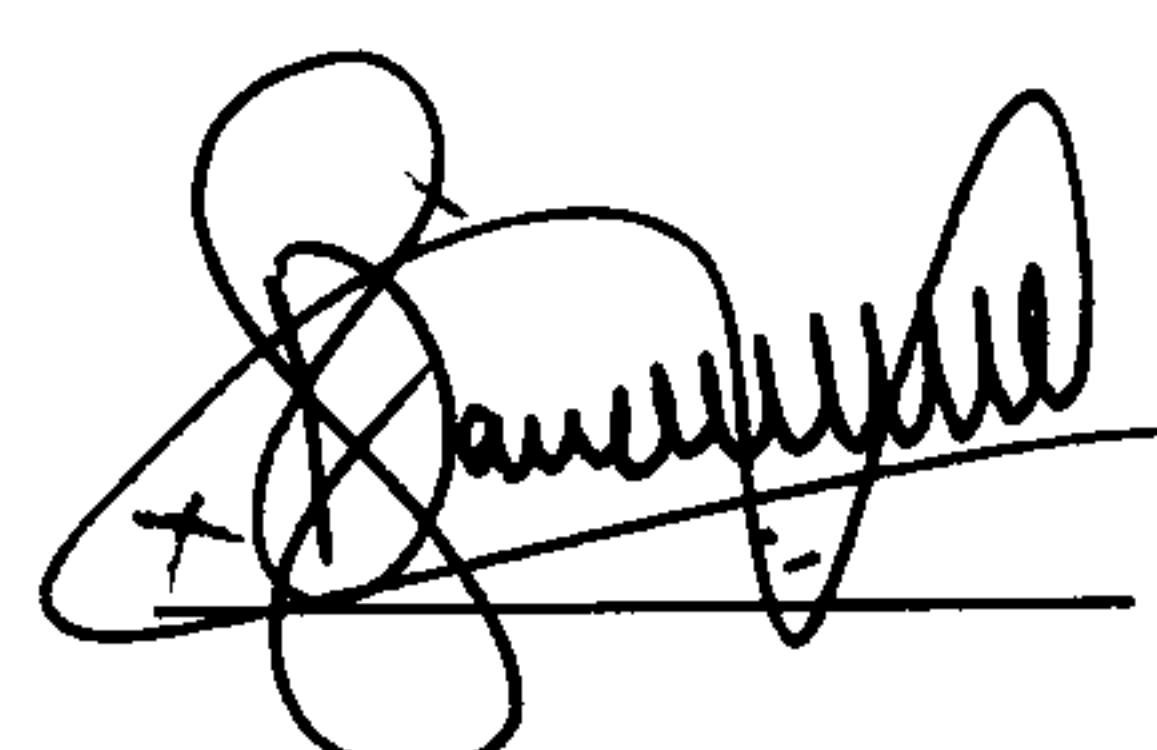
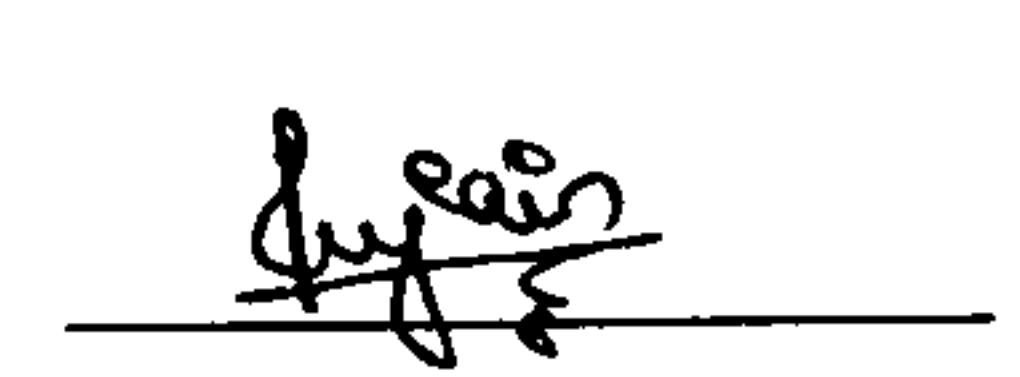
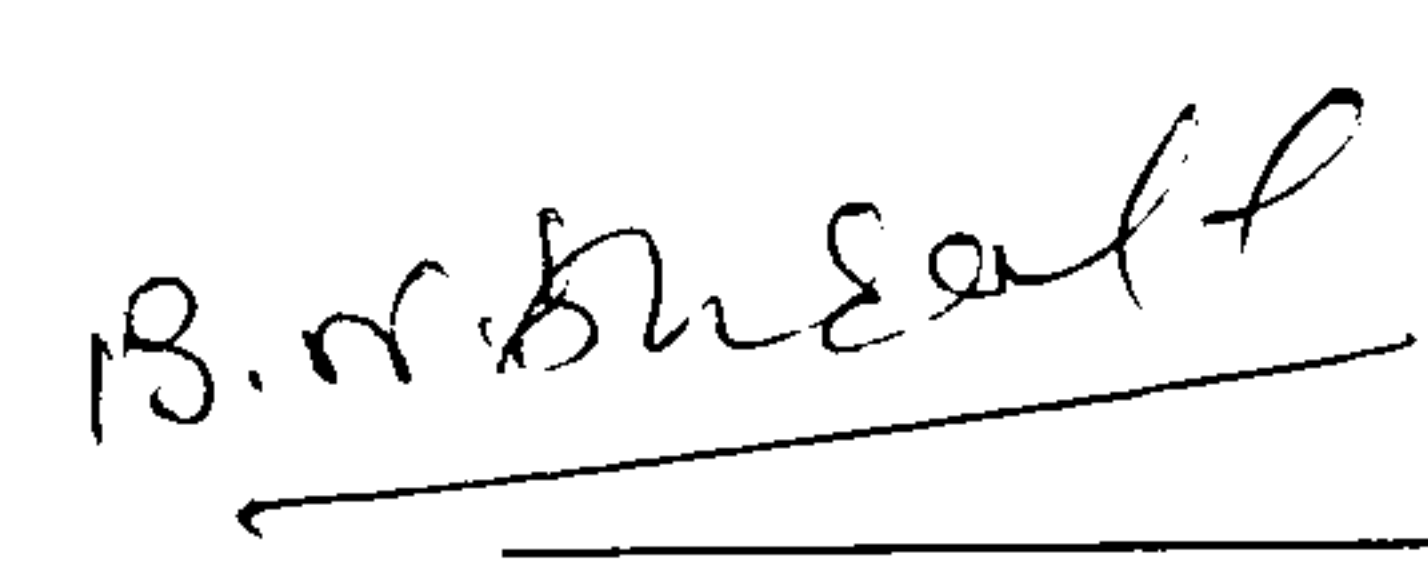
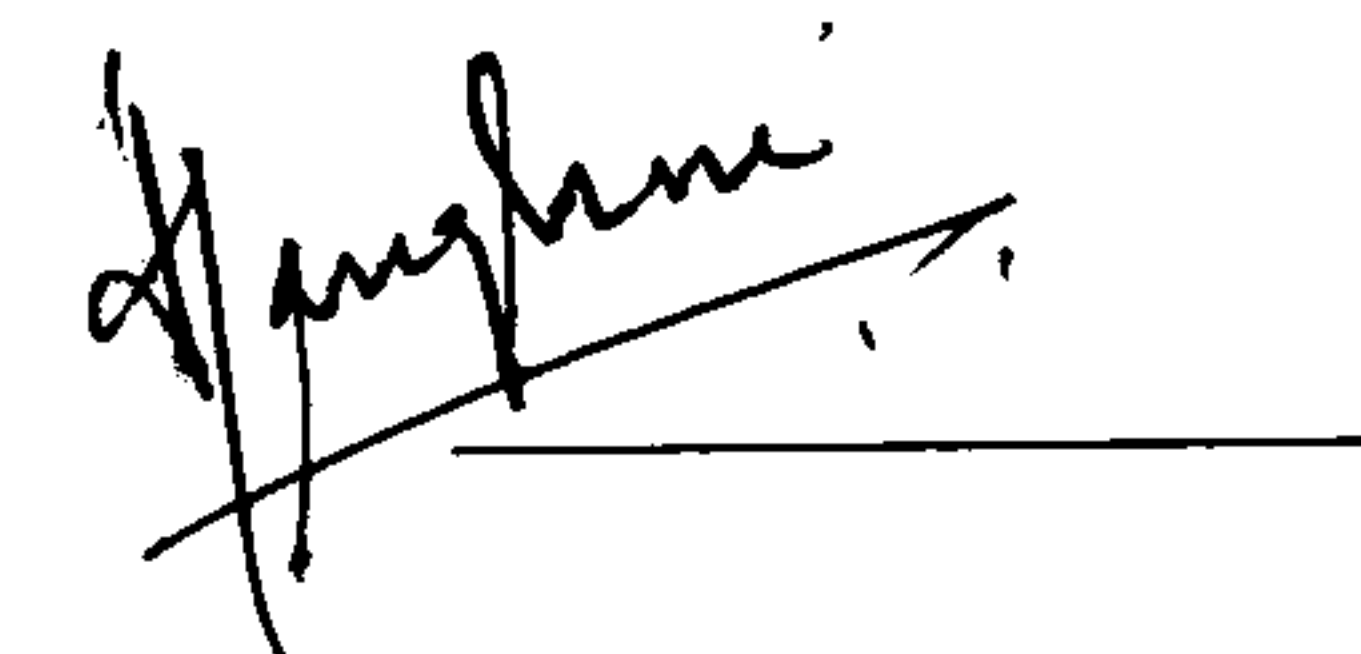
Book-Post

If undelivered return to:

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

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Lok Housing And Constructions Ltd.
2.	Annual financial statements for the year Ended 31st March	31 st March, 2013.
3.	Type of Audit observation Un-qualified / Matter of Emphasis	Unqualified.
4.	Frequency of observation	Nil / N.A.
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<div style="text-align: right;">  (Darshan L. Gandhi) Managing Director. </div> <div style="text-align: right;">  (Sumeet Jain) HOD(Accounts, Finance & Taxation) </div> <div style="text-align: right;">  (Bhupendra Shroff) Auditor </div> <div style="text-align: right;">  (Chiman J. Sanghavi) Chairman </div>

Place : Mumbai.

Date : 22nd August, 2013.